S. HRG. 110–219

Senate Hearings

Before the Committee on Appropriations

Department of Defense Appropriations

Fiscal Year 2008

110*th* CONGRESS, FIRST SESSION

H.R. 3222

DEPARTMENT OF DEFENSE
NONDEPARTMENTAL WITNESSES

Department of Defense Appropriations, 2008 (H.R. 3222)

S. HRG. 110–219

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2008

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

ON

H.R. 3222

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENT OF DEFENSE FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2008, AND FOR OTHER PURPOSES

Department of Defense
Nondepartmental Witnesses

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DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2008

WEDNESDAY, FEBRUARY 28, 2007

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

The subcommittee met at 10:40 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Dorgan, Stevens, Cochran, and Domenici.

DEPARTMENT OF DEFENSE

STATEMENT OF HON. GORDON ENGLAND, DEPUTY SECRETARY OF DEFENSE

ACCOMPANIED BY:

ADMIRAL EDMUND P. GIAMBASTIANI, JR., VICE CHAIRMAN, JOINT CHIEFS OF STAFF

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

OPENING STATEMENT OF SENATOR DANIEL K. INOUYE

Senator INOUYE. The hearing will please come to order.

Mr. Secretary, we appreciate your appearing before the subcommittee as we begin our review of your administration's fiscal year 2008 Department of Defense (DOD) budget request. We would also like to welcome the Comptroller, the Honorable Ms. Jonas, Under Secretary of Defense, and the Vice Chairman of the Joint Chiefs of Staff, Admiral Giambastiani.

The budget request before the subcommittee is $463.2 billion, an increase of 11 percent over the fiscal year 2007 budget. In addition, the Department is requesting $141 billion to continue the global war on terror in fiscal year 2008. These two budgets bring the total requests for DOD's operations in fiscal year 2008 to $604.2 billion, representing an enormous investment for the American taxpayer, an investment which, although necessary, has the unintended consequence of reducing opportunities to invest in other critically important sectors such as education and health.

Mr. Secretary, we share your mandate to assure a strong defense for our Nation and look forward to discussing these defense priorities and challenges, and I believe every member of this subcommittee will agree that our men and women in uniform deserve the best leadership, equipment, and training that can be provided.

We also expect them to receive fair compensation and compassionate care when wounded or ill.

As stewards of our national treasure, we must be sure that these funds are efficiently and effectively getting the best value for the American people. It's imperative. Today and over the course of the next several weeks we look forward to hearing what steps DOD is taking to reduce costs and improve business practices so that future budget requests avoid unwarranted cost increases.

Secretary England, I thank you for appearing today. Your full statement is made part of the record, but before we begin, may I turn to my vice chairman, the Senator from Alaska, Mr. Stevens, for his opening remarks.

Senator STEVENS. Thank you very much, Mr. Chairman. In view of the delay, I won't make any opening. Just put mine in the record. I welcome the Secretary, Ms. Jonas, and the Admiral also, that we rely on very greatly in terms of their presentations.

[The statement follows:]

PREPARED STATEMENT OF SENATOR TED STEVENS

I join the Chairman in welcoming our witnesses here today. Thank you all for your service and for appearing here to discuss the fiscal year 2008 budget request.

We face a difficult task in balancing the military's competing requirements for modernization, maintaining force readiness, and improving the quality of life for our military service members and their families. As we all know, the demand for funding far surpasses the amounts available. We look forward to working with you to meet the most pressing needs. I look forward to hearing your testimony here today.

Thank you, Mr. Chairman.

Senator INOUYE. Mr. Secretary.

Mr. ENGLAND. Mr. Chairman, thank you, and Senator Stevens, members of the subcommittee. It is our pleasure to be with you today. The statement is in the record, so I'm frankly just going to say a word or two. That is, I know you had a long session yesterday with the Secretary and with General Pace, and so I believe you have our perspective on the budget at this time.

So today, Tina Jonas, the Comptroller, and Admiral Giambastiani, the Vice Chairman, and myself would like to provide whatever clarifying we can today to build on the testimony yesterday. We're pleased to do that. We're also obviously pleased to meet with you or your staff or members on any issue that you may have as we go forward.

PREPARED STATEMENT

So rather than have a lengthy commentary at the beginning here, we are ready for your questions, and we appreciate the opportunity to be able to expand on yesterday's hearing. Thank you for the opportunity to be with you today.

Senator INOUYE. Thank you very much, Mr. Secretary.

[The statement follows:]

PREPARED STATEMENT OF HON. GORDON ENGLAND

Chairman Inouye, Senator Stevens, members of the Senate Appropriations Sub-Committee on Defense, thank you for the invitation to discuss the defense budget requests. And thank you for your continuing support for all of our men and women in uniform and their civilian counterparts. We all share a common objective—to protect and defend America, and to prepare the men and women of the Department of Defense to help do so.

The Vice Chairman of the Joint Chiefs of Staff Admiral Giambastiani and the Under Secretary of Defense (Comptroller) Ms. Jonas are here with me, and the three of us look forward to your questions.

CONTEXT AND VISION

When authorized, the defense budget request will provide our joint warfighters with what they need to accomplish their mission of protecting and defending America—our land, our people and our way of life. The mission is to defeat terrorists, protect the homeland, and deter and if necessary defeat future threats. Iran, North Korea, and China—in different ways—are currently the most worrisome concerns.

It is important not to lose sight of the long-term strategic picture while we prosecute the current war. The Department still requires systems to deter or dissuade possible future threats. It is a lot less expensive to deter and dissuade, than to fight and defeat. It is important both to fund near-term tactical expenses and to invest in long-term deterrence, or the Nation will be at risk. Finding the balance is—as always—a challenge for the Department and for the Nation.

The budget requests currently before you will achieve the following things:

—Make the necessary strategic investments to modernize to meet current and future security challenges and to recapitalize joint warfighting capabilities;

—Sustain the all-volunteer military by increasing ground forces, reducing stress on the force, and improving the quality of life for our servicemembers and their families;

—Improve readiness throughout the force through additional training and maintenance, and more timely force reset after deployment;

—Enable the United States and partner nations to achieve success in the war on terror—in Iraq, in Afghanistan, and around the world.

BUDGET REQUESTS

There are three requests before the Congress. The President's request for fiscal year 2008 includes the base defense budget request for $481.4 billion and $141.7 billion to fight the global war on terror. The fiscal year 2007 Emergency Supplemental Appropriation request for the Global War on Terror is $93.4 billion. The total request is $716.5 billion.

These numbers are undoubtedly large. They exceed the defense spending of America's closest allies—and the entire GDP of many of our close partners. But they also reflect the realities and responsibilities of this Department—what is required to adequately protect and defend America, now and in the future.

Let me first describe the "theory of the case" for using these three categories, then review what each of the requests buys the Nation in terms of security and defense.

CATEGORIES

In general, the base budget funds the Department's mission to "man, organize, train and equip" America's armed forces. The base budget captures and balances the costs of sustaining the force, with the costs of investing in capabilities needed to meet emergent security challenges.

Supplementals, in turn, have been used to finance the ongoing costs of contingency operations, including costs of the global war on terror. Iraq- and Afghanistan-related costs account for most of the total. One helpful way to think about this category is that it includes "emergency" costs, brought about by the current war effort, which the Department would otherwise not have had at this time.

In Title IX of the fiscal year 2007 DOD Appropriations Act, Congress appropriated $70 billion in emergency funds to the Department. One of the budget requests now before you is the Department's fiscal year 2007 supplemental request, to continue to support war-related costs for the rest of the current fiscal year.

In fiscal year 2008, the approach is somewhat different. In the National Defense Authorization Act for Fiscal Year 2007, the Congress directed the President to submit the full-year costs of ongoing operations in the war on terror in the defense budget.[1] Accordingly, the global war on terror request for fiscal year 2008 is being submitted as part of the defense budget. Substantively, it covers the same kinds of requirements addressed in previous supplementals. Since it addresses the inherently changeable circumstances of war, accurately predicting requirements is difficult, so the Department has used projections based on current monthly war costs.

[1] Pursuant to Section 1105.

WHAT THE BASE BUDGET BUYS

Broadly, the base budget breaks down into several major categories—balanced between people and equipment, and between current and future needs. For 2008, those categories, and their amounts, are:

[Dollars in billions]

	Amount	Percent
Readiness and support [1]	($146.5)	30
Strategic modernization [2]	(176.8)	38
Military pay and healthcare [3]	(137.0)	28
Facilities [4]	(21.1)	4

[1] Readiness and support is about the ability to provide warfighting capabilities whenever and wherever the Nation needs them: Readiness $65.9 billion; Base operations and recruiting $59.9 billion; Maintain equipment and buildings $18.2 billion; Commissaries $2.5 billion.

[2] Strategic modernization is based on a long-term view of the capabilities required to succeed against current and possible future adversaries: Navy and aircraft $62.4 billion; aircraft and satellites $50.9 billion; ground capabilities and support systems $37.8 billion; research and development to include science and technology, and chemical and biological defense $16.8 billion; Missile Defense Agency $8.9 billion.

[3] The military pay and healthcare category is about taking care of our military and their families. It includes pay for the 1.3 million active component and 0.8 million reserve component members $98.3 billion; and one of the best health care systems in the world, for military and dependents $38.7 billion, which reflects a −$1.9 billion adjustment for anticipated savings for DOD's sustaining benefit proposal.

[4] Facilities costs include: Family housing $2.9 billion; BRAC implementation $8.4 billion; Operational and training facilities, troop housing, and base infrastructure $9.8 billion.

This base budget request includes an increase of $49.4 billion over the enacted budget for fiscal year 2007. Some of the top priorities are as follows:

The Department's top priority—and our greatest asset—is our people. America continues to be blessed that in every generation, brave men and women have stepped forward to serve a cause higher than themselves. The Department responds by continuing to support a high quality of life for our servicemembers. Almost one-third of the base budget is allocated to taking care of our men and women in uniform, and their families.

The Department's success in this regard is reflected in the services' ongoing ability to meet recruiting and retention goals.

AC recruiting.—All four services met or exceeded recruiting goals throughout fiscal year 2006, and have continued to do so through January 2007. AC recruiting as a percent of goal, over time:

	Fiscal year 2006	Oct. 2006	Nov. 2006	Dec. 2006	Jan. 2007
USA	101	108	105	123	111
USN	100	100	100	100	100
USMC	100	101	104	110	108
USAF	100	100	100	100	100

RC accessions.—In January 2007, four of six components exceeded their goals:

	Fiscal year 2006	Oct. 2006	Nov. 2006	Dec. 2006	Jan. 2007
ARNG	99	123	113	119	101
USAR	95	98	79	102	99
USNR	87	87	91	80	93
USMCR	100	102	102	104	102
ANG	97	117	115	105	103
USAFR	106	100	100	105	103

AC retention.—In January 2007, AC retention was solid—USAF and USMC are meeting or exceeding overall retention missions. USA is exceeding its year-to-date mission; while USN met 93 percent of its mission.

RC attrition.—For the most recently available month, December 2006, attrition in all reserve components was well within acceptable limits—as it has been since at least the beginning of fiscal year 2006.

Though not directly reflected numerically, recent policy changes concerning the use of the Guard and Reserves will allow servicemembers more predictable mobilization schedules—and more time with their families—also directly improving quality of life.

New in this budget request is support for increasing the permanent endstrength of the Army and Marine Corps. Recently, the President announced the plan to increase the total ground forces by 92,000, by fiscal year 2012. The Army will grow from 482,400 to 547,400, and the Marine Corps from 175,000 to 202,000. The Department adds $12.1 billion in the fiscal year 2008 base budget to support the first

step—an increase of 7,000 soldiers and 5,000 marines. Based on a continuing need for military forces, the endstrength increase will improve the ratio of time spent deployed versus time at home, in turn reducing stress on individuals and families.

The increase in requested funds to improve readiness and support—$16.8 billion more than enacted for fiscal year 2007—reflects lessons learned from current engagements about the changing nature of warfare and the need to be better prepared for it. Almost half of the requested increase will support training—increased full-spectrum training; combat training center rotations; sustained air crew training; and increased steaming days for ships.

The increase in funds for readiness and support will also support the Department's move toward greater net-centricity—a system of networks and approaches designed to make information available to whomever needs it, wherever they are, in real time. This is an integral part of the Department's approach to 21st century warfighting.

The single largest category in the base budget request is strategic modernization—making sure the Department has the weapons systems needed, in every domain—ground, air, maritime, space and cyberspace—to meet the full array of emerging security challenges. Major investments in these domains, in fiscal year 2008, include:

—*Future Combat Systems ($3.7 billion).*—FCS, including unmanned aerial vehicles, manned and unmanned ground vehicles, and other linked systems, is the Army's first comprehensive modernization program in a generation. This is the Army's way forward.

—*Joint Strike Fighter ($6.1 billion).*—This international program provides the next-generation strike aircraft in three variants designed to meet the different needs of the Air Force, the Navy, and the Marine Corps, and our friends and allies. The program includes international partnerships with 8 countries—based on shared investment, full interoperability, and thus a concrete, shared stake in the future.

—*Shipbuilding/Joint Maritime Capabilities ($14.4 billion).*—The 2008 request supports the Navy's long-range shipbuilding plan, designed to produce a versatile 313-ship Navy by 2020. The increase of $3.2 billion over last year primarily supports the next-generation aircraft carrier, the CVN–21; and the LPD 17 amphibious transport ship. (The $14.4 billion includes Army funding for the Joint High Speed Vessel.)

The base budget is currently under relatively greater pressure than in past years, because the average age of equipment is rising. In fiscal year 2006, the average age of nuclear attack submarines was about 18 years; of the Air Force's strategic airlift—15 years; of tactical fighters—20 years; of tactical airlift—26 years. It is important to address some of these issues now, since older equipment, as a rule, costs more to maintain and has lower operational availability.

One of the most critical recapitalization challenges is the Air Force's KC–135 tanker fleet, whose current average age is 45 years. The Air Force has announced a competition to replace this aircraft with the KC–X, which will be able to carry cargo and passengers, and comes equipped with defensive systems. This platform is the Air Force's number one acquisition priority, essential for total force global operations.

The end of the Cold War changed the calculus concerning the primary missile threat the United States faces—but in an increasingly proliferated world, the threat is more multi-faceted and less predictable than ever before. The United States is deeply concerned about missile developments in North Korea and Iran, and wary of China's recent use of ballistic missile technology to destroy space assets. Many other countries have or are seeking ballistic missiles.

The missile defense "good news story" is that with support from the Congress, the Department has already fielded an integrated missile defense capability that continues to get stronger and more effective. International missile defense cooperation with the United States continues to grow—in Europe, Asia and the Middle East. This budget request seeks $9.9 billion to continue that progress.[2]

In today's security environment, no single nation can successfully meet all the challenges alone. A critical part of the Department's strategic vision—highlighted in the 2006 Quadrennial Defense Review—is the importance of international partnerships. The Department is vigorously engaged in updating long-standing alliances, and reaching out to new partners around the world. NDAA 2007 provided a very helpful catalyst for this effort, in the section 1206 authority for the Departments

[2] Includes $8.9 billion for the Missile Defense Agency; $0.6 billion for Patriot PAC–3; $0.4 billion for Patriot/MEADS CAP.

of Defense and State to train and equip partner nations' forces. The 2008 base budget request includes $500 million in dedicated funding for this critical initiative.

WHAT THE 2007 SUPPLEMENTAL BUYS

Before the Congress are two requests to fund war costs—the fiscal year 2007 Emergency Supplemental Appropriation request, and the fiscal year 2008 global war on terror request. They cover similar substantive ground—in three major categories: continuing the fight, increasing ground forces, and accelerating reconstitution.

The 2007 Emergency Supplemental request breaks down this way:

[In billions of dollars]

	Amount
Continuing the Fight [1]	65.0
Ground Forces [2]	10.9
Reconstitution	13.9
Non-DOD Classified	3.6

[1] Operations $39.3 billion; Force Protection and IED Defeat $10.4 billion; Military intelligence $2.7 billion; Security Forces $9.7 billion; Coalition Support and CERP $1.5 billion; Military Construction $1.1 billion; Regional War on Terror $0.3 billion.

[2] Accelerate Brigade Combat Teams and Regimental Combat Teams $3.6 billion; Grow the Force $1.7 billion; U.S. Forces ''plus up'' $5.6 billion.

The Department's single greatest focus for our deployed men and women is force protection. Today, the single deadliest threat to our forces comes from Improvised Explosive Devices (IEDs). The terrorists who use them are highly creative and adaptive, they make use of relatively unsophisticated technologies to deadly effect, and they share "lessons learned" in real time. The Department is grateful for the support from Congress to date that has allowed the very rapid development and fielding of counter-measures. It remains critically important to continue this investment.

The most critical element of the supplemental request is reconstitution—repairing and replacing equipment destroyed, damaged, or otherwise stressed from the demands of warfighting, to restore DOD inventories. When equipment is lost, the Department has a methodology for replacing it—with the latest appropriate model, not with something obsolete. The 2007 supplemental includes these costs.

This 2007 supplemental request includes funds for the "plus up" of U.S. forces deploying in support of Operation Iraqi Freedom. As the President has described, the additional forces are part of the Nation's new way forward in Iraq. As the incoming commander of Multi-National Forces-Iraq recently testified, their success will depend not only on their numbers, but also on their partnership with their Iraqi counterparts. The total cost of the "plus up" is projected to be $5.6 billion. Costs include supporting the deployment of five brigade combat teams and an enhanced naval presence. This estimate may be increased by additional support troops, depending on commanders' needs.

America's most direct partners in building stable and secure environments in Iraq and Afghanistan are the security forces—the military and the police—of those two countries. Ultimately, they and their political leaders bear the responsibility for establishing conditions for peace and prosperity, including standing up sufficient forces to assume security responsibility for their countries. The United States plays a supporting role—through training, equipping, mentoring and helping to sustain those forces.

Substantial progress has already been made. In Iraq, for example, well over 300,000 Iraqi security forces have been trained and equipped, and Iraqis have assumed full security responsibility for 3 of 18 provinces. Next steps include enhanced embedding of U.S. forces to help increase Iraqis' ability to assume full control of security. In Afghanistan, one of the most important elements of the strategy to counter the Taliban and Al Qaeda is ensuring an indigenous Afghan capability to conduct independent counter-insurgency operations. The 2007 supplemental request seeks $3.8 billion for further support to the Iraqi security forces, and $5.9 billion for the Afghan security forces.

Successful counter-insurgency requires the application of all instruments of national power—there is no exclusively military solution. Economic development and security are two sides of the same coin—in the short term, you need security to get the economy going; while in the long term, you can't have security without economic development. In the early days of Operation Iraqi Freedom, commanders on the ground recognized the importance of helping to jump-start the local economy. The Commanders' Emergency Response Program (CERP) provided limited but immediately-available funds, to make a concrete difference in people's daily lives. Many

commanders considered CERP the most powerful tool in their arsenal. This fiscal year 2007 supplemental request includes $456 million to continue CERP.

One very important caveat: It is vitally important to the Department that the fiscal year 2007 supplemental be approved by Congress in a timely manner. By mid-April, if the request is not approved, the Department will need to begin reprogramming other funds—with all the associated disruptions to other efforts.

WHAT THE 2008 GWOT REQUEST BUYS

The fiscal year 2008 global war on terror request, for $141.7 billion, covers similar requirements, and will continue past the fiscal year 2007 supplemental.

The GWOT Request breaks into the following major categories:

[In billions of dollars]

	Amount
Continuing the Fight [1]	96.6
Ground Forces [2]	1.6
Reconstitution	37.6
Non-DOD Classified	5.9

[1] Operations $70.6 billion; Force Protection and IED Defeat $15.2 billion; Military intelligence $2.7 billion; Security Forces $4.7 billion; Coalition Support and CERP $2.7 billion; Military construction $0.7 billion.

[2] Accelerate Brigade Combat Teams and Regimental Combat Teams $1.6 billion.

The GWOT request devotes $15.2 billion to continue force protection efforts—including technology to disrupt attacks, vehicles with V-shaped hulls to better withstand blasts, and a new generation of body armor.

Successful counter-insurgency efforts in Iraq and Afghanistan, and more broadly in the war on terror, continue to require the closest possible partnership with host nations, and the application of the full spectrum of political, economic and security tools. The GWOT request includes $4.7 billion to continue the establishment of Iraqi and Afghan Security Forces, and nearly $1 billion for the CERP program.

CONCLUSION

The Department recognizes that the three requests before the Congress represent an enormous amount of the taxpayers' money. The Department also recognizes its fiduciary responsibility to spend those funds wisely. Detailed supporting data and rationale have been provided for each dollar requested, and staff from the Military Departments and from the Office of the Secretary of Defense are available for discussion and clarification.

Lastly, the Department is actively improving its processes to be more efficient and effective in all of its activities.

Chairman Inouye, Senator Stevens, thank you for your support of our men and women in uniform. And thank you to each member of this subcommittee, for your support for all the brave men and women who wear the cloth of this Nation. We look forward to your questions.

Senator INOUYE. Would the others wish to testify? Ms. Jonas.

Ms. JONAS. I have no statement, sir.

Senator INOUYE. Admiral Giambastiani.

Admiral GIAMBASTIANI. No statement, sir.

Senator INOUYE. Then, if I may, I'd like to begin.

RECRUITING

Mr. Secretary, the Department recently announced to increase the permanent end strength of the Army and the Marine Corps, and so you put on additional pressure to achieve a high recruiting and retention level. This budget provides $2.7 billion for recruiting bonuses and retention incentives. Do you believe that this is sufficient to bring up the end strength results?

Mr. ENGLAND. Mr. Chairman, we do. We have met all our services for 18 months running in terms of our recruiting, and so we are increasing the Army by 7,000 and the Marine Corps by 5,000

a year. Our retention is very good, our recruiting is very strong, and, in fact, it's above our objectives here in the last few months.

So, yes, we do believe that that is adequate, and both the Army and the Marine Corps are confident that they can grow the force by that 7,000 and 5,000 a year that we have projected in the budget.

Senator INOUYE. Because the talk on the street is that recruiting hasn't been as good as anticipated. Is that correct?

Mr. ENGLAND. Mr. Chairman, not my understanding. I mean, all the data I have looked at is that recruiting continues to be very strong. The Army is actually ahead of where they thought they would be this year in terms of the manpower, so we actually start out this year better than we thought in terms of growing the force.

So the data I have available, that's not the case, Mr. Chairman. The Army is doing very, very well, and they have for 18 months. Marine Corps meets their objective every time. I believe the only case where we are down at all is, Navy Reserve is down slightly, but as you know the Navy has also been decreasing the size of the force, so that's sort of a corollary to that decrease. Otherwise, all the recruiting and all the retention numbers remain very high.

Admiral GIAMBASTIANI. If I could just add to that, Mr. Chairman——

Senator INOUYE. Admiral.

Admiral GIAMBASTIANI [continuing]. Recruiting is tough every day, but I agree completely with the Deputy Secretary that we have sufficient resources and we've put sufficient personnel and the budget figures are sufficient to be able to allow us to do what we're doing to increase the size of the Army and the Marine Corps.

Senator INOUYE. Well, I had this question because the Congressional Research Service (CRS) indicated that in fiscal year 2006 the Army fell 9 percent short, and this was a 6 percent drop from the previous year, but you're satisfied?

Mr. ENGLAND. Yes, sir, we are. Again, all my data says the Army and Marine Corps are both doing very well in terms of their recruiting and retention, and we've seen no slack in there. I mean, frankly, it is hard because the number of youth available is relatively small in terms of meeting the criteria for the military, but so far, God bless America, we've had great Americans willing to serve, and that continues.

Admiral GIAMBASTIANI. Mr. Chairman, I believe that fiscal year 2006 is the largest and most successful year of Army recruiting in about 15 years. It's the largest number we've brought in. In fact, what the Chief of Staff of the Army likes to say is that they have recruited essentially the entire Marine Corps, between the Army active forces, Army Reserve, and National Guard, when you put them all together—almost 180,000.

C–17

Senator INOUYE. Well, Mr. Secretary, your budget appears to begin shutting down the C–17 production line. It appears that there are several new factors affecting that decision: the increases in the Army and Marine Corps end strength; spiraling costs in the C–5 reengining; and the possible creation of a dedicated naval C–17 fleet. In the absence of new studies on the strategic lift require-

ment, are you certain that closing the C–17 production line is a wise course of action?

Mr. ENGLAND. Mr. Chairman, we will take a look again based on the increased size of the force, but the last study we conducted, we added one airplane last year, but in total between the Congress and ourselves the number of airplanes went up by 10 last year, so we are now 10 above or 9 above where our studies indicated, which I believe was 181 airplanes for C–17s as a result of the study. So we're now at about 190 airplanes, about 10 above that study.

My expectation is, that's going to be more than adequate along with the C–5A upgrade, and the C–5 upgrade is proceeding well at this point. So it's probably a valid question, at least to take a look one more time based on a larger force, to make sure that we can handle that, and we will go back and update that study just to make sure. But we now have about 10—we now have authorized 10 C–17s more than the study last year indicated we would need for the force. But we will take a look at it based on the increased size of the force.

Senator INOUYE. Mr. Secretary, excuse me. I've got a cold. You have requested $111 million for the North Atlantic Treaty Organization (NATO) C–17. What is the status of negotiations with NATO on buying and supporting and operating C–17s?

Mr. ENGLAND. Mr. Chairman, still ongoing. We have I believe at this point three and one-half airplanes committed, including the one airplane that the United States would commit to. We were looking for four airplanes that would be available under NATO markings, so all the NATO member nations would have so many hours per year, that is so that a nation would not have to buy a whole C–17 but they could buy flying hours, like 500 hours a year or some number.

So we now have a number of nations, and that consortium is at three and a half airplanes. On the other hand, we have had some frankly problems in getting this implemented with NATO because of resistance of a few of the countries in NATO, so we continue to work this.

It is very important because the one shortcoming of NATO is strategic lift, so if we can get through this hurdle with NATO, then we do provide a capability in Europe of strategic lift, and it does ease the pressure somewhat on us, where now we have to provide a lot of the strategic lift whenever those forces are moved into theater. So this is a very good way to get NATO involved, a very good way for NATO to have a capability, but the answer is we're still in that negotiation, Mr. Chairman. We don't have that as a clear way ahead yet, but we're still working it.

Senator INOUYE. Well, do you have a level of confidence it will happen?

Mr. ENGLAND. Yes, sir, I do have a level of confidence. I'll tell you we've worked this very hard because it's so important in NATO. There's just specifically two countries that have been resisting this. We believe that we have a way ahead. In fact, we just had discussions yesterday and the day before on this subject. So I believe we will have a way ahead on this, and it is an important initiative for us and for NATO.

Admiral GIAMBASTIANI. Mr. Chairman, if I could just add to that——

Senator INOUYE. Yes, sir.

NORTH ATLANTIC TREATY ORGANIZATION

Admiral GIAMBASTIANI [continuing]. From the military side, having been a NATO Supreme Allied Commander, General Jones and I worked very hard to describe the military requirement of this side, and frankly the alliance is very strong on the need for strategic airlift and the ability to come up with any way to make this happen. In this case the consortium is very welcome by essentially all the militaries inside NATO.

I'm speaking as a former commander now, and I would just tell you that I see great things for this because it will give NATO a capability we simply do not have. I would also add, though, that there are one or two other countries who are part of this consortium that are not NATO members. Sweden is an example of that. So there are other members who want to buy hours, if you will, within the consortium. Thank you.

Senator INOUYE. Than you very much.

Mr. Secretary, I have many other questions, but as you can see, it is difficult for my voice, so may I call upon the vice chairman?

Mr. ENGLAND. Please.

Senator STEVENS. Well, thank you, Mr. Chairman.

Mr. Secretary, I share the chairman's concern over the C–17. Neither one of us have production in our State, but we have sort of a personal feeling about this because we remember that that plane was almost killed by the other three defense committees, and we believed it should be our next generation cargo plane. Now, do you have a follow-on for the C–17 in the works?

Mr. ENGLAND. No, sir, we don't. C–17 of course will last us a long time. Senator Stevens, I mean, at some point we do have to stop the production of the airplane, and all of our analysis supported 180 airplanes. We're now 10 above that. We have some going to NATO, hopefully another four or so. Some other countries have bought some C–17s. So the question is, when do we have enough?

We are modifying the C–5. There are some advantages to C–5 because it takes outsize cargo that a C–17 does not carry, so they're complementary in some respects, and of course we're investing heavily in that upgrade program.

The question is, when do we stop production? All the analysis indicates that we have a sufficient quantity but, as I indicated to the chairman, based on the fact that the force is growing, we will take a look at that study and update it. But at some point we do have to, even if we were to continue, I mean, at some point we do end up with a sufficient number of airplanes. And if we keep putting money into C–17s, then frankly money comes out of some other investment category, and so we always have this tradeoff in terms of what's the greatest priority need. That was our decision last year, but again we'll look at it based on a larger force.

Senator STEVENS. Well, the C–5 has been up and down, had to be rewinged and reengined and a lot of other things, and I understand why you're keeping it as a fallback for outsized equipment, but when we're facing the situation we are now where we're going

to bring, what, 60,000 troops back to the continent? Actually, with the increase in end strength the numbers will be at least 90,000 more, as I understand. The whole concept of our military policy now is rapid deployment by air, no matter where they go in the world.

I just share the fear about closing that line down, it wouldn't be too easy to reopen it. Maybe we ought to ask for a classified briefing from you in terms of what you see in the future as far as the need for air transport for the total force. It's just a worrisome thing.

BASE REALIGNMENT AND CLOSURE

As we talk about this return to the continent, what's going to be the situation with regard to overseas base realignment and closure (BRAC) now if those folks are in fact coming back? Have the overseas expenditures for military construction been reduced sufficiently so that we can bring some of that money back home, and get ready to have these people brought back to the continent?

Mr. ENGLAND. Tina, do you know dollars BRAC overseas?

Ms. JONAS. Sir, I don't have an exact figure on the overseas BRAC for you, but I will say that the reduction of the $3.1 billion in the continuing resolution is a problem for the Department. We do not yet have a way forward on that. We're going to have to work with the Congress on that.

It will affect forces coming home from Europe. Fort Bliss, for example, is one of the bases that forces will be coming home. So this will be difficult, and I know Phil Grone, who does our Installations and Environment, is looking very carefully at the implications of the funding resolution.

Senator STEVENS. Well, that was going to be my next question about the BRAC $3.1 billion. I don't think we have a guarantee, but we have sort of an understanding as the continuing resolution went through without amendment, that that money would be considered to be replaced in the supplemental. I hope that it is. We have some, even in Alaska, which is being delayed now because of the reshuffling of that money.

But again, as I understand it, this whole reshuffling is going to be over in at least 3 years. Is that right? Repositioning back to the continental United States (CONUS), I'm talking about.

Mr. ENGLAND. We are, but at the same time we're also forward deploying other forces, so you know we have other forces moving to Guam, we have troops moving out of Japan into Guam. We have submarines moving into Guam. So there's other forces moving. So I'll have to get back and look at the entire overseas BRAC for you, because there are forces coming out of Europe. There's also forces moving in other areas, which is expensive when we move other forces forward. So I will get back with you on those specific details.

For the $3.1 billion, I appreciate your comment about adding that $3.1 billion to the supplemental, because that is critical to us, that $3.1 billion. I mean, there are plans in the Army, when they move personnel back, this is, the whole BRAC as you know is an interlaced process. I mean, programs largely do not stand alone. They actually are all interconnected.

And so when we disrupt the BRAC by taking out funding, that causes a lot of disarray for us. So it would be extraordinarily helpful if the subcommittee could help address that $3.1 billion, because that will be a significant issue for us as we go forward if that $3.1 billion is not replaced.

Senator STEVENS. As we went over and looked at Aviano and the Army base in Italy where you're moving those people from Germany down there, and also the new upgraded air base in Turkey, we sort of envisioned that new alignment along the northern shore of the Mediterranean. All of that is BRAC, right? That's taking a considerable amount of money for those moves, isn't it? Is that in this budget?

Mr. ENGLAND. Senator Stevens, as Tina let you know, I just have to get back with you on that, Senator Stevens. We'll get an appointment, get the whole BRAC, overseas and domestic, together for you related to the 2008 budget. I just don't know specifically, but we will get back with you on that.

Senator STEVENS. Well, the reason for my question, it looks like this is all taking place in the same timeframe, bringing people back here and moving people overseas to different places. That's a substantial increase in BRAC over a period of 4 years. I don't see it reflected here. I would appreciate it if you could give us a statement for the record.

Mr. ENGLAND. Yes, we'll definitely get back with you, Senator Stevens.

[The information follows:]

While BRAC and global defense posture realignment are mutually reinforcing efforts, overseas force posture changes in host nations like Germany, Italy, Japan, and Korea are not part of the BRAC process. The funds to implement these posture changes reside in our traditional Military Construction and Operations and Maintenance accounts and are part of the President's budget request for fiscal year 2008 (PB08). There is $953 million of Military Construction, Army, budgeted or programmed in the period fiscal year 2006 through fiscal year 2013 to support global restationing, including $73.6 million requested in fiscal year 2008.

Additionally, global posture has a BRAC 2005 component for construction of facilities in the United States to accommodate movement of forces from overseas. The fiscal year 2008 budget request identified $2.9 billion across implementation (fiscal year 2006-fiscal year 2011) to support the BRAC component of global posture.

BUDGET

Senator STEVENS. Last, as I understand it, the authorization bill gave authority to the Department to train and equip counterterrorism forces in foreign military organizations. Can you tell us about that? What is the Department going to do with its authority to support counterterrorism capability of our allies?

Mr. ENGLAND. I believe this is a 1206 authority—Tina, do I have it right—which is, I believe, $500 million in the budget for that purpose, so we do have $500 million in the budget, what we call 1206 authority, being requested in the fiscal year 2008 budget specifically to train and equip forces friendly to the United States in counterinsurgency operations. So there's $500 million, Senator Stevens, in the budget for that purpose.

Senator STEVENS. Does it identify the units that are going to be so equipped and trained? Admiral?

Admiral GIAMBASTIANI. If I could, Senator Stevens, this money, the drawdown authority on this money, the countries that we

would do this for are being recommended by each of our combatant commanders. For example, there are initiatives where Central Command would talk about Pakistan. There are specific commands. You have recommendations for countries like Thailand and others.

So what I would tell you is, each of these initiatives has a specific tie to counterterrorism. One of the initiatives was to put radars, for example, to assist the local countries in the Straits of Malacca. This would help us significantly to follow maritime traffic, help the countries there locally. These are the types of examples, but we've got significant ones across the world.

Senator STEVENS. Does that include giving them Predators and things like that?

Admiral GIAMBASTIANI. Generally, no, sir. Generally, that's done under a different authority.

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

Senator INOUYE. Thank you.

Senator Dorgan.

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

Mr. Secretary, thank you, and Ms. Jonas and Ambassador—excuse me—Admiral. Thank you for being here.

Mr. ENGLAND. He would make a good Ambassador, though, too.

B–52S

Senator DORGAN. Let me ask about the B–52s, which will not surprise you perhaps. We have 76 after the attrition reserve are all gone, and the Congress has instructed the Pentagon that that's the number that you must keep at this point. You, however, budget for only 56 in your budget.

The initial 30 days of combat in Iraq, I recall the Air Force used more than 80 B–52s so it could sustain a deployed force of 42 at forward operating bases. Obviously they couldn't repeat that if they go to 56 B–52s. What I hear from the Pentagon is that the F–22 and the B–2 will go in and kick down the door with air power, and that is the case, I believe that's the case with those planes.

And there's no better bomb truck around for the next couple of decades than the B–52, fully paid for, so I do not frankly understand the Pentagon's recommendation to go from 76 to 56 B–52s when the Congress has indicated it wishes and insists on 76.

I would also observe that a new bomber is scheduled to come on, at the very earliest, 2018. Most of us understand it's more likely to be 2020 or 2024, so you're talking about 15 years perhaps or more for a new bomber, and we're going to move B–52s that are fully paid for and capable for at least three decades in addition to their service, long service, we're going to move them to Davis-Monthan, to the boneyard? It doesn't make sense to me. Can you explain to me what the thinking of the Pentagon is?

Mr. ENGLAND. Senator, actually I can't give you the detail, but I can tell you I know the Air Force across the board has been trying to retire some of their older airplanes so they can afford to recapitalize. So this is the issue that we have, frankly, in a number of areas, that is the cost of maintaining older airplanes which get to be very, very expensive. And so if we keep those long tails, then

we utilize the funds that we could otherwise put into the new bomber.

So, I mean, I believe this is a dilemma the Air Force is in. I'll have the Air Force address this directly with you. But frankly it's just the dilemma we have in terms of trying to maintain older equipment versus transition to new designs.

Senator DORGAN. And I've spoken to General Moseley about this subject, but my sense is that the Air Force, I guess at the direction of the Pentagon, is going to create a bomber gap. Quite clearly the Air Force, if they retire this number of B–52s beyond which the Congress said we're going to allow you to retire, the Air Force clearly could not do what they did with Operation Iraqi Freedom. They could not have 80 B–52s for forward deployment in order to be able to have 42 operational at forward locations.

So I'm very concerned about that. I would hope you'll take a hard look at it. We have enough trouble funding new weapons programs, and we shouldn't be moving those that are fully paid for over to Davis-Monthan and put them in storage at a time when we need them in the fleet. So I will follow up again with General Moseley. He'll be here at some point.

Mr. ENGLAND. I will, too. And I think, Admiral, do you have some information?

BOMBER

Admiral GIAMBASTIANI. Yes, if I could. Senator, one of the reasons why from a military side we took a look at this and, if you will, reviewed the situation of the bomber inventory—and by the way, I'm a bomber proponent myself—is that we are shifting to small diameter bombs in addition to all of the larger pieces of ordnance. In fact, in our budget for 2008 we have a sizeable number of small diameter bombs being picked up. These are the 250 pounders that frankly have got some smartness built into them.

The reason why that's significant is that you can carry many more pieces of ordnance, because of the size of these and the precision with which we can deliver them. So each platform that we have actually brings much more capability than we could before, so the numbers of platforms that we would need is reduced because of this increased capability that we bring on the weapons side. So there's a balancing act here between the number of platforms and the number of weapons that we would put on each one, but I'll get back to you.

Senator DORGAN. I appreciate that.

[The information follows:]

The reduction in B–52s was taken in order to divest legacy aircraft for the purposes of modernization and recapitalization. The U.S. Air Force can still meet and exceed combatant command B–52 requirements for any single major combat operation (MCO). The risk associated with two near-simultaneous MCOs is increased, but within acceptable levels for the near term. The Air Force comprehensive plan for modernization and recapitalization outlines the prudent investments necessary today to avoid future capability risks.

The Air Force also has a three-phase, long-range strike plan that modernizes the remaining legacy bomber fleet, fields a fleet-augmenting, long-range strike platform in the 2018 timeframe, and develops a transformational long-range strike platform in the 2035 timeframe. In addition, the Institute for Defense Analysis has been tasked by Congress to examine the amount and type of bomber force structure required to accomplish the National Security Strategy.

Senator DORGAN. Let me just say in last year's legislation you are not allowed to move the attrition reserves until you give us the study that we requested, and I don't think the study can be completed without showing that there is a bomber gap. I understand your point about platforms, but I also understand what the Air Force is talking about with respect to global initiatives and what they feel they need to do. And I'm just saying I've talked to a lot of experts. This doesn't add up when you get to 56.

So I'd like to ask one additional question and then ask about two personnel issues very quickly. The $141.7 billion in fiscal year 2008, is that designated as emergency?

Mr. ENGLAND. I guess I'm not quite sure, but I guess it is designated because it's not in the base budget. So the request was, as I understand, Senator, Congress asked that we provide forward-looking cost of war and to have that available when the budget was submitted. So we basically took an extension, because looking ahead a year is hard to do, so we took our fiscal year 2007 and projected it forward.

Frankly, it could go up or down. Not knowing, we pretty much have taken the fiscal year 2007, projected it in fiscal year 2008. So that's what the $141.7 billion is. But recognize, as we get closer and as conditions on the ground change, the number could go up or down because we're basically looking a year ahead when we put these numbers together.

Senator DORGAN. The reason I asked the question, it seems to me emergency designations are things that one didn't anticipate, but if we can anticipate next year what that cost will be, I wonder if we shouldn't be paying for this? If we sent the soldiers to fight, I wonder if we shouldn't as a country pay for it, rather than designate it as an emergency? I just make that point.

MEDAL OF HONOR

Mr. Secretary, let me mention two other quick items.

One, there is a request that has been pending for nearly 1 year, previously approved by the Secretary of the Army, and I raise this because I watched on television last evening or I guess two evenings ago the presenting of a Medal of Honor. There is an American Indian named Woodrow Wilson Keeble, a remarkable, remarkable soldier, fought in the Second World War and in the Korean War, and the description of a battle in the Korean War was an unbelievable description.

I have never known him, but at any rate, it had been submitted well after the Korean War that he receive the Medal of Honor. All of that information has been digested, went up to the Secretary of the Army. He actually recommended a Medal of Honor based on the facts of the battle in the Korean War. It has now been sitting at the Secretary's level for almost 1 year. Would you be willing to look into that at this point? It does require the Secretary's approval, but it has been approved by the Secretary of the Army.

Mr. ENGLAND. Senator, I will. Actually, it has come to my attention a couple of requests like that are in OSD, so I've actually started to make inquiries as to why they haven't made their way to the Secretary, because ultimately it goes to the Secretary of Defense and then with his recommendation goes to the President of

the United States for a final decision. I will definitely look into it. It's of interest to me also, and I'll follow up for you, sir.

Senator DORGAN. I appreciate that.

[The information follows:]

Members of Congress introduced legislation during the week of March 26, 2007 to waive the period of time limitations for submission of the Medal of Honor (MOH) award recommendation for the late Master Sergeant Woodrow Wilson Keeble. This legislation enables the President to consider, and, if warranted, award the MOH to Master Sergeant Keeble.

Senator DORGAN. I want to make just two other comments, Mr. Chairman. I know others want to make a comment.

Mr. Secretary, you know you and I have had breakfast together. I have great admiration for your service, thought you did a great job as Secretary of the Navy and I'm glad that you are where you are. But I do want to just mention two issues.

CONTRACT ISSUES

One, I'm going to ask for the inspector general to take a look at it, and that is a personnel issue. National Defense University gave a contract, which was cancelled I think 1 month later, for Mr. Feith, a $500,000 contract over 4 years for Mr. Feith from the National Defense University. And as I looked at this contract, the identical words were used in the contract solicitation as were used by Secretary Rumsfeld in the going away ceremony for Mr. Feith.

It seems to me that there almost had to be collaboration in the preparation of the solicitation for the job and the remarks that were used at the going away ceremony, and I'm going to ask the inspector general just to look at that. The contract was cancelled several days after the press asked about it, but as I have dug through this, there's something wrong here, and I just wanted to tell you. You're not in a situation where you would know about it or be responsible for it, but I did want to mention that, that I'm going to ask for the inspector general to look at it.

One final point. I did call you about Bunnatine Greenhouse. I did that because I'm very concerned about the contracting abuse that has occurred in some areas. She was the highest ranking civilian official in the Corps of Engineers.

She said the contracting abuse, I believe it was on the RIO or the LOGCAP, I believe the LOGCAP contracts, the contracting abuse was the most blatant abuse she has seen in her career. For that, she was demoted. There have now, of course, legal activities been going on for some while, and she doesn't have any duties, yet she is still there, having been demoted for telling the truth. I believe she told the truth because I have dug into that at great, great length.

Others in this town who worked when she was the highest ranking contracting official, others who worked outside, have told me she was one of the finest contracting officials we ever had, but she told the truth about some problems with contracting and as a result, over at the Corps of Engineers the old boys network decided that she was going to pay a price for it, and she has paid a very heavy price in her career.

And I've called you about that. I do hope that there is a message sent here someplace, that we need the truth, all of us do: the Amer-

ican public, the Congress, and certainly you in your responsibility in the Department of Defense.

But having said those things, let me again tell you I appreciate you, Secretary England, have always appreciated your work, and this subcommittee very much needs your advice and your thoughts about especially the budget issues, because it's so important. We spend so much money in support of our military, and need to do that.

Mr. ENGLAND. Senator Dorgan, thank you. Thanks for your comments.

I will look back into that case. You know, I know we did do a lot of work, and I don't have all the details of that particular case. I will go back and see where that is today, because there was a lot of work done, and it did go into legal and that sort of prevented everybody from going further with it.

But I'll tell you, you know, I mean, I always share everybody's concern whenever I hear anything about something that's either abusive or unethical, much less illegal. So I am where you are, to make sure we absolutely understand all these cases, and I do personally follow up on every single case of indiscretion that's brought to my attention. And I will look into this and see where it is, and I'll talk back with you again, sir, because obviously we do want to make sure that we carry out the responsibility of the Department appropriately.

Senator DORGAN. Secretary, thank you very much.

Mr. ENGLAND. Thank you. I appreciate your comments, sir.

Senator INOUYE. Senator Domenici.

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

Let me start by thanking all of you, all three of you, for being here today. Regarding your budget request of $43 billion to recruit, train, and equip National Guard and Reserve forces, as you know, a Government Accountability Office (GAO) report released in January studies the National Guard domestic equipment requirements and readiness and indicates that as of November 2006, nondeployed Army National Guard forces in New Mexico ranked last in the Nation regarding equipment readiness, with less than 40 percent of the total amount of dual-use equipment that they are authorized to have for warfighting missions.

EQUIPMENT SHORTFALLS

My first question is, how will the Department's $43 billion funding request in this budget be used to address the serious equipment shortfalls needed in New Mexico and many other States? And, second, what other action is the Department taking to ensure that the National Guard is equipped to do their job at home and abroad? The second one is general; the first one is New Mexico, Mr. Secretary.

Mr. ENGLAND. Okay. I think between the three of us we can answer that question for you, Senator.

RECONSTITUTE THE FORCE

Fiscal year 2005 was the first year that we started putting substantial money in the budget, at that time in the supplemental, to reconstitute the force. Up until then we didn't have—I mean, it

was sort of understood that we wouldn't have those kind of funds in the supplemental account, but in 2005 we started putting those funds in.

We have now put in a lot of money—I'm not sure of the totals, perhaps Tina can help me here, of the total amount of money that has gone into this reconstitution and replacement, repair of equipment, so we now have the depots pretty much full and the equipment is flowing, and a lot of that equipment will be used to reconstitute the force, including the National Guard. And in addition, in the base budget from 2005 to 2013, I believe we have a total of $36 billion for Guard modernization and equipment.

So there's a lag in the system, and the lag has frankly hurt us in terms of just being able to backfill, because once the money is made available it could be anywhere from 1 year to about 3 years before the equipment comes out of the pipeline, but we are working that for all the Guard. In the meantime, we do make sure that all the Guards activated have equipment that they, if they do not have the equipment at their home station, they fall in on that equipment while we try to backfill it here at home.

So there are some lags in the system, but I believe that in my judgment the money that we have requested and the money that the Congress is appropriating is being very helpful to make sure that we backfill this equipment we have been using for the war purposes. So in general I will tell you, I think we're on the right path here. Money is in the depots. New equipment is being procured. Money is being allocated for the National Guard over the fit-up, and it will slowly start refilling the bins as we go forward.

Do you have anything, Admiral?

Admiral GIAMBASTIANI. Yes. If I could, Senator Domenici, I would just add simply that if I looked at the base budget that we've submitted for President's budget 2008 and the fiscal year 2007 supplemental, and then the global war on terrorism supplemental for 2008, there's about $8 billion of this $36 billion in those submissions.

EQUIPMENT

Second, in order to not exacerbate the problem with the National Guard, about 90 percent of the equipment that is stay-behind, that we use overseas, primarily in Iraq and Afghanistan, is actually active component equipment, so when we send brigade combat teams and others over to use this, they are falling in on equipments out of the active component, so only about 10 percent is actually out of the Reserve component.

I guess the final comment that I would give to you with regard to these National Guard units is that yesterday I had the opportunity to go over and meet with all of the Adjutant Generals at the National Guard Bureau, with Lieutenant General Blum, and talk to them about their concerns on a wide variety of issues. Frankly, because of, I think, the amount of resources we're putting against this, and the amount of resources in the recruiting on the manpower side and the rest, this did not appear to be a big concern, if you will, that they expressed to me yesterday.

Now, I'm not saying that they are not worried about the equipping piece. What I'm telling you is, I think they see the money the

Deputy talked about in the pipeline and they know we're putting a focus and resources against it. So with your help here, this is going to be a significant change, I think, for the National Guard.

Senator DOMENICI. Well, Mr. Chairman, let me just say that that's good to know. I think, if you don't mind, it would be good for me to be able to tell New Mexicans with a little more specificity that of the $43 billion you're saying will be used for the National Guard, some of it for equipment, that they won't be at the bottom of the list forever. We won't have guardsmen without equipment, for all intents and purposes, expected to go overseas, if deployed, and fight a war.

Many New Mexico National Guardsmen have served already as part of the global war on terror, and many have redeployed and are going to be redeployed in the coming months. Are you assuring the Guards that they are going to have equipment and that they are going to be rested and ready in terms of what we expect for the average military units that are going now and are in this situation?

Admiral GIAMBASTIANI. I guess what I would say, Senator, is that you can be assured that you have our commitment here, both on the civilian and military side of the Department. The Deputy and I sit with these folks every day, and we bring in General Blum and his staff, and he participates in our resourcing discussion, so I think you have a good solid commitment here.

Mr. ENGLAND. Senator, we'll follow up with you specifically, too, in terms of those allocations of funds, so we'll get back with you on that and give you some specific detail.

[The information follows:]

The New Mexico Army National Guard's current unfunded equipment requirement totals $244 million. If the appropriate level of funding was made available to the Department of Defense, equipment procurement would be executed by the Army. The National Guard Bureau allocates equipment to states' units based on their wartime mission requirements with consideration given also to the states' emergency response requirements. Given this practical consideration, it is not possible at this time to determine exactly how much of this $43 billion in funding will be used for New Mexico equipment requirements.

Senator DOMENICI. I assume I'm out of time. I will come back. I'll just let you go by, and I have two more similar questions.

You want me to proceed?

Senator INOUYE. Senator Cochran.

Senator COCHRAN. I will be happy to yield to the Senator.

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

AIR FORCE SPECIAL OPERATIONS COMMAND

Okay. Well, I have two more areas of questions. One has to do with Cannon Air Force Base. As you know, last year the Secretary of Defense assigned the use of Cannon Air Force Base to the Air Force Special Operations Command, AFSOC, to establish a western base.

Now, I'm sure you know this, but I want to bring it up here today because I want to make sure that you are aware that in the BRAC findings Cannon was the only base that when they were finished, it was so hard to decide on that they put it in a special category and said, "It will sit there so you can try to find a use for it." And the Air Force went to find a use right away and said, "We

think we need this for AFSOC," so it's going to be one of those bases. This was a very exciting thing for us to have the Air Force to have a new use for a very great base. It's going to be turned into a multipurpose base instead of one that has F–16s.

It's my understanding that there is $70 million in the fiscal year 2008 unfunded requirement list for Cannon Air Force Base. It's also my understanding that much of the construction is needed for AFSOC to implement its plan for Cannon. My question is, what are the Department's plans to meet these unfunded requirements so that AFSOC can begin operating its new western base in October 2007?

Mr. ENGLAND. Well, Senator, I can address that for you. The Air Force Special Operations Command will take ownership. The base will be operational in October this year, so that will happen. The $70 million will not affect that. We will make that date.

I also want you to know that our Special Operations Command, the U.S. Special Operations Command, has programmed well over $200 million, about $230 million across the FYDP for Milcon, and the Air Force has programmed another $400 million for both operation and maintenance (O&M) and Milcon, also across the FYDP. So there is well over $600 million for Cannon in terms of facilitizing it and operation and maintenance at the base.

The $70 million was sort of a surprising number, to find out that it was unprogrammed, and I need to look into that although I understand some of it is to accelerate some of the money early. So we'll look into it, but I believe frankly that we have everything programmed appropriately, and we'll make sure we don't have a shortcoming that would jeopardize occupying the base and operating the base.

Senator DOMENICI. Thank you very much. It's very important, as you know. We no longer have that big base sitting there. And then we come up to the time of transition and to not have the money to make it what it's supposed to be concerns me.

Mr. ENGLAND. Yes, sir.

Senator DOMENICI. I have another one I'll submit in writing, Senator, so we can proceed. I thank you so much for your generosity.

Senator INOUYE. Senator Cochran.

Senator COCHRAN. Mr. Chairman, I have a statement that I would like to be included in the record. I'll start with my questions.

[The statement follows:]

PREPARED STATEMENT OF SENATOR THAD COCHRAN

Mr. Chairman, I am pleased to join the members of the committee in welcoming our witnesses this morning.

This has been a challenging year for our Armed Forces and they have made us proud by the way they have stepped up to that challenge. The Global War on Terrorism requires constant vigilance and a winning strategy. Our Armed Services require the continued support of this Congress and the American people to help ensure the safety and security of our country.

This challenge makes us aware of the importance of the 2008 funding proposal for the Department of Defense. We must ensure our men and women in uniform have the equipment and training necessary to succeed and to return home safely.

Senator COCHRAN. Thank you very much for the outstanding leadership you are all providing for our armed forces in dealing with the challenges that we face in the global war on terror. When the President came before the Congress and made his State of the

Union address, he mentioned a request for Congress to increase the end strength of the Army and the Marine Corps. Matter of fact, he specifically asked that in 5 years there be an additional 92,000 Army and Marine Corps personnel added.

This is, of course, going to inevitably increase the need for amphibious ships and other equipment, materiel, to support these troops. In looking at the budget request, there is one LPD–17 amphibious ship suggested in the 2008 budget proposal, but you look at the Navy unfunded program list and you see an additional LPD as being unfunded. As a matter of fact, it's the top item on the list.

Can you tell us what the plans are of the Department of Defense to support the increase in marines and the end strength as it relates to ship capacity and the future needs that we have?

Mr. ENGLAND. Senator Cochran, I can. I know that Navy increased their budget substantially this year for shipbuilding, I believe like $3 billion increase in the 2008 budget, so that has gone up appreciably. My understanding is they also, frankly, have some limitations, just numbers of workers available and working hours on ships these days. So I'm not sure they can accelerate, but I know that they are working to get the 313 ship Navy by 2020 and they have significantly increased funding.

Above and beyond that, frankly I have not talked to the Navy about their plans. I mean, that's the latest I know, is what's in the budget, which is quite a significant increase. I think it went from $11.-some billion to $14.-some billion in shipbuilding. Frankly, as an old ex-Secretary of the Navy, I was pleased to see them reach that $14 billion because that had been the objective for some time, to get to that sustained level of funding.

So if there's anything beyond that, however, I'm not familiar with it, Senator Cochran, but I'll be happy to address it with the Navy.

SHIPBUILDING

Senator COCHRAN. Admiral, you've got a Navy background and understand these needs. As Vice Chairman, what is your assessment of the ability of the Department to sustain the requirements that we have for the Navy and Marine Corps as far as shipbuilding is concerned in this budget request?

Admiral GIAMBASTIANI. Well, I, too, like Secretary England, am very pleased that we have achieved $14.4 billion worth of shipbuilding. I will tell you, as a former director of resources on the Navy staff almost 7 years ago, I set a target at that time for a budget between $12 and $14 billion a year, and this was 7 years ago, to sustain the shipbuilding level to allow us to get to approximately this number of 313. We hadn't decided that number quite yet, but we knew the approximate band. And I will tell you that only with sustained funding levels like this will you be able to achieve and get back to that 313 from the 280 or so that we are right now.

Senator COCHRAN. Are you saying that remains a goal?

Admiral GIAMBASTIANI. Sir, I think the Navy's 30-year shipbuilding plan that Secretary England mentioned specifically states 313 ships, and their goal is to get that by 2020, and it will take that level of funding to get there.

Senator COCHRAN. Okay. Thank you. Now we're pleased, Secretary England, to notice in your statement your comments about missile defense systems and our continued effort to improve those and deploy them. Could you elaborate on how the budget for fiscal year 2008 will be used to enhance our missile defense capabilities around the world?

Mr. ENGLAND. Senator Cochran, as I recall we have about $9.9 billion in missile defense this year, and it goes across the wide array of missile defense applications. As you know, we now have operational sites in our missile defense, so this is to expand the number of missiles. It also expands the capability into Europe, as we start those discussions for European deployments. But this is to increase the number of missiles both at fixed sites and also on our naval sites. It also continues a significant amount of research and development in our missile defense activities.

And I would add, by the way, in my judgment this has been one of the most successful programs in terms of what has been achieved in missile defense. I know some years ago there was great controversy about the program, but it has made great strides. We now have capability in place, and in my judgment very important capability, with the world the way it is today in terms of what other nations are doing in both their missile systems and nuclear capability. So this is a very important capability for the Nation, and it has progressed significantly, and this budget allows us to continue the deployment of those missiles.

Senator COCHRAN. Admiral Giambastiani, I know that you are aware the Navy has been talking about options for deployment of missile defense capabilities at sea, being able to have a mobile force. What is your assessment of the progress being made in that regard with respect to missile defense?

SEA AND LAND BASED

Admiral GIAMBASTIANI. Overall, if I could just address not only the sea-based side but the sea- and land-based side, just to give you an example, over the next year we're going to triple, over triple the number of interceptor missiles, between ground-based and sea-launched, that we have available over the next 12 months. That is, in funding, this just under $10 billion that the Secretary mentioned.

So I think that's a very good news story. There are not going to be large numbers of these, but we will over triple the number that are available, and that includes the sea-launched side of this equation. We do have some sea-launched missiles available, very small numbers. I won't get into the specifics because of the classification, but I will tell you that those numbers are going up, and clearly we have to have not only a ground-based component of this missile defense, but we also need the sea-based and the air-based side of this.

Senator COCHRAN. Secretary England, last month Secretary Gates announced a change in Reserve component policy that changes the way Reserve component forces are managed to support requirements for the global war on terror. The Secretary said a policy objective was for a mobilization ratio of 1 to 5 for National Guard and Reserve units. Does this funding request before our sub-

committee adequately address the challenges of manning the force to achieve this goal?

Mr. ENGLAND. Yes, sir, it does, particularly between the base budget and the supplemental that we have turned in, it does support that. It also supports the equipment for that. So between the equipment, manpower, you know, periods of activation, that is what we have funded in this budget, so it does support that. And that was going from 18 months to 12 months for reservists, so 12 months served time, and having an adequate dwell time, which I believe was the one-in-five for the Reserves. So that is the basis of our budget proposal, Senator.

Senator COCHRAN. I have a couple of other questions which I will just submit for the record. One has to do with the continued problem of corrosion of equipment, maintenance costs that are attributable to that problem. We have some suggestions for research that's being done that's very encouraging, about some of the new countermeasures that are available and coming on line. We hope you'll take a look at that and make sure that we're taking advantage of new discoveries to cut down on the maintenance costs of our military forces.

Mr. ENGLAND. Sure.

Senator COCHRAN. Thank you, Mr. Chairman.

Senator INOUYE. Thank you, Senator Cochran.

Senator Stevens.

Senator STEVENS. Mr. Secretary, over the last recess I took the time to go visit the Predator factory and saw the new Warrior and some other things out there. I would urge you to take a look at some of the research that they've done now to try to adapt these unmanned aerial vehicle (UAV) systems to urban warfare, and particularly to the monitoring of activity in the urban landscape. Part of it is classified.

But I was concerned over the rate of production there. With the Army asking for the Warrior and the marines asking for some of the similar systems, it does seem that that's the most cost-effective system, what they're talking about now, in terms of urban warfare. I would urge you to take a look at it. I don't know if you have, but it's a great change and has great promise, in my opinion.

Mr. ENGLAND. I'm familiar with it. The Admiral and I work together on this, and with the improvised explosive devices (IED) task force. And you're right, I'd rather not talk about all the details, but you can elaborate some, Admiral.

Admiral GIAMBASTIANI. Senator Stevens, I completely agree with you, there are some exciting things on the home front here with regard to these unmanned aerial vehicles. I have been to the plant. I have visited the factory myself. I have looked at it in detail.

And in this budget request and also in the supplementals that we have submitted here with the President's budget, there are substantial requirements in there and funding, resourcing, obviously subject to Congress' approval, for Predators and Warriors. We have just deployed our first couple of Warriors. I agree with you, without going into a lot of detail, that we can put some changed detection improvements into these, and, in fact, are planning on doing that through the joint improvised explosive device defeat task force that Secretary England was talking about. So there are some real sub-

stantial changes here, but we are about doubling the number of requests for Predators that we had before in this submission.

Senator STEVENS. That's good to hear. I think that the concept of force protection that's involved in these new experiments is just staggering, and it is really an interesting combination of technology now. You're right, we shouldn't talk too much about it, but I do think that those systems have a lot to do with the safety of our forces and what's going on in Iraq right now.

Thank you, Mr. Chairman.

Mr. ENGLAND. Senator Stevens, there's an aspect of that, we would like to have a private discussion with you because there's one aspect of that that's extraordinarily interesting and, you know, in a private conversation we'd like to be able to discuss a little bit further with you.

Senator STEVENS. Yes, sir. Happy to do that.

Senator INOUYE. Senator Dorgan.

Senator DORGAN. Mr. Chairman, thank you. Let me follow up on the unmanned aerial vehicle issue. My understanding is that there is a UAV program in the—well, I know there's one in the Air Force. I understand that the Army has a separate program, the Navy has a separate program, which seems to me to suggest almost everything that's wrong with the way we do business in the Pentagon.

Why would we have three separate UAV programs? Why not have a UAV program in the Air Force and have, to the extent that there needs to be UAVs, Predators or whatever the UAV might be, have the Army and the Navy involved in it? Are there three separate areas of research? I assume the Army is doing certain UAV research, Air Force, Navy. I don't have the foggiest idea why that would be the case.

Mr. ENGLAND. Senator, there's more than three UAV programs. I'm not sure of the total number. There's quite a few different——

Senator DORGAN. I meant the three services, though, engaged in their own programs.

Mr. ENGLAND. Yes. Just a comment, and then I will let the Admiral.

First of all, we have a lot of different requirements, and, of course, the Navy typically has a totally different, just like their airplanes are different because they're carrier-based and stronger wings and corrosion, and all the things they face different from the Air Force. A lot of these also it depends on if they are tactical or if they are strategic, so there are different sizes and different ranges and different types of sensors.

UNMANNED AERIAL VEHICLES

But we do have collaborative research, so we do have one organization, DDR&E, that brings together all the research for all of the programs. So they will typically diverge at a program level, but they do use a lot of common technology and we do fund a lot of common, you know, fundamental technology programs that go into those UAVs. So it's not disjointed. I mean, it may look like they're disjointed because we have different products, but they actually serve different purposes and in different environments, typically.

Senator DORGAN. Are you saying there is not duplication? Because some suggest there is substantial duplication between the services on UAVs.

Mr. ENGLAND. Well, I won't say there's no duplication. I will say that every program is examined before it's authorized, to make sure that it is filling a specific void and is not just duplicating what another program is doing. So we do actually look at every one of these to make sure that there is a unique mission or a need, you know, that could not be filled by something that we already have. So what you don't see are all the programs that don't go forward because we feel like we can do it with a lesser number of programs.

Admiral, if you want to comment——

Admiral GIAMBASTIANI. Senator Dorgan, it's a great question. There are a lot of folks out there building UAVs, but let me tell you that we share your interest in having joint programs.

And on the Joint Requirements Oversight Council (JROC), of which I'm the chairman, we have established, about the time I arrived, a joint UAV office. It's actually commanded by an Army General, Brigadier General. The deputy is an Air Force officer. We have all three services in it. It has been operating now for about 18 months. As a matter of fact, within the last 2 weeks I had this Brigadier General in my JROC session, to come in and give us a report on how they were moving along.

They are writing concepts of operations for all of these UAVs. Now, let me just quickly explain to you why you might think that everybody has their own UAVs. Some unmanned aerial vehicles operate at what I call the strategic intelligence, surveillance, and reconnaissance level. Then there's also an operational level, and then there's also tactical UAVs which generally are shorter duration. They fly at lower altitudes and are smaller aircraft, and they work directly assigned to a platoon, a company, a battalion of ground forces, for example, whereas generally the Predators are at a higher altitude. They have much longer durations. Global Hawk, same thing. And they operate with different intelligence, surveillance, and reconnaissance requirements.

And what I would offer to you, without trying to go into a longer explanation, is I would be happy to come over and talk to you about how we're trying to move forward in a joint way here with the UAV program so that we don't waste the taxpayer dollar.

Senator DORGAN. Mr. Chairman, just for the record, going back to one other point, let me submit for the record on the Bunnatine Greenhouse matter, Mr. Secretary, for your perusal, a letter from the inspector general at the Defense Department which was November 2005.

He says that he examined the allegations made by Ms. Greenhouse, principal assistant responsible for contracting for the Army Corps of Engineers, has shared his findings with the Department of Justice. The Department of Justice is in the process of considering whether to pursue the matter. As it is an ongoing criminal investigation, the requested information will be provided when the investigation is concluded.

So, quite clearly, the inspector general felt there was something to the allegations, and for those allegations Ms. Greenhouse has been demoted, as you know. Again, I'm not laying this on your

shoulders because you were not in charge at that point, but I want this for the record.

Mr. ENGLAND. No, but I will definitely follow up, Senator. It is of interest to me, and I'll definitely follow up and I'll close the loop with you on that, sir.

Senator DORGAN. Thank you very much.

[The information follows:]

Ms. Greenhouse was removed from the Senior Executive Service because of "less than fully successful" performance evaluations. Her removal was required by Title 5, Code of Federal Regulations, Section 359.501, because she had received two final performance ratings of "less than fully successful" within three consecutive years. The first of those evaluations was given to Ms. Greenhouse before she made any allegations about what she felt were procurement irregularities. Because of the change in leadership of the U.S. Army Corps of Engineers, these ratings were given by two different rating officials, each of whom arrived independently at the conclusion that her performance was not fully successful. Both evaluations were reviewed by the ASA (ALT), who has functional responsibility for all Army acquisition activities, and the ASA (MR&A), who has responsibility for management of the SES.

In order to ensure that Ms. Greenhouse's removal was based entirely on her performance, the Army Corps of Engineers sent a memorandum through the Department of the Army Inspector General to the Secretary of the Army requesting authorization to proceed with her removal from the SES. The removal action had been suspended by the Acting Secretary of the Army in response to her contention that her removal was based on allegations she had made of improper contracting practices. The DA IG contacted the DOD IG and was advised by the Director of Investigations of Senior Officials in the Office of the DOD Inspector General on June 13, 2005, that, "The criminal investigation into procurement matters of interest to Ms. Greenhouse is continuing. However, there is no basis to delay actions concerning Ms. Greenhouse pending the outcome of that investigation." The Director further found no basis to delay the proposed removal because of a possible reprisal allegation. The Department of the Army Inspector General also reviewed the two "less than fully successful" evaluations for regulatory compliance, and found that the regulations were satisfied. On July 14, 2005, the Army determined that the record showed Ms. Greenhouse's proposed removal was grounded in her poor performance and not because of any allegations she made of contracting irregularities or her decision to testify before members of Congress.

Regarding the criminal investigation by the Department of Justice into possible contracting irregularities, we have not received any updates on the case from the DOJ. The Department of Defense has no information to provide regarding the investigation, including whether or not it has been completed.

If the committee would like more detailed information on the matters regarding Ms. Greenhouse, her EEO complaint, or the outcome of the administrative process that investigated her allegations of discrimination, we would be happy to provide it if the Committee so requests.

Senator DORGAN. And, Admiral, I will take advantage of your suggestion that at some point maybe we can meet to talk about the UAV issue.

Mr. Chairman, thank you very much.

Senator INOUYE. I thank you very much.

Mr. Secretary, I will be submitting my questions and seeking advice, but I have one question I would like to ask. In yesterday's edition of the Army Times, an article appeared headlined "Walter Reed Patients Told To Keep Quiet." Have you read that article?

Mr. ENGLAND. I saw it this morning, coming to work this morning, sir, and I haven't looked into it, but I did read the article this morning on the way to work.

Senator INOUYE. Will you look at it——

Mr. ENGLAND. I will.

Senator INOUYE [continuing]. And provide us with some explanation of what's happening?

Mr. ENGLAND. Absolutely.

[The information follows:]

The Army does not tolerate retribution or intimidation against Soldiers who report problems with conditions or medical care at any medical treatment facility. In fact, Walter Reed's Commanding General recently addressed Soldiers in the outpatient population and assured them that he would not tolerate retribution or retaliation for reports to the media. MG Schoomaker reaffirmed the rights of Soldiers to speak with the media and provided them with a written pledge that "no Soldier will be penalized for coming forward with any of these issues and participating in any investigation, media story or the like. We are grateful for their candor and for helping us identify where we need to improve."

On July 1, 2006, the Walter Reed Medical Center Brigade Commander published a policy on Soldiers communicating with the media. This policy states that Soldiers assigned to Walter Reed are free to grant interviews to members of the news media. However, if Soldiers are acting in their official capacity, the WRAMC Public Affairs Office must approve visits by the media.

The allegations that Soldiers' first amendment rights were violated are still under an Army Regulation 15–6 investigation.

Admiral GIAMBASTIANI. I think it's important, though, Chairman, that we say that that's not our standard, to tell people to keep quiet. If they've got problems, we want to hear about them.

Mr. ENGLAND. Absolutely.

Senator INOUYE. Because this was rather specific.

ADDITIONAL COMMITTEE QUESTIONS

Mr. Secretary, Ms. Jonas, and Admiral Giambastiani, the subcommittee thanks you for your testimony this morning and for your distinguished service to our Nation.

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

QUESTIONS SUBMITTED TO GORDON ENGLAND

QUESTIONS SUBMITTED BY SENATOR BYRON L. DORGAN

UNMANNED AERIAL VEHICLE PROGRAMS

Question. It is my understanding that the Air Force, Army and Navy all have their own medium/high altitude UAV programs.

Don't the capabilities of the Army's Warrior UAV program essentially duplicate the existing or planned capabilities of the Air Force's Predator, Reaper and Global Hawk programs?

Answer. No, the Army's Warrior Unmanned Aircraft System does not duplicate existing or planned capabilities of Predator, Reaper, or Global Hawk. While the Warrior is physically similar to the Predator, the improved design provides substantially greater endurance, greater payload capability, and improved reliability combined with reduced operating cost. The Concept of Operations (CONOPS) for each system supports specific and unique Service requirements. The Air Force's CONOPS for Predator relies on reach back and operates at the theater level. The Joint Requirements Oversight Council validated the Army's Extended Range Multi Purpose (ER/MP) unmanned aircraft requirement. The Warrior capability is designed to operate in the tactical battle space in conjunction with the combat aviation brigade as a maneuver element conducting reconnaissance, surveillance, and target acquisition through closely integrated manned-unmanned aviation and ground teaming. The Warrior does not compete with the Reaper or the Global Hawk; as those system capabilities are very different and their CONOPS are focused at the theater and strategic level, respectively.

Question. Would it make sense to relieve the Division and Corps commanders of the responsibility for security, transportation, logistics and maintenance of high/medium altitude UAVs and to have the Air Force provide ISR support to Army forces under a joint CONOPS and with habitually aligned AF personnel and assets?

Answer. Land warfare operational commanders, division and lower echelons, willingly provide the incidental support efforts to preserve the combat power of unmanned Reconnaissance, Surveillance, and Target Acquisition (RSTA). They conduct

combat operations every day, 24/7, using this vital and proven capability. We cannot decrease the combat power or take away the force protection it affords out of the hands of the Soldiers and Marines. Land warfare combat operations are experiencing the benefits of Manned-Unmanned teaming (MUM) of manned aviation and unmanned air systems toward the full potential with initiatives such as Task Force ODIN. Correspondence and direct reports from the commanders in the tactical combat zone conducting lethal operations universally state moving to a centralized and remote employment of UAVs decreases their flexibility and combat effectiveness. Integration of multiple combat systems at the lowest possible echelon used in a synchronized and trained battle command means of employment reduces fratricide, increases lethality, responsiveness, and reduces collateral damage. Direct experience in the Army's 25th Infantry Division shows the immediate improvement in combat capability when tightly integrated RSTA is used with our air and ground weapon systems to prosecute the Counter Improvised Explosive Device (CIED) fight.

Question. Isn't the Air Force best suited to serve as the Executive Agent for development, acquisition, operations and policy for all medium and high altitude Unmanned Aerial Systems?

Answer. The Air Force Chief of Staff recently proposed that the Air Force be designated as the Executive Agent (EA) for all UAS operating above 3,500 feet. Each Military Service (Army, Navy, Air Force, and Marines) has UAS that operate in that airspace. The Joint Staff is leading the Department's review of the Air Force proposal and will be using a methodology similar to that used in 2005. The Department last addressed the question of an EA for Unmanned Aircraft Systems (UAS) in 2005. At that time, the Joint Staff formed a tiger team to determine if an EA for UAS was required. In lieu of an EA, the Department established a Joint UAS Center of Excellence at Creech Air Force Base, Nevada, to address doctrine and operational issues of unmanned aircraft. The Department also reorganized an existing organization, now called the Joint UAS Materiel Review Board, to address UAS materiel solutions. The Joint UAS Center of Excellence and the Joint UAS Materiel Review Board are performing the functions one would expect of an EA.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

Question. The fiscal year 2007 budget contains $7 million for the Department of Defense Corrosion Prevention and Control Program and the fiscal year 2008 requests is just under $5 million. Since the return on investment is so great and the annual costs of corrosion so high, why does the Department of Defense continue to reduce the funding request for corrosion prevention and control?

Answer. The fiscal year 2007 Operations and Maintenance (O&M) appropriation was $7.7 million and Research, Development, Test and Evaluation (RDT&E) Budget Activity (BA) 4 was $7.1 million. The fiscal year 2008 President's budget request contains $8 million in O&M and $5 million RDT&E for a total of $13 million for this program, which represents a slight increase from the fiscal year 2007 budget request of $12.6 million. The Department recognizes the importance of funding to prevent and mitigate corrosion in both weapon systems and infrastructure.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

Question. As you know, Holloman Air Force Base is planned to be the sight of the next F–22A beddown. Does the Department plan to locate the 20 F–22s requested in fiscal year 2008 at Holloman, and what do you need from Congress to make this transition a reality in fiscal year 2009?

Answer. The F–22A program beddown is progressing as planned. The first F–22As to be beddown at Holloman AFB, NM arrive the second quarter of fiscal year 2009, with aircraft delivery completed in fiscal year 2011. Temporary operations and maintenance workarounds exist for all operations in advance of facilities construction completion.

FUTURE COMBAT SYSTEMS

Question. On a similar topic, the Army is testing much of its Future Combat Systems technology at White Sands Missile Range. Your fiscal year 2008 request includes $3.7 billion for research, development, test and evaluation of FCS technologies. What does the Department need from White Sands Missile Range to accommodate these efforts?

Answer. To facilitate the test and evaluation of Future Combat Systems (FCS) technologies during the fiscal year 2007-fiscal year 2008 timeframe, Program Man-

ger (PM) FCS requires the development of a Test Operations Complex (TOC) near the Oragrande Base Camp site. Currently, a complex of 6 buildings requiring varying amounts of upgrade has been identified for potential use to support FCS Spin Out 1 test and evaluation. PM FCS and White Sands Missile Range (WSMR) will jointly fund these upgrades. However, it is envisioned that a significantly larger TOC will be required to support System of Systems test and evaluation during both Integration Phases 2 and 3. Additional infrastructure includes the possible extension of the Fort Bliss Fixed Tactical Internet (FTI) to WSMR to support test and training and to Holloman Air Force Base to support JEFX 08. Finally, current plans require Army Evaluation Task Force (AETF) soldiers to commute from Fort Bliss to WSMR to support the execution of test events. As the FCS test program proceeds into subsequent Integration Phases, the size and scope increase to battalion size force-on-force events. Due to the large number AEFT soldiers required to support such events, the commuting concept of operations is not practical. Therefore, a review of the adequacy of soldier billets at WSMR to provide housing for soldiers during these extended events should be conducted. Pending the outcome of that review, a potential increase in the number of soldier billets at WSMR may be required.

HIGH ENERGY LASER SYSTEMS TEST FACILITY (HELSTF)

Question. Lastly, the Army has proposed cutting funding for the High Energy Laser Systems Test Facility (HELSTF) by about $13 million. HELSTF has a host of valuable capabilities to the Department for directed energy testing and evaluation. I am concerned about the future of directed energy tests if HELSTF is underfunded and inoperable and would like to know the Department's plans for conducting such tests in the future.

Answer. Funding for HELSTF was reduced to provide funds for higher priority Army programs. HELSTF is an important test facility that will continue to support directed energy tests and evaluation needs of the Department of Defense. A capability to support solid-state laser development programs will still exist at HELSTF, and will be utilized by the Army. Specifically, a series of tests in support of the Army's High Energy Laser Technology Demonstrator (HEL–TD) are planned in 2008 thru 2013. A recent customer survey revealed that there are no identified test requirements for the Mid-IR Advanced Chemical Laser (MIRACL) or the Sea Lite Beam Director (SLBD), therefore the MIRACL and SLBD will be placed in storage.

HELSTF will continue to support the Department's need for directed energy test and evaluation by standing up a Solid State Laser (SSL) testbed. The intent of the Solid State Laser testbed is to allow a laser weapon system developer to bring lasers to HELSTF at an early point in the weapon system development program. The SSL testbed will allow investigation of the systems engineering and integration issues associated with weaponizing lasers without having to build a prototype of the complete weapon system. A fixed testbed, based on existing hardware in place at HELSTF, provides a near laboratory environment and allows field-testing of lasers at HELSTF test areas. A transportable testbed, based on the existing ex-THEL hardware, and complemented by transportable diagnostic sensors, data collection, data processing and range control equipment, is planned to support field-testing of more advanced prototypes. Army funding allows these systems, operated by Government technical staff, to continue to support SSL weapon system development programs of the DOD. As with any complex program, there is some risk that should a major component fail, sufficient funds to affect a repair may not be immediately available.

HELSTF will be positioned to support the Army's Counter-Rocket, Mortar, and Artillery (C–RAM) program, the Joint High Power Solid State Laser program, the Army's High Energy Laser Technology Demonstrator in the C–RAM role, and other SSL programs. The present workforce is sized and trained to operate MIRACL and SLBD. This workforce will be released in December 2007. In the near term, the smaller workforce will reduce the capacity at HELSTF; tests previously conducted in parallel may now have to be sequential, but in time the all government staff will acquire the training and experience to enable the facility to continue to provide the unique capabilities that HELSTF has traditionally provided to Directed Energy weapon system development efforts of the DOD. The staff will continue to help plan, design, and execute laser test and evaluation. Contract mechanisms are in place to supplement the Government personnel with contractor support, should the customer-funded workload require this.

Funding does not allow for acquisition of "adaptive optics" for the SSL Testbed. Without these optics to compensate for the effects of the atmosphere on the laser beam the range at which targets can best tested will be reduced. Modernization of other test capabilities to support Directed Energy are on going in the DOD Directed

Energy Test and Evaluation Capabilities (DETEC) program funded by the Central Test and Evaluation Investment Program (CTEIP). These capabilities are presently focused on providing improved instrumentation to support Directed Energy T&E. The majority of DETEC capabilities will be fielded at HELSTF.

The DOD's Directed Energy test and evaluation needs will continue to be supported by capabilities at HELSTF. It remains operational as the Nation's finest Directed Energy T&E Facility.

Question. I understand the Department plans to expand Special Forces by more than 10,000 soldiers over the next 5 years. How many of these forces will be part of AFSOC?

Answer. Over the next 5 years, fiscal year 2007–11, AFSOC will expand its force by 500 military and 155 civilians (this total includes classified personnel).

Question. DOD has requested $1 billion to adjust the military's global posture. Why is this readjustment important to our defense and what can Congress do to help the process along?

Answer. The Department's request of approximately $1 billion in PB08 for global defense posture realignment further advances critical posture changes already underway both overseas and as part of BRAC 2005. These changes comprise a long overdue effort to transform our overseas legacy forces, Cold War basing structures, host-nation relationships, and forward capabilities to better contend with post 9/11 security challenges. In fiscal year 2008 these changes include: continued redeployment of heavy divisions from Europe to CONUS; shifting south and east in Europe with transformation of the 173rd airborne brigade in Italy and establishment of Joint Task Force-East in Romania and Bulgaria; planning and design for future USMC realignment in the Pacific as part of U.S.-Japan force posture changes; development of basic infrastructure for current and future operations in the CENTCOM theater, and; development of bed-down infrastructure for new capabilities in Guam, Hawaii, and Alaska. Congress' continued support to fully fund BRAC changes is critical to the successful implementation of global defense posture. The Department appreciates that support, as well as Congress' vision in working with DOD to adapt our posture network globally for greater flexibility in the long war and other contingencies.

QUESTION SUBMITTED TO ADMIRAL EDMUND P. GIAMBASTIANI, JR.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

Question. I welcome this initiative and believe it should enhance our opportunity to build partnerships with the nations in Africa to help combat terrorism, reduce conflict, enhance stability, and promote the common values we share.

Since this is a new initiative, I don't know if you were able to request funding in your fiscal year 2008 budget proposal. Could you outline for the committee the funding requirements and provide an overview of the Department's vision for Africa Command?

Answer. In order to fully stand-up and operate the U.S. Africa Command (USAFRICOM) headquarters by the end of fiscal year 2008, we included a request for $75.5 million in fiscal year 2008 base budget submission.

Our vision for USAFRICOM is that it will promote U.S. national security objectives by working with African states, allies, and regional organizations to strengthen regional stability and security. USAFRICOM will lead the in-theater DOD response and support other U.S. government (USG) agencies in implementing USG security policies and strategies. USAFRICOM will work closely with other USG and international partners to conduct theater security cooperation activities that build security and improve governance in the region.

As directed, USAFRICOM will conduct military operations to deter aggression and respond to contingencies unilaterally or jointly with African states and regional organizations. Furthermore, USAFRICOM will address the threats in and from Africa through security cooperation and collaboration with other USG agencies to conduct humanitarian and disaster relief operations; strategic communications and information operations; provide medical and HIV/AIDS assistance; conduct stability, security, transition, and reconstruction activities; build partnership capacity; civic action; security sector reform; and military-to-military activities.

SUBCOMMITTEE RECESS

Senator INOUYE. This subcommittee will reconvene on Wednesday, March 7, when we will meet to discuss the military health program, and we will now stand in recess.

[Whereupon, at 11:45 a.m., Wednesday, February 28, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, March 7.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2008

WEDNESDAY, MARCH 7, 2007

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

The subcommittee met at 10:10 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Mikulski, Murray, Stevens, Bond, and Shelby.

DEPARTMENT OF DEFENSE

MEDICAL HEALTH PROGRAMS

STATEMENT OF LIEUTENANT GENERAL KEVIN C. KILEY, SURGEON GENERAL, DEPARTMENT OF THE ARMY

OPENING STATEMENT OF SENATOR DANIEL K. INOUYE

Senator INOUYE. I would like to welcome all the witnesses today as we review the Department of Defense (DOD) medical programs. There will be two panels this morning. First we will hear from the service Surgeon Generals, General Roudebush, Admiral Arthur, and General Kiley. Next we will hear from our Chiefs of Nurse Corps, General Melissa A. Rank, Admiral Christine Bruzek-Kohler, and General Gale Pollock.

We are all witnesses to the amazing advances in modern medicine which not only affect the daily lives of everyone in this room but also the impacts of lifesaving measures for our Armed Forces serving in harm's way.

One of the true unsung heroes in this effort is the military medic. He or she is on the front lines every day, making critical decisions and delivering immediate medical care that determines the fate of our service members.

So much has changed for the medic since I served in the military, yet the one thing that remains constant on the battlefields is the call for a medic from a wounded service member. Medics often endure the same hardships as the front line infantry soldier.

When the Rangers came ashore on D-Day, their medics were right there, treating them on the beach. Seven of them were killed and another 25 wounded on that day. During World War II, medics worked miracles with few supplies. They had bandages, tourniquets, sulfa powder, and morphine.

Medics played an equally critical role in both Korea and Vietnam. With the arrival of the mobile army surgical hospitals, military medicine was able to advance many of the lifesaving measures applied by the medic on the battlefield, but the tools of the medic's trade had not changed substantially.

The global war on terrorism continues to utilize the critical skills of the medic, but today their tools contain advanced therapy and bandages to stop bleeding that once was considered uncontrollable. They also prevent the deadly effect of shock with the ability to warm injured shoulders far forward in the theater.

With their tools, tourniquets, techniques, and skills, our medics have achieved groundbreaking results. Never before in our history has combat mortality been so low. I believe it's 0.25 now, whereas it used to be 2.5 in World War II. I was one of the lucky ones to leave after suffering serious injury, but today service members are surviving much worse injuries.

However, this means many more of our service members are returning home with significant injuries. Not only can these injuries take many months to recover, but we have yet to fully comprehend and diagnose the long-term effects of certain injuries such as traumatic brain injury or post-traumatic stress.

Our challenge is to respond to these new challenges and realities. How we handle, treat, communicate, and house our service members and their families should be of the utmost importance to all of us. After everything they have gone through and continue to endure, our Government must ensure we are doing everything possible on their behalf.

As recently exposed in the press, there is an area we have not addressed adequately. It now requires our complete attention and scrutiny. It affects both the Department of Defense and the Veterans Administration (VA), and it is not just a matter of medical care.

We must recognize the changing indications of our service members surviving life-threatening injuries and the fact that many of them have the utmost desire to return to active duty. This process must not be rushed, but handled with appropriate manner and timeframe, with constant communication to the service members and their families.

I look forward to the findings and recommendations from the task force established by Secretary Gates, and working with the Department to ensure the necessary resources are provided for this effort. But as one member I express my hope that it not be a finger-pointing exercise, or we should not be looking just for sacrificial lambs. I hope it will be something meaningful.

And so, with that, I hope that the many issues related to the Department of Defense medical programs will be addressed this day. I look forward to your statements. I would like to welcome you all once again, and I now call upon our first witness, General Kiley.

General KILEY. Thank you, Mr. Chairman, Senator Stevens, and distinguished members of the subcommittee.

Senator INOUYE. Before we proceed, do you have any statement. Excuse me, sir.

STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. I would just repeat your statement, sir. I second everything you said, and welcome the Surgeon Generals and the Chiefs of the Nursing Corps. I look forward to working with you to try and fix some of these challenges that you have mentioned. Thank you very much.

Senator INOUYE. Senator Shelby.

STATEMENT OF SENATOR RICHARD C. SHELBY

Senator SHELBY. Mr. Chairman, I'll be short. I'll be short here.

Over the last 2 weeks, along with the rest of the country, I've been shocked to learn about the appalling and unacceptable conditions in which some wounded war veterans are living at Walter Reed Army Medical Center. I think that how well we care for our wounded service members when they return home from war in itself has profound moral implications.

Does this instance show that we're failing to meet our most basic obligations to those who fight our battles? I believe that we all agree that our service members, in particular our combat veterans, deserve the best facilities and care in the world. Reports that our war injured are recuperating in substandard housing have shed light on a massive failure which I believe is inexcusable on every level.

Yet what is perhaps more disturbing is, this problem is likely not the isolated incident I hoped it would be. The problem clearly goes deep, beyond the facilities at Walter Reed. And, Mr. Chairman, I commend you for this hearing. We're not looking for scapegoats, but we're looking for responsibility and we're looking to correction because we owe it to our soldiers.

Thank you, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF SENATOR RICHARD C. SHELBY

Over the last two weeks, I, along with the country, have been shocked to learn about the appalling and unacceptable conditions in which some wounded war veterans are living in at Walter Reed Army Medical Center.

How well we care for our wounded servicemembers when they return home from war, in itself, has profound moral implications. Does this incident show that we are failing to meet our most basic obligations to those who fight our battles?

Since 2002, we have sent hundreds of thousands of our armed forces into combat zones. With great medical advances in battlefield care, more of our servicemembers are surviving than in any previous war—nearly 50,000 from the conflict in Iraq and Afghanistan alone. The killed-in-action rate for Operation Enduring Freedom and Iraqi Freedom is 12.5 percent, compared to 18.6 percent for the first Gulf War and Vietnam, and 25.3 percent for World War II. The care a servicemember receives in a combat zone or immediately following should be commended. Yet, what the Walter Reed incident shows is that there is clearly a major breakdown in our military health care system once a servicemember returns home. And this should not be the case.

I believe we all agree that our servicemembers, and in particular our combat veterans, deserve the best facilities and care in the world. Reports that our war-injured are recuperating in substandard housing have shed light on a massive failure, which is inexcusable on every level.

Yet, what is perhaps more disturbing is that this problem is likely not an isolated incident. This problem clearly goes beyond the facilities at Walter Reed. That is why we must take steps to improve the quality of the facilities at Walter Reed, but also to ensure that these standards are maintained throughout the entire Department of Defense health care system.

If these issues are not addressed now, they will only get worse as the system becomes further stressed with more veterans returning from Iraq and Afghanistan.

Our support for our men and women who wear the uniform cannot end when they leave the battlefield. The cost of war cannot simply include funding our weapon systems. It must include the cost of taking care of our servicemembers who fight in it. To deliver anything other than the very best would be shameful.

Senator INOUYE. Senator Murray.

STATEMENT OF SENATOR PATTY MURRAY

Senator MURRAY. Thank you very much, Mr. Chairman and Senator Stevens, and I want to thank our witnesses for being here today, and I want to thank those service members who care for their sick and injured comrades, both in theater and back here at home.

I am very concerned that while we have dedicated people, they are working in a system that is failing our soldiers. From what I have been hearing, Walter Reed is just the tip of the iceberg. This morning the Seattle Times detailed serious problems at the medical holdover unit at Madigan Army Medical Center in my home State.

It detailed soldiers who are left to languish in medical units for nearly 2 years, soldiers who are being hurried out of DOD care before they receive the surgery they need, being given low disability ratings that don't reflect their injuries and deny them an Army disability pension, and being pressured to sign their medical evaluations to get them off the DOD books. If these reports are true, then the Pentagon is failing our service members at exactly the time that they need the most support, and that is really shameful and unacceptable.

The Seattle Times article quotes Pamela Lane, whose husband, Specialist Steve Lane, was sent home without being diagnosed for traumatic brain injury. His wife said, "I want people to know that if their loved ones are there, they will have to fight for their care. If they do not, they will get lost in the system."

The article says that soldiers who push for help are branded as malcontents, and there are conflicting reports. One soldier told the Tacoma News Tribune that he received excellent care and generally good casework at Madigan, but he also said, and I quote, "If you want your care, you really have to fight for it. Their strategy," and I'm quoting him, "is to get you so disgruntled that you just say screw it and go home."

So we've got, Mr. Chairman, very talented medical professionals who are trapped in a system that doesn't let them do their jobs fully, and to me that is an outrage. General Kiley, you're in charge of this system. I hold you accountable for every disturbing story I'm hearing in my home State, and I'm here today because I want answers.

Walter Reed exposed the problems with military medical care, and the latest stories out of my home State show that the problems are much deeper and more painful than moldy walls and redtape.

General, I want you to know many soldiers are very worried that if they speak out publicly, they're going to be punished or it will end their military careers. I want your personal assurance today that any soldier who blows the whistle on substandard care will not be retaliated against.

Senator INOUYE. I thank you very much.

Senator Mikulski.

STATEMENT OF SENATOR BARBARA A. MIKULSKI

Senator MIKULSKI. Thank you very much, Mr. Chairman and members of the military. First of all, I think today we all know we were filled with shock and awe about what we have learned about the dysfunctional outpatient care system, both with military medicine as well as VA.

We know that within this subcommittee we've been dealing with some of the structural issues confronting military medicine, the intensity of the nursing shortage and other allied health people supporting our doctors. We know the ops tempo has literally been a high burnout rate, as well as the grim and ghoulish injuries that are faced in theater. We actually salute those men and women in military medicine that have been delivering acute care from the battlefield until they arrive back home in these hospitals.

But, however, we have now 22,000 Purple Heart men and women. We owe them a debt of gratitude related to what we need to do in terms of the next steps, and the next steps fall into outpatient care, rehabilitation medicine, and long-term care and assisted living. We have to look at care, facilities, social workers, and even the dysfunctional disability system itself.

Yes, we have visited Walter Reed, and yes, we have visited other places. Some aspects are working wonderfully. Many staff are performing heroically, both in danger to their own lives on the battlefield, but at the ops tempo, whether it's in Germany or back here.

We want to get to the bottom of this, so that we not just have phrases and yellow ribbons and "We're going to stand up for our wounded warriors." I believe promises made are promises kept. We said, "If you will go and fight for us, we will fight for you when you come back home." That's what we're here to do. We're here to fight for those wounded warriors, and all those who were wounded that we might not yet know how they were wounded, Mr. Chairman.

Senator INOUYE. I thank you very much, Senator Mikulski.

PREPARED STATEMENTS OF SENATORS BOND AND MC CONNELL

Before you start General Kiley, I have received statements from Senators Christopher Bond and Mitch McConnell which I will place in the record at this point.

[The statements follow:]

PREPARED STATEMENT OF SENATOR CHRISTOPHER S. BOND

Thank you for appearing here today. The reports detailing the conditions at Walter Reed Army Medical Center have gotten just about everyone's attention and if that means the quality of care for our military forces and our veterans improves then who can complain?

LT GEN Kiley, your staff should have relayed to you my interest in revisiting an investigation I conducted along with my colleague Senator Leahy on the conditions for soldiers on a medical hold status at Fort Stewart back in October 2003. We issued a report on our findings, dated October 24, 2003. Paragraph three of the report, under the Summary, reads like a current recount of problems at WRAMC. "The situation at Fort Stewart unfortunately was, and remains, hampered by an insufficient number of medical clinicians and specialists, which has caused excessive delays in the delivery of care. Exacerbating the situation, was the Army's placement

of wounded and injured soldiers in housing totally unsuitable for their medical condition."

I call your attention to this report because the problems at WRAMC have been encountered before and they relate directly to the quality, and timeliness of care, and the administrative processing for injured soldiers. Furthermore, shortly after our staff visited Fort Stewart, they traveled to Fort Knox and observed that the military care system there was not optimized to care for, and expeditiously process, soldiers injured in Iraq and subsequently determined to be unqualified for further duty.

Fast forward to 2007 and we find similar problems. Our findings do not negate the tremendous care and support so many of our soldiers and their families are receiving. One of the reasons for my visit was to meet a fellow Missourian recovering from a sniper's bullet that he encountered just four days prior to his scheduled end of tour date. This soldier and his mother were thankful for the care he was receiving and remain confident that they are receiving the finest care available—anywhere. I also met a soldier recovering from PTSD in the outpatient clinic. I asked this soldier about the quality of care and was told that it was outstanding. I asked her how she would explain the recent media reports on WRAMC and she replied, "I should know, I am here every day, they are not." I do not mean in any way to question the reports of others, but I recount a few of my conversations to share my observation that the best service the Army provides can be sullied in a moment by failing to serve just one soldier properly. I am sure you realize the gravity of the situation we are in. Perceptions are hard nuts to crack and we in government now must work overtime to regain the public's confidence.

PREPARED STATEMENT OF SENATOR MITCH MCCONNELL

I am deeply concerned about the recent details that have come to light regarding the Walter Reed Army Medical Center. Our brave soldiers deserve the best possible care and the situation at Walter Reed is unacceptable.

I commend both Secretary Gates and the President for their responsive action to this urgent problem. I am pleased they have acted quickly to address the long-term needs of our active duty warriors and veterans—not only at Walter Reed—but at military health service facilities across the country.

My home state of Kentucky is home to Ireland Army Community Hospital at Fort Knox and Blanchfield Army Community Hospital at Fort Campbell. Kentucky is home to 360,000 veterans. The Kentucky National Guard has sent more than 3,200 men and women into combat operations in Iraq and Afghanistan. For Kentuckians, the situation involving the health care of our brave men and women in the military and veterans is not an abstract issue. It is a very real and immediate one.

Senator INOUYE. May I now recognize General Kiley.

General KILEY. Thank you again, Mr. Chairman and Senator Stevens and distinguished members. Thank you for the opportunity to discuss the current posture of the Army Medical Department and any of the subjects that you have raised. I'll be happy to talk to the best of my knowledge on that.

On any given day more than 12,000 Army medics, physicians, dentists, veterinarians, nurses, and other allied health professionals, administrators, and combat medics are deployed around the world, supporting our Army in combat, participating in humanitarian assistance missions and training throughout the world.

The modern battlefield is incredibly complex, and Army medicine is engaged in every phase of deployment. Every soldier who deploys must meet our individual medical readiness standards, and once deployed our health professionals not only care for the wounded but sustain medical readiness to ensure combat effectiveness of deployed units.

More than 50 percent of the Army Medical Department has deployed at least once to care for soldiers, sailors, airmen, and marines during the global war on terrorism, and their superb perform-

ance during this war cannot be understated. They are involved in more than caring for combat casualties.

Last year Army medics supported our Nation's national military strategy, not only in Iraq and Afghanistan but through nation-building and humanitarian assistance in other countries. Our medical logistics system has moved more than 17,000 short tons of medical supplies into Iraq and Afghanistan, and more than 70 percent of the patient care in Iraq is for Iraqi forces and Iraqi civilians injured in fighting.

The toll has been high in terms of cost and human sacrifice. Army medics have earned over 220 awards for valor and more than 400 Purple Hearts. One hundred and one Army medical personnel have given their lives in Iraq and Afghanistan.

These heroes represent all our corps. They are truly the best our Nation has to offer and will make any sacrifice in defense of their Nation and, most importantly, for the care of their patients.

Despite these sacrifices, the morale of our healthcare professionals does remain strong, but I do have concerns about the long-term morale of our serving Army medical force, as well as the ability to recruit into the future. For the second consecutive year the Army fell short of its goal for awarding health profession scholarships in both Medical and Dental Corps.

To help make up for these scholarships and make it more attractive, the Congress authorized an increase in the monthly stipend paid to these recipients, and I thank you for taking this important step to improve this critically important program. We are working hard to ensure every available scholarship is awarded this year, and I would be happy to discuss initiatives during the question period.

The Army Medical Department is quickly integrating lessons learned from the battlefield into our training and doctrine, not only in military medicine but throughout the United States. Army medicine continues to lead the Nation in adopting new trauma casualty management techniques. Since 2003 we have provided rapid fielding of tourniquets, pressure dressings, hemostatic bandages, and the use of factor VII, teaching these new lessons at the Army Medical School and Center and in 18 new medical simulation training centers where we train our medics on the latest tactics, techniques, and procedure in combat medicine, to include operations in the tactical environment and evacuation. Today more than 17,000 combat medics have been trained in these training centers.

As you have already recognized, post-traumatic stress syndrome and traumatic brain injury present long-term challenges to our soldiers, our healthcare system and our disability evaluation system. We know at least from some surveys that 10 to 15 percent of soldiers will be diagnosed with post-traumatic stress disorders (PTSD) within the first year after combat, and we know as many as one-third will exhibit some symptoms of PTSD, depression, or anxiety over time.

Our screening also suggests that as much as 12 to 20 percent of our soldiers have reported experiencing a traumatic brain injury (TBI) event, which is a significant number, at some point during their deployment. But we know very little about the most effective

treatment strategies to apply in the first year after combat for TBI, and I'd be happy to talk some more about that also.

During the last several months I've had the privilege of co-chairing the Department of Defense Mental Health Task Force with Dr. Shelley MacDermid from Purdue University. This task force, comprised of military, civilian, Department of Veterans Affairs, and Department of Health and Human Services representatives, have conducted site visits around the world to evaluate our mental health systems, identify trends and problems, and recommend changes to our mental health services. We are now drafting our report and will anticipate submitting it to Congress on time in May.

In December 2006 I chartered an Army task force on traumatic brain injury, to review our policies, resources, research, therapeutics, and the way ahead for traumatic brain injury support to our soldiers and their families. This task force, led by Brigadier General Don Bradshaw, will include subject matter experts from across the Army. He has also included representatives from the Wounded Warrior Program, the Navy, Marine Corps, Air Force, and the Department of Veterans Affairs, and I expect General Bradshaw to provide me a report and recommendations in late spring of this year. I'll come back and report those findings to you if you're interested.

America and Congress have known the long, rich legacy of excellence at Walter Reed Army Medical Center, and it is a very highly regarded facility. Over the last 3 weeks you have learned that we are not living up to that legacy, and for that I am personally and professionally sorry, and I apologize to the soldiers and their families, the Department of Defense, to the Members of Congress and to the Nation, for this. I am the commander and I share in these failures.

I also accept the responsibility and the challenge for rapid corrective action. Secretary Gates expects decisive action now, and he and our soldiers will get it. We're taking immediate actions to improve the living conditions at Walter Reed. The last soldier in that building, it was reported to me this morning, will be leaving to go home today. All the other soldiers that were in that building are on the campus in our Abrams Hall.

We're taking steps to improve responsiveness of our leaders in our medical system and to enhance support services for families of our wounded warriors. We're taking action to put into place longer-term solutions for the very complex and bureaucratic medical evaluation process that, in fact, does impact on our soldiers.

America's soldiers go to war with the confidence that if they are injured, the finest military medical system in the world will take care of them, evacuate them, sustain them, and ultimately save them. As I have said several times, no soldier will charge an objective out of sight of a combat medic or corpsman, and by extension, all the way back through the evacuation system, Walter Reed is part of that confidence.

I am committed to regaining confidence not just in Walter Reed but across our entire military system. My entire professional life is dedicated to the sustainment of that confidence. I am worried that

these soldiers, at Walter Reed and across the world, will lose that confidence if we do not act decisively, and I will.

In closing, let me emphasize that the service and sacrifice of our soldiers and their families cannot be measured with dollars and cents. The truth is, we owe far more than we can ever pay to those who have been wounded and to those who have suffered. Thanks to your support, we have been very successful in developing and sustaining healthcare delivery systems that honor that commitment of our soldiers, retirees, and their families to our Nation. I know with your continued support we can overcome the present challenges and make this superb military healthcare system even better.

PREPARED STATEMENT

Thank you for inviting me today to participate in this presentation, and I look forward to answering your questions.

Thank you, Mr. Chairman.

Senator INOUYE. Thank you very much, General Kiley.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL KEVIN C. KILEY

Mr. Chairman, Senator Stevens, and distinguished members of the subcommittee, thank you for the opportunity to discuss the current posture of the Army Medical Department (AMEDD). During the past 5 years, military medicine has constantly exceeded any measure of success we could establish. By now America is well aware of many of the successes of our medical capability and the challenges we face as our Army remains engaged in combat operations in Afghanistan and Iraq. During these operations we have recorded the highest casualty survivability rate in modern history. More than 90 percent of those wounded survive and many return to the Army fully fit for continued service. Our investments in medical training, equipment, facilities, and research, which you have strongly supported, have paid tremendous dividends in terms of safeguarding soldiers from the medical threats of the modern battlefield, restoring their health and functionality to the maximum extent possible, and reassuring them that the health of their families is also secure.

Army medicine is an integral part of Army readiness and, like the Army, is fully engaged in combat operations around the world. On any given day more than 12,000 Army medics—physicians, dentists, veterinarians, nurses, allied health professionals, administrators, and combat medics—are deployed around the world supporting our Army in combat, participating in humanitarian assistance missions, and training throughout the world. These medics are recruited, trained, and retained through a integrated healthcare training and delivery system that includes the AMEDD Center and School at Fort Sam Houston, Texas; 36 medical centers, community hospitals, and clinics around the world; and, combat training centers and 18 Medical Simulation Training Centers wherever our combat formations are located. It is the synergistic effect of this system that enables us to place in our combat formations the Nation's best trained medical professionals while always ensuring the soldier is medically and dentally ready to withstand the rigors of the modern battlefield.

The modern battlefield is an incredibly complex environment and Army medicine is engaged in every phase of deployment. Every soldier who deploys must meet individual medical readiness standards. These standards are designed to ensure soldiers are medically and dentally prepared to withstand the rigors of modern combat. Army medicine ensures each soldier is medically fit, has appropriate immunizations, and has no active dental disease before they leave the United States or Europe.

Once deployed, our healthcare professionals not only care for those wounded but sustain medical readiness to ensure the combat effectiveness of deployed units. More than 50 percent of the Army Medical Department has deployed to the Central Command area of responsibility in support of combat operations. Twenty-six combat support hospitals have deployed (4 more than once); 41 forward surgical teams have deployed (11 more than once); 11 medical brigade/medical command headquarters have deployed (3 more than once); 21 aeromedical evacuation units have deployed (11 more than once); and 13 Combat Stress Control units have deployed (6 more

than once). Like the rest of the Army, this operations tempo is beginning to take its toll on the equipment and people who are vital to success.

The superb performance of our healthcare professionals during the global war on terror cannot be understated. What America doesn't know about these people is they are involved in much more than caring for wounded soldiers. AMEDD personnel supported nation building engagements not only in Iraq and Afghanistan but in 15 countries during 25 medical readiness training exercises during fiscal year 2006. Our medical logistics system has moved more than 17,000 short tons of medical supplies into Iraq and Afghanistan. More than 70 percent of the workload in our deployed combat support hospitals is emergency care provided to Iraqi forces and Iraqi citizens injured in fighting. Today, we maintain one combat support hospital split between two detainee facilities in Iraq—providing the same care available to American soldiers in Iraq and in compliance with all internationally-recognized laws and mores for care of detained persons.

The toll has been high in terms of cost and human sacrifice. Army medics have earned 220 awards for valor and more than 400 purple hearts. One hundred and one AMEDD personnel have given their lives in Iraq and Afghanistan. These heroes represent every aspect of Army medicine including Combat and Special Forces medics, Army Nurse Corps, Army Medical Specialist Corps, Army Medical Service Corps, Army Medical Corps, and Army Veterinary Corps. These men and women are truly the best our Nation has to offer and will make any sacrifice in defense of their Nation and, most importantly, for the care of their patients.

Despite these sacrifices the morale of our healthcare professionals remains strong. Some data indicates that a deployment leads to increased retention for our physicians and we are looking carefully at the impact of deployments on nurses and other health professionals. The Deputy Surgeon General recently hosted a Human Capital Strategy Symposium to address growing concerns within Army medicine about accessions/retention, including well-being issues which have a direct impact on morale. In an effort to maintain and improve the morale of the Army's medical force, my staff has been working to make improvements to the monetary incentives offered as accessions and retention tools. Most recently, we established a 180-day deployment policy for select specialties, established a physician's assistant critical skills retention bonus to increase the retention of physician's assistants, increased the Incentive Special Pay (ISP) Certified Registered Nurse Anesthetist, and expanded used of the Health Professions Loan Repayment Program (HPLRP). The physician's assistant and nurse anesthetist bonuses have been very successful in retaining these providers who are critically important to our mission on the battlefield.

However, I do have concerns about the long-term morale of our serving Army medical force as well as our ability to recruit our future force. Fiscal year 2006 presented Army medicine with challenges in recruiting healthcare providers. For the second consecutive year, the Army fell short of its goals for awarding Health Professions Scholarships in both the Medical Corps (79 percent of available scholarships awarded) and Dental Corps (70 percent of scholarships awarded). These scholarships are by far the major source of accessions for physicians and dentists. This presents a long-term manning challenge beginning in fiscal year 2009. As part of the 2007 National Defense Authorization Act, the Congress provided important authorities to allow the Secretary of Defense to increase the monthly stipend paid to scholarship recipients. These increases will make this program more attractive to prospective students and ease the financial burden they face as students. Thank you for taking this important step to improve this critically important program. We are working hard to ensure every available scholarship is awarded this year. In conjunction with United States Army Recruiting Command (USAREC) we have initiated several new outreach programs to improve awareness of these programs and to increase interest in a career in Army Medicine.

The Reserve Officer Training Corps (ROTC) is a primary source for our Nurse Corps Force. In recent years, ROTC has had challenges in meeting the required number of Nurse Corps accessions and as a consequence, USAREC has been asked to recruit a larger number of direct accession nurses to fill the gap. This has been difficult in an extremely competitive market. In fiscal year 2006, USAREC achieved 84 percent of its Nurse Corps mission (goal of 430 with 362 achieved). To assist USAREC we have instituted an accession bonus for 3-year obligation and have increased the bonus amount for those who obligate for 4 years. Additionally, we raised the dollar amount that we offer individuals who enter our Army Nurse Candidate Program to $5,000 per year for max of 2 years with a $1,000 per month stipend. In 2005, we increased the multi-year bonuses we offer to Certified Registered Nurse Anesthetists with emphasis on incentives for multi-year agreements. A year's worth of experience indicates that this increased bonus, 180-day deployments, and a re-

vamped Professional Filler system to improve deployment equity is helping to retain CRNAs.

The Reserve Components provide over 60 percent of Army Medicine's force structure and we have relied heavily on these citizen soldiers during the last 3 years. They have performed superbly. But accessions and retention in the Army National Guard and Army Reserve continue to be a challenge. In fiscal year 2005 we expanded accessions bonuses to field surgeons, social workers, clinical psychologists, all company grade nurses and veterinarians in the Army National Guard and Army Reserve. We also expanded the Health Professions Loan Repayment Program and the Specialized Training Assistance Program for these specialties. In February 2006, we introduced a Baccalaureate of Science in Nursing (BSN) stipend program to assist non-BSN nurses complete their 4-year degree in nursing. This is an effective accessions and retention tool for Reserve Component Nurses who have only completed a 2-year associates degree in nursing. Working with the Chief of the Army Reserve and the Director of the Army National Guard, we continue to explore ways to improve Reserve Component accessions and retention for this important group.

The high operations tempo has also placed strain on our equipment. The fiscal year 2007 Emergency Supplemental Appropriation request and the fiscal year 2008 budget request adequately funds the replacement and reset medical equipment in Iraq and Afghanistan as well as equipment organic to units deploying to and redeploying from the Middle East. One area that requires our focused attention is the need for an armored ground ambulance. Because our current ground (wheeled) ambulances are not armored they are not employed outside the Forward Operating Bases on a regular basis. When the ground ambulances have operated outside the FOB perimeter it has led to the death of some medical personnel, and it reduces a maneuver commander's ability to employ ground ambulances in support of combat operations. The Army's modernization plan addresses this issue and your continued support of the Future Combat System, which includes an armored ground ambulance, will help alleviate this problem.

America does not know that the Army Medical Department is a learning organization that seeks to quickly integrate lessons learned from the battlefield into healthcare training and doctrine not only in military medicine but throughout the United States as well. Most of the emergency medical response doctrine in practice in the United States today evolved from medical experiences in the jungles of Southeast Asia in the late 1960's. Today, Army medicine continues to lead the Nation in adopting new trauma casualty management techniques. Since 2003 we have provided rapid fielding of improved tourniquets, new pressure dressings, and the use of hemostatic bandages that promote clotting. Training for all soldiers in initial entry training has been revised and we continually revise Combat Lifesaver and Combat Medic training based on lessons learned on the battlefield.

These lessons learned are incorporated in our doctrine taught at the Army Medical Department Center and School and in 18 new Medical Simulation Training Centers across the Army designed to ensure all Combat Medics are trained on the most current combat casualty care techniques under fire, in a tactical environment, and during evacuation. To date, more than 17,800 Combat Medics have received training in these Medical Simulation Training Centers which use computerized mannequins that simulate human response to trauma. Medics can practice their skills in combat scenarios at their duty station. Live tissue training is an integral part of Brigade Combat Team Trauma Training, building the confidence of 68W combat medics and providers in extremity hemorrhage control with use of various hemostatic agents. Use of live tissue best simulates the challenges and stress inherent in stopping real bleeding.

The Improved First Aid Kit (IFAK) is the first major improvement in individual soldier care in the past 50 years. Today every soldier carries a first aid kit that provides intervention for the leading causes of death on the battlefield. The vehicle Warrior Aid Litter Kit (WALK) has enhanced the capability of soldiers to save lives when vehicles are attacked in theater. This is an expanded version of the IFAK with the addition of a collapsible litter to facilitate ground/air medical evacuation.

Hypothermia was leading to poor casualty outcomes and, as a result, the Army added new equipment for patient warming and fluid warming to medical equipment sets including the combat medic's aid bag, ground and air ambulances, the battalion aid station, the Forward Surgical Team, and the Combat Support Hospital.

The Joint Theater Trauma Registry is proving invaluable; rapidly collecting the lessons learned and guiding decisions about training, equipment and medical supplies based on near real-time data. An organized, systematic method to collect information and use it to drive improvements will be a key component of future military medical operations. As knowledge of the actual experience of U.S. medical units in Iraq and Afghanistan has grown, Army medicine has developed a Theater Combat

Casualty Care Initial Capabilities Document under the Joint Capabilities Integration and Development System that captures the required capabilities and capability gaps in combat casualty care to guide research and development efforts and effect changes in doctrine, organizations, training, materiel, leadership, personnel and facilities.

At the same time we are rapidly introducing new medical products and practices on the battlefield we are transforming our deployable units to better support the Army in combat. Last year we completed a reengineering of our aero-medical evacuation units, placing them under the command of the Army's General Support Aviation units to improve maintenance and training for our Dustoff units. We reviewed the doctrinal employment of forward surgical teams to ensure we are making the best use of this light, very mobile, far forward surgical capability. We also redesigned our Professional Officer Filler System (PROFIS) to improve the equity of deployments across regions and medical specialties.

But our successes are evident in other aspects of medical care as well. America does not know that U.S. Army Medical Command is a $7 billion a year business that provides care for more than 3 million beneficiaries world-wide. Civilian healthcare executives are frequently surprised to find that all of our hospitals and clinics are accredited by the Joint Commission on Accreditation of Healthcare Organizations. Our civilian peers are further surprised when they learn of the quality of our graduate medical education programs and the superb quality of Army healthcare professionals as evidenced by medical board scores, board qualified rates, and graduate and post-graduate education rates.

This healthcare delivery system is essential to our success on the battlefield. It is within this system that our healthcare professionals train and maintain their clinical skills in hospitals and clinics at Army installations around the world everyday. These facilities provide day-to-day healthcare for soldiers to ensure they are ready to deploy; allow providers to train and maintain clinical competency with a diverse patient population that includes soldiers, retirees, and families; serve as medical force projection platforms, and provide resuscitative and recuperative healthcare for ill or injured soldiers. To accomplish this ambitious mission, we constantly strive to sustain appropriate staffing ratios, facility workspace, workload productivity and patient case-mix in our direct-care facilities while maintaining the right balance with an appropriately sized and supportive network of civilian providers for healthcare services we cannot effectively or efficiently provide on a day to day basis. In order to remain successful, however, we must transform Medical Command along with our battlefield system of care.

The combination of Base Realignment and Closure (BRAC) decisions, Army Modular Force (AMF) redesign and stationing, and the transformation of the Global Defense Posture (GDP) have presented us with a significant challenge to adapt in support of rapid change. But more importantly, these initiatives offer an unprecedented opportunity to improve the way we care for patients at affected installations. We are working with the Army Corps of Engineers to improve the historically long-lead time necessary to plan and execute military medical construction projects, especially given limited funding and low fiscal thresholds that we must work within. Although it will be a significant challenge, the Army Medical Department approaches this epoch as an opportunity to make significant strides not only to transform, realign and improve our vast and aging infrastructure, but also to integrate exciting new acquisition methodologies, cutting edge medical technologies, our robust information management system and emerging concepts of patient treatment and care, such as Evidence Based Design. I am confident that with the help of Congress, we will be able to leverage this once in a lifetime opportunity to advance healthcare further, by properly aligning and improving the enabling facility infrastructure.

Despite our operations tempo, we have maintained and improved the quality of care and timely access to care for soldiers, their families, and our retirees. Private sector care enrollment and workload is increasing as we continuously evaluate and optimize our facilities' enrollment to ensure appropriate personnel and facilities are available to meet healthcare demand. We have prioritized workload to support casualty care and deployment medical screening, shifting a portion of our family member and retiree care to the private sector to ensure they will continue to receive continuous high quality care during ongoing deployment of our medical personnel. Additionally, families of mobilized reserve component soldiers now have TRICARE available to them as their health insurance in many areas where military facilities do not exist or do not have the capacity to absorb additional enrollees.

Going to war affects all soldiers. The number of soldiers with Post Traumatic Stress Disorder (PTSD) and other stress-related symptoms has gradually risen. The AMEDD has been supporting our soldiers at war for 5 years, during 9/11 at the Pentagon, in Afghanistan, in Iraq and around the globe. But America does not know

about the extensive array of mental health services has long been available for soldiers and their families. Since 9/11, the Army has augmented behavioral health services and post-traumatic stress disorder (PTSD) counseling throughout the world, but especially at Walter Reed Army Medical Center and at the major Army installations where we mobilize, train, deploy, and demobilize Army forces. Demand for these services will not decrease in 2007 and we are committed to providing the long-term resources necessary to effectively care for soldiers and families dealing with a wide variety of stress-related disorders.

Soldiers are also now receiving a global health assessment, with a focus on behavioral health, 90 to 180 days after redeployment. This assessment, the Post-Deployment Health Reassessment (PDHRA), includes an interview with a health care provider. The PDHRA provides soldiers an opportunity to identify any new physical or behavioral health concerns they may be experiencing that may not have been present immediately after their redeployment. This new program has been very effective in identifying soldiers who are experiencing some of the symptoms of stress-related disorders and getting them the care they need before their symptoms manifest into more serious problems.

The AMEDD is also performing behavioral health surveillance and research in an unprecedented manner. There have been four Mental Health Advisory Teams (MHATs) performing real time surveillance in the theater of operations, three in Iraq and one in Afghanistan. Colonel Charles Hoge has led a team from the Walter Reed Army Institute of Research in a wide variety of behavioral health research activities. His research shows that generally the most seriously affected by PTSD are those most exposed to frequent direct combat.

Since the beginning of Operation Iraqi Freedom (OIF) in 2003 there has been a robust Combat and Operational Stress Control presence in theater. Today, more than 170 Army behavioral health providers are deployed in Iraq and another 25 are deployed in Afghanistan. Air Force and Navy mental health teams are also deployed and supporting soldiers, sailors, airmen, and marines in Iraq and Kuwait. The MHAT reports demonstrate both the successes and some of the limitations of these combat stress control teams. Based on MHAT recommendations, we have improved the distribution of behavioral health providers and expertise throughout the theater. Access to care and quality of care have improved as a result.

There is a perceived stigma associated with seeking mental health care, both in the military and civilian world and we must take action to address this problem. Therefore we are moving to integrate behavioral health care into primary care, wherever feasible. Our pilot program at Fort Bragg, Respect.Mil, which provides education, screening tools, and treatment guidelines to primary care providers, was very successful. We are in the process of implementing this program at 13 other sites across the Army.

We continue to assess the access to and quality of our services using both internal and external methods. I directed and funded a review of behavioral healthcare services available across Army installations. This review is just being completed and will augment the impressions I have been developing as the co-chair of the Department of Defense (DOD) Mental Health Task Force, created by the fiscal year 2006 National Defense Authorization Act. This task force, comprised of military, civilian, Department of Veteran's Affairs, and Department of Health and Human Services representatives is conducting site visits around the world to evaluate mental health systems, identify trends and to recommend changes to our mental health services. The task force will complete its work and submit its report to Congress in May 2007.

Training in behavioral health issues is ongoing in numerous forums. The Walter Reed Army Institute of Research has developed a training program called "Battlemind". Prior to this war there were no empirically validated training strategies to mitigate combat-related mental health problems, and we have been evaluating this post-deployment training using scientifically rigorous methods with good initial results. This new risk communication strategy was developed based on lessons learned from Colonel Hoge's Land Combat Study and other efforts. It is a strengths-based approach that highlights the skills that helped soldiers survive in combat instead of focusing on the negative effects of combat. Two post-deployment training modules have been developed, including one version that involves video vignettes, that emphasizes safety and personal relationships, normalizing combat-related mental health symptoms, and teaching soldiers to look out for each other's mental health.

The acronym "Battlemind" identifies 10 combat skills that if adapted will facilitate the transition home. An example is the concept of how soldiers who have high tactical and situational awareness in the operational environment may experience hypervigilence when they get home. The post-deployment Battlemind training has

been incorporated into the Army Deployment Cycle Support Program, and is being utilized at Department of Veterans' Affairs Vet Centers and other settings. We have also been developing pre-deployment resiliency training for leaders and soldiers preparing to deploy to combat using the same Battlemind training principals, as well as training for spouses of soldiers involved in combat deployments.

Traumatic Brain Injury (TBI) is emerging as a common blast-related injury. TBI is a broad grouping of injuries that range from mild concussions to penetrating head wounds. An overwhelming majority of TBI patients have mild and moderate concussion syndromes with symptoms not different from those experienced by athletes with a history of concussions. Many of these symptoms are similar to post-traumatic stress symptoms, especially the symptoms of difficulty concentrating and irritability. It is important for all providers to be able to recognize these similarities and consider the effects of blast exposures in their diagnoses. Through the Defense and Veterans Brain Injury Center (DVBIC), headquartered at Walter Reed, we understand a lot about moderate to severe TBI, including severe closed head trauma, stroke, and penetrating head wounds. What we do not fully understand is the long-term effects of mild concussion or multiple mild concussion on soldier performance. Through Congress' support of the DVBIC has been instrumental in providing the DOD with a firm foundation to quickly improve our understanding of mild TBI, but we must move quickly to fill this knowledge gap.

In December 2006 I chartered an Army Task Force on TBI to review our policies and resources dedicated to TBI from scientific research, acute diagnosis and treatment, to long-term rehabilitation. This task force, led by Brigadier General Don Bradshaw, will include subject matter experts from across Army medicine. I have also invited the Navy, Air Force, and Department of Veterans' Affairs to have representatives participate in the task force. I expect General Bradshaw to provide me a report and recommendations by late spring 2007.

America does not know that rapid growth in national healthcare costs threaten our medical system and, ultimately, Army readiness. The Army requires a robust military medical system to meet the medical readiness needs of active duty service members in both war and peace, and to train and sustain the skills of our uniformed physicians, nurses, and combat medics as they care for family members, retirees, and retiree family members. Therefore we share the DOD's concern that the explosive growth in our healthcare costs jeopardizes our resources, not only to the military health system but in other operational areas as well.

DOD continues to explore opportunities to help control costs within the DHP and in many of these initiatives the Army leads the way in implementation and innovation. In 2006, I implemented a performance-based budget adjustment model throughout the Army Medical Command. This model accounts for provider availability, workload intensity, proper coding of medical records, and the use of outcome measures of as quality indicators to adjust hospital and clinic funding levels to reflect the actual cost of delivering healthcare. The Southeast Regional Medical Command implemented an early version of this system in 2005 where it showed great promise. This enterprise-wide model focuses command attention on the business of delivering quality healthcare. It is a data-driven methodology that enables commanders at all levels to receive fast feedback on their organization's performance. Finally, the use of clinical practice guidelines encourages efficiency by using nationally accepted models for disease management. These adjustments provide my commanders the ability to reward high-performing activities, encourage best-business opportunities, and exceed industry-standard wellness practices.

Fiscal year 2007 and fiscal year 2008 will be challenging years for the Defense Health Program (DHP) and Army medicine. Our estimates for cost growth through 2013 are not complete, but we are still witnessing sizable growth in the number of TRICARE-reliant beneficiaries in our system, and the pressures on the defense budget grow. Military health care costs continue to increase substantially. The fiscal year 2008 President's budget request includes a legislative proposal that aligns TRICARE premiums and co-payments for working age retirees (under age 65-years) with general health insurance plans. The Department may modify or supplement this request after it considers recommendations from the Department of Defense Task Force on the Future of Military Health Care that has been recently established with distinguished membership from within the Department, other Federal agencies and the civilian sector. A key area the task force will study and on which it will make recommendations is "beneficiary and government cost-sharing structure." We believe this and the other recommendations they make will markedly benefit the MHS in the future.

Simply put, the Department and Congress must work together to allow the Department to make necessary changes to the TRICARE benefit to better manage the long-term cost structure of our program. Failure to do so will harm military

healthcare and the overall capabilities of the Department of Defense—outcomes we cannot afford.

The Army continues to support the development of a Unified Medical Command and is working closely with our sister services and the Joint Staff to realize the full potential of this initiative. A fully functional unified command represents an opportunity to reduce multiple management layers within DOD's medical structure, inspire collaboration in medical training and research, and gain true efficiencies in healthcare delivery. These changes need to be made in conjunction with BRAC implementation and other actions to sustain the benefit if we are to realize the full potential of a streamlined, more responsive command and control structure.

The DHP is a critical element of Army medical readiness. Healthy soldiers capable of withstanding the rigors of modern combat; who know their families have access to quality, affordable healthcare, whether the soldier is home with them or off to combat; and who are confident when they retire they will have access to that same quality healthcare is an incredibly powerful weapon system. Every dollar invested in the DHP does much more than just provide health insurance to the Department's beneficiaries. Each dollar is truly an investment in military readiness. In OIF and OEF that investment has paid enormous dividends.

America has long known of the rich legacy of excellence for which Walter Reed Army Medical Center is so highly regarded. The issues highlighted in the Washington Post articles are not due to a lack of funding or support from Congress, the administration, or the Department of Defense. Nor are they indicative of any lowering of standards by the WRAMC leadership. We are aggressively working to address the problems highlighted in the media, both internally and in conjunction with the independent review panel appointed by the Secretary of Defense. Walter Reed represents a legacy of excellence in patient care, medical research and medical education. I can assure you that the quality of medical care and the compassion of our staff continue to uphold Walter Reed's legacy. But it is also evident that we must improve our facilities, accountability, and administrative processes to ensure those systems meet the high standards of excellence that our men and women in uniform so richly deserve.

In closing let me emphasize that the service and sacrifice of our soldiers—and their families—cannot be measured with dollars and cents. The truth is that we owe far more than we can ever pay to those who have been wounded and to those who have suffered loss. Thanks to your support, we have been very successful in developing and sustaining a healthcare delivery system that honors the commitment our soldiers, retirees, and their families make to our Nation by providing them with world-class medical care and peerless military force protection.

Thank you again for inviting me to participate in this discussion today. I look forward to answering your questions.

Senator INOUYE. And may I now recognize Vice Admiral Donald C. Arthur, Surgeon General of the Navy. Admiral?

STATEMENT OF VICE ADMIRAL DONALD C. ARTHUR, SURGEON GENERAL, DEPARTMENT OF THE NAVY

Admiral ARTHUR. Good morning, Senator Inouye, Senator Stevens, distinguished members of the subcommittee. Thank you very much for recognizing the corpsmen and, by extension, the medics, and their contribution to the warfight.

We have throughout history relied on our corpsmen to provide the first level of care, and although we have very well trained surgeons, nurses, and others far forward to do surgery, no marine, no soldier gets to a surgeon without having first been cared for by a corpsman or combat medic. We take our obligation to them seriously. Through the lessons learned system we have modified and improved their trauma training throughout their training back here at home, so that they are proficient at their combat skills when they get into combat.

I also appreciate the collaboration between the three services, so that a soldier or a marine can get care at a Navy or an Army facility on the ground, be flown by the Air Force with their critical care air transport teams to Landstuhl and back to the United States in

36 to 48 hours, and be met by their family at one of our facilities back home. We are in combat today. We take that obligation very, very seriously.

We are in combat also here in the United States, within our own system. We have been given efficiency wedges which have cut our budget. We have been given military-to-civilian conversion objectives. We have had our staff cut without conversions. And with these financial and personnel challenges, we may very well find it difficult to meet our combat missions in the future.

We have been given many medical readiness review assumptions that minimize the number of casualties that are expected in the future, minimize the number of deployments that we will have, minimize the biological or chemical warfare agent threat, minimize or even eliminate the homeland security/humanitarian assistance and homeland defense components of our mission, and we will find, I think, those missions to be very difficult to meet in the future.

We are concentrating very heavily during this war on traumatic brain injury and post-traumatic stress disorders because we have come to have a new realization of the magnitude of the combat stress that each of our veterans experience. When I first became Surgeon General, I had a brief that said that 25 percent of people that go into combat are significantly affected by the experience. I disagreed, and still do. I think it's 100 percent.

Having been in combat myself with the marines in 1991, I can tell you that everyone who experiences combat is significantly affected by the experience, and they develop a debt that we need to repay as soon as they come back. We need to be sensitive to their needs to readjust. The challenge is great for us because we do not want to see it in their employers, in their families or other indicators, where we have failed to recognize it first and taken effective action.

I think we are becoming even more sensitive to mild traumatic brain injury and its effects on cognition, on mental function. I am acutely aware of this. You know that last year I was in a motorcycle accident with significant period unconsciousness which followed that, and I can tell you that it took many months to regain my memory, calculation, and some of my higher executive skills after that injury. That was a mild traumatic brain injury. So I'm sensitive to the fact that you may not pick it up in the normal tests that we give to our casualties.

It may come up with the casualty coming to us and saying, "You know, I have trouble reading a menu. I can't decide what to have. Even though I know what I want, I can't make a decision." And that may be a subtle sign of traumatic brain injury.

We look forward to additional collaboration with the Veterans Administration as we become really one seamless system of Federal care for our veterans. We know that there are challenges with the medical records system, and we're dedicated to providing all of the medical record information that our veterans need to get care in the system.

We know that the Veterans Administration has polytrauma centers and has the expertise in traumatic brain injury, spinal cord injury, and other very serious veterans' injuries, and we work with them in collaboration with all their centers. We use them not only

for care of veterans who are discharged from the service but also for some of our veterans who will come back to active duty. I think the Navy's DOD/VA collaboration in Great Lakes, where we have truly combined the two facilities, is a good benchmark for how it can be done and also a test bed for where we can further integrate our electronic medical record systems.

PREPARED STATEMENT

Senator Inouye, Senator Stevens, I have 2 days ago submitted my request for voluntary retirement after 32 years of naval service. It is my time to turn over to the next Surgeon General of the Navy, and I want to tell you how very honored I have been to wear this uniform for 32 years, to be in front of you with great pride in how we are serving our veterans. We have a philosophy in our system, that the honor of our care should be directly proportional to the courage of our veterans.

Thank you very much, and I look forward to your questions.

Senator INOUYE. Admiral, I'm certain I speak for the subcommittee. I thank you very much for your service to our Nation.

Admiral ARTHUR. It's been an honor, sir.

[The statement follows:]

PREPARED STATEMENT OF VICE ADMIRAL DONALD C. ARTHUR

INTRODUCTION

Chairman Inouye, Senator Stevens, distinguished members of the subcommittee, I welcome the opportunity to share with you how Navy medicine is taking care of our Nation's sailors, marines, and their families across the globe and at home.

Navy medicine remains steadfast in its commitment to provide care on the battlefield and meet the health care needs of our beneficiaries, active duty, reservists, military retirees, and family members, as our Nation continues to be engaged in combat operations fighting the Global War on Terror (GWOT).

We are dedicated to maintaining a healthy and fit force that is ready to deploy and to deploying medical personnel to provide the best health care to our warriors on the battlefield. And when that is not enough, we are committed to restoring the health of those injured on the battlefield.

At the same time, we are responsible for ensuring access to world-class health care for all eligible beneficiaries. Meeting these missions are an exceptional team of military, active and reserve, and civilian health care professionals who perform their duties with the same enthusiasm in deployed settings as well as at our Medical Treatment Facilities (MTFs).

DEFENSE HEALTH PROGRAM AND NAVY MEDICINE BUDGET FOR FISCAL YEAR 2008

In recent years, Navy medicine faced many fiscal challenges and anticipates that some will continue throughout fiscal year 2008. The President's budget for fiscal year 2008 funds healthcare operations; authorizes 1,011 military to civilian conversions; includes funding for the GWOT requirement; and assumes savings and efficiencies in several areas.

Fiscal year 2008 provides funding challenges in that the efficiency wedge increases and certain assumptions regarding savings opportunities may not be borne out in execution. These reductions represent leadership and management challenges, which we must meet. We are vigorously integrating our fiscal challenges, and our military to civilian conversion program, into an ongoing business process review that is designed to make Navy medicine an efficient, effective care provider.

As you know, the Department of Defense faces tremendous difficulty with balancing the growing costs and long-term sustainability of the military health system. We will need to consider all options available to ensure a superior benefit remains available for the long term and we look forward to the recommendations on fiscal and other issues that will come from the Department of Defense Task Force on the Future of Military Health Care that has recently been established with distin-

guished membership from within the Department, other Federal agencies, and the civilian sector.

COMBAT CASUALTY CARE

We have made significant advances in combat casualty care and have redefined trauma management for military operational medicine. Navy medicine is continuously assessing its medical capabilities to make improvements resulting in real time adjustments to ensure the right health care capabilities are deployed as far forward as possible. These improvements are based on our experience and lessons learned, and on the requirements mandated by the warfighter. As a result of these improvements, only 2–3 percent of service members who are wounded and who reach medical care within 60 minutes are dying from their injuries.

One of the most important contributors to saving lives on the battlefield, historically and currently, is Navy corpsmen—Navy medicine's first responders on the battlefield. The platoon corpsmen are supported by a team of field surgeons, nurses, medical technicians and support personnel in theater, who are supported by medical evacuation teams and overseas MTFs working together with MTFs in the United States—this is the Navy medicine continuum of care.

Combat casualty care is a "continuum-of-care," which begins with corpsmen in the field with the marines; progresses to forward resuscitative care; on to theater level care; and culminates in care provided in route during patient evacuation to a military hospital. Medical care is being provided in Iraq and Afghanistan by organic Marine Corps health services units which include Battalion Aid Stations (BAS), shock trauma platoons, surgical companies, and Forward Resuscitative Surgical Systems. Our forward-deployed assets include Navy surgical capabilities located in Al Asad and Taqaddum. These units are the first oasis of care for many warfighters who are seriously wounded fighting insurgents. At Al Asad the majority of the injuries treated have been from improvised explosive devices (IEDs). They provide patient resuscitation and stabilization for helicopter medical evacuations to higher-capability medical facilities, something no other medical unit in the surrounding area can offer.

Sailors at the medical unit in Taqaddum treat the most serious of patients from the entire area of operations, most arriving by helicopter directly from the battlefield. The platoon is staffed by dedicated and highly skilled uniformed medical personnel who stand in harm's way ready to fight for the lives of our wounded service members.

Changes have been made in the training of the physicians, nurses and corpsmen who first encounter injured service members, as well as to the way certain types of injuries are treated. In addition, new combat casualty care capabilities such as one-handed tourniquets and robust vehicle first-aid kits for use during convoys are being deployed. Navy fleet hospital transformation is currently redesigning Expeditionary Medical Facilities (EMFs) to become lighter, modular, more mobile, and interoperable with other Services' facilities in theater.

As EMFs continue to evolve, so do Navy Medicine's Forward Deployable Preventive Medicine Units (FDPMU). These units include environmental health and preventive medicine professionals who play a critical role in force health protection services, including environmental site assessments, water quality analysis, and disease vector surveillance and control. The Marine Corps' remain the FDPMU's primary customer, however, these teams also provide preventive medicine support to Naval Construction Battalions/Seabee Units, Army, and Air Force personnel. Currently, the Navy has four FDPMUs, with teams that have deployed for Operation Iraqi Freedom (OIF).

Navy medicine's commitment to the warfighter is clearly seen in the combat casualty care provided to injured and ill marines and sailors engaged in Operation Enduring Freedom (OEF) and OIF since the beginning of the GWOT.

Navy medicine is constantly looking at the next steps in improving combat casualty care. Our current efforts center on expansion of our health surveillance, combat and operational stress control programs, and improving care for certain types of injuries such as traumatic brain injury (TBI). Combat casualty care is not limited to the care received while in theater, but extends to the information and training we provide to service members to prevent physical and mental health injuries before, during and after deployment.

Providing preventive and treatment services as early as possible is the best way to avoid or mitigate the long-term effects of war. Navy medicine is committed to monitoring the health of deployed service members with the use of pre- and post-deployment health assessments. These assessment tools are designed to identify potential issues of concern, both physical and mental. The program also provides serv-

ice members information on how to access medical services for any physical or mental health issues that may occur after returning from deployment.

We know that all service members who witness or are engaged in combat will experience some level of combat stress. To specifically address this challenge, Navy medicine launched the Operational Stress Control and Readiness (OSCAR) pilot project in January 2004, which embedded psychiatrists and psychologists at regimental levels in ground Marine Corps units. The primary goal of this program—to effectively manage operational stress at the tactical level—is central to the readiness of the Marine Corps as a fighting force. To date there are three OSCAR teams, one associated with each of the three active USMC Divisions: 1st MARDIV located at Camp Pendleton, 2nd MARDIV located at Camp Lejeune, and 3rd MARDIV located at Camp Butler (Okinawa). The personnel for the OSCAR teams are sourced from Navy MTFs or drawn from elsewhere within the Marine Corps structure.

At Navy and Marine Corps bases across the country, Navy medicine is coordinating with line commanders and their organic medical assets to establish 13 Deployment Health Clinics (DHCs) to facilitate these health assessments. The DHCs serve as a non-stigmatizing point of entry for military personnel with deployment health and/or military readiness needs. These clinics by design will complement and augment primary care services that are offered at the MTFs or in garrison at the unit level such as BAS. Services provided will vary with patient and health concern, but the services will include screening, counseling and initial treatment for family problems, diet and exercise, substance abuse, sexual practices, injury prevention, stress, primary care and mental health concerns. The goal is to provide appropriate treatment for deployment-related concerns in an environment that reduces the stigma associated with the service member's condition. The clinics are staffed to support increased referrals as deploying units return from the theater of operations.

In order for combat casualty care to be effective, Navy medicine has incorporated service members' families into the care model. We first launched this concept at the National Naval Medical Center several years ago and are now making it part of the way we treat our combat casualties at every Navy MTF. Recent developments in this area include the establishment of the Comprehensive Combat Casualty Care Center (C5) at Naval Medical Center San Diego.

C5 is based on the models for amputee care developed at Walter Reed and Brooke Army Medical Centers, but is expanded to include other types of injuries such as TBI and Post-Traumatic Stress Disorder. C5 will monitor and coordinate the medical care of the service member in and outside of the MTFs. In addition, C5 will provide support to the families in every way possible and focus on ensuring that the service members and their families have a smooth transition to civilian life or continued military service. When completed, NMCSD will be the Department of Defense's comprehensive combat casualty care "center of excellence" for the west coast.

HUMANITARIAN AND JOINT MISSIONS

The role of Navy medicine has played in OEF and OIF illustrates only part of the increased operational tempo of our medical personnel across the spectrum of Navy medicine in recent years. We have new expanded missions which include humanitarian efforts, missions in support of joint military operations, and a greater role in homeland security.

As demonstrated with the Pakistan earthquake in 2005 and return visits to areas struck by the Indonesian tsunami, America's compassion and generosity are a powerful force of good will. These missions have transformed fear into trust and animosity into handshakes—medical diplomacy—a recognized impact on the GWOT.

The Navy and Marine Corps responded to the earthquake in Indonesia in June 2006 and the medical team treated over 2,000 patients. The earthquake's destruction displaced hundreds of thousands of Indonesians. A mobile medical unit was set up at a local soccer field in Sewon and provided a variety of medical services including surgeries and vaccinations. The vaccination efforts focused on reducing the significant risk of contracting tetanus, a devastating bacterial infection that usually originates from a contaminated laceration.

USNS *Mercy* (T–AH 19), our hospital ship home-ported in San Diego, completed a humanitarian assistance mission to Southeast Asia last year. *Mercy* provided direct aid to more than 87,000 people in Indonesia, Bangladesh and the Philippines. *Mercy*'s team included an unprecedented group of volunteers and professionals, civilians and military, men and women, dedicated to saving lives, restoring hope and spreading good will. The team included a dozen non-governmental organizations (NGOs); U.S. Army, U.S. Air Force, and Public Health Service medical personnel, naval construction forces and medical professionals from Canada, India, Malaysia, Australia and Singapore.

Mercy's deployment was an exciting and important opportunity to bolster security, stability and prosperity—both at sea and ashore—in a region where we have important interests. *Mercy*'s deployment was a model of cooperation and deliberate planning with NGOs and partnering nations. This international collaboration underscores the Navy's commitment and tradition of providing medical and humanitarian assistance where and when needed and added a new dimension to forward presence.

The hospital ship's state of the art operating rooms, CT scan equipment, laboratories and her ability to electronically transfer medical information allowed the staff to consult with physicians in other locations. The international team performed over 1,000 surgeries and cared for over 60,000 patients. *Mercy* visited 10 locations in four countries and demonstrated the great capability and capacity the ship brings without requiring a significant presence ashore. *Mercy*'s crew played an important role as American good will ambassadors. Their actions demonstrated to thousands of people the true values and ideals we hold as Americans.

Later this year, the Navy plans to deploy our East coast-based hospital ship, the USNS *Comfort* (T–AH 20), in support of a humanitarian mission to nations in the Caribbean and Central/South America. In addition, a robust medical staff based out of San Diego will deploy aboard the USS *Pelelieu* to the Western Pacific to continue our humanitarian efforts in that region.

Also in 2006, Joint Forces Command (JFCOM) tasked the Navy with providing medical staffing in support of the Army's Landstuhl Regional Medical Center (LRMC) Germany. Upon arriving in November, this group of more than 300 Navy medical reservists and 30 active duty personnel became part of the LRMC team and are providing superior medical, surgical and preventive health care to wounded warfighters returning home. This mission demonstrates how our active duty and reserve components seamlessly integrate the talents and strengths of our reservists to accomplish the mission. This call to meet Landstuhl personnel needs also demonstrates the increased operational requirements and tempo to which Navy medicine has been responding since the beginning of OEF/OIF.

The Expeditionary Medical Facility Kuwait (EMF–K) is in its third year as Navy medicine detachments staff the U.S. military hospital in Kuwait and its nine outlying clinics. This facility averages over 17,500 monthly patient encounters and is staffed by Navy personnel from 26 medical activities around the world.

U.S. Military Hospital Kuwait is a Level 3 medical facility that provides outpatient, as well as inpatient, care and specialty services such as cardiology, pulmonary, critical care, internal medicine, general surgery, optometry, orthopedics, gynecology, laboratory, pharmacy, radiology, mental health, dental and physical therapy. Between December 2005 and October 2007, over 75 percent of troops who came to the facility were able to remain in theater. EMF–K also provides health care to Department of Defense personnel and Coalition forces stationed in the U.S. Army Forces Central Command area of responsibility—Kuwait, Qatar, Afghanistan, and Iraq.

Joint initiatives are underway across the full spectrum of military medical operations around the world. Navy medicine is committed to increasing the ways we jointly operate with the Army and Air Force. Ideally, all U.S. medical personnel on the battlefield—regardless of service affiliation—should have the same training, use the same information systems and operate the same equipment because we are all there for the same reason—to protect our fighting forces. It should not matter whether the casualty is a soldier, sailor, airman, marine, or coast guardsman, or what color uniform the medical provider wears. Injured warfighters should receive the same level of care delivered by personnel with the necessary training, equipment and information systems to maximize our efficiency and achieve the best patient outcomes.

MEDICAL PERSONNEL AND QUALITY OF CARE

On an average day in 2006, Navy medicine had over 3,800 medical personnel from the active and reserve components deployed in support of operations, exercises or training around the world. While continuing to support our missions we have been challenged to ensure that sufficient numbers of providers in critical specialties are available to fill both the wartime mission and sustain our beneficiaries at home.

Navy medicine is continually monitoring the impact deployments of medical personnel have on our staff and our ability to provide quality health in our MTFs. We continue to pursue an economic and quality-centered strategy focused on maintaining the right mix in our force to sustain the benefits of our health care system. Together with the network of TRICARE providers who support local MTFs, beneficiaries have been able to continue accessing primary and specialty care providers as needed. We closely monitor the access standards at our facilities using tools like

the peer review process, to evaluate primary and specialty care access relative to the Department of Defense's standard.

Providing quality medical care is Navy medicine's priority and we earn the trust of our beneficiaries by ensuring our health care providers embrace the highest standards of training, practice and professional conduct. Another means used to ensure quality is our robust quality assurance and risk management programs that promote, identify, and correct process or system issues and address provider and system competency issues in real time. Our program promotes a patient safety culture that complies with nationally established patient safety goals and we have an extensive, tiered quality assurance oversight process to review questions related to the standard of medical care.

Navy medicine also promotes healthy lifestyles through a variety of programs. These programs include: alcohol and drug abuse prevention, hypertension identification and control, tobacco use prevention and cessation, and nutrition and weight management. Partnering with other community services and line leadership enhances their effectiveness and avoids duplication. We have established evidence-based medicine initiatives and currently measure diabetes, asthma and women's breast health. Soon, we will add dental health and obesity.

RECRUITMENT AND RETENTION EFFORTS OF MEDICAL DEPARTMENT PERSONNEL

Navy medicine continues to face challenges in reaching the end-strength targets for our medical communities. This has resulted in shortages in several critical wartime specialties. Unfortunately, medical professionals are not considering the military for employment, especially as civilian salaries continue to outpace the financial incentives available.

We are optimistic that new initiatives authorized in the National Defense Authorization Act for Fiscal Year 2007 (NDAA FY07) will enable the medical department to address many recruiting issues. Some of the improvements include: increases to the Health Professions Scholarship Program (HPSP), increases in direct accession bonuses for critical wartime specialties, and expanded eligibility for special pay programs.

Our losses have outpaced gains over the past several years and fiscal year 2006 was no exception, ending the year with a 93.5 percent manning across the Navy medical department. Our primary concern is attrition within critical wartime specialties. Additionally, concerns over excessive deployments and mobilization of certain specialties, especially in the Reserve Component where Reservists fear the potential loss of their private practice, have been a major deterrent to entering the Navy's medical department in recent years.

As of December 2006, the Medical Corps remained below end-strength targets and continues to experience acute shortages in critical wartime subspecialties. Recruiting challenges continue to exist within the HPSP, the primary student pipeline for Medical Corps officers. The HPSP met only 56 percent of goal in fiscal year 2005 and 66 percent in fiscal year 2006 for medical students. These shortfalls will be realized in fiscal year 2009 and 2010 with 230 fewer accessions than required. Retention issues continue to be of concern for this community and the effect of increased medical special pay rates offered for fiscal year 2007 will not be known until the end of the fiscal year.

The Dental Corps continues to remain under end-strength (at 90 percent manned), especially in the junior officer ranks where attrition is high and accessions have been a challenge in recent years. The HPSP, also the primary student pipeline for the Dental Corps, met 76 percent of its goal in fiscal year 2006. However, like the Medical Corps, it is expected that program improvements recently approved will have a positive impact on our recruitment efforts. Finally, with regard to dentists, a Critical Skills Retention Bonus (CSRB) was recently approved to grant a $40,000 contract for 2 years of additional service to general dentists between 3 and 8 years of service. It is anticipated that this bonus will help mitigate the civilian/military pay gap, making Navy Dental Corps more competitive with civilian salaries, thus improving retention.

The Medical Service Corps assesses to vacancies in subspecialties and success in meeting direct accession goals is largely dependent on the civilian market place. Last year the Medical Service Corps fell short of their direct accession goal by over 30 percent for the second year in a row, directly impacting the ability to meet current mission requirements. Retention of specialized professionals such as clinical psychologists and physician assistants remains the greatest challenge as deployment requirements increase for these professions. Shortages in these critical wartime communities are being addressed with increased accession goals and a CSRB for clinical psychologists. In addition, Navy Medicine is working within Navy to ex-

plore other incentive programs for this specialty. The Health Professions Loan Repayment Program has been a successful recruiting and retention tool for hard to fill specialties and is being expanded, as funding will allow, providing recruiting command with additional incentives.

Navy Nurse Corps is the only medical department specialty projecting to meet fiscal year 2007 accession goals. The national nursing shortage and competition with the civilian market and other military services have continued to challenge recruiting efforts for scarce direct accession resources. To counter this, the Nurse Corps Accession Bonus was increased in fiscal year 2007 and the Navy Nurse Corps has continued to shift more emphasis onto its highly successful Nurse Candidate Program (NCP), requesting a permanent increase in new starts for this program and decreasing direct accession goals. Retention rates have slightly decreased, especially among clinical specialties with a high operational tempo.

We met 99 percent of the active enlisted Hospital Corpsman (HM) goal and 94 percent of the Reserve enlisted medical corpsman goal. From January 2006 to January 2007, Navy medicine retained 52 percent of corpsmen in Zone A, 55 percent in Zone B, and 84 percent in Zone C. HM is slightly below overall Navy retention rates for Zone B, but is improving. The other two HM zones are either at or exceed overall Navy retention rates and exceeds goals set.

The outlook of the medical department shows we have some significant challenges ahead, and Navy medicine is grateful for Congress' willingness to step in and help when needed. We continue to reach out to universities and medical and dental schools to encourage these students to join us and practice medicine where keeping service members and their families healthy, and not just treating disease, is our primary mission.

RESEARCH AND DEVELOPMENT EFFORTS

Navy medicine is actively engaged in the research, development, testing and evaluation of new technologies that improve the health of all beneficiaries, especially those technologies focused on enhancing performance and decreasing injury of deployed warfighters. A significant part of our R&D efforts are aimed at improving the tools available to combat support personnel, as well as disease prevention and mitigation of our forces at home and abroad. Our R&D efforts include specific areas of expertise such as undersea medicine, trauma and resuscitative medicine, and regenerative medicine. We have partnered with the other services and with world-class organizations like the National Institutes of Health.

Navy medicine's researchers have recently begun phases two and three of Food and Drug Administration (FDA) approved trials for a vaccine developed to stop the adenoviral illness that can make sailors ill. This illness is caused by viral pathogens, or germs, that can make sailors sick and causes loss of valuable time in training. The results from this trial, which is led by the Army, could eventually reduce illness in as many as one-fifth of sailors in basic training. The U.S. Naval Health Research Center based in San Diego (NHRC) has a long history of successful research on respiratory infections, especially adenoviral infections, and NHRC houses the Navy Respiratory Disease Laboratory, making it the ideal partner with the Army research team.

After years of research into malaria, the deadly mosquito-borne infection that kills more than 1 million people every year, Naval Medical Research Center (NMRC) in Silver Spring, Maryland, will begin human testing on an experimental malaria vaccine. Although there have been no malaria deaths of U.S. military personnel since 2002, when an Army Special Forces soldier died following a mission to Nigeria, the disease can have a significant negative effect on troop readiness. In August 2003, during a Marine Corps deployment to Liberia, a mission was aborted when 44 percent of the members of the Marine Expeditionary Unit acquired malaria after spending nights at the Monrovia airport.

As I mentioned before, our high combat casualty survival rates are due to the training and commitment of our corpsmen, our willingness to implement lessons learned, and improvements in life-saving technologies. Navy Medicine R&D is evaluating the effectiveness of more than a dozen new hemostatic agents and devices. The outcome of this critical study will drive the Marine Corps selection of the component to be deployed as part of the Individual First Aid Kit that every marine and sailor is issued when entering the combat theater. NMRC evaluates the effectiveness of these devices, which are designed for application under battlefield conditions and removal in the operating room. In addition to the Navy and Marine Corps, we expect other services and civilian police departments to benefit from this development.

Navy medicine is beginning the evaluation of devices that detect the early signs of TBI. We have seen an increased incidence of TBI resulting from exposure to explosive devices in theatre, particularly IEDs. Fielding such a device will allow earlier intervention and treatment that could prevent the longer term, often devastating, effects of TBI. Such devices are designed to detect even mild TBI and indicate to our corpsmen and physicians which casualties require further monitoring and treatment.

Navy medicine R&D is working side by side with the Marine Corps finalizing development of a critical component of the En Route Care System. Called the MOVES (Mobile Oxygen, Ventilation, and External Suction), this single integrated device provides a capability for casualty management that reduces the weight and cube over current systems by nearly 75 percent. Because it does not require external oxygen, the device will allow our airlift assets to operate without dangerous high-pressure oxygen cylinders onboard. The MOVES is scheduled for delivery for field testing in fiscal year 2008.

NAVY MEDICINE AND THE DEPARTMENT OF VETERANS AFFAIRS

As the number of injured service members who return in need of critical medical services increases, and due to the severity and complexity of their injuries, increased cooperation and collaboration with our Federal health care partners is essential to providing quality care. As an extension of Navy medicine's ability to care for patients, partnerships with the Department of Veterans Affairs' (VA) medical facilities continue to grow and develop into a mutually beneficial association. The VA's Seamless Transition Program to address the logistic and administrative barriers for active duty service members transitioning from military to VA-centered care is at most Navy MTFs with significant numbers of combat-wounded. This program is working well and continues to improve as new lessons are learned.

Navy medicine and the VA also continue to pursue increased collaboration in resource sharing, new facility construction, and joint ventures. Using our sharing authority, we are rapidly moving toward functionally integrating the Naval Hospital Great Lakes and the North Chicago Veterans Affairs Medical Center and expect to fully complete the project by 2010. This facility will seamlessly meet the needs of both VA and Navy beneficiaries. Other locations identified for future physical space sharing with the VA include: Naval Hospital Charleston, Naval Hospital Beaufort and Naval Hospital Guam.

Navy medicine is also exploring new relationships with the VA such as the Balboa Career Transition Center. NMCSD recently entered into an agreement with the U.S. Department of Labor, the VA and the California Employment Development Department to provide quality VA benefit information and claims intake assistance, vocational rehabilitative services, career guidance, and employment assistance to wounded and injured service members and their families. This unique program will successfully coordinate all of the services available to these individuals.

CONCLUSION

Chairman Inouye, Senator Stevens, distinguished members of the committee, thank you again for the opportunity to testify before you today about the state of Navy medicine and our plans for the upcoming year.

It has been a privilege to lead Navy Medicine for the last 3 years as Navy medicine has risen to the challenge of providing a comprehensive range of services to manage the physical and mental health challenges of our brave sailors and marines, and their families, who have given so much in the service of our Nation. We have opportunities for continued excellence and improvement, both in the business of preserving health and in the mission of supporting our deployed forces. I thank you for your tremendous support to Navy medicine.

Senator INOUYE. May I now recognize the Surgeon General of the Air Force, Lieutenant General James Roudebush.

STATEMENT OF LIEUTENANT GENERAL JAMES G. ROUDEBUSH, SURGEON GENERAL, DEPARTMENT OF THE AIR FORCE

General ROUDEBUSH. Thank you, Senator Inouye, Senator Stevens.

Senator INOUYE. Can you pull that mike up? I can't hear you.

General ROUDEBUSH. Thank you. Senator Inouye, Senator Stevens, distinguished members of the subcommittee, thank you for

the opportunity and the privilege of being here today to tell you about Air Force medicine on the battlefield and at home station.

Up front, I would like to note that Air Force medicine is not simply about support and not simply about reacting to illness and injury. Air Force medicine is a highly adaptive capability, tightly integrated into Air Force expeditionary capability and culture.

We build a healthy, fit force, fully prepared to execute the mission from each of our bases, whether deployed or here in the States, because every Air Force base is an operational platform. Whether launching bombers from Whiteman Air Force Base, or sitting alert in a missile control facility at Warren Air Force Base, or providing close air support from Balad Air Base in Iraq, we project airpower for our joint forces and provide sovereign options for our national leadership, all from our bases of operation.

Air Force medicine supports that warfighting capability at each of our bases, and is, in fact, designed to prevent casualties and sustain our fighting strength. The result is the lowest nonbattle injury rate in the history of warfare, but when there are casualties, Air Force or joint, your Air Force medics are there with world-class care.

In the deployed arena, our medical teams operate closer to the front lines than ever before, allowing us to provide warfighters advanced medical care within minutes. Underpinning this world-class healthcare for our joint warfighters is our system of joint enroute care. It does begin with a Navy corpsman or an Army medic providing lifesaving first aid at that point of injury.

The casualty is then moved to the next level of care. For us in the Air Force that's our theater hospital at Balad Air Base, the hub of the joint theater trauma system, where lifesaving, damage control surgery is performed by Air Force surgeons and, on occasion, teaming with Army surgeons to provide that surgical care.

The casualty is then prepared for safe and rapid movement in our Air Force air medical evacuation system to Landstuhl, an Army hospital manned by Army, Air Force, and Navy medics. Retriage and restabilization is then accomplished, and the casualty prepared for air evacuation back to definitive care at Walter Reed, Bethesda, Brooke Army, Wilford Hall, Navy Balboa, or perhaps a VA hospital.

These capabilities combine to achieve an average patient movement time of 3 days from battlefield to stateside care. This is certainly remarkable when compared to the 10 to 14 days required during the Persian Gulf war and the average of 45 days it took in Vietnam, and it's especially remarkable when you consider the severity and complexity of the wounds that our forces are sustaining.

In short, Air Force medicine is a key and central player in the most effective joint casualty care and management system in military history. Having just returned from Afghanistan and Iraq just last weekend, I personally observed this capability from that far forward care all the way home on the air evacuation to the United States, and it's truly lifesaving work.

As our casualties move back to Landstuhl and on to our stateside military medical centers, our Air Force casualties are followed closely by their unit through an assigned family liaison officer to ensure needs of the casualty and their family are met. And if going through the disability evaluation process is the next step for our

wounded airmen, the Air Force Palace Helping Airmen Recover Together (HART) program ensures the commander, we medics, and the family liaison officer continue eyes-on and hands-on throughout the disability process.

Our Air Force medical capabilities go beyond home station healthcare and support of our warfighters. Our Air Force medics are globally engaged in training our allies, supporting humanitarian missions, responding to disasters, and winning hearts and minds in key areas around the globe.

And as we focus on care for our warfighters, I believe it's vitally important to note that caring for the families of our airmen is also a mission-critical factor. Knowing that their loved ones are well cared for back home gives our airmen the peace of mind to do a critical job in a stressful and dangerous environment. The care we provide is an important factor in building the trust that is fundamental to attracting and retaining an all-volunteer force.

This demanding operations tempo at home and deployed also means that we must take care of our Air Force medics. This requires finding a balance between these extraordinarily demanding duties, time for family, and time for personal recovery and growth.

And it means developing the next generation of Air Force medics. My charge is to ensure that we recruit the best and brightest, prepare them to expertly execute our mission, and sustain and retain them to support and lead these important efforts in the months and years to come.

In summary, the talent and dedication of our military medics ensure an incredible 97 percent of the casualties that we see in our deployed and joint theater hospitals will survive today. For our part in this extraordinary system, Air Force medics have treated and safely evacuated more than 40,000 patients since the beginning of Operations Iraqi Freedom and Enduring Freedom.

Globally, we have provided compassionate care to 1.5 million people on humanitarian missions over the last 6 years, and at home station we continue to provide high quality health care for 3 million patients every year.

PREPARED STATEMENT

Thank you for your support and assistance in meeting this incredibly demanding and critically important mission. I assure you we will continue to work hard with you in the months and years ahead to sustain and improve our medical capabilities for this fight and for the next. Thank you, and I look forward to your questions.

Senator INOUYE. Thank you very much, General Roudebush.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL JAMES G. ROUDEBUSH

Mr. Chairman and esteemed members of the committee, as the Air Force Medical Service's (AFMS) Surgeon General, it is a pleasure and honor to be here today to tell you about Air Force medical successes on both the battlefield and home front.

The Secretary and Chief of Staff of the Air Force set our priorities: Supporting the global war on terrorism, caring for airmen and their families, and recapitalizing our assets. The AFMS fully supports these priorities by: Taking care of joint warfighters and our Air Expeditionary Force; taking care of our Air Force family; and building the next generation of Air Force medics. And please note that when I say "medics," I am referring to all our Air Force medical personnel-officer and enlisted.

Upfront, I'd like to say, Air Force medicine is not simply about support, not simply reacting to illness and injury, and Air Force medicine is definitely not a commodity. Air Force medicine is a highly adaptive capability, a key part of Air Force expeditionary capabilities and culture. Our proactive and visionary work contributes heavily to a healthy fit force that is leveraged and designed, in fact, to prevent casualties. But . . . when there are casualties, we are there with world class care.

We provide the same quality of care—and access to care—for all of our nearly 3 million beneficiaries. Our stand out health care and health service support worldwide ensures total force personnel are healthy and fit before they deploy, while deployed, and when they return home. This is our hallmark, and the result is the lowest disease, non-battle injury and died of wounds rates in the history of war. We are committed to providing the very best health care to our Air Force and joint warfighters.

TAKING CARE OF OUR EXPEDITIONARY FORCE AND JOINT WARFIGHTER

Our medical teams operate closer to the front lines than ever before, enabling us to provide warfighters advanced medical care within minutes. Without question, every day, Air Force medics save the lives of soldiers, sailors, marines, airmen and civilians; Coalition, Afghani and Iraqi; friend and foe alike. Underpinning this world-class health care for our joint warfighters is our system of en route care. We ensure joint warfighters receive seamless care through the continuum of care from first battle damage surgery to definitive care and recovery back in the United States. En route care relies on our unique capabilities in Expeditionary Medical Support (EMEDS) and Aeromedical Evacuation (AE).

Aeromedical Evacuation

Aeromedical evacuation is distinctly Air Force, and a critical component of the Air Force's global reach capability. We safely care for and transport even the most severely injured patients to definitive care.

Our expeditionary medical system and AE system combine to achieve an average patient movement time of 3 days from the battlefield to stateside care. This is remarkable when compared to the 10–14 days required during the 1991 Persian Gulf War or the average 45 days it took in Vietnam.

Our modern AE teams—which include Active Duty, Guard and Reserve forces—coupled with our innovative Critical Care Air Transport Teams (CCATT), operate flying intensive care units in the back of virtually any airlift platform. This success resulted from our shift to designated, versus dedicated, aircraft and training universally qualified AE crew members able to execute their AE mission on any airlift aircraft. This transformation of AE has been repeatedly proven in the global war on terrorism, as evidenced by the safe and rapid transfer of more than 38,000 Operation Enduring Freedom and Operation Iraqi Freedom patients from overseas theaters of operation to stateside hospitals!

To illustrate this capability, consider Marine Sergeant Justin Ping's story. As a result of a suicide bomber attack in Fallujah, Iraq, Sergeant Ping sustained severe burns to his face and hands, blast injuries to his right arm, and shrapnel embedded in his leg and right eye. Without immediate care, the shrapnel to his eye would have undoubtedly resulted in permanent loss of sight. After receiving superb first aid from his Navy corpsman immediately after injury, Sergeant Ping was flown from the battlefield to the Air Force theater hospital at Balad where his injuries were stabilized. It was quickly determined that Sergeant Ping's injuries would be best treated in the United States. Major (Dr.) Charles Puls, (a CCATT physician) provided full life support for Sergeant Ping during the 17-hour, 7,500 mile aeromedical evacuation flight from Balad to Brooke Army Medical Center, San Antonio, Texas. Major Puls said, "The patient was stable throughout flight . . . we cared for him prior to and during the flight," referring to his team comprised of Captain William Wolfe, a nurse, and Senior Airman Bertha Rivera, a respiratory therapy technician. His team ensured Sergeant Ping received the best en route care and most expeditious transport all the way back to definitive care. There is no doubt that this superb en route care saved Sergeant Ping's eyesight. Sergeant Ping is doing quite well today thanks to all the medics—Navy, Army, and Air Force—who were dedicated to his care.

Barbara Wynne, spouse of our very own Secretary of the Air Force, recently expressed the importance of our capability when she wrote in a letter to all airmen, "We visited the hospitals in Balad, Landstuhl, and at Walter Reed . . . The doctors, nurses and technicians are the cream of the crop. Their expertise, saving so many lives, is the silver lining to this conflict. It truly is the "Miracle of Iraq and Afghanistan."

Commitment to Jointness

I am proud to say that the AFMS is all about "Joint." Not only do we run the renowned Air Force theater hospital in Balad, as well as smaller facilities in Kirkuk and Baghdad, 300 Air Force medics jointly staff Landstuhl Medical Center, Germany. Additionally, we are about to assume operational control of the theater hospital at Bagram Air Base in Afghanistan this month.

The AFMS has been deeply involved in establishing the most effective joint casualty care and management system in military history. Whether stabilizing a casualty, preparing a casualty for transport, providing continual care at stops along the way, or moving the patient in our AE system; what matters is providing the very best care possible to every injured or ill warfighter at every point in the care continuum. Everything medical in theater is designed to support moving casualties from the point of injury to the right level of care, at the right place, in the least amount of time.

To that end, we believe it is critically important to work closely with our sister Service medics in leveraging our joint capabilities. Working to improve our common "enabling" platforms—such as logistics, information management, information technology, and medical research and development—will serve to make all medics better prepared to support the Joint warfighter. Side by side with our Service counterparts, we recently concluded a 72-day humanitarian and civic assistance deployment with the Navy on board the USNS Mercy. Yes, we are all about jointness and supporting the joint warfighter.

However, our focus is not just the war. Our Air Force medics are globally engaged in training our allies, supporting humanitarian missions or responding to disasters. To assist in this role, this year the Air Force built a new type of unit—the Humanitarian Operation Relief (HUMRO) Operational Capabilities Package (OCP)—a streamlined package of 91 medics and 133 base support personnel designed to support a humanitarian relief mission. This HUMRO OCP will provide a rapid and tailorable response to a disaster; and by leaving the deployable hospital and medical equipment, it will provide an enduring medical capacity for the host nation following redeployment of our U.S. Air Force personnel.

Delivering this remarkable medical care across the full spectrum of missions takes trained, clinically current physicians, nurses and technicians. The AFMS concentrates on joint medical education programs and has developed clinical training platforms providing surgical and trauma care experience. Our readiness training platforms, including training arrangements with Baltimore Shock Trauma, Cincinnati-Center for Sustainment of Trauma and Readiness Skills (C–STARS), and St. Louis-C–STARS, ensure our Air Force medics are the best trained in history.

Taking care of the expeditionary force and warfighter is job number one. But crucial to that mission is taking care of our Air Force family.

TAKING CARE OF OUR AIR FORCE FAMILY

When our airmen join the Air Force, we make a commitment to them and their families that we will care for them throughout their period of service, and into retirement for career airman, whether at their home station Medical Treatment Facility (MTF), in a deployed MTF, or through private sector care Tricare contracts. To that end, we have an integrated delivery system throughout our Air Force community to support our airmen's health, including physical, mental, and dental needs. We work closely with the Department of Veterans Affairs and our Tricare networks to provide seamless care.

Warfighter Fitness and Deployment Health

We begin by ensuring a fit and healthy force at home station. We maintain every warfighter's health and fitness through periodic assessments of their health and workplace, and support them with an effective physical fitness training and testing program. Before they deploy, we ensure they are medically ready.

In theater, our preventive aerospace medicine teams assess the austere environment to which our forces deploy, and continue to provide surveillance of their health and environment while deployed. If our airmen and joint warfighters become ill or injured, we rapidly transport them with cutting edge en route medical care to expeditionary medical support and then to definitive stateside care.

Prior to deployment and upon redeployment home, we evaluate our airmen's health—physical, mental, and emotional—through the use of a Pre- and Post-Deployment Health Assessment (PDHA). We then reevaluate at 3 to 6 months post deployment using the Post Deployment Health Reassessment (PDHRA) as the next link in the continuum of care. To date, 70 percent of required PDHRAs are completed. Thirty-eight percent of them were considered positive due to a possible phys-

ical or emotional condition, with 2 percent reporting a Post Traumatic Stress Disorder (PTSD) symptom. Less than 0.5 percent have been positively diagnosed as actually having PTSD. Each positive finding is assessed by health care providers and appropriate treatment provided if required.

The AFMS is committed to providing our airmen the most current, effective, and empirically validated treatment for PTSD. To meet that goal, we are training our behavioral health personnel to recognize, assess, and treat PTSD in accordance with the VA/DOD PTSD clinical practice guidelines. Using nationally recognized civilian and military experts, we have trained 89 psychiatrists, psychologists, and social workers representing 45 Air Force installations. Our goal is to equip every behavioral health provider with the latest PTSD research, assessment modalities, and treatment techniques.

Caring for the families of our airman has a mission impact. Assuring high quality and timely care for our family members at home gives our airman the peace of mind they need to do a critical job in stressful and dangerous environments.

Partnerships

Our commitment to the health of our airmen and their families also includes partnerships with leading civilian institutions. For instance, the AFMS and University of Pittsburgh Medical Center have teamed in collaborative efforts to prevent and/or delay type II diabetes, including associated complications, through education, early treatment modalities and community outreach. Other critically important efforts include the development of collaborative relationships with various Department of Veterans Affairs facilities and a robust Tricare network. Throughout this continuum, we work closely with our sister Services and civilian counterparts to provide preventive health care, interoperable surveillance, research and development, outreach, and treatment. Caring for our Air Force team and family also means taking care of our medics. We ensure that they are healthy and prepared for the mission they will face. With that in mind, our next priority involves taking care of our Air Force medics.

TAKING CARE OF EACH OTHER

The AFMS is committed to providing our Air Force medics the resources needed to perform the mission. To this end, we developed a new "Flight Path" to guide our organizational structure and the development of each of our Air Force medical personnel.

Professional Development

We created a clear "Flight Path" to match Air Force needs with individual professional growth requirements. The overall goal of the "Flight Path" is to develop a streamlined, consistent medical group structure, from clinic to medical center, that provides a ready and fit medical force in support of the Air Expeditionary Force. It assures military and functional medical competence; provides a power projection platform to deploy medics forward; and delivers high quality, cost-effective care.

The "Flight Path" fosters corps-specific force development, requirements-driven leadership opportunities, and balanced leadership teams within the MTF. It also assures compliance with military and civilian certification requirements, access to graduate medical education, and cost-effective mission support at home and when deployed.

In these ways, our "Flight Path" is helping us develop the next generation of Air Force medics. The way I view it, my charge is to ensure we recruit the best and brightest people, prepare them to expertly execute our mission, and retain them to support and lead these important efforts. Ideally, we do this in a way satisfying for them, and in a fashion that enables a balance between duty and family.

Balance

An essential part of taking care of each other is to make sure our medics have the right balance in their lives between their professional duties and their families. We create better balance through staffing, finding the right mix of military, civilians and contractors, and by focusing our recruiting and retention efforts to maintain this mix. In these ways and others, we are recapitalizing our greatest resource, our people.

Air Expeditionary Force and Constant Deployer Model

We believe the Air Expeditionary Force (AEF) rotational construct is the right construct for the AFMS. It provides the predictability needed for planning, training, deploying and reconstituting our force that leads to an effective long-term strategy and, just as crucial, outstanding quality of life for our airmen.

Another innovation geared toward taking care of our people is our Constant Deployer Model (CDM), which provides a continuous deployed capability with sustained access to care at home station as well as maintaining a balance between our people's deployed, professional and personal lives. This model has ensured access to care at home via contracted personnel and improved quality of care at deployed locations. We believe working in more efficient ways lends itself to taking care of each other.

Air Force Smart Operations for the 21st Century, AFSO21

An important tool—implemented Air Force-wide by the Secretary of the Air Force, Michael W. Wynne and the Air Force Chief of Staff, General T. Michael Moseley—is the Air Force Smart Operations 21 program. Using a variety of tools, including Lean and Six Sigma, AFSO21 is being used to streamline operations through process changes to improve efficiency and reduce waste.

As medics, AFSO21 will make us more effective in supporting both the Air Force expeditionary mission and the joint mission. The use of process analysis and lean thinking will be essential in making sure that we are both relevant and cost-effective in support of our mission today, and tomorrow.

Challenges Ahead

Today we are faced with the most challenging of times. We must implement BRAC while we simultaneously support the global war on terrorism. The BRAC process has given us a tool to reposture several of our key MTFs. We are also creating efficiencies outside of the BRAC process, restructuring some MTFs to better meet today's demands.

Attracting and retaining the very best medics builds morale and trust to sustain the all volunteer force. Professional development, AEF rotations, AFSO21, BRAC, and military construction work together to recapitalize our Air Force Medical Service. Air Force medicine cares for our most treasured national asset—America's sons and daughters.

SUMMARY

The talent and dedication of military medics ensures that an incredible 97 percent of the casualties we see in our deployed and joint theater hospitals will survive today. We safely aeromedically evacuated and treated more than 38,000 patients from theaters of operations since the beginning of Operations Iraqi Freedom and Enduring Freedom, provided compassionate care to 1.5 million people on humanitarian missions over the past 6 years, and continued to care for 3 million patients annually all over the world.

Despite our successes, Mr. Chairman and members of the committee, we are far from a position where we can rest on our laurels. I assure you we will continue to work hard with you in the months and years ahead to perfect the joint continuum of care for this fight, and the next! Thank you for your outstanding support.

Senator INOUYE. Senator Stevens.

Senator STEVENS. Thank you very much.

BASE REALIGNMENT AND CLOSURE RECOMMENDATION

General Kiley and Admiral Arthur, I am told that less than 87 percent of the medical facilities' sustained restoration and modernization requirement is funded in the budget through 2008, and we all know that base realignment and closure (BRAC) funding was reduced by $3.1 billion in the enactment of the continuing resolution. Under these extreme circumstances—I would like both of you to comment—do you still believe that the BRAC recommendation to consolidate Walter Reed and the Navy hospital at Bethesda should go forward?

General KILEY. Go ahead.

Admiral ARTHUR. Senator Stevens, we have already been in process of merging the two facilities, and General Kiley and I have been very active with our staffs. The plan, the vision is to have a state-of-the-art medical center at Bethesda, on that campus, that modernizes the facilities and provides the care that people need in

the northern part of the national capital area, with the southern part of the national capital area being cared for by an enriched facility at Fort Belvoir.

If the plans were to change, it would, of course, change the shape of what our plans are at Bethesda, but I think in the future we have a vision of a very fine facility at Bethesda that combines the talents of the Army and the Navy and the Uniformed Services University of the Health Sciences and the National Institutes of Health (NIH) and the Suburban Hospital Trauma Center that's adjacent to NIH. So the plans are for a very robust, modern, and state-of-the-art facility.

But there is a lot of advantage to combining the facilities, combining the staffs, and having a single DOD mission at a joint command.

Senator INOUYE. Do you agree, General?

General KILEY. Sir, I have said since the law was passed and the decision was made to move Walter Reed over to the National Naval Medical Center, that the challenge and the risk was in properly funding this. To get to the vision that the BRAC saw, of a unified program on the Bethesda campus and a large 150-bed facility at Belvoir to manage the healthcare of the population to the south, was going to take a lot of money, and I think it still remains a significant risk to do this thing, this process, properly.

In addition, consistent with what we have seen in the news in the last 3 weeks, the combat casualty care at Walter Reed is not just about in-hospital operating capability, it's about continuing to care for soldiers and families on the campus. The Chief of Staff has made it clear this is a long war, so my concern is, are we going to have an ability to maintain for however long we're in combat operations around the world, this same capability which we'll get right here real quick at Walter Reed, maintain that while making the moves and the building and the construction to transform it?

My comments in other hearings were that this might require some more national discussion, that we may need to take a look at this, and I'm not in a position to proffer a recommendation at this time, but I clearly think it needs to be looked at in light of our current operations and our proposed future operations.

Senator STEVENS. I opposed it in the beginning because I didn't think it was timely in view of the flow of combat wounded coming back at this time. I don't know why we would spend money on modernization and really on consolidation. I think that money ought to be spent to take care of these people that are coming back, and I really hope it's looked at again in terms of the time. It's a wonderful vision when the war is over, but right now I think our first call ought to be to put all the money we can find in treating these people properly and getting them home, and getting the post-medical treatment piece of this care that's so needed right now, getting it funded.

MILITARY-TO-CIVILIAN CONVERSION

I am told that the medical readiness review directed you, Admiral Arthur, to convert an additional number of medical billets to civilians, and I wonder about that. General Roudebush, you're involved in this, too. I'm told you're converting 123 of the nurses to

civilians. I don't know how you can do that with the nursing shortage that exists in civilian life.

I really wonder about some of these instructions you all have received, particularly in view of the fact that we're going to increase the end strength of the Army and Marine Corps. How can we find enough physicians and corpsmen to support the additional marines if we're going through this conversion to civilian positions? Can you all comment on that? Are you going to be able to do it? General Roudebush?

General ROUDEBUSH. Sir, in terms of the conversions that we currently have programmed, we have done both the analysis to look at whether the capabilities are available and affordable, and what we have programmed at the moment, we believe we can convert and sustain.

Now, going beyond that, however, we think is going to be very problematic, and we're very concerned about going any further than we've gone as we have currently programmed. So that is a matter of great concern to us, and what we need to do is to examine very closely our success in both converting and hiring as we go forward with those that we have currently programmed, and I think that will dictate in many regards the success of whether we can sustain this or not. So that has yet to be told.

Senator STEVENS. Any comments, Admiral?

Admiral ARTHUR. Yes, sir. We have planned to come down from about 36,000 active duty members to a little over 30,000. I think that the assumptions that were made in the medical readiness requirements review were overly optimistic about the small number of casualties, the small number of missions, and the extent of deployments that we'll have to do in the future.

For example, no one is planning to deploy multiple times to a theater of operations. I think we're setting ourselves up to disappoint our line commanders in not being able to provide combat service support.

The military-to-civilian conversions that we have already been trying to do have been successful to about the 80 percent level. We are not able to fill about 20 percent of those positions. My fear, as we get into the more critical skills, is that we'll not be able to find the people that we need with the skills that we require for the money that we're offering, and they will answer a contract for money. There aren't many people who are on active duty today, although they earn their paycheck, who are working primarily for the money. They work for other values and other principles.

For example, we have a radiologist in the Navy. The programming rate for that radiologist is $124,000. The composite rate, with bonuses, is $168,000. And we are only able to hire them, we just hired one at Bethesda, for $400,000. Now, the difference in pay is one thing, but when you place——

Senator STEVENS. $400,000?

Admiral ARTHUR. Yes, sir, and that's cheap for a radiologist. And when you place a $400,000 radiologist right next to an active duty service member who's making less than half of that, the morale factor for retention of those good active duty officers is striking. The contractor is making Lexus payments and our radiologists are

making Toyota payments, not that Toyota is a bad car, but to sit side by side, there is an effect on retention.

When you combine the military-to-civilian conversions with the various wedges that we have been given in our funding—for example, next year Navy medicine is predicted to have a wedge of $343 million out of about a $2.4 billion budget—we are not going to be able to maintain services at the level that we have now with a one-sixth cut in our funding.

So we are facing a number of challenges that are coming together in a perfect storm. It's the funding, it's the people, and it's the increasing mission not only for combat service support but for those casualties who are coming back, who need even more services. There are places where we have physicians who are doing their own administrative work, filling out workers' compensation forms and other paperwork, because we don't have the support staff because they have been systematically cut over the last few years. It's degrading our efficiency, it's degrading our morale, and it's degrading our ability to take care of combat-wounded veterans.

Senator STEVENS. General?

General KILEY. Senator, I echo everything my fellow Surgeon Generals say. The Army's numbers were in some cases smaller, but the Army's Medical Department has been working for several years now with the Army, attempting to capture spaces to build brigade combat teams. And so in support of the Army's effort to do that, the Army Medical Department, active duty, enlisted, and officer have been part of the pool that has been looked at.

To date we have been able to do the military-to-civilian conversion, as they say. DOD and the Army have given us the replacement dollars. As Admiral Arthur has outlined, we have attempted to avoid—in fact, we have avoided—converting some of the more expensive specialties, as you've heard, and radiology is only one of them.

But we're at the point now where my concern is along the lines of second and third order effects of this, and we've talked about recruiting and retention and morale. We've talked about a rotating base of active duty. More than 50 percent of our medical personnel have deployed at least once, and so if we talk to doctors about coming into the service and they know a lot of doctors have already deployed, we have to show them this is about service to the Nation.

We got full support from the Congress as it relates to resources, and by that I mean money, to contract healthcare personnel of every level in taking care of our wounded soldiers. And I can talk some more about the impacts of other pieces of caring for wounded soldiers. Our core budget, though, as Admiral Arthur has alluded to, we are now facing this wedge, which is a notional decrease in our budget which the Department of Defense is——

Senator STEVENS. That was going to be my next question. Efficiency wedge, I think it's called, right?

General KILEY. Yes, sir, and I don't believe I was the Surgeon General when these decisions were originally made, but the intent was to motivate, I think, the medical services facilities in an effort to improve their efficiencies, find ways to save money, and identify those dollars so that you were actually not spending as much as

years went on, in an effort to control a not insignificant inflationary rise in the DHP.

This year it's $80 million in my core budget. Next year it's on the order of $142 million. I can make some adjustments this year to an extent. Working with the Department of Defense in budgeting, as we show that they're doing more work, they are rewarding us with more resources in a more businesslike environment. Now, that's not just for combat soldiers. That's for all our family members, retirees, et cetera.

But I absorbed it last year. We were fully funded last year. This year we're challenged. It remains to be seen whether we'll close the budget this year. I can't find $142 million in efficiencies, and I have asked my hospitals to transform and to become more businesslike, so we can document what we're doing and show the Congress that we are getting the most bang for the buck, if I may, for that.

So I am concerned about military to civilian. We're watching it very carefully. As you know, the Army may be expanding. We may have a larger mission, and we're dealing almost daily with the Army on this. And our numbers appear to be consistent with what the MRR asked for, so at this point we're not in the same position as the other two services with MRR.

EFFICIENCY WEDGES

Senator STEVENS. And I can't take any more time. I'm appalled. I note this efficiency wedge, Army for 2008 is $142.3 million, Navy $147 million, and Air Force $197.5 million. For 2008, however it goes up: the Army, $227.3 million, $234 million for the Navy, and $323.7 million for the Air Force.

That's on top of the assumption that we're going to enact the increased deductibles and charge annual enrollment fees for TRICARE. That has not been approved by any congressional committee that I know of. The assumptions, I think, Mr. Chairman, we need to get the budgeteers in here and ask them to explain to us where they found all these numbers.

It is shocking to see, at a time when military medical facilities need more money, that we have budget people directing reductions on the basis of efficiency or increased payments that the military people have to make, that are unrealistic, totally unrealistic. I'm really, really alarmed at that.

As I've said, I've taken too much time. I congratulate you on what you're doing, but I do think that the conversion at Walter Reed ought to slow down. I think the movement of the troops from Germany to Italy ought to slow down. I think we ought to start spending the money where it's needed right now, on the people who have been wounded in these combat activities, and follow them through, and put on hold a lot of these things the Department is suggesting.

So I'm hopeful that we'll get the Department back in here again, and we'll have a chance to discuss these assumptions that you can make these changes and still deliver the quality care that these guys and ladies deserve for having served our country so well. Thank you, Mr. Chairman.

Senator INOUYE. Senator Murray.

Senator MURRAY. Thank you, Mr. Chairman.

General Kiley, as I said in my opening statement, I was deeply disturbed by what I was reading in my Washington State papers today. As you can imagine, since we've heard about what happened at Walter Reed, my office and others have been hearing from a number of soldiers who are on medical hold in our State. They have been talking to us, but as I sort of indicated, they have been very worried to talk publicly.

We can't get to the bottom of this and we can't do our job unless we know exactly what's happening out there, and I want your personal assurance, if you would please give that to me, that no soldier who blows the whistle on substandard care will be retaliated against.

General KILEY. Senator, you have my word. There's a law that prevents that also, the whistleblower law, and I share your concern that soldiers either feel that they can't talk, certainly talk to their representatives, certainly we want them to talk to us, but we've never put a prohibition or a threat of retaliation, for example, if they talk to the press.

And I would ask that I, at your convenience, come back and report to you. I spoke to the hospital commander this morning. She's investigating that, and I think——

Senator MURRAY. The retaliation, or what's in——

General KILEY. No, ma'am, the issues that were—and I have not seen the article, but she has identified issues, the concern about asbestos in the living facility where the soldiers are, as an example. And I am told that yes, there is asbestos, and it is sealed. It has been investigated. It is not a risk to the soldiers.

So there are issues that we need to deal with across the Medical Department. Many of them, and I've said this in other testimony, really revolve around this very complex and inefficient and in many cases confrontational process between the medical boarding process and the physical evaluation boarding process. Soldiers don't feel like they've gotten the respect they deserve for their sacrifices when they're given a small disability from the Department of Defense.

Senator MURRAY. Well, let me ask you a number of questions. First of all, I am hearing from soldiers who say they are languishing for months and even years in military holdover units without the care that they need. The Seattle Times article that I mentioned to you tells the story of a woman, Captain Mary Maddox, who said, "The biggest problem with Madigan is that they are understaffed and overworked, and I ended up getting bounced from clinic to clinic."

Other press reports mention other soldiers who have been in medical hold for years. How can this be happening, 4 years into this war? Is it lack of staff? Is it lack of accountability? Is it a lack of caseworkers? A lack of leadership? What is happening?

General KILEY. It's not acceptable to have soldiers languishing, and I'll be the first to say that, and clearly we are taking action to make sure we don't. But I have said before that there are some soldiers who feel like it has taken a long time for their evaluation, and other soldiers——

Senator MURRAY. What do you think is a long time?

General KILEY. Well, this is what I was getting to. It depends on the condition. And the problem that we face across our military systems is that these are not simple injuries and diagnoses. They are——

Senator MURRAY. Is 18 months too long?

General KILEY. It may not be too long, ma'am, if there are a series of operative procedures that a soldier needs, and then they need to fully recover from each one of those. It may not be too long if they have a condition like TBI and PTSD and they're undergoing therapy, rehabilitative therapy. It may take as long as 1 year for us to get to a point where the soldier and the physicians feel that that soldier has reached the maximum therapeutic benefit.

Senator MURRAY. Well, you can understand what it's like for 18 months for someone to sit there day after day, appointment after appointment, being told one thing or another, and feeling like their life is absolutely on hold.

General KILEY. Yes, ma'am.

Senator MURRAY. You can imagine what it's like for their families. So we——

General KILEY. It's very difficult, I agree with you, and we're going to take——

Senator MURRAY. It seems to me way too long. I think it's an issue we need to address.

Let me focus on artificially low disability ratings—you mentioned that a second ago—which we all know will limit their military disability pension. It has a huge lifetime impact. I understand that lifetime pension requires a 30 percent disability rating?

General KILEY. Yes, ma'am.

Senator MURRAY. Well, one soldier told us that in more than 1 year he has only seen one person receive a 30 percent rating. There is a woman named Sergeant Jane Sullivan. She was granted only a 10 percent disability rating. She's in a wheelchair. Her medical problems include a back injury and heart condition.

And I have to tell you there is a suspicion that medical and physical boards are giving artificially low disability ratings simply to save money for the Army. At a hearing yesterday it was revealed that while other branches grant full disability about 20 percent of the time, for the Army it's only about 4 percent.

So, General Kiley, I want to know, has anyone suggested to you or have you suggested to anyone that there are problems with giving service members high disability ratings?

General KILEY. First of all, Senator, the medical personnel do not give the disability rating. The medical personnel do not do that. The personnel community does that, through the G–1 of the Army and the TAG of the Army down through the physical disability system. What the medical personnel do is, they treat and document the conditions and then present them.

I agree that the system that we have and that we have had since we first developed this is clearly perceived as unfair, particularly when it is compared with the VA system of disability. And I have suggested and we have already started discussions to change that. Some of this is in the law, some of it is in Department of Defense directives, and some of it is in Army regulations.

The other day General Cody used an example of an individual—the Department of Defense disability makes the determination that a soldier is unfit for a particular condition, as an example, if a soldier loses an eye, they are unfit for further service.

Senator MURRAY. Yes.

General KILEY. That's a disability of 40 percent. Now, the soldier may have other conditions that the VA would increase the disability, but the Department of Defense can't do that.

Senator MURRAY. I understand that. Will you send guidance to all of your board members, telling them that you expect disability ratings to reflect accurately a service member's injury?

General KILEY. I will send to all of my medical personnel to ensure that the medical evaluation board, which is in my lane, which is my responsibility, will, in fact, accurately reflect that. Yes, ma'am.

TRAUMATIC BRAIN INJURY

Senator MURRAY. Okay, and let me ask you one other quick question, and that's regarding traumatic brain injury. Many of you mentioned it. You know this is the signature issue of this war. We have a guardsman at Madigan who was sent home for a different injury, and it was his wife—who kept saying, "Well, he's not remembering things"—that actually got him back in.

The Department of Veterans Affairs announced several days ago that they are going to start screening for this, but I want to know if the Army and other services are going to start screening service members when they come home, before they have to wait forever to get into the VA system to discover this.

General KILEY. Yes, ma'am, and I agree that that's something that we have not done a good job at, for the simple reason that some of the mildest TBI can be difficult to diagnose, and in the face of all of these conditions——

Senator MURRAY. But it seems to me that if you are asking soldiers if they've been in the vicinity of an explosion, you will have an indication——

General KILEY. Yes, ma'am.

Senator MURRAY [continuing]. Fairly soon that they should be watched for this, that they should have the knowledge that this may be happening, so if they see symptoms, or their family does, they can get care immediately rather than struggling for months not knowing what has happened to them. So I would like to ask a commitment from you that we start screening these soldiers and finding out if they have been in the vicinity of an explosion, so that they don't get lost for months on end.

General KILEY. Yes, ma'am, and Secretary Winkenwerder, as I understand it, is in the process of changing the post-deployment screening to specifically ask soldiers that, number one. Number two, my TBI task force is about to come back to me with recommendations of exactly how to go about doing that, what's the best format, and then what are the best therapeutic modalities. So I'm taking that on very——

Senator MURRAY. And I hope that's soon, because every day that goes by we're losing.

General KILEY. Yes, ma'am. I agree.

Senator MURRAY. Thank you.

Admiral ARTHUR. May I add that we don't wait until they come back? We have the military acute concussion evaluation that we do in theater for people who are in the vicinity of a blast and they have a concussive injury, and we do that evaluation, and if they are deemed to have an injury, then we take them out of——

Senator MURRAY. So you ask everyone before they leave the theater?

Admiral ARTHUR. If they are in the vicinity of a blast. We don't screen everyone in theater, but when we do have a blast, an improvised explosive device (IED), and there are casualties who are moved out but there are others who are in the vicinity, we do an evaluation on them.

Senator MURRAY. Do you have any indication of the percentage of marines who have been impacted by that?

Admiral ARTHUR. No, and it's very difficult, especially with mild traumatic brain injury, to assess very slight cognitive——

Senator MURRAY. Do you have any numbers of how many marines have been in the area of a blast?

Admiral ARTHUR. No, I don't, but we could get that.

Senator MURRAY. I would like to know.

Admiral ARTHUR. There are also confounding variables of combat stress and others that we have to tease out. It is a stressful environment and it's difficult to assess mild traumatic brain injury, in theater or even when they first come back, with all the confounding stress issues.

Senator MURRAY. Thank you very much.

Admiral ARTHUR. Yes, ma'am.

Senator MURRAY. Thank you, Mr. Chairman.

[The information follows:]

The Navy/Marine Corps does not maintain an electronic database to track Sailors and Marines that have been in the area of a blast. Given the erratic nature of combat theater and the likelihood of taking indirect fire, all service members are at risk, both inside and outside the wire. Navy Medicine's approach has been to focus on effective screening, identification, and treatment for all service members.

Navy medical personnel in theater utilize the Navy-Marine Corps Combat Trauma Registry (CTR) to assess and document Traumatic Brain Injury (TBI) in those service members treated at Level 1 and 2 medical facilities for battle injuries. The consistent use of the CTR to identify TBI is in an early stage of development and available data is being analyzed by Naval Health Research Center (NHRC). Preliminary analysis of data from CTR for 5,087 service members injured in the Iraq area of operations from March 2004 to January 2007 suggests that approximately 1,700 personnel were diagnosed with a mild to severe TBI (33 percent). NHRC estimates that approximately 80 percent of TBI diagnoses were blast related, and that most service members were returned to duty. Currently, NHRC is evaluating level of risk by occupational specialty. It is important to note that reporting by field units has been inconsistent and that CTR data is limited to diagnoses in theater.

The Post Deployment Health Re-Assessment (PDHRA), administered to service members 90 to 180 days post deployment, includes the question: "Do you have any persistent major concerns regarding the health effects of something you believe you may have been exposed to or encountered while deployed [such as] blast or motor vehicle accidents." Approximately 4 percent of Navy and Marine Corps active and reserve personnel responded yes to this question. It is not possible to differentiate between members exposed to a blast and a motor vehicle accident. DOD/Health Affairs has recently directed additional TBI-related screening questions to the PDHRA, the Post Deployment Health Assessment (PDHA), and the Periodic Health Assessment (PHA).

Finally, the Marine Corps has issued guidance strongly encouraging the use of the Military Acute Concussion Evaluation (MACE) to screen injured personnel for possible TBI. Medical personnel document MACE results in the service member's field

medical record. Currently, the data is not tracked in a centralized database. As a result, we are unable to provide Congress with an accurate number of Sailors and Marines that were in the area of a blast and received the MACE at this time.

General ROUDEBUSH. Senator Murray, if I might add, since we do a great deal of the definitive care through our theater hospital, both in Bagram and at Balad, as well as our combat stress teams which are out working with their Army and Navy counterparts, one of the things in my recent trip was an awareness of traumatic brain injury and the fact that the stress teams, for example, are much more sensitive to that, since that can be a very much related issue. So the awareness is there. I cannot give you the numbers, but awareness of this as an issue and the effort to both identify and vector toward treatment I think is moving in very much the right direction.

Senator MURRAY. We're 4 years into this conflict. We've had thousands of people impacted that have gone home and are out of the system. We need to really work on this, Mr. Chairman.

Senator INOUYE. Senator Shelby.

Senator SHELBY. Thank you, Mr. Chairman.

General Kiley and panel, when we neglect our wounded soldiers, basically we stain the reputation of America regarding the support for our soldiers. Would you agree with that?

General KILEY. Yes, sir.

Senator SHELBY. Okay. That's obviously, to all of us, shameful and unacceptable. We know that Walter Reed has been not just a premier hospital, it has a worldwide reputation as a premier hospital. A lot of us have spent time there. We know it has been a good hospital.

You were the commander, is that correct, at Walter Reed?

General KILEY. Yes, sir.

Senator SHELBY. And from what year to what year?

General KILEY. 2002–2004.

Senator SHELBY. And during that time, did you ever go to, is it Building 18?

General KILEY. No, sir, I did not.

Senator SHELBY. You didn't? Why not?

General KILEY. For several reasons, the first of which was that I didn't have patients in that building when I was the commander there.

Senator SHELBY. What was in that building?

General KILEY. We had transient students, student trainees.

Senator SHELBY. Students training in a medical profession?

General KILEY. Yes, sir, but not patients. We did not have patients there when I was there.

Senator SHELBY. As commander, did you visit all the other facilities at Walter Reed?

General KILEY. Yes, sir.

Senator SHELBY. Except Building 18?

General KILEY. Yes, sir.

Senator SHELBY. And that's the only one you failed to——

General KILEY. Well, I can't say I was in every office of every building, but it was my intent to visit the buildings that we had combat casualties in, Malone House, Delano Hall.

Senator SHELBY. Is Building 18 basically a dilapidated building? Is that a fair assessment?

General KILEY. I don't believe that's a fair statement.

Senator SHELBY. How would you describe it?

General KILEY. I would describe it as an old building with some humidity problems that requires constant maintenance and upkeep.

Senator SHELBY. Have you visited Building 18 in the last several weeks?

General KILEY. Yes, sir.

Senator SHELBY. Who was assigned to Building 18?

General KILEY. Until today, there were soldier patients assigned to 18.

Senator SHELBY. Wounded soldiers?

General KILEY. Yes, sir, wounded and ill. Yes, sir.

Senator SHELBY. And how many would be there assigned, roughly?

General KILEY. Sir, even in the last couple weeks the numbers fluctuated between mid-70s and mid-60s. I think it has 54 rooms. It has a maximum capacity of about 100, 108.

Senator SHELBY. Had it ever come up through the command to you as the Surgeon General that there were deep problems at Walter Reed?

General KILEY. Not as it relates to these articles, no, sir.

Senator SHELBY. Nothing? In other words, you had no inclination—you're the Surgeon General, a former commander of Walter Reed—you had no inclination, no knowledge, no information whatsoever that the conditions were deteriorating at Walter Reed?

General KILEY. I had no information that there were issues of mold and other maintenance problems in Building 18. I knew that Walter Reed had a large number of casualties that were recovering, with a very active amputee center, and that we had some of the same issues we have at all of our facilities with the MEB/PEB process.

Senator SHELBY. After you became Surgeon General of the Army, have you been to Walter Reed?

General KILEY. Yes, sir.

Senator SHELBY. Recently?

General KILEY. Yes, sir.

Senator SHELBY. And how many times have you been to Walter Reed?

General KILEY. Oh, pretty frequently, at least once every couple of months if not once a month, but not any more frequently than that.

Senator SHELBY. Did you ever ask questions of the commander who succeeded you as to the conditions at Walter Reed, were they understaffed, were the facilities in good shape, and so forth?

General KILEY. My discussions with General Farmer, who was my successor there for 2 years, were along the lines that they were with my other commanding generals of the regions, which was to continue to watch the process of receiving, and whenever they needed resources, if they had a problem that they needed my help with, they could come to me. And, as I have said before, for the

care of wounded soldiers, we have the resources in terms of money in our budget to help them.

Senator SHELBY. Shouldn't the care of our wounded soldiers be one of our highest, highest priorities?

General KILEY. Absolutely.

Senator SHELBY. And especially the Surgeon General of the Army, is that your highest priority?

General KILEY. Yes, sir, it is.

Senator SHELBY. Did you minimize these complaints when you read about them? Did you take them lightly, or were you cavalier about it?

General KILEY. Absolutely not, Senator. And I know that that's been perceived.

Senator SHELBY. Yes, it has been.

General KILEY. I apologize for that. This is very serious business. I was devastated, frankly, to read about some of these cases and to see that some of this was going on, and immediately began investigating.

Senator SHELBY. Did you go out there yourself, immediately, and see what was going on?

General KILEY. Yes, sir.

Senator SHELBY. You did?

General KILEY. Yes, sir.

Senator SHELBY. Did you take a team of your people with you?

General KILEY. Well, when all of this broke, we sat down with the commander and we started analyzing what was going on. Yes, sir. I have a team that has gone out subsequent to that, visiting other facilities.

Senator SHELBY. What are you doing about it? What three steps have you made since the revelations have come out regarding the conditions at Walter Reed, of all hospitals?

General KILEY. First, I think the command has taken on the infrastructure, the brick and mortar. The building was immediately repaired. The mold was removed. That was number one.

Number two, the commander directed formal AR 15–6 investigations, both into the chain of command and into the quality of care delivered in terms of medical records, appointments, et cetera. The Vice Chief of Staff established an action plan to make some other corrections, and to appoint a colonel to command and control the med hold. General Weightman was in the process of making changes and improving things. It was clear we needed to accelerate that.

Senator SHELBY. Sir, have you checked the record thoroughly to make sure that if there were any complaints bubbling up from the lower echelons at Walter Reed to the higher-ups that were never heeded, never considered?

General KILEY. Any complaints that came directly to me, I certainly would ask the commanders to brief me on what was going on.

Senator SHELBY. What about complaints now, as you look back, that came to others, that maybe should have come to you? Have you dug into that?

General KILEY. Not at this time, no, sir.

Senator SHELBY. Do you plan to? Don't you need to know everything about what was going on, or it never got to your desk, or your attention, perhaps, if it did, and how this could have been prevented?

General KILEY. Yes, sir, and I'm looking back at that. I intend to talk to my commanders. It's clear I need to have much closer, more intense supervision of this process so that I don't miss this again.

Senator SHELBY. But you're the Surgeon General of the United States Army. What's the chain of command as far as you are concerned in your duties over Walter Reed? You were the former commander, but you're the Surgeon General.

General KILEY. I'm the Surgeon General and the Commander of the U.S. Army Medical Command——

Senator SHELBY. Absolutely.

General KILEY [continuing]. So my next subordinate commander is now General Schoomaker for Walter Reed, and he is——

Senator SHELBY. So basically, as the Surgeon General, you are the overall responsible person dealing with the Army medical centers, wherever they are. Is that correct?

General KILEY. Yes, sir.

Senator SHELBY. Do you believe you have fulfilled your duty?

General KILEY. I believe that the management of Walter Reed and the accountability, which I am accountable for——

Senator SHELBY. Absolutely.

General KILEY [continuing]. Similar to my accountability for places like Landstuhl and Brooke, clearly it's not the only responsibility I have. I have many other responsibilities of a global nature, to include broad strategic and policy issues.

Senator SHELBY. Well, what's your number one obligation? It's the soldiers, isn't it?

General KILEY. Getting soldiers off the battlefield alive, getting them through Landstuhl, and getting them to all of my medical centers.

Senator SHELBY. Absolutely. Let's talk about Walter Reed and the future of Walter Reed. You know, this was made by the base closing commission.

General KILEY. Yes, sir.

Senator SHELBY. I think we have to think about today's care, that's very important, and the standard of that care at Walter Reed, or lack thereof. But we have to think about tomorrow, too, the new Walter Reed, because it seems to me to be very logical to build a state-of-the-art medical facility at Bethesda, where you have the medical school, where you have the NIH, where you have Bethesda. And of course you plan, I think, that we're going to name it Walter Reed, which is fitting. But we have to deal with the present, but we've got to deal with the future, too, and I think we can do both if we do it right. What do you think?

General KILEY. I absolutely agree with you, Senator, with the proviso that, one, it must be fully funded and, two, we must recognize, in the new Walter Reed at the National Military Medical Center Campus, that much of the work we're doing right now at Walter Reed as it relates to families and family support and outpatient work will have to continue in that new campus. And I think if we

recognize all that and we coordinate this process of transformation over to the Bethesda campus, I don't think we will drop a single soldier through this from our current operations. But it has to be fully resourced.

Senator SHELBY. Well, you're before the Defense Appropriations Subcommittee. We are responsible for funding the military, wherever they are, including our hospitals and everything. Do you believe that we have adequately funded our medical, Army medical team and so forth, including Walter Reed? And if not, would you speak out for it?

General KILEY. Yes, sir.

Senator SHELBY. This is where the money comes from, right here in this subcommittee.

General KILEY. Yes, Senator, I understand, and I have said in the previous 3 fiscal years that I have served as the commander that as it relates to the global war on terrorism and everything Army hospitals do, that everything I've asked for, you have given us, and I have not gone wanting there.

Senator SHELBY. Have you asked for everything you need to run a first-class hospital at Walter Reed and anywhere else that you have our wounded veterans?

General KILEY. I have asked. Part of that is a core budget that endures past combat operations, that may not have global war on terrorism funding, and in that respect we have had to deal with the wedge and efficiencies and taxes, and it has made it more challenging. And this wedge, this notional wedge in the coming budget, is going to make it even more challenging for us.

Senator SHELBY. I believe myself, as a member of this subcommittee, both sides of the aisle, Democrats or Republicans, we will fund whatever is necessary to treat our veterans more than right, the best in the world medical treatment, if you ask for it.

General KILEY. Yes, Senator. Thank you. Yes, Senator.

Senator SHELBY. Thank you.

Thank you, Mr. Chairman.

Senator INOUYE. Thank you.

Senator Mikulski.

Senator MIKULSKI. Thank you very much, Mr. Chairman. I thank you and the ranking member, Senator Stevens, for your longstanding leadership and commitment on military medicine.

I think the issues raised by the leadership and the panel in the BRAC situation are really very well taken. We understand why there was this whole desire for a joint facility, but in a minute I'll get into privatization, which shows that perhaps some assumptions are dated. I'd like to suggest to the subcommittee we ask the military to review that, and also that the Dole-Shalala Commission take a look, so that at the end of their report we might have a comprehensive list on that, because my concern—well, first of all, you know, we have phrases like "wounded warrior." They evoke nostalgia.

What we're talking about, we ought to start calling it the 50-year care program. We have men and women who were injured and they are 19 or 20 years old. They are going to be alive for 50 years, if it all works the way it should. So for 50 years, what does this mean to TRICARE? For 50 years, what does this mean to the VA?

Yes, we can look at Walter Reed. Then where do they go to rehab? And then when they leave rehab, where do they go from there? Are they going to go into nursing homes? Are they going to go into assisted living? If they get home healthcare, who is going to help the families, these 19-year-old brides, with assistance with living for a guy who may have 40 percent of his brain shot off, or no arms or no legs, and the stress on the family?

So we have to be thinking of this not as—I love the phrase, "wounded warrior." It's very respectful and shows an emotional commitment, but I think we have to start calling it the 50-year commitment. And then how do we do this? Because the facilities here at the acute care and the outpatient care are only the first step to a series of steps that will last 50 years, so let's take a look at that.

PRIVATIZATION

But this question about what did you know and when did you know it and all that, I'd like to bring to the subcommittee's attention and a question to General Kiley and to the other Surgeon Generals about privatization. I am concerned that the administration's relentless pursuit of privatization has caused dire consequences at our facilities.

If we go to Walter Reed, there was a relentless effort to privatize the 300 employees who did building maintenance. Three hundred employees who did building maintenance. The administration spent $7 million on an A–76 process and then another $5 million to implement it, $12 million to get rid of 300 employees. I protested it along the way, with my former colleague, Senator Sarbanes, but I wasn't the only one. I wasn't standing up for Maryland employees, though I was. I thought I was standing up for Walter Reed.

Then Colonel Garibaldi sent a letter or memo on September 6. This is the famous Garibaldi memo that said all of the contracting out of building maintenance was based on criteria for the year 2000, a year before 9/11 hit, 3 years before we went to war in Iraq—well, 2 years before Afghanistan, 3 years before Iraq. So we were functioning on outmoded data, once again not planning for war, not planning for the casualties of the war, not planning for the care of the casualties of the war. We took data from the year 2000.

Garibaldi says we've got to do this, we've got to staff and implement something very different here. He cries out, saying the Army initiated this study in 2000. The current workload in the hospital has grown significantly. He goes on that the A–76 in 2000 didn't even think about what we were facing. And the punch line here, he says without favorable consideration of these requests—which means don't do this—patient care and services are at a risk of mission failure.

Well, while he was writing his memo, Sarbanes and Mikulski were doing an amendment on the Senate floor to overturn that A–76. We lost it, 50 to 48. We went from 300 employees very quickly to 50, 300 employees to 50.

I'm going to ask that the Garibaldi memo be submitted for the record.

[The information follows:]

DEPARTMENT OF THE ARMY,
UNITED STATES ARMY GARRISON,
WALTER REED ARMY MEDICAL CENTER,
Washington, DC 20307–5001.

MEMORANDUM THRU MG George W. Weightman, Commander, NARMC and WRAMC, 6900 Georgia Avenue NW, Washington, DC 30207

FOR COL Daryl Spencer, Assistant Chief of Staff for Resource Management, MEDCOM, 2050 Worth Road, Bldg 2792, Suite 9, MCRM, Fort Sam Houston, TX 78234–6009

Subject: Challenges Concerning the Base Operations A–76 Study and Resulting Reduction In Force (RIF) at Walter Reed Army Medical Center (WRAMC)

Walter Reed Army Garrison and Walter Reed Medical Center (WRAMC) requests approval and financial support as the Base Operations A–76 Study proceeds toward a reduction-in-force (RIF) and the date when the contractor will assume duties. Specifically we are requesting the following to prevent possible mission failure:

—Approval and funding of the personnel in the "bridge organization", and fiscal year 2007 funding for VERA/VSIP.

—Establishment of a larger than approved Continuing Garrison Organization (CGO).

—Formal implementation of the Directorate Of Logistics (DOL) and Plans Analysis and Integration Office (PAIO) organizations.

Since the Army initiated the A–76 study in 2000, the current workload in the hospital and garrison missions has grown significantly in the past six years due to our need to care for and support Wounded Warriors from Operation Enduring Freedom, Operation Iraqi Freedom, and other outcomes of the Global War on Terrorism (GWOT). As a result, the Army performed the competition with dated workload data and expectations created before the GWOT began in 2001. Now in 2006, we need more personnel than the study had anticipated. To rectify this situation, we need more government employees to remain on staff and need to implement a garrison DOL and PAIO.

As a direct result of the A–76 study, its associated proposed RIF, and eventual Base Realignment and Closure (BRAC) of WRAMC's Main Post, we face the critical issues of retaining skilled clinical personnel for the hospital and diverse professionals for the Garrison, while confronted with increased difficulties in hiring. In our efforts to manage the RIF, we implemented a Voluntary Early Retirement Authority/Voluntary Separation Incentive Program (VERA/VSIP) effort. As a result we lost 21 personnel in June and nine more in July; an additional seven personnel will leave at the end of September while 30 to 35 more will depart after due course notification of Congress. Due to the uncertainty associated with this issue, WRAMC continues to lose other highly qualified personnel. A planned Priority Placement Program (PPP) registration will allow other employees to be placed into Department of Defense jobs at other locations. So far 67 personnel have registered for this program, which will become effective on 26 September 2006.

The bump and retreat process that follows a RIF will impact the Hospital's patient care mission as highly skilled and experienced personnel in the current workforce are moved in to other jobs or involuntarily separated. The danger of an "underlap" of personnel to perform vital functions could decrease our ability to complete the garrison mission and provide world class patient care. To ensure WRAMC's primary mission experiences little or no disruption, we request you approve a personnel "bridge organization" (attached as Enclosure 1) to support the transition process until the contractor performance period begins.

Compounding the issue is Medical Command's (MEDCOM's) non-concurrence with our requested residual organization, the Continuing Garrison Organization (CGO). Using the older workload data in 2004, WRAMC proposed a relatively small CGO of 25 government personnel. Earlier this year, with a better understanding of the greater workload requirements, the WRAMC Leadership submitted to MEDCOM a request for 63 CGO positions (Enclosure 2) to be spread across the WRAMC garrison to provide effective oversight and monitoring of contractor activities proposed to implement the BASOPS support. After MEDCOM reviewed the request and sent a manpower analyst to discuss the revised CGO with each of our directors proposal they reduced the approved CGO total to 26 slots (Enclosure 3).

WRAMC established its garrison command in 2002 when the Army established the Installation Management Agency (IMA). Consequently the A–76 study data in 2000 did not include other areas of the garrison command necessary to run a full service BASOPS organization. These include the DOL and the PAIO; therefore, the final contractor submission did not include positions for them. Furthermore,

MEDCOM did not approve any full time equivalents for the Garrison DOL or PAIO functions anywhere in the CGO.

No provisions were made for a PAIO which has created additional problems. The PAIO is the Garrison Commander's right hand in the areas of planning, assessment and improvement. Working hand in hand with the BRAC office, the PAIO facilitates and maintains the BIG PICTURE Garrison planning efforts. Working with cross-functional planning teams we truly considered all aspects of every challenge facing the Garrison during the A–76, the RIF and BRAC processes, as well as the programs and services we provide to our customers on a daily basis. The PAIO consolidates all Garrison plans (Master Plan, Human Resource Plan, etc.) into an over arching Garrison Strategic Plan governed by an Installation Planning Board. This board is designed to be made up of the Installation Chain of Command, MEDCOM representatives, other tenant organization representatives and chaired by the Installation Commander. It is imperative that we continue ongoing measurements, analysis, assessment and adjustments that result in our goals and objectives being met at the installation level. Meeting these goals and objectives guarantees improvement of the Garrison BASOPS mission for the MEDCOM, our tenant units, our soldier's and their family members.

Our last point has to do with section C.5.10 of the Performance Work Statement that was submitted for contracting, where DOL functions are represented. These functions relate to the "Hospital" DOL and do not consider Garrison DOL functions. The Garrison DOL is the property accountability and supply and services authority for the Garrison organization. Without these essential offices, WRAMC, MEDCOM, the Army and the U.S. taxpayer are vulnerable to property loss amounting to hundreds of thousands of dollars over the next five years. DOL's hand receipt system and follow on Financial Liability Investigation of Property Loss (FLIPL) process were implemented to hold hand receipt holders accountable for lost property and is a systematic and proven means of ensuring government property is tracked and accounted for. In addition, the disposition and transfer of property, equipment and facilities are all logistical functions and during BRAC the Vice Chief of Staff of the Army expects accountability from closing installations. Once the hospital is relocated this becomes a Logistics action and the hospital DOL will not be here to perform that function. After BRAC there could be a AAA Audit or GAO review to see that the correct steps were taken. The DOL also serves as a central office for supply acquisition and distribution thereby building a more efficient and effective means to procure supplies and equipment for the entire Garrison operation. A central supply system reduces redundancy and increases availability of supplies to Garrison organizations.

Without favorable consideration of these requests, WRAMC Base Operations and patient care services are at risk of mission failure.

Thank you for your interest in and support of our challenges. The POC is the undersigned at (202) 782–3355.

PETER M. GARIBALDI,
COL, MS, Garrison Commander.

Senator MIKULSKI. But I'm saying to General Kiley, the Surgeon General, could I have your word now that you're going to evaluate the privatization, to evaluate the privatization efforts that are going on at these facilities and the impact that this is having on patient care? I want to know, and this subcommittee wants to know, why did we spend $12 million to get rid of 300 people so we now have 50 people? Okay, so that's the privatization. Can I have your word to do that?

General KILEY. Senator, I will take——

Senator MIKULSKI. Were you there during this A–76?

General KILEY. Oh, yes, Senator, I was.

Senator MIKULSKI. Well, what did you do about it?

General KILEY. Senator, the A–76 as I understood it was the law. It was required of us to do a privatization across—for MEDCOM purposes, across three——

Senator MIKULSKI. But you could have challenged it. The assumptions were based on the year 2000.

General KILEY. That's correct, and——

Senator MIKULSKI. Did you challenge the assumptions of the A–76 with your higher-ups and say, "Let's take another look here?" There were 16 different appeals.

General KILEY. Yes, ma'am, and at the time that that began, I was then the MEDCOM commander. And I know that General Farmer worked through that, to include the issue about 2000 data, and as I understand it, as it has been explained to me, they updated the data a little bit.

But you have identified the problem. The problem was as much a function of the morale of the employees, and the fact that Garibaldi——

Senator MIKULSKI. No, my identification of the problem was that the A–76 was based on 2000, the year 2000, data. That was the problem. And we spent $7 million to implement something that was based on it. That was what the problem was. Did it have an impact on you now? Yes.

General KILEY. Yes, ma'am, it did.

Senator MIKULSKI. Okay, so yes, it did. What about you, Admiral Arthur?

A–76 STUDIES

Admiral ARTHUR. Yes, ma'am. We have not had similar incidents of A–76 studies on as grand a scale as Walter Reed has, but I would tell you in general whenever you promulgate an A–76 study, the very best people that we have start looking for other jobs, and we end up with a dearth of people in the billets that are currently filled. And very often I think it comes out that a government worker, someone on the General Schedule or one of our contractors, is at least as cost-effective as a privatization would be.

Senator MIKULSKI. I think this is something, again, that we need to be looking at, I mean truly looking at, and that also goes to Dole-Shalala.

Admiral ARTHUR. Yes, ma'am.

General KILEY. Yes, ma'am.

Senator MIKULSKI. General?

General ROUDEBUSH. Yes, ma'am. I think it's very pertinent to go back and look at the privatization issue, and I think that's an exercise that is certainly worthy and will press on that.

For us in the Air Force, we have a mix across our facilities of privatized contracts or base support. For us it has worked reasonably well. However, I think the opportunity to go back, revisit it, take a look, is something that we will certainly press on.

[The information follows:]

Approximately 72 percent (53 of 74) of Air Force Medical Service medical treatment facilities (MTFs) use contractors to provide day to day facility maintenance. The external accreditation body for health care facilities (Joint Commission on Accreditation of Healthcare Facilities) has had high praise for many of the contract maintenance companies in terms of processes and documentation of the work performed. Additionally, facility satisfaction with contract Maintenance is very high.

On March 9, 2007, the Air Force Surgeon General asked the Auditor General of the Air Force to provide audit support for oversight of contractors responsible for medical facility cleaning and maintenance.

While the Air Force Medical Service has never previously had an audit to evaluate the Performance of a contract maintenance provider, we take several measures to ensure we received quality maintenance. Each site has a contracting officer representative to ensure compliance with the specified level of maintenance. The con-

tractors are required to provide monthly status reports on their performance. Notably, we also have a central cadre of experienced technical staff that further reviews the performance status reports. This staff, comprised of military and government civilian experts, provides oversight and support to the local representatives. We manage preventive maintenance and demand maintenance needs of our MTFs through the Facility Management Module of the Defense Medical Logistics Support System allowing us to monitor the state of equipment and trend the performance of our contractors. We ensure past performance is a key evaluation factor when we award new contracts and decide to exercise option years. Our maintenance contracts are structured to place full life-cycle liability for covered building systems on the contractors; therefore, the contractors have an inherent incentive to accomplish appropriate maintenance. If a system fails, they are financially liable to make all repairs or replacements. Collectively, these measures ensure we are providing quality maintenance of our medical infrastructure.

CONTINUITY OF CARE

Senator MIKULSKI. Yesterday in the Levin hearings, the Assistant Secretary for Health said one of the most important things to ensure continuity of care was continuity of the caregivers, and he talked about the need for a cadre, and I'll use the term, of civil servants. It goes to, should military people even be running these hospitals? Should there be a cadre of civil servants that do this? And that also goes to the privatization question.

I'm not questioning that but, as you know, in the private sector doctors don't run hospitals anymore. But you know tours of duty change. Since you were at Walter Reed, General Kiley, I think we've even had a third or a fourth——

General KILEY. Yes, ma'am. A fourth now, yes, ma'am.

Senator MIKULSKI. And that's the military way, so they come and they go, they come and they go, and they come and they go. So there's the loss of institutional memory, the culture the institution needs to maintain.

I believe that there needs to be military leadership at military facilities, but I think we've got to take a look at the role of civil service here and now. It also goes to the contracting out of other services, because we not only have the wounded warrior, we have the wounded waiting warrior. Now, that takes me——

Admiral ARTHUR. Yes, ma'am. May I comment, ma'am, just briefly?

Senator MIKULSKI. Yes.

Admiral ARTHUR. The CNO asked me, when I first took this job, could we have our casualties seen at Mayo Clinic or Johns Hopkins? And I said they could treat their injuries and illnesses, but the advantage of having a military hospital with military commanders and people in charge is, we understand what our mission is and whom our population is.

We never ask our patients how sick they can afford to be. And all of our people, all of our uniform people, have been to combat or at least have been exposed to the operational scenario so that they know what our patients have gone through, and I think there's great benefit to understanding the patient who has been in combat, the family needs, et cetera. So having someone other than military run our basic facilities runs the risk of not understanding who——

Senator MIKULSKI. No, no. I'm not talking about contracting it out to Hopkins or to Mayo. I'm talking about who should be there

all of the time, which is the chief executive officer (CEO) manager. No, I in no way would mean to dilute that.

But let me go on. In TRICARE you do contract it out. There is TRICARE, but you reach a point where you do contract it out. That's one of the reasons, and one of the reasons these guys and gals are wild to get a 30 percent disability, so that they can get TRICARE for life, because they fear if they go into the VA they're going to wither away, exactly for the reasons you said.

DISABILITY RATINGS

Which then takes me to this. General Kiley, of the 22,000 Purple Hearts that we have, how many of them have achieved a 30 percent or more disability?

General KILEY. Senator, I can take that question for the record. I do know that in 2006, as I understand it, the active force had about a 4 percent permanent disability, so about——

Senator MIKULSKI. Which goes to the Murray point. Thank you.

General KILEY. Yes, ma'am.

[The information follows:]

The Department of the Navy has identified 362 military personnel (326 Marine Corps/36 Navy) who have been awarded a Purple Heart and a combined disability rating of 30 percent or greater for injuries sustained while participating in Operations ENDURING FREEDOM and IRAQI FREEDOM.

Senator MIKULSKI. Admiral?

Admiral ARTHUR. All Purple Hearts are given to active duty military. I'm not sure how many have received a disability. We'll take it for the record. But there are a lot of injuries which are minor, for which a Purple Heart is awarded.

Senator MIKULSKI. Well, we don't know how minor is "minor," now. That's the whole point about this war, that "minor" might become "major," which is one of the reasons they're talking about, when you are discharged and you have been handed over to the VA, which there's a lot of flashing lights about, that there is no goodbye physical that's uniform and passed on to them.

Admiral ARTHUR. Well, we do have a joint physical that we're piloting and we've had for several years with the VA, so that we——

Senator MIKULSKI. Let me tell you why I asked about the disability. So, okay, they're at Walter Reed, and we clean it all up and everybody is jazzed, and we ought to be jazzed. Well, what I worry about is what happens after they leave Walter Reed.

Admiral ARTHUR. Yes, ma'am.

General KILEY. Yes, ma'am.

Senator MIKULSKI. And that's why I was asking for this. Now, what is the plan, and have you taken the action that——

General KILEY. The plan, to address your question, Senator, from my view is for the Army to get together very quickly——

Senator MIKULSKI. But have they? Have they? Have you met? What is your plan?

General KILEY. Well, I have not yet met, since I started working through this process here at Walter Reed——

Senator MIKULSKI. But how long have you been Surgeon General?

General KILEY. Two and one-half years.

Senator MIKULSKI. And how long have we been at war in Iraq?

General KILEY. A pretty long time. Yes, ma'am.

Senator MIKULSKI. I think it's since March 2003, isn't it?

General KILEY. Yes, ma'am.

Senator MIKULSKI. We went to war, so we have been at war there as long as World War II.

General KILEY. Yes.

Senator MIKULSKI. And you don't have a plan for these——

General KILEY. In terms of the issues of addressing what we have been talking about, which is what appears to be and to me is a disparity and a confrontational position, we have to take this on, and I——

Senator MIKULSKI. Well, that's the disability of 4 percent, but what is your plan for even the 4 percent?

General KILEY. In terms of taking care of those soldiers?

Senator MIKULSKI. Yes. What is the long-term care plan? Do you have a plan for TRICARE for them? Do you have a plan for assisted living? Do you have a plan for long-term care? Do you have a plan for family assistance? Do you have a plan to pay for the divorce lawyers? Do you have any plan at all for any of this?

General KILEY. For the 50-year plan, no, ma'am, I do not.

Senator MIKULSKI. Do you have it for the next 3-year plan?

General KILEY. Not yet. We have not addressed——

Senator MIKULSKI. Well, I find this shocking. This is a war that we have been fighting for 5 years. One hundred and fifty thousand people will now be there, if the President gets his surge way, but even now, 128,000. Five years, longer than World War II, where these men fought and bear the permanent wounds of war. That's why they are so passionate about this. They know what good care and good follow-up care means.

General KILEY. Yes, ma'am.

Senator MIKULSKI. I have heard their personal stories, and been touched and motivated and been inspired by them. How about you? Now, you said, when the problem with the Post article occurred, that it was yellow journalism and you wanted to reset our thinking. What thinking now do you want to reset? You wanted a private meeting with me. I want a public hearing. What part of that do you want to reset? You said it at the press conference.

General KILEY. Senator, I did not call the Post series by reporters Priest and——

Senator MIKULSKI. No, but you said you wanted to reset our thinking. Here is your moment in the sun. What part of that Dana Priest series do you want to reset our thinking on?

General KILEY. I don't want to reset anyone's thinking, Senator. I share the concern of——

Senator MIKULSKI. But you did when you said it. You did in your first press conference, said you wanted to reset thinking.

General KILEY. I wanted to assure the American people that, one, we were as concerned as the report was, that we wanted to work through solutions, we weren't sitting back on our heels. I clearly was not attempting to suppress or in any way mitigate the circumstances.

Senator MIKULSKI. Well, let me tell you what I'm hearing. I'm hearing from soldiers where they wanted to appeal their benefits,

but they told me I can't use their stories because they fear retaliation.

General KILEY. Yes, ma'am, and I——

Senator MIKULSKI. That people fear retaliation, you need to know that. They fear retaliation about speaking up at facilities, so you need to know that.

General KILEY. Yes, ma'am.

Senator MIKULSKI. So there is a culture here, and I think the culture has got to change.

General KILEY. And I agree.

Senator MIKULSKI. This is why we think it's a failure of leadership. But I'm going to come back to the leadership of this subcommittee, who have devoted their life to military medicine, and who I'm proud to serve with. I think we've got to look at this, the fact that here we are in the fifth year of the war in Iraq, and we don't have a plan for what happens when these men and women leave truly acute care, not only the 50-year plan, but we don't have a 3-year plan.

MILITARY MEDICINE AND VETERANS ADMINISTRATION

Now I'm going to ask, have the Surgeon Generals of military medicine met with Nicholson at the VA to talk about that continuity handoff? Have you as a group met with him?

Admiral ARTHUR. Not as a group, ma'am, but I've met with him individually and have met when Secretary Perlin was the Under Secretary for Health of the VA.

Senator MIKULSKI. And do you have a plan for doing this, for handing off the marines?

Admiral ARTHUR. Yes, ma'am.

Senator MIKULSKI. And other Navy personnel?

Admiral ARTHUR. The marines also have a plan for the marines, the Marine for Life Program and others that take care of marines even after they are discharged, active duty or reserves. The marines have been very, very forthcoming and forward-leaning in taking care of their own marine casualties.

Senator MIKULSKI. Have you met with them?

General ROUDEBUSH. Yes, I've met off line with Secretary Nicholson on at least one occasion, talking about this, as well as——

Senator MIKULSKI. Do you feel you have a plan?

General ROUDEBUSH. Ma'am, the plan that the Air Force uses is something that we call our wounded warrior plan, with the Palace HART, which actually follows our individuals through their hospitalization, through their disability processing, out into the civilian life, and continues to track them to assure that their needs are, in fact, met.

Senator MIKULSKI. Have you met with them?

General KILEY. I have not met with the Secretary on this subject. I have met with, had discussions over the last several years with Dr. Perlin and particularly with Dr. Kussman about the handoff from our facilities to the VA. I have put U.S. Army personnel into our multitrauma centers as liaisons to coordinate that. I have visited the polytrauma centers myself. I am very concerned about and think that that's the next great plan we need, which is to make sure the VA can continue to support these soldiers.

Senator MIKULSKI. I find this horrifying, after 5 years, I just find this, the lack of a continuum. But I have confidence in the leadership of this subcommittee and look forward, and now the Dole-Shalala investigation, where we can continue this. Let's start with the BRAC, look at the facilities, and then the human infrastructure and the plan.

Thank you, Mr. Chairman.

Senator INOUYE. Senator Stevens.

Senator STEVENS. My comment to the Surgeon Generals would be that both of our Senators have spoken up very strongly. I particularly want to go back to what Senator Murray said, though. We have all heard, from the families of these wounded members of the military, an expression of fear if they speak up. Somehow or other that has got to be dispelled.

General KILEY. Yes, Senator, I agree.

Senator STEVENS. And I think it applies across the board. I would urge that you ask that there be just a flat statement that there is no retaliation. We welcome those comments. Those comments help us find ways to solve the problems, and I think many times they will help you.

General KILEY. Yes, Senator.

Senator STEVENS. I would hope that we find some way to dispel this and start retaliating against the people who put that fear in these people. That should not be. There should not be any fear of speaking up about the quality of care or the future plans for these people. I don't think we can emphasize that too much. That has just got to stop.

General KILEY. I agree completely, Senator, and I send surveys directly to med holdover soldiers and ask for their direct feedback to us, and we're getting that back. We've had over 1,000 surveys come back. Many of the comments are negative.

It's not about going and reprising against someone. It's about finding out what's going on out there and letting us know. I can travel every camp, post, and station, and I do. I talk to soldiers. I was in Puerto Rico talking to med holdover soldiers. They have issues. We need to get on with it, and there will be no reprisal. It's absolutely unacceptable.

Senator STEVENS. Thank you, Mr. Chairman.

Senator INOUYE. Thank you very much.

Like all citizens, when I began reading the articles in the Washington Post, I began to reflect, and I thought about a moment just about 1 year ago when a group of high school students converged into my office to interview me. And the first question I asked was, I suppose, a soft one: What happy moments have you had in your life? What were the happiest moments of your life?

And my answer was a shocker for them because I said, "The 21 months I spent in the Army hospital after my injury." They couldn't understand that. In fact, they were my most enjoyable moments in my life. I had a ball in the military hospital.

But as you think about it, you realize that there was a difference in culture. The President of the United States in my time, World War II, was very popular. The people were almost 100 percent in favor of the war. Veterans were treated like gods. We would go into a restaurant and "Anything you want, fella." Times were different.

And then, well, I got hospitalized in the most unlikely place. We took over the best places in the United States. For my surgery it was Atlantic City. That's where it was. We took over Haddon Hall and Chalfont Hotels, huge hotels.

When the Miss America program was finally restored, we got the front rows. And although I don't have a leg injury, I asked the surgeon to put a cast on because I wanted to get on a wheelchair to sit up in front. And I think I'm the only Member of Congress of the United States who was kissed by Miss America at that time.

Senator MIKULSKI. And you well deserved it.

Senator INOUYE. These were happy moments for me. I spent 21 months. The average GI spends 5 months in surgical, medical, and then he's an outpatient. I was not an outpatient. I was a member of the population there. We had 7 months of surgery and medical treatment and 14 months of what we called rehab.

Had a group of carpenters from the carpenters group in that town who came out to teach us how to do carpentry. I built my own desk. Plumbing. To do electrical work, so that we won't be afraid to fiddle around with wiring, electrical wiring.

We had to demonstrate that we can play sports. We had a choice. I decided not to take golf because after three rounds it was 92, and that's pretty high. I took up basketball and swimming, passed those tests.

I took a driving course because I never drove before I got in the service, and they taught me how to drive, gave me a certificate to qualify me to drive in all States, all territories, all possessions, because at that time you know States had different driving laws.

I had to play a musical instrument. Before the war I played a saxophone and a clarinet, but that was impossible, so they tried a trumpet and they said, "No, your lips are too soft for that." And so they said, "How about the piano?" I said, "You must be out of your mind," but I passed the test. Someday I'll demonstrate to you.

They even taught us how to make love. Someday I'll say so in public, not for the record here, but I can assure you it was the best lesson I ever got. I've never made a mistake since.

They taught us self-defense. They taught us how to dine, how to dress, how to dance. When you ask for a dance for the first time since your injury, how do you hold the lady? With your right? With the left? These are things you think about.

When we learned how to swim, we were all required to swim, it was not in the hospital pool. It was in the public lake, so you had to swim in the presence of normal people. You know, the average guy who is injured is reluctant to show his ugliness and scars to others. That's human nature. He has to be taught. I'll go out here anytime, it doesn't bother me. I walk around the house and the backyard with shorts on. Doesn't bother me. But I think it would bother some of those who are just coming back because they haven't been taught how to do it.

Well, the culture is different. As far as I'm concerned, you people are doing the utmost you can. And when you consider that since 2002 Walter Reed, for example, has handled over 6,000 war-injured veterans, that's a load that's suddenly thrust upon them. Outpatient load since the war has gone up from 100 to about 800 a day.

At the same time, as Barbara Mikulski, Senator Mikulski, has pointed out, you had this BRAC. When people were moving up, they wanted a permanent job. They knew that 2011 was right around the corner, so they wanted a job with some pension plan, so they were leaving. And Bethesda, because of the new orders of opening up a good, first class hospital, began recruiting. And voluntarily I know that six anesthesiologists have left, and if you don't have an anesthesiologist, you don't have surgery.

And so in the beginning I said I hope this is not a finger-pointing exercise or fault-finding, scapegoating, sacrificial lamb, because all of us have dirty hands. Some got dirtier hands than others but we all do.

So let's do our best. The soldiers deserve much better. I was horrified to see that mold and stories of rats around the place. These things didn't happen, I don't recall happening in my time.

We had great socials. I don't know if they do have great dances today, but we had some good ones. And the first woman I ever fell in love with was a nurse. You couldn't help it. They were that good.

So, with that, I'd like to thank the three gentlemen, and now may we call the nurses.

General KILEY. Thank you, Senator.

Admiral ARTHUR. Thank you.

General ROUDEBUSH. Thank you, sir.

Senator INOUYE. I would like to welcome the Nurse Corps Chiefs: Major General Gale Pollock, Chief of the U.S. Army Nurse Corps; Rear Admiral Christine Bruzek-Kohler, Director of the Navy Nurse Corps; and Major General Melissa Rank, Assistant Air Force Surgeon General for Nursing Services.

As I have indicated, as a veteran the first woman I fell in love with was a nurse, and I'm still in love with them. You're doing a great job. And with that, got any words, Ted?

Senator STEVENS. No, I don't have a similar experience to talk about.

Senator INOUYE. Well, well, well. May I call upon General Rank?

STATEMENT OF MAJOR GENERAL MELISSA A. RANK, ASSISTANT SURGEON GENERAL FOR NURSING SERVICES, DEPARTMENT OF THE AIR FORCE

General RANK. Mr. Chairman and distinguished members of the subcommittee, I am pleased to represent nearly 8,000 men and women of the total nursing force. It has been my privilege to lead and serve alongside my senior advisors, Brigadier General Jan Young of the Air National Guard and Colonel Ann Hamilton of the Air Force Reserve.

Air Force nursing is an operational capability, and strengthening clinical currency remains a priority. I have connected with each unit level nursing leadership for updates on their top initiatives. I can assure you that our clinical sustainment policy of 168 hours at the bedside has returned seasoned clinicians to inpatient settings to refresh skills and mentor the less experienced.

Since September 2001, more than half of the Air Force service deployments have been filled by the total nursing force. We are in demand, serving in the air, on the ground, in every time zone, theater of operations, and level of care. Just as the global war on terrorism triggered an evolution in combat medicine, the unrelenting

volume of complex trauma patients has generated an unprecedented demand for nursing resources.

In the words of deployed Reserve officer, Lieutenant Colonel Dawn Smith, "We do more than change dressings, maintain airways, stabilize blood pressure, and control bleeding. We provide the human touch. The hands I have held, the stories I have listened to, and the blank stares I have helped to find focus again, that is the essence of nursing." And that is why we are here. I couldn't describe Air Force nursing any better.

This type of nursing care rivals that of any stateside facility. We are providing phenomenal critical trauma care and maximizing survivability for patients during high volume air evacuation missions and in theater hospitals at Balad and Bagram.

To provide this operational capability, we increased production of critical care trauma nurses. Building upon the successful joint training program in San Antonio, we awarded 30 critical care and emergency nursing fellowships, and are expanding our training sites to Bethesda and St. Louis University Hospital in Missouri.

The Graduate School of Nursing at the Uniformed Services University is the primary source for training our certified registered nurse anesthetists (CRNAs) and perioperative nurse specialists. We are particularly pleased with the operational focus of their programs and the collaborative initiatives of the current leadership. We would also like to recognize the TriService Nursing Research Program which funds a number of expeditionary-focused studies conducted by Air Force nurses. Thank you for your continued support of both programs.

The national nursing shortage is posing a threat to our recruiting and retention efforts. Overall, we accessed 92 percent of our goal for fiscal year 2006, reflecting a 10-percent increase from the previous year. We attribute our success to offering higher accession bonuses and more loan repayment options. We are implementing a specific Nurse Enlisted Commissioning Program similar to the successful Army and Navy programs. We have secured 12 student starts, and anticipate exponential growth of this program over the next 5 to 10 years.

Of grave concern is our current inventory, which has dropped to 85 percent. We are evaluating the downward trend in retention rates, and are now offering a $15,000 critical skills retention bonus to nurses completing their initial commitment. For the first time, we are also considering monetary incentives to impact retention at the 9- to 15-year point.

On a positive note, we are encouraged by gains in master clinician billets. We anticipate this will allow nurses to stay at the bedside and remain competitive for promotion to colonel. Our powerful retention tool is professional development, and we continue to invest in advanced military and professional education programs. We are moving forward with plans to relocate enlisted medical basis and specialty training to a TriService Medical Education and Training Campus at Fort Sam Houston.

We have fiercely maintained our ability to grant Community College of the Air Force degrees to Air Force students, and are exploring the feasibility of extending that benefit to our sister services. We are also investing in remarkable individuals like Staff Sergeant

Victoria Weiger, who enlisted in 2001 at the age of 17. She has deployed twice to Iraq, and refers to helping injured U.S. and coalition forces as her most rewarding military experience.

Sergeant Weiger expanded her scope of practice as an immunization technician and then as a critical care technician. She has earned an associate degree, and will be attending our Independent Duty Medical Technician Program early this summer. She aspires to commission as a Nurse Corps officer and becoming an Air Force CRNA.

Last fall, I received an e-mail and photo from one of our deployed nurses. He was holding an Iraqi baby. This e-mail said: "This child is one of our better outcomes. We see quite a few children here, and some very sad outcomes. We had three come in yesterday. One had both legs blown off near the hip, a very beautiful 8-year-old girl. I stopped by to see her. She was on continuous pain medication, and she looked like a sleeping angel. I didn't stay long because I couldn't keep the tears from welling up. No regrets about being here in Iraq. I love my work. Thanks for your support, and you take care." Signed, Captain Jose P. Jardin III.

Mr. Chairman and distinguished subcommittee members, Lieutenant Colonel Smith, Captain Jardin, and Sergeant Weiger are representative of Air Force nursing. It is imperative that we recruit and retain quality airmen, afford them the best training and equipment, and safeguard clinical platforms to operationally prepare them and their replacements. We will look after their families while they are far from home, and be prepared to care for them when they return.

We need to optimize the potential in our enlisted force with the opportunity to commission, and I must work diligently to improve Nurse Corps promotion opportunity and timing so that we can retain these airmen and capitalize on their leadership, clinical expertise, and operational experience. They are the symbol of the future of Air Force nursing.

PREPARED STATEMENT

I am extremely honored to be here today. Thank you for the considerable support you have given us this year, and thank you for inviting me to tell our Air Force story.

Senator INOUYE. Thank you very much, General. Would you share with us the names and addresses of those three gallant nurses?

General RANK. I would be proud to.

Senator INOUYE. We would like to send a note to them, a note of appreciation.

General RANK. Yes, sir.

[The statement follows:]

PREPARED STATEMENT OF MAJOR GENERAL MELISSA A. RANK

Mr. Chairman and distinguished members of the committee, it is my honor to be here today representing Air Force Nursing Services. The Total Nursing Force encompasses officer and enlisted nursing personnel of Active Duty, Air National Guard, and Air Force Reserve Command components. It has been my privilege to lead and serve alongside Brigadier General Jan Young of the Air National Guard and Colonel. Anne Hamilton of the Air Force Reserve Command, my senior advisors for their respective components this past year.

The Secretary and Chief of Staff of the Air Force have set three priorities: Win the global war on terrorism, develop and care for our airmen, and modernize and recapitalize our assets. I assure you Total Nursing Force objectives align with, and directly support, these priorities.

EXPEDITIONARY NURSING

Air Force nursing is an operational capability, and Air Force Nursing Services remains in the forefront supporting the warfighter. Between January and December 2006, 12 percent of the Total Nursing Force inventory (2,187 personnel) deployed to 43 locations in 23 countries. Within the active duty component, 13 percent of our nurses and 15 percent of our medical technicians were deployed in 2006. The average deployment length was 110 days. Since September 2001, the Total Nursing Force has completed 53 percent of all Total Force deployments within the Air Force Medical Service. Total Nursing Force nurses and medical technicians are providing remarkable operational support. We are a well-trained, highly motivated capability serving in every time zone, every theater of operations, and at every level of care.

In January 2007, we activated the 455th Expeditionary Medical Group and assumed operational control of Craig Theater Hospital located at Bagram Air Field, Afghanistan. We have received impressive reports of life-saving care at the 455th. For one Afghani National admitted with multi-organ failure, classic medical-surgical nursing care saved his life. Over a 3-week period, Captain Cindee Wolf saw to his daily care and treatments. Providing frequent personal care, administering countless intravenous and oral medications, cajoling "one more bite" at mealtimes, and performing multiple range of motion exercises were just a few of the interventions nursing teams employed. Disease, compounded by poor nutrition and harsh living conditions, proved just as life threatening as an insurgent's bullet. The compassionate care of everyone assigned to the 455th Immediate Care Ward contributed to this patient's recovery and discharge home.

The 332nd Expeditionary Medical Group remains the epicenter for wounded in Iraq. Located at Balad Air Base, this Air Force theater hospital treats more than 300 trauma patients every month and provides care to another 400 sick and injured patients. Of the roughly 700 patients seen per month, about 500 (71 percent) are U.S. troops, 170 (20 percent) are Iraqi soldiers, police and civilians, and the remaining 30 (10 percent) are foreign national contract employees, insurgents, or those of unknown status.

Nursing teams are providing phenomenal emergency trauma care and maximizing favorable outcomes for patients in these high-volume theater hospital environments. U.S. casualties making it to Balad have an unprecedented survival rate of 97 percent to Landstuhl Regional Medical Center in Germany. Describing the response of medics to an influx of casualties, 332nd Chief Nurse Colone Rose Layman said, ". . . we had such a smooth rhythm as we worked together . . . we were able to take 20 patients with multiple traumatic injuries and triage, treat, and move them . . . without calling any additional staff. I stood in that empty emergency room (exactly 1 hour after the first casualty came in and simply thought, wow!"

Our nursing care rivals that of any stateside facility. In the words of one of our experienced Air Force Reserve Command nurses, "I had the best experience in my entire 20 years as a trauma nurse [because] I saw how trauma patients should be treated—I saw the best possible care done on the worst traumas I have seen in the shortest time imaginable. I work at one of the largest trauma centers in my State and just realized we could learn a lot." What a testimony to the Air Force Medical Service!

The en route care construct has significantly decreased our footprint on the ground. Since October 2001, the Air Force Medical Service Aeromedical Evacuations System has moved nearly 40,000 patients. To put this in terms you may appreciate, this equates to evacuating the entire population of Annapolis, Maryland. In an excerpt from the Chief of Staff of the Air Force's "Portraits of Courage", General Moseley recognized our Aeromedical Evacuation flight nursing teams. Although written with the 86th Aeromedical Evacuation Squadron (AES) in mind, his comments described the mission performed by any one of our 31 Total Force Aeromedical Evacuation units. ". . . wounded warriors, premature babies, accident victims, retirees falling ill and other Department of Defense (DOD) beneficiaries needing medical care are routinely transported by [teams of] flight nurses and aeromedical evacuation technicians . . . Our Nation asks much of her military and she provides an unsurpassed transportation of the sick and injured around the world . . ."

The challenging task of facilitating Aeromedical Evacuation missions rests with our four Global or Theater Patient Movement Requirements Centers. The Theater

Patient Movement Requirements-Europe provided around-the-clock support during the Beirut, Lebanon Non-combatant Evacuation Operation. Working in concert with DOD, Department of State, U.S. European Command, and U.S. Consulates in Nicosia, Cyprus, and Frankfurt, Germany, they synchronized patient movement of evacuees. In one case, the U.S. Consulate in Nicosia contacted Theater Patient Movement Requirements-E and requested assistance moving an 84-year-old Lebanese-American. At the outbreak of hostilities, this gentleman was evacuated from Beirut and admitted to the American Heart Institute in Nicosia for treatment of his chronic cardiac and respiratory problems. Theater Patient Movement Requirements-E validated the need for en route medical care, coordinated an accepting physician at Landstuhl Regional Medical Center in Germany, and secured airlift for an Aeromedical Evacuation mission. Within 24 hours, the mission was complete and the patient was receiving care at Landstuhl Regional Medical Center.

Members of the Total Nursing Force, like Aeromedical Evacuation Technician Staff Sergeant Jason St. Peter, saved lives using their extensive medical and combat readiness training. While on a rescue mission into a high threat area of anti-coalition militia activity, SSgt. St. Peter was informed that the casualty count had quadrupled. Taking decisive action, he directed reconfiguration of the aircraft to accommodate additional patients. Upon landing, he triaged and prioritized treatment under infrared illumination provided by overhead aircraft. SSgt. St. Peter was credited with saving eight soldiers, as well as eliminating the need to bring additional rescue teams into harm's way. He was nominated for a Distinguished Flying Cross.

In the Pacific theater, crews from the 18th AES moved six critically burned sailors from Guam to Hawaii and then on to San Antonio. During the final leg of this 6,000 mile journey to Brooke Army Medical Center, the sailors received en route critical care from a team of burn specialists. This feat showcased Tri-Service interoperability, validating the joint capability of moving patients in an efficient manner and providing the greatest opportunity for survival and rehabilitative care. Notably, it was during this mission that our C–17 fleet logged its one-millionth hour.

For some, duties were performed along our Nation's border in support of Operation Jump Start. One hundred fifty-five Air National Guard nurses and medical technicians from four States were activated for 1 to 4 month rotations supporting this Homeland Security Border Control mission.

OPERATIONAL SKILLS SUSTAINMENT

The global war on terrorism demand for operational, clinically-current specialty nurses has steadily grown. In response, we have increased production of critical care and trauma nurses and returned nurses with specialty nursing experience to the deployment pool.

Encouraged by the success of our joint training pipeline in San Antonio, we awarded 30 critical care and emergency fellowships this year and expanded our joint training platforms to include the National Naval Medical Center in Bethesda and St. Louis University Hospital in Missouri. We have not stopped there. We are revising our support agreement with the University of Cincinnati Medical Center in Ohio to accommodate critical care nursing fellows.

We continue to rely on our Centers for Sustainment of Trauma and Readiness Skills (C–STARS). These advanced training platforms are embedded into major civilian trauma centers throughout the continental United States. In 2006, this invaluable clinical immersion enabled 614 doctors, nurses, and medical technicians to refresh operational currency while preparing them to deploy as Critical Care Air Transport Team (CCATT) members or clinicians in expeditionary medical support (EMEDS) facilities. Many of our chief nurses consider the Centers for Sustainment of Trauma and Readiness Skills an essential component of their clinical competency programs and the majority of the graduates tell us it is one of the best training experiences of their military career.

Strengthening operational clinical currency remains a priority. Now 11 months old, our clinical sustainment policy continues to gain momentum. The concept is simple: providing opportunities for nurses temporarily assigned in out-patient or non-clinical settings to refresh their technical skills by working a minimum of 168 hours per year at the bedside. For many of our out-patient facilities, this means affiliating with local medical centers for innovative patient care partnerships. Where available, our medical technicians are capitalizing on these partnerships. Said an airman from Kirtland Air Force Base (AFB), New Mexico, "The Veterans Affairs (VA) rotation . . . was a great way to get hands-on experience and exposure to emergency and inpatient settings."

In 2006, we gained access to eight complex medical-surgical, emergency trauma and critical care training platforms in which to sustain clinical skills for our officer

and enlisted nursing personnel. An extraordinary benefit emerging at nearly all training sites has been exposure to—and appreciation for—the unique missions of various agencies. We are encouraged by reports of how affiliations with our Federal health partners have fostered collegiality between nurses. Among these affiliations, two are with civilian organizations (Miami Valley Hospital in Dayton, Ohio and Iowa HealthCare in Des Moines, Iowa). Federal Tort Laws make securing affiliations with civilian organizations particularly challenging, so I applaud the hard work expended at the local level. Nursing personnel from the 3rd Medical Group (MDG) DOD/Veterans Affairs Joint Venture Hospital and the Alaska Native Medical Center have collaborated on continuing education and professional development programs for many years. Their partnership expanded recently to include rotations in pediatric, medical-surgical and critical care units—experiences long-sought to bolster currency at home station and in deployed settings.

In addition to sustainment, we have robust entry-level training platforms. The 882nd Training Group at Sheppard AFB, Texas graduated 1,638 Total Force Aerospace Medical Service Apprentice (AMSA) students in fiscal year 2006. AMSA students have the unique experience of training on technologically advanced simulations systems. Life-like mannequins simulate clinical patient scenarios, allowing students to learn and gain hands-on experience in a controlled environment. As they progress through training, students are challenged with increasingly complex scenarios. This training module was recognized by 2nd Air Force as a "Best Practice".

Landstuhl Regional Medical Center became our 10th Nurse Transition Program (NTP) training site and the first NTP hosted in a joint facility. With the addition of the Landstuhl Regional Medical Center NTP, we have increased overall enrollment to 160 nurses in this Air Force Medical Service entry-level officer program.

We depend on the Uniformed Services University of the Health Sciences (USUHS) Graduate School of Nursing (GSN) to prepare many of the Family Nurse Practitioners (FNPs) and Certified Registered Nurse Anesthetists (CRNAs) needed to fill our mission requirements. Currently, 57 percent of our 49 FNPs and 52 percent of our 143 CRNAs are USUHS graduates. The GSN enrolled 46 Air Force nurses this fall in Perioperative Specialty, FNP, and CRNA programs. Overall, Air Force nurses represented 41 percent of the GSN student population. Once again, all 13 of our CRNA candidates passed the National Certification Exam before graduating this past December. We would like to acknowledge the support of faculty, and recognize Lieutenant Colonel Adrienne Hartgerink for her selection as Military Faculty Member of the Year.

We are pleased with the collaborative research endeavors available to GSN students. Air Force nurses have published their research in professional journals and presented their work at the national level. Ten of our nurses were among the GSN students contributing to a landmark study that analyzed more than 11,000 reported perioperative medication errors. The recommendations emerging from this research have significant implications for patient safety, and will lead to better outcomes for patients in all U.S. healthcare organizations. Collaborative clinical training occurred as well. The Mike O' Callaghan Federal Hospital at Nellis AFB in Nevada and National Naval Medical Center were formally designated as Phase II Nurse Anesthesia Clinical Sites. Air Force nursing has successfully integrated training platforms at every level.

CLINICAL SUCCESSES

We are also logging significant improvements at home-station treatment facilities. The 81st MDG at Keesler AFB, Mississippi celebrated another post-Katrina milestone with the opening of a new labor, delivery, recovery and postpartum unit. The new labor and delivery unit is staffed with six OB/GYN physicians, one nurse midwife, nine military and three civilian nurses, as well as seven medical technicians. More staff will be arriving over the coming year to coincide with projected increases in prenatal caseload.

At the 23rd MDG, Moody AFB, Georgia, Major Jennifer Trinkle and a team of nurses instituted a nurse-run Active Duty Fast-Track Clinic using pre-defined care protocols. The fast-track made a measurable impact on their business plan and increased overall productivity of the facility. Exit surveys revealed patients liked the "express" experience, and nursing teams enjoyed more interaction with patients.

A Tri-Service nurse consortium, chartered at Landstuhl Regional Medical Center, addressed complex infection control issues affecting global war on terrorism casualties. Their initiatives included modifying specimen collection intervals to reduce bacterial colonization of acinetobacter baumannii, instituting contact precautions for all intensive care unit admissions, and switching to waterless/antibacterial bathing pro-

tocols. These efforts have the potential to become benchmark infection control practices for participating National Nosocomial Infections Surveillance System hospitals.

CARING FOR OUR OWN

The cornerstone of military capability is a fit and ready force; however, the undeniable consequence of continued exposure to polytraumatic injuries is profound risk to the health of our nursing staff. Although vast resources are available to airmen and their families prior to deployment, lessons from earlier conflicts have taught us some returning warriors—warrior medics among them—have difficulty resuming personal and professional activities. Dr. Michael Murphy, an Assistant Professor of Surgery at the Indiana University School of Medicine and OIF veteran, offered this Veteran's Day tribute: "There is . . . a group of forgotten veterans . . . who carry with them the ghosts of war that will haunt them forever . . . nursing staff (assigned to) forward surgical teams and combat support hospitals." To that end, every airman completes a Post Deployment Health Re-Assessment (PDHRA) survey at some point during their 90 to 180 day post-deployment window. At the local level, nurses are connecting those at risk with appropriate primary care or mental health providers.

We recognize caring for our own includes caring for those who care, looking after airmen and their families and educating all concerned on signs and symptoms of stress. Over the past year, we have promoted awareness and neutralized stigmas associated with seeking help by incorporating post traumatic stress and compassion fatigue discussions with nurses attending symposiums, conferences and senior leader gatherings. We are now pursuing targeted interventions to ensure we have the appropriate resources available for our nurses and medical technicians when they return to home.

PROFESSIONAL DEVELOPMENT

The goal of Nurse Corps (NC) professional development is to produce nursing leaders for the Air Force Medical Service. We accomplish this goal by creating role-specific skill-sets and competencies to enhance current job performance and prepare junior officers for success in the future. Our nursing Development Team (DT) convenes quarterly to ensure NC officers are afforded deliberate career progression. The DT competitively selects our squadron commander and chief nurse candidates, both of which represent pivotal career leadership milestones. Additionally, the DT selects, through a board process, those leaders who will most benefit from developmental education in residence. This year three outstanding NC officers were selected for senior developmental education.

Professional development also serves as a powerful retention tool. Seventy-five percent of Air Force nurses responding to our 2006 DT Assessment Tool survey stated educational opportunities positively influenced them to stay in the military. In addition to professional military education and pinnacle leadership positions, the NC supports very robust educational opportunities. Three percent of Total Force nurses are funded for advanced academic degrees and specialty training every year. For 2006, these included 69 nurses selected for the nurse practitioner programs, 21 nurses selected for clinical nurse specialists' education, and 14 nurses selected for other advanced degrees. Eighteen nurses were selected for very competitive fellowships to include emergency room/trauma/critical care, Advanced Executive Development programs, Advanced Education and Training programs, Joint Commission and Accreditation Association for Ambulatory Health Care fellowships, and numerous others. In addition to professional military education and advanced degree programs, we continued our specialty courses for operating room nursing, neonatal intensive care nursing, infection control, perinatal/OB nursing and the Health Professions and Education and Training Course. In 2006, we trained 66 Total Nursing Force flight nurses and 172 Total Nursing Force Aeromedical Evacuation technicians at our Flight School at Brooks City Base in San Antonio. This program continues to be a vital training platform for our increasing requirements for clinical Aeromedical Evacuation crews in support of global war on terrorism.

Purposeful assignment selection and rank-appropriate developmental education opportunities will ensure our nurses have the requisite skills and experience to succeed in deployed operations and future leadership roles. I want to especially thank Dean Bester of USUHS for the continued support, which makes much of our advanced education a huge success.

RECOGNITION

Air Force nurses and medical technicians were recognized for outstanding performance by various professional organizations this year. The Air Force Association

is an independent, nonprofit, civilian education organization promoting public understanding of aerospace power and the pivotal role it plays in the security of the Nation. They recently selected Air Force Medical Service Expeditionary Medics to receive the AFA Outstanding Air Force Team of the Year award for their direct support of the warfighter and our expeditionary efforts. Seven Total Force medics will accept this award on behalf of the entire Air Force Medical Service at the end of March.

Last fall, Lieutenant Colonel Leslie Claravall, 374th Medical Operations Squadron Commander at Yokota AB, Japan was honored as one of the 2006 Ten Outstanding Young Americans. Since 1938, this project has recognized 10 Americans each year who exemplify the best attributes of the Nation's young people.

In July 2006, the National Nursing Staff Development Organization presented national awards to two Air Force nurses at their annual conference. Lieutenant Colonel Lola Casby and Major Francis Desjardins won the Excellence in Educational Technology and Excellence in the Role of Professional Development Educator Awards, respectively. Lieutenant Colonel Sandy Bruce, Consultant to the Air Force Surgeon General for Nursing Education and Training, was appointed editor-in-chief of the next edition of Core Curriculum for Staff Development, and five Air Force nurses were named to the editorial board. This manual, endorsed by National Nursing Staff Development Organization, is widely accepted as the standard of practice for healthcare educators. For the first time, an Air Force nurse was named Research Consultant to the International Council of Nurses (ICN). The ICN is a federation of more than 120 national nurses' associations representing millions of nurses world-wide. Colonel John Murray was also selected as a Fulbright Visiting Scholar for research, another first for military nursing.

Our medical technicians were similarly honored for outstanding achievement. Master Sergeant Charles Cremeans, an independent duty medical technician assigned to the 786th Security Forces Squadron at Ramstein AB, Germany, was awarded the 2006 Lewis L. Seaman Enlisted Award for Outstanding Operational Support. Air Force independent duty medical technicians have won this award 3 of the past 4 years, validating their unique role in operational healthcare missions. Sponsored by the Association of Military Surgeons of the United States, this prestigious award recognizes an enlisted professional of the Army, Navy, Air Force or Coast Guard, who has demonstrated compassionate, quality patient care and service, clinical support, or healthcare management.

Technical Sergeant Shannon McBee, an Aeromedical Evacuation technician assigned to Pope AFB, North Carolina was awarded the 2006 Airlift Tanker Association's Specialized Mission Award. During the award presentation, General Duncan McNabb told the audience, "In time of war, when we are doing 900 sorties a day . . . there's one individual who stands out above all others . . ." While deployed, TSgt. McBee flew 28 missions in Iraq and Afghanistan, sometimes under fire, to provide critical nursing care to more than 300 wounded people—from special operations soldiers to children who stepped on land mines.

Some of the most rewarding recognition came in the form of spontaneous acknowledgement from our professional colleagues. During a regional nursing conference, Air Force nurses Major Prudence Anderson, Major Wendy Beal, and Captain Charlotta Leader presented Deployed Military Nursing from Ground to Air; focusing on the EMEDS concept, en route care processes and Aeromedical Evacuation missions. As they concluded their presentation, there was a moment of silence followed by a standing ovation. "It was an honor to represent military nursing . . . to be so appreciated in our community," they said.

RECRUITING AND RETENTION

Nurses remain at the top of Gallup's annual poll assessing honesty and professional ethics. However, public confidence has yet to translate into larger recruiting pools. In fact, a U.S. Department of Health and Human Services report (http://bhpr.hrsa.gov/nursing/) projects demand shortfalls will reach 17 percent by 2010 and 27 percent by 2015. Clearly, Air Force nursing will need to capitalize on every opportunity to recruit and retain nurses.

In fiscal year 2006, we achieved 80 percent (281) of our total recruiting goal (350). This was a significant improvement over fiscal year 2005's 69 percent. Graduates of our scholarship programs brought overall accessions up to 92 percent of goal. We attribute our success to larger financial incentives, which combined the options of accepting an accession bonus and Health Professions Loan Repayment for nursing school loans. Our fiscal year 2006 accession bonus options were $15,000 for a 3-year commitment or $20,000 for a 4-year commitment. We have increased the bonus for fiscal year 2007 ($25,000/4yrs), and are optimistic this will get us even closer to

goal. Direct accessions accounted for the majority of our fiscal year 2006 recruits, but we also attracted new nurses via ROTC scholarships, Line of the Air Force (LAF) funded enlisted to BSN and Airman Enlisted Commissioning Programs.

Mirroring our Sister-Services' successful enlisted commissioning programs, we are aggressively pursuing a specific Nurse Enlisted Commissioning Program. We gained LAF support for 12 student "starts" over the next 2 years, and anticipate exponential growth of this program for the next 5–10 years.

As calendar year 2006 came to a close, the NC inventory was a gravely concerning 85 percent. We retired 166 officers and separated another 188, for a net loss of 354 experienced nurses. We know our attrition rates spike at the 4–5 year point as nurses complete their initial service commitment; and again at 7–9 years, when nurses face disparate promotion opportunity. In response, we initiated a $15,000 critical skills retention bonus targeting nurses completing their initial commitment in the Air Force, and will be closely monitoring its impact on retention for this year group.

Compensating for our second attrition spike will be much harder, but we have made progress this year. LAF acknowledged inequities in colonel-grade billets, and validated 100 percent of the NC position descriptions submitted to the Air Force Colonel Grade Review Board. As a result, we have conservatively estimated a 45 percent gain in NC colonel-grade billets over the next year.

We are especially pleased with the increased number of validated master clinician billets at our larger hospitals and medical centers. This is significant because it will provide an avenue for some of our most clinically experienced senior nurses to remain in patient care settings without sacrificing opportunities for promotion and advancement. We are now a few steps closer to bringing NC promotion opportunity in parity with other Air Force categories constrained by the Defense Officer Personnel Management Act. These are tremendous strides for the NC, although the effect they will have upon major-grade and lieutenant Colonel-grade promotion opportunity is not yet clear.

TRANSFORMATION INITIATIVES

The Air Force Medical Service has deployed transformation initiatives this year using the principles of Air Force Smart Operations 21 (AFSO21). The primary goal of AFSO21 is to eliminate redundant processes that compete against priority missions for time, manpower, and money. In 2006, the Air Force Medical Service became the first DOD service to align with the Accreditation Association for Ambulatory Health Care, Inc. (AAAHC) for surveys of our ambulatory care clinics. Our partnership with The Joint Commission continues for surveying our inpatient facilities. In the words of our senior healthcare inspector, "Our new partnership with AAAHC will allow us to significantly integrate (military) inspections and accreditation findings in our reports . . . while reducing duplication of effort . . . a great example of AFSO21 principles at work."

The 39th MDG at Incirlik AB, Turkey provided another example. They applied AFSO21 strategies to their Medical Right Start Program, an Air Force medical service wide process of enrolling beneficiaries into the local health care system upon arrival to a new duty station. They streamlined their process by relocating all points of service to a central location at their Military Treatment Facility (MTF) and scheduling all Right Start Orientation enrollment activities on a single day. They estimate annual savings of $106,000 and 1,630 duty hours by implementing these customer-focused process improvements.

By far, the most challenging initiative has been the conversion of military positions to civilian equivalents needed to support a leaner military medical force posture. The Air Force nursing services civilian inventory includes more than 1,000 nursing personnel in advanced practice, licensed and paraprofessional roles. Nationally, the demand for nursing personnel far exceeds the supply, creating a competitive market that favors qualified candidates. In 9 months of active recruiting, we have hired 11 nurse practitioners and nurse specialists, 59 clinical nurses, and 41 paraprofessional nursing personnel (Licensed Practical Nurses (LPNs), Emergency Medical Technicians and Operating Room (OR) technicians). Although we hired 86 percent of the clinical nurses programmed for fiscal year 2006, we were significantly less successful with other civilian hires, especially LPNs and OR technicians. Through active recruiting, hiring bonuses where warranted, and use of direct hire authority, we are cautiously optimistic about reaching our fiscal year 2007 goal of accessing 211 additional civilian nursing personnel.

JOINT ENDEAVORS

Our International Health Specialty Nurses organized several important initiatives supporting the goals of Theater Security Cooperation. Among them, was a bilateral project to enhance the infection control capability of nurses serving in the Vietnam (VN) military. Facilitated by the Center of Excellence (COE) for Disaster Management and Humanitarian Assistance and funded through Presidential Emergency Plans for AIDS/HIV Relief (PEPFAR), this project builds upon previous U.S.-VN military nursing exchanges. During the first phase of this project, VN nurses will travel to Wichita Falls, Texas for didactic training at Sheppard AFB and then transition to Tripler Army Medical Center (TAMC) for clinical experience. A total of eight VN nurses will be trained; with the first two scheduled to begin in March. The second and third phases involve U.S. nurses traveling to VN to assist newly-trained VN nurses with Infection Control Program implementation at their four largest military hospitals. The University of Hawaii, College of Nursing collaborated with DOD and COE partners to develop the educational framework and gather supporting data. This project meets Theater Security Cooperation goals of capacity building, building competent coalition partner, interagencies, interoperability, access, and influence.

A joint capital venture between the 1st MDG at Langley AFB, Virginia and the Naval Medical Center Portsmouth is underway. This venture establishes a Special Care Nursery at Langley AFB that accepts transfers of moderately ill neonates from the Naval Medical Center Portsmouth, thus enabling them to preserve bed-space for more critical/acutely ill neonates. This partnership will allow beneficiaries to continue care within the Military Health System, a benefit to both medical facilities and their patient population.

Air Force nurses actively participated in monthly System-wide Trauma Continuum of Care video teleconferences in 2006. The complexities of issues addressed were astounding, and included standardizing pressure-related baldness and skin ulceration surveillance and prevention, managing complex pain issues during en route care, standardizing burn management and resuscitation documentation, reducing mortality and morbidity associated with under/over fluid resuscitation, and reducing ventilator-associated pneumonias. This world-wide, DOD/Veterans Affairs performance improvement forum, facilitated successful outcomes and improved quality of life and functionality for recovering global war on terrorism casualties.

Twenty-four medics from the 52nd MDG, Spangdahlem AB, Germany deployed to Tamale, Northern Ghana where they joined 22 Ghanaian military medical staff for MEDFLAG 06. Operations required extensive interoperability. Participants gained experience in deploying to austere locations, interacting with host nation military and governmental organizations, observing/understanding local customs, integrating healthcare teams of multiple specialties and several units/Service components, procuring supplies and equipment, and reallocating personnel and resources to meet changing mission requirements. Everyday at sunrise, teams loaded supplies and convoyed to villages where thousands stood waiting for medical, dental and optometry care. Over 3,200 patients received care in just 4 days, and U.S. medical personnel were able to learn about, see and treat a myriad of chronic and tropical diseases rarely seen in the United States. A letter of appreciation signed by Pamela Bridgewater, U.S. Ambassador to Ghana, summed up the impact made by our medics, "In my many years of Foreign Service I can think of no other time that I was so proud to be an American than on my visit to the MEDFLAG sites in the Northern Region. . . . I (saw) first-hand the professionalism of U.S. (military) personnel and the strong ties of cooperation fostered in a short period of time. I (directly) witnessed the positive effect that the U.S. military presence had on the population of that deprived region. This is truly a case where we are winning the hearts and minds just by being who we are and doing what we do so well, helping others."

RESEARCH

Our patients have benefited from cutting edge research conducted by Air Force nurses, particularly in the realm of operational clinical readiness. Colonel Peggy McNeill, an Air Force doctoral student, is examining the performance of medical aircrew in a simulated military aircraft cabin environment. CCATTs provide intensive specialty care to nearly 10 percent of the global war on terrorism casualties transported on military cargo aircraft, and yet we have limited understanding of how inflight stressors impact medical aircrew and affect their cognitive and physical performance on long Aeromedical Evacuation missions. Her findings will enhance patient outcomes by maximizing operational performance of medical personnel in the Aeromedical Evacuation environment.

Due to the nature of their injuries and stressors of flight, combat casualties are at high risk for having an inadequate supply of oxygen in their blood. Traditional methods of monitoring for this complication are not possible with combat casualties experiencing severe burns, amputations, decreased body temperature, or massive swelling. Research being conducted by Lieutenant Colonel Marla DeJong will provide clinicians with valuable information about the ability of specialized monitoring devices to provide more accurate patient assessment data needed to care for acutely and critically ill patients in flight.

Lieutenant Colonel Karen Weis, a graduate of Air Force-sponsored doctoral education, studied the impact of deployment on psychosocial experiences of pregnancy. Her findings indicated effective maternal identification, or pregnancy acceptance, was dependent upon the husband's presence in the first and early second trimesters of pregnancy. As a result, an evidence-based program has been developed to provide timely family support to pregnant military wives with deployed, or deploying, husbands.

Air Force nurses received generous financial support from the Tri-Service Nursing Research Program (TSNRP) to conduct the type of research just described. In addition to research studies, the TSNRP Resource Center funded the creation of an operational pocket guide for nurses. Designed as a concise reference for deployed nurses, it contains the most current evidence-based practice recommendations for operational health care. Topics range from critical care of blast victims to psychological first aid and culturally appropriate pain assessment and management.

BASE REALIGNMENT AND CLOSURE (BRAC) INTEGRATION

Air Force nurses are working alongside Sister-Service colleagues to achieve functional nursing integration. Here in the National Capital Region, Air Force critical care nurses assigned to Andrews AFB, Maryland are now augmenting staff at Walter Reed Army Medical Center. BRAC integration is affording Air Force nurses additional opportunities to maintain operational currency in complex patient care platforms, while serving the needs of critically ill and injured military heroes and their families.

In San Antonio, we are moving forward with plans to relocate enlisted medical basic and specialty training to a Tri-Service Medical Education and Training Campus (METC) at Fort Sam Houston. METC will capitalize on synergy created by co-located training programs. We have fiercely protected our Community College of the Air Force degree granting to Air Force students, and are exploring the feasibility of extending authority to our Sister Services.

The Air Force Surgeon General Consultants for nursing specialties are working with their Tri-Service counterparts to solidify scopes of practice that reflect nursing care in joint environments. The Nurse Consultants are incorporating Service-specific requirements and civilian benchmarks to establish a single scope of practice for each specialty, thereby easing transition into joint units and providing nurses with a clear understanding of their roles and responsibilities.

OUR WAY AHEAD

For the past year, I have connected with nursing leadership teams at every one of our military treatment facilities; learning more about their mission priorities, challenges, and concerns. These conversations have assured me Air Force nursing stands ready for the exciting and challenging events ahead.

Mister Chairman and distinguished members of the committee, it is my honor to be here today representing nearly 18,000 men and women that make up our Total Nursing Force. Thank you for the considerable support you have given us this year and thank you for inviting me to tell our story.

Senator INOUYE. And now may I call upon Admiral Bruzek-Kohler. Admiral.

STATEMENT OF REAR ADMIRAL CHRISTINE M. BRUZEK-KOHLER, DIRECTOR, NAVY NURSE CORPS, DEPARTMENT OF THE NAVY

Admiral BRUZEK-KOHLER. Good morning, Chairman Inouye, Ranking Member Stevens, and distinguished members of the subcommittee. It is an honor and privilege to speak to you again about our 4,100 outstanding Active and Reserve Navy nurses and the selfless contributions they make in operational, humanitarian, and traditional missions at home and abroad. My written statement

has already been submitted for the record, and I'd like to highlight just a few of those key issues.

Amidst the Nation's nursing shortage and the continuation of what is now 5 years of our engagement in Operations Iraqi and Enduring Freedom, I am proud to say we are projected to meet our direct accession goals for the first time in 4 years. This success can be attributed to our increased recruiting efforts, attendance at a diverse range of nursing conferences, but most importantly, because we stress that every Navy nurse is a Navy recruiter.

As a result, we have recently made a request to increase our direct accession opportunities. This increase will help fortify the healthcare assets which support the deployment of additional soldiers and marines as recently requested by our Commander in Chief.

Throughout our career continuum, our Navy nurses are responsive, capable, and continually ready to provide the finest care anytime, anywhere. Our clinical sustainment policy ensures our nurses are ready to deploy at a moment's notice and provide superior clinical care from operational platforms in Iraq to humanitarian missions in Southeast Asia. In our military treatment facilities in the United States and abroad, Navy nurses are at the forefront of providing comprehensive mental and physical care to our returning heroes.

To address their needs, 13 deployment health clinics have been established across the Nation. In these clinics, a specialized team of nurses, providers, and allied health professionals ensure personnel returning from operational deployments receive health assessments and follow-up care. Naval Medical Center San Diego has created a multidisciplinary program that coordinates hospital assets and personnel, offering a wide range of medical, surgical, behavioral health, and rehabilitative care to those injured in the service of our country.

In these settings and at many of our military treatment facilities, mental health nurses and nurse practitioners help meet the psychosocial needs of our returning personnel and their families. We intend to further capitalize on these practitioners in both the inpatient and outpatient arenas, as well as in operational assignments.

Beyond our military treatment facilities, Navy nurses serve honorably and courageously with Navy and Marine Corps operational units around the globe. In 2006, Navy nurses on board the U.S.N.S. *Mercy* conducted a successful 5-month Southeast Asia humanitarian mission. Joining the Navy medicine team on this mission were medical assets from the United States Air Force and Army, from Canada, India, Malaysia, Australia, and nongovernmental organizations.

At Landstuhl Regional Medical Center, nearly 100 Reserve Nurse Corps officers work alongside their Army and Air Force colleagues, providing lifesaving care to America's selfless and courageous warriors. The mental and physical stress of providing day-to-day nursing care to our critically wounded necessitates that we acknowledge the demands of our profession and the importance of caring for our caregiver, who may so often place the needs of others over self.

Our educational programs and policies support nursing operational readiness, the warfighter, and provide opportunities for graduate level studies. These programs help sustain continued growth in clinical knowledge and expertise and improve the quality of care. Our advanced practice nurses from these programs are actively conducting research and implementing healthcare programs that directly benefit the active duty member and all our beneficiaries. On an annual basis, we shape our graduate education training program based on our healthcare and operational support requirements.

Our civil service and contract nurses are integral members of the Navy medicine team, and their support and efforts are essential in ensuring we provide quality nursing to all entrusted to our care. We recruit and retain the very best of these nurses through a number of programs and initiatives, from the superior qualification bonus to the accelerated promotion program. In the last 2 years we have made great strides in increasing our civilian nursing workforce, and continue to reassess all programs to ensure we can attract the best qualified nurses.

In the last year our Active and Reserve Navy nurses have answered the call of a grateful Nation and are proud members of the One Navy Medicine Team. By partnering with civilian and military healthcare organizations, our nurses provide the finest care worldwide and make a positive and meaningful difference in the lives of our uniform service members, their families, our retired heroes and beneficiaries.

Our future requires that we align with the mission of our armed forces while simultaneously meeting advances in professional nursing practice. The uniqueness of military nursing is our dynamic ability to seamlessly integrate critical nursing specialties into compassionate care for America's sons and daughters, our soldiers, marines, sailors, and airmen. We will continue the exemplary tradition of Navy nursing excellence by focusing on interoperability and working alongside our military and civilian colleagues.

PREPARED STATEMENT

I greatly appreciate the opportunity to share these accomplishments and issues with you, and I look forward to continued work as the Director of the Navy Nurse Corps. Thank you, sir.

Senator INOUYE. Thank you very much, Admiral.

[The statement follows:]

PREPARED STATEMENT OF REAR ADMIRAL CHRISTINE M. BRUZEK-KOHLER

INTRODUCTION

Good morning, Chairman Inouye, and distinguished members of the committee. I am Rear Admiral Christine Bruzek-Kohler, the 21st Director of the Navy Nurse Corps and the Chief of Staff, Bureau of Medicine and Surgery. It is an honor and privilege to speak to you again about our outstanding 4,100 Active and Reserve Navy nurses and their contributions in operational, humanitarian, and traditional missions on the home front and abroad. Over the last year, we faced numerous challenges from the continuing war in Iraq, and the global war on terrorism, to conducting overseas humanitarian missions in Southeast Asia. The performance of all Navy nurses, in particular our wartime nursing specialties of mental health, nurse anesthesia, critical care, family nurse practitioner, emergency medicine, perioperative, and medical/surgical, has been exemplary in all theaters of operations and healthcare settings. Navy nurses, with the support of our outstanding civil serv-

ice and contract nurses, answered the call of duty with outstanding dedication and provided hope and comfort to all those in need.

The primary component of success in the Navy Nurse Corps has been our ability to clearly articulate and demonstrate our military relevance. To accomplish this, our nurse leaders recently met to review our 2006 strategic goals and objectives and determine our way ahead for 2007 and beyond. The outcome of this meeting resulted in the establishment of six priorities for Navy nursing that are specifically aligned with the vision and goals of the Chief of Naval Operations and the Surgeon General. To chart our course and navigate our achievements into the future, these six priorities include: Clinical proficiency to sustain our readiness; alignment of educational programs to meet future mission requirements; shaping the Nurse Corps to meet missions of the future; development of an executive leadership model for future Nurse Corps leaders; joint partnership to create a nursing productivity model; and implementation of a robust Nurse Corps communication program. Addressing each category, I will highlight our achievements and issues of concern.

READINESS AND CLINICAL PROFICIENCY

Throughout the career continuum, Navy nurses are responsive, capable, and continually ready to provide the finest care, "Anytime, Anywhere." Our clinical sustainment policy ensures our nurses are ready to deploy at a moment's notice and provide superior clinical care from operational deployments in Iraq, to humanitarian missions in Southeast Asia. At military treatment facilities, in the operational theater, on humanitarian missions, and working in a joint environment, Navy nurses are clinically agile and trained to mission requirements. Working with our sister services, we continue to define scopes of nursing practice and competencies to ease integration and cross-utilization within the military healthcare system.

At our military treatment facilities at home and abroad, Navy nurses are at the forefront of providing comprehensive mental and physical care to our returning heroes. To fully address their needs, 13 Deployment Health Clinics have been established across the country. Here, a specialized team of nurses, medical providers and allied health professionals ensure all personnel returning from operational deployments receive timely and thorough medical screenings and follow-up care. For those wounded warriors returning from overseas, Naval Medical Center (NMC) San Diego offers a multidisciplinary program of care via the Comprehensive Combat Casualty Care Center. This service offers a wide range of medical, surgical, behavioral health and rehabilitative care to those wounded in the service of our country.

Nurses in a variety of settings within the Navy are at the forefront of providing behavioral health, case management, and community health nursing. Our mental health nurses and practitioners are working with deployed personnel pre- and post-deployment in a variety of settings to ensure their behavioral needs are fully addressed. We are in the process of recognizing the advanced skills of the mental health nurse practitioners and anticipate utilizing their expertise as advance practice nurses in the near future. As healthcare systems experts, our Nurse Corps case managers liaise between civilian, Department of Veterans Affairs, and our military treatment facilities to ensure our wounded warriors have complete and rapid access to all their physical and behavioral health needs. Additional rehabilitative support comes from the Navy-Marine Corps Relief Society, whose visiting nurses partner with our Navy nurses in order to provide greater stateside services through the newly formed Visiting Nurse Combat Casualty Assistance Program.

For our sailors, marines and all our beneficiaries, Navy nursing is proud to provide the best family-centered care. Throughout our medical treatment facilities, nurse led mother-baby initiatives continue to improve quality of life and bring deployed family members closer together. Naval Hospital Camp Lejeune, North Carolina opened a newly renovated mother-baby unit serving both Marine Corps Air Station Cherry Point and Marine Corps Base, Camp Lejeune. The 18 new labor and delivery suites greatly expand access to care and provide special features such as a Level II nursery for newborns who require close monitoring and lactation consultation for maternal support. Innovative family-centered nursing practice at the Mother-Infant Care Center at the National Naval Medical Center (NNMC) resulted in this unit being named the "Best Nursing Team" by Advance for Nurses Magazine. At the NNMC and Naval Hospital Camp Pendleton, deployed family members are afforded the opportunity to participate in the labor and delivery of their newborns via video and telephone conferencing. Whether at home or abroad, our family-centered care is the foundation of support to all our service members.

Beyond our medical treatment facilities, Navy nurses continue to serve with pride in a variety of operational and humanitarian theaters. During the past year, Navy nurses from both active and reserve components were deployed throughout the

world as members of joint military, humanitarian and multi-national missions. Our nurses served with pride in Navy and Marine Corps operational units around the globe: Kuwait, Iraq, Djibouti, Afghanistan, Bahrain, Qatar, Canada, Germany, Honduras, Peru, Indonesia, Philippines, Pakistan, Thailand, South Korea, East and West Timor, Vietnam, Bangladesh, Republic of Georgia and Guantanamo Bay, Cuba. Nursing care services for both operational and humanitarian missions were delivered by surgical teams, U.S. Marine Corps Surgical Companies, Shock Trauma Platoons, the Forward Resuscitative Surgical Systems, and the Enroute Care System Teams for casualty evacuation. In addition, care was provided in expeditionary medical facilities, on Navy hospital ships, aircraft carriers, amphibious ships, and at our military treatment facilities. At Landstuhl Regional Medical Center, almost 100 Nurse Corps Reserve officers are working side-by-side with their Army and Air Force colleagues giving direct care to our returning casualties.

Providing care to the citizens of the world, our humanitarian missions reflect America's generosity and compassion. These efforts greatly enhance America's image as an ambassador of goodwill. In 2006, Navy nurses on board the hospital ship USNS *Mercy*, concluded a 5 month Southeast Asia humanitarian mission. In conjunction with the Navy medicine team, our medical personnel partnered with the U.S. Air Force, U.S. Army, the nations of Canada, India, Malaysia, and Australia and with non-governmental organizations. Together, the agencies and partnering countries delivered emergency/trauma, critical care, post-anesthesia care, pediatric and medical surgical services in a mutually supportive environment.

The mental and physical stress of day to day nursing care provided to our critically wounded uniformed personnel necessitates that we acknowledge the demands of our profession and the importance of balance and care for the caregiver. To address these demands, efforts involving mental health support out-reach teams, psychological injury first aid training, and collaborative healthcare peer support services are made available to all of our nurses. In addition, our nurses are encouraged to take advantage of all family support services and command sponsored morale, welfare and relief opportunities.

EDUCATION PROGRAMS AND POLICIES

Our education programs and policies support nursing operational readiness, the warfighter, and provide opportunities for graduate level advance practice to improve quality of care at home and abroad. At our medical treatment facilities, our nurses are provided the very best clinical training environments to sustain and improve their clinical skills. To hone these clinical skills for operational deployment, we have numerous initiatives and programs to ensure their clinical abilities in the field are of the highest level. To guarantee continued growth in clinical knowledge and expertise, our graduate education program provides masters and doctoral level training for our Navy nurses. Our advance practice nurses from these programs are actively conducting research and implementing healthcare programs that directly benefit the warfighter and all our beneficiaries.

Ensuring our nurses' clinical skills are of the highest caliber, we continue to utilize, reassess and seek out the best clinical training programs. Our robust Nurse Internship Programs at NNMC, in Bethesda, Maryland; and NMC Portsmouth, Virginia; and NMC San Diego, California, continue to provide professional guidance and mentorship to our new Navy and civilian nurses. We have initiated a pilot perinatal training program to ensure continued quality care and patient safety for our nurses going to overseas facilities. This program will provide our junior nurses the skills they need to work in the labor and delivery environment. We have implemented a new component for nurses developing critical care skills through the use of web-based training. This program is based on the American Association of Critical Care Nurses Essentials for Critical Care and coupled with bedside training, provides the most up-to-date clinical training for our critical care nurses. Certification in wound care provides our nurses with the state-of-the-art skills to care for our trauma patients returning from combat.

In addition to training within our facilities, our nurses are actively collaborating with our sister services to promote continuously improved quality clinical care. To maintain clinical proficiency, our nurses at U.S. Naval Hospitals in Naples and Rota have a collaborative staff sharing agreement with the Landstuhl Regional Medical Center. At Landstuhl, our nurses are able to enhance and maintain their clinical skills in emergency room, neonatal, mother/baby and critical care. Supporting joint training opportunities, NMC Portsmouth, in collaboration with Langley Air Force Base created a 10-week Neonatal Intensive Care Course that provides training to staff in anticipation of opening a new level II nursery at Langley. This joint project will expand the ability to care for pre-term infants in the Tidewater, Virginia area.

In addition, the Navy and Air Force formed a partnership involving the critical care course at the NNMC. This training accompanied by follow on clinical rotations enabled the Air Force Nurses to attain critical care skills while simultaneously supporting the medical mission.

Advance practice nurses at our facilities continue to improve quality of care through implementation of national healthcare protocols as well as sound nursing research findings. Several quality and patient safety protocols from the Institute of Healthcare Improvements were adopted for use in our military treatment facilities. A sampling of current Nurse Corps clinical research underway includes: Affects of Total Parenteral Fluid on the Nutritional Status of Premature Neonates, Efficacy of a Nurse Run Outpatient Behavioral Therapy Program, Extra-Amniotic Balloon Insertion Comparison Study, and Affects of Healthcare Industry Representatives in the Operating Room.

Beyond the military treatment facility, our nurses receive specialized clinical training to enhance their critical wartime nursing skills to provide immediate care in any operational setting. Navy nurses have maximized available training opportunities through the Navy Trauma Training Course at the Los Angeles County/University of Southern California Medical Center; Joint Combat Casualty Care Course in San Antonio, Texas; and Military Contingency Medicine/Bushmaster Course at the Uniformed Services University Graduate School of Nursing in Bethesda, Maryland. Operational training has been integrated into the Navy Nurse Corps Anesthesia Program and every nurse is deployment ready on the day of graduation. Other operational medical training programs Navy nurses take part in include the: Enroute Care Course, at Fort Rucker, Alabama, Field Medical Service Officer Course, at Camp Lejeune, North Carolina, and Advance Burn Life Support course provided by the Defense Medical Readiness Institute. Collaborating with our civilian medical communities, our nurses at NMC San Diego, California, maintain an agreement with Scripps Medical Center for trauma training in their emergency room.

Navy nurses continue to support joint training opportunities in a variety of environments that provide the foundation for combined operational medicine. In Operation Northern Lights, Navy nurses helped support the Army's field exercise at Fort McCoy, Wisconsin, by jointly operating a 30-bed field hospital under simulated wartime conditions. In preparation for future operational and humanitarian missions, Navy nurses on board the hospital ship USNS *Comfort*, participated in an international medical mass casualty drill in Halifax, Nova Scotia, involving Canadian forces and the British Royal Navy. Supporting the concept of interoperability, Navy nurses in the Reserve Component have worked seamlessly with the Defense Medical Readiness Training Institute, sponsoring and teaching three major professional trauma programs. The programs conducted on-site at San Antonio, Texas included: Advanced Burn Life Support, Joint Combat Casualty Care Course, and Pre-Hospital Trauma Life Support. Furthermore, these were exported to several regional training sites to maximize participation. Working with our civilian and military counterparts provides Navy nurses important clinical training and mutual operational support opportunities.

The experiences gained in the operational environment have enabled Navy nurses to be at the forefront of implementing the latest operational medicine training programs. At Navy Medicine Manpower, Personnel, Training, and Education Command, our nurses are part of a team working on the Expeditionary Medicine Web-Based Training Project. This web-base training will support clinical operational training and include combat-related medical skill and knowledge. To provide realistic casualty training to our forces at sea and land, Expeditionary Strike Group Five home-based in San Diego introduced a medical simulation mannequin called "SimMan." Critical care nurses with the strike group have used this device to train key personnel on essential life-saving medical techniques and assessments. Navy nurses have been instrumental in the development of the Combat Lifesaver Trainers course at the Field Medical Service School. This program teaches select corpsmen how to train marines in life-saving skills that bridge the gap between basic first aid and the corpsmen.

In addition, nursing research is actively being carried out to support warfighter readiness. A sampling of these studies include: Affects of Redeployment on Military Medical Personnel, Smokeless Tobacco Use Among Female Marines and Sailors Returning from Deployment, Coping Intervention for Children of Deployed Parents, Describing Chronic Disease Conditions in the Crews of Small Ships, Assessment of the Navy Shipshape Weight Management Program, Developing a Care for the Caregiver Mental Health Promotion Model, and Perceived Barriers Toward Emergency Contraception in Female Soldiers Deployed in Support of Operation Iraqi Freedom.

Working with the civilian community, Navy nurses have provided integral disaster, readiness training and nursing education support. At Naval Health Care Clin-

ics New England, our nurses participate and provide essential emergency response training with the local community. In the National Capital Area, NNMC nurses played an essential role in coordinating and collaborating with the community in the area-wide mass casualty drill. Given the current shortage of nursing school faculty across our country, we continue to provide clinical nursing experiences at our military treatment facilities while functioning as clinical nurse preceptors, educators and adjunct professors in support of schools of nursing throughout the country.

Our Navy Nurse Corps graduate education programs continue to enable Navy medicine to improve the quality of care for our sailors, marines, and their families. On an annual basis, we shape our graduate education training plan based on our health care and operational support requirements. We select our most talented nurse leaders to attend accredited universities around the country to attain their masters and doctorate degrees, which has also proven to be an invaluable retention tool. In addition, a plethora of continuing education courses and specialized training opportunities are available to further enhance solid clinical skills.

The Tri-Service Nursing Research Program (TSNRP) has played an integral role in contributing to successful patient outcomes, quality care, and support for the warfighter. Since its inception in 1992, TSNRP has supported over 300 research studies in basic and applied science and involved more than 700 military nurses as principal and associate investigators. A sample of Navy Nurse Corps studies includes: Clinical Knowledge Development of Nurses in an Operational Environment; Factors Associated with the Onset of Depression in Navy Recruits; Interventions to Maximize Nursing Competencies for Combat Casualty Care; and Research to Practice in the Military Health Care System. Overall, approximately one quarter of the TSNRP studies have been conducted by Navy nurse researchers.

There have been numerous publications attesting to the expertise of our Navy nurses, noted in the American Journal of Nursing, Archives of Psychiatric Nursing, American Journal of Public Health, Military Medicine, Association of Operating Room Nurses Journal, Dimensions of Critical Care Nursing, Critical Care Nursing Clinics of North America, American Association of Nurse Anesthesia, and American Journal of Critical Care. In addition, Navy nurses have been invited to present innovative practice and research findings at the Sigma Theta Tau Nursing Honor Society's regional conferences, Annual Meeting of the Association of Military Surgeons of the United States, American Association of Nurse Anesthetists, American Academy of Ambulatory Care Nursing Convention, American Academy of Nurse Practitioner's Conference, and Naval Reserve Association.

It is this personal dedication to the highest clinical proficiency and continuing education that makes us proud members of the military healthcare system. Our advance practice nurses are an integral part of the Navy medicine team. Continued professional development focused on operational medicine and evidence-based health care are key to our support of the warfighter as we provide the finest care to our uniformed service members and beneficiaries.

FORCE SHAPING

Maintaining the right force structure is essential to meeting Navy medicine's overall mission by validating nursing specialty requirements, and utilizing the talent and clinical expertise of our uniformed and civilian nurses. We are focused on our operational missions, and wartime specialties: nurse anesthesia, family nurse practitioner, critical care, emergency, mental health, medical-surgical and perioperative nursing. Through force shaping, we are creating the optimum structure for the present and the future.

Navy Nurse Corps recruiting has often struggled in competing with civilian institutions and other government agencies for America's finest nurses. However, for the first time in 4 years we are projected to meet our direct accession goal. This can be attributed to the tireless efforts of Navy Nurse Corps recruiters, recent increases in our Nurse Accession Bonus, and the Health Professions Loan Repayment Program for recruiting. In addition, our pipeline programs continue to be immensely successful and are the primary recruitment source for future Nurse Corps officers. Our pipeline programs include the Nurse Candidate Program, Medical Enlisted Commissioning Program, Naval Reserve Officer Training Corps Program, and Seaman to Admiral Program. These pipeline programs are our lifeline to ensure a steady supply of trained and qualified Nurse Corps officers in the future and are critical in assisting us to maintain desired manning levels. To this end, the Seaman to Admiral Program has been increased in order to expand our enlisted personnel's opportunity to become Navy nurses. Overall, I am very proud of our recruiting efforts, but our retention of Nurse Corps officers is still of great concern.

Retention poses a greater challenge with only 67 percent of active duty Nurse Corps officers deciding to remain on active duty after their first obligated decision point. At the end of calendar year 2006, our manning end strength decreased to 91 percent in the active component, with a deficit of 286 Navy nurses. Within our wartime specialties, shortfalls have been identified in the nurse anesthesia and family nurse practitioner communities.

To counter these deficiencies, a number of programs and initiatives have been implemented. The Health Professions Loan Repayment Program has been extremely successful and the applicants exceeded available positions for the last 2 years in a row for both retention and recruiting. The Certified Registered Nurse Anesthesia specialty pay was increased to assist in retaining this critical wartime specialty. Our Nurse Corps recruiters, to enhance recruitment and promote diversity, expanded their presence at a variety of national nursing conferences: Association of Operating Room Nurses, Association of Critical Care Nurses, Emergency Nursing Association, National Black Nurses Association, National Association of Hispanic Nurses, and National Student Nurses Association. Nurse Corps officers are serving as mentors of our students in the Nurse Candidate and Naval Reserve Officer Training Corps Programs to provide professional growth while enhancing retention. We have also established specific identification codes to identify our advanced practice Nurse Corps officers with expertise as adult, critical care, and emergency room nurse practitioners. This provides military treatment facilities key data to recognize the professional abilities of these advanced practice nurses and to utilize their expertise in the role of primary care nurse practitioners. These identification codes further assist Navy medicine to accurately identify and utilize nurse practitioners in expanded operational assignments. Last year, we proposed a Critical Skills Retention Bonus for officers who entered service in fiscal year 2004 and fiscal year 2005. We did not meet direct accession goals for these 2 fiscal years. The retention bonus is specifically targeted to improve retention of Nurse Corps officers who entered active service during these 2 fiscal years. In addition, I have personally written to many of the Deans of Nursing throughout the country outlining the benefits of a Navy career. Navy Nurse Corps officers are highly encouraged to utilize every opportunity to recruit new nurses and take on the career enhancing assignment as nurse recruiters. We will continue to closely monitor our end strength throughout the year, evaluate newly initiated programs, and explore other options to retain our nurses.

In the Navy Nurse Corps reserve component, recruitment and retention continues to be of great concern. We continue to have difficulties recruiting and retaining our critical wartime specialties. To address this, fiscal year 2007 Nurse Accession Bonuses remain focused on critical wartime specialties. The Nurse Accession Bonus for the reserves has been beneficial in recruiting the professional nurse with less than 1 year of experience. To attract civilian perioperative nurses, we have opened our perioperative training programs in Jacksonville, Florida, and Camp Pendleton, California, to include reserve nurses. As a pipeline program, our Hospital Corpsman to Bachelor of Science in Nursing Program continues to be successful. With our increased rate of mobilizations to Landstuhl and Kuwait, and contributory support to our medical treatment facilities, it is imperative that we meet our nursing specialty requirements and explore all options to support our recruitment and retention efforts.

Civil Service and contract nurses are integral members of the Navy medicine team and their support and efforts are essential in ensuring we provide quality nursing to all entrusted to our care. We recruit and retain the very best of these nurses through a number of programs and initiatives. The Direct Hire Authority from the National Defense Authorization Act of 2003 gives commands the flexibility to offer nursing positions directly to interested candidates. The Superior Qualifications Bonus gives commands the option to offer a higher basic pay rate based on exceptional experience and/or education. A recruitment bonus based on a percentage of their base pay and a relocation allowance may also be utilized. Other recruitment and retention tools available include Special Salary Rates, Retention Allowance, Student Loan Repayment Program, Tuition Assistance, payment for licenses/credentials, and the Accelerated Promotion Program. For those new to the nursing profession, we have expanded the Nurse Internship Program at our major naval medical centers, to include civilian nurses. In the last 2 years, we have made great strides in increasing our civilian nursing workforce and continue to reassess all programs to ensure we attract and retain the very best for the Navy medicine team.

Our success in meeting the mission in all care environments requires that we continuously reassess our measures of effectiveness, adjust personnel assignments, and revise training plans. We continue to closely monitor the national nursing market environment to ensure Navy nursing recruiting and retention efforts remain competitive.

LEADERSHIP DEVELOPMENT

Leadership development begins the day our nurses take the commissioning oath as Navy officers and is continuously refined throughout an individual's career with increased scope of responsibilities, upward mobility, and pivotal leadership roles within the field of nursing and healthcare in general. Our Navy nurses are proven strategic leaders in the field of education, research, clinical performance, and health care executive management. To help prepare them for these roles, a variety of leadership courses are offered: Navy Corporate Business Course, Service War Colleges, Military Healthcare System Capstone Symposium, Interagency Institute for Federal Healthcare Executives, Wharton's Nurse Executive Fellows Program, Basic and Advanced Medical Department Officers Course, and the Joint Operations Medical Managers Course. To ensure we continue a legacy of nursing excellence, it is critical that we identify those leadership characteristics and associated knowledge, skills and abilities that are directly linked to successful executives in Navy medicine. A Nurse Corps study (Palarca, 2007), in conjunction with Baylor University, has identified the key leadership competencies and associated knowledge, skills, and abilities specific to mid-level and senior executive Nurse Corps officers. The competencies identified for mid-level Nurse Corps officers include: management; leadership; professional and personal development; deployment readiness and interoperability; communications; and regulatory guidelines. The competencies identified for senior executive Nurse Corps officers include: business management; executive leadership; professional development; global awareness and interoperability; communications; and personnel management. This information will provide the basis for ongoing leadership development of our mid-grade through senior executive officers as they advance in executive medicine.

To meet today's challenges, nurse leaders must be visionary, innovative and actively engaged across joint service and other agencies to maximize our medical capabilities. Nurse Corps officers continue to reach new heights of clinical and operational leadership fulfilling roles as: Regional Director, TRICARE West Region; Chief of Staff, Bureau of Medicine and Surgery; Commanding Officer, USNS *Comfort*; First Surgical Company Commander, Iraq; Officer in Charge, Camp Doha, Kuwait; Commanding Officer, Coronado Battalion U.S. Naval Sea Cadet Corps; President, National Student Nurses Association; and commanding and executive officers of military treatment facilities around the world. Navy Nurse Corps officers have been recognized in a variety of media wide publications: New York Times Nurse of the Year Runner-Up, Washington Post Nurse of the Week, and Best Nursing Team of 2006 by Advance for Nurses Magazine. Within the reserve component, our dedicated Navy nurses are in key leadership positions in their units, when recalled to active duty, as well as in their civilian organizations, professional associations and local communities. Examples of key leadership positions include Deputy Commander, Navy Medicine National Capitol Area; Deputy Director for Navy Personnel, Landstuhl Regional Medical Center; commanding officers of Operational Health Support Units; CEOs of healthcare companies; administrators of hospitals; directors for nursing services; and faculty positions in colleges of nursing. Navy nursing remains committed to creating an environment which enhances leadership opportunities for tomorrow's future senior healthcare executives.

PRODUCTIVITY

Increasing healthcare costs, coupled with balancing higher patient acuities with available nursing resources, requires accurate and efficient management of our manpower assets. To address this we are taking steps to maximize our nursing human resources. In San Diego, California, a nurse-managed Pediatric Sedation Center was established for those procedures that normally required the main operating room. This initiative reduced main operating room utilization and provided a more pleasant environment for those families requiring the service of the Pediatric Sedation Center. In Quantico, Virginia, the nurse-run Wound Clinic instituted several nurse-focused standard operating procedures to address ailments that would otherwise require physician intervention. In Camp Lejeune, North Carolina, the branch medical clinic sends nursing personnel directly to the School of Infantry to address healthcare issues on-site versus requiring medical clinic visits. In Portsmouth, Virginia, nurses from the local reserve unit have performed over 84,000 man hours of operational and clinical support over the last 27 months. This constituted a cost savings of over $4 million to NMC Portsmouth.

To maximize the identification of nursing productivity, a Tri-Service Patient Acuity Scheduling System Working group has been formed. The purpose of the group is to develop business strategies for inpatient and outpatient acuity assessment and scheduling; and to develop a military healthcare system information technology to

transform and standardize the methodology for capturing, reporting, and communicating patient acuity, staff scheduling, and productivity across the services. The Navy Nurse Corps, with our sister uniformed services, continues to seek out the most effective productivity models to maximize our healthcare resources.

COMMUNICATION

Communicating through a comprehensive plan ensures all reserve and active Nurse Corps officers receive the most accurate, timely, and official information. A team of 24 active and reserve Nurse Corps officers coordinated and created a comprehensive set of Nurse Corps communication modalities: Nurse Corps web-page, weekly newsletter, monthly video-teleconferencing, Nurse Corps news update, Nurse Corps email database, bi-monthly senior Nurse Corps officers update, and semi-annual all Nurse Corps Admiral's Call. The aggressive implementation and the coordination of these modalities resulted in a greater awareness of the many beneficial programs we have for Nurse Corps officers. For example, our successful Health Professions Loan Repayment Program had a significant increase in the number of applicants this past year because of our ability to "get the message out" efficiently and expeditiously. By streamlining the communication process, synchronizing the methodology of delivery, and tapping into the latest technology we have seamlessly connected the Navy Nurse Corps around the world.

Beyond the Navy Nurse Corps, we continue to actively communicate with our uniformed and civilian counterparts. At the monthly Federal Nursing Service Council meeting, the nursing leadership of the Army, Navy, Air Force, Public Health Service, Department of Veterans Affairs and the American Red Cross meet to discuss the challenges facing our respective organizations. Furthermore, the Nurse Corps Chiefs of the other uniformed services and I meet regularly to address our common military nursing issues and opportunities to partner jointly on resolutions. Joint operations, cooperation, and communication are the foundation for future success in providing the highest quality of care for all our beneficiaries.

CLOSING REMARKS

In the last year, our active and reserve Navy nurses have answered the call of a grateful Nation and are proud members of the One Navy Medicine Team. By partnering with civilian and military health care teams, our nurses provide the finest care worldwide and make a positive and meaningful difference in the lives of our uniformed service members, their families, our retired heroes, and beneficiaries. The basis of our future requires that we align with the mission of our armed forces while adapting to the advances in professional nursing practice. The uniqueness of military nursing is our dynamic ability to seamlessly integrate the critical nursing specialties into the healthcare needs of soldiers and marines on the field, and our sailors at sea. We continue the exemplary tradition of Navy Nursing Excellence by focusing on interoperability and working side-by-side with our military and civilian colleagues.

I appreciate the opportunity of sharing the accomplishments and issues that face Navy nursing. I look forward to continuing our work together during my tenure as Director of the Navy Nurse Corps.

Senator INOUYE. And now may I call upon General Pollock.

STATEMENT OF MAJOR GENERAL GALE S. POLLOCK, DEPUTY SURGEON GENERAL, U.S. ARMY, AND CHIEF, ARMY NURSE CORPS, DEPARTMENT OF THE ARMY

General POLLOCK. Aloha, Mr. Chairman, and distinguished members of the subcommittee. It is again my great honor and privilege to speak before you today on behalf of the nearly 10,000 officers of the Army Nurse Corps. It is your continued, unwavering support that has enabled Army nurses to provide the highest quality care for our soldiers and their family members.

Our vision of advancing professional nursing and maintaining leadership in research, education, and the innovative delivery of healthcare is at the forefront of all we do. Army nurses serve in clinical and leadership roles in medical treatment facilities in the United States and abroad, in combat divisions, forward surgical

teams, combat stress teams, civil affairs teams, combat support hospitals, and coalition headquarters.

We have transitioned the Army community health nurse to the Army public health nurse, a role that is necessary as we face future threats within our homeland and theaters of operation. These nurses now support combat theaters of operations in civil affairs and the rebuilding of healthcare infrastructure.

Our transition to the psychiatric nurse practitioner role makes these nurses critical to the support of our soldiers in theater as well as and their families following deployment. In addition, these psychiatric nursing specialists either lead or support programs related to post-traumatic stress management and the reintegration of soldiers and families.

Our family nurse practitioners are filling critical roles during deployments, proving themselves as significant force multipliers. Their performance has validated their interchangeability as primary care and trauma providers.

We have also moved forward with the registered nurse first assist perioperative subspecialty. Incorporating the registered nurse first assist into our structure enhances our ability to recruit and retain perioperative nurses, and sustains our clinical experience base while offering nurses an expanded role within the perioperative clinical nursing specialty.

Combat operations provided many lessons learned, particularly the need for early trauma training for all of the AMEDD team. The trauma nursing core course sponsored by the Emergency Nurses Association continues to be the standard for training for new Army nurses, and serves as a refresher during predeployment training for all nurses. We also provide the advanced burn life support course in the captains career course.

From the beginning of combat operations in Iraq, Army nurses transported severely wounded patients by air within theater. Although they performed superbly, most had little or no training in aviation medicine or enroute care. Therefore, we developed the joint enroute care course to provide concise, realistic, and relevant trauma transport team training to all AMEDD personnel.

Always one of our successes, the U.S. Army graduate program in anesthesia nursing once again ranked second in the Nation. However, I remain concerned about the nursing shortage which is affecting not just anesthesia nursing but all of our advanced nursing specialties.

Starting in January 2006, new graduates assigned to Tripler Army Medical Center completed a Nurse Internship Program. They were assigned to a home room nursing unit, and over the next 6 months were scheduled for rotations that exposed them to medicine, surgery, critical care, emergency rooms and trauma, psychiatry, pediatrics, and labor and delivery.

The Tri-Service Nursing Research Program which you established in 1992 is a truly successful program. Army nurse researchers, in collaboration with their Navy and Air Force colleagues, are actively involved in the Tri-Service Nursing Research Program's Center of Excellence in Evidence-Based Nursing Practice. I hope that the current lack of funding will be corrected.

While the AMEDD team continues to provide quality health care, its members work to advance healthcare delivery systems in countries around the world. The Army nurses assigned in Afghanistan spearheaded an initiative to teach local Afghan doctors and nurses state-of-the-art techniques in providing perioperative surgical and nursing care. Nurse practitioners at the 121 Combat Support Hospital in Korea support Korean advanced practice nursing students by providing observational experiences to students as part of their clinical rotations. We remain an extremely busy corps, participating in joint military nursing endeavor programs in Vietnam, Kuwait, and the Kingdom of Saudi Arabia.

A competitive civilian market and current operational demands cause all of the challenges that we face to exacerbate the shortage of nurses and nursing educators. Currently I have a deficit of 254 officers, primarily in the company grades and in critical specialties such as anesthesia, critical care, perioperative, and OB/GYN nursing. We are constantly monitoring the status of our recruiting and retention efforts.

A recent review of personnel records by the Department of the Army indicated that the Army Nurse Corps has the highest attrition rate of any officer branch in the Army. Ongoing research indicates that Army nurses leave the service primarily because of the length of deployment and the absence of specialty pay.

For Reserve component nurses, my primary concern is the imbalance of professionally educated officers in the company grades. So many of them are prepared at the associate degree or diploma level that over the past few years only 50 percent are educationally qualified for promotion or leadership. We are grateful that the Chief of the Army Reserve is focusing recruitment incentives on those nurses educated at the baccalaureate level and funding the Specialized Training and Assistance Program for their BSN completion.

We continue adapting to the new realities of this long war, but remain firm on providing the leadership and scholarship required to advance the practice of professional nursing. We will maintain our focus on sustaining readiness, clinical competency, and sound educational preparation, with the same commitment to serve those service members who defend our Nation that the Army Nurse Corps has demonstrated for the past 106 years.

PREPARED STATEMENT

Again, thank you for the opportunity to appear before you today. I look forward to your questions.

Senator INOUYE. Thank you very much, General Pollock.

[The statement follows:]

PREPARED STATEMENT OF MAJOR GENERAL GALE S. POLLOCK

Mr. Chairman and distinguished members of the committee, it is again an honor and great privilege to speak before you today on behalf of the nearly 10,000 officers of the Army Nurse Corps. The Army Nurse Corps is today 106 years Army strong. It has been your continued unwavering support that has enabled Army nurses, as part of the larger Army Medical Department (AMEDD) team, to provide the highest quality care for our soldiers and their family members.

DEPLOYMENT

The Army Nurse Corps remains fully engaged in our Nation's defense and in support of its strategic goals. Our vision of advancing professional nursing and maintaining leadership in research, education, and the innovative delivery of healthcare is at the forefront of all we do. Army nurses provide expert healthcare in every setting in support of the AMEDD mission and the military health system at home and abroad. There are currently over 400 Army Nurse Corps officers from all three components deployed in support of operations in 16 countries around the world. From April 2006 to March 2007, we deployed over 560 Army nurses for a total of 204,009 man-days in a hazardous duty area. We mobilized an additional 1,616 Army Reserve Nurses in support of the total AMEDD mission, deploying 181 to Iraq and Afghanistan. They serve in clinical and leadership roles in medical treatment facilities in the United States and abroad, in combat divisions, forward surgical teams, combat stress teams, civil affairs teams, combat support hospitals (CSHs), and coalition headquarters.

Today, the 28th CSH from Fort Bragg, North Carolina; the 21st CSH from Fort Hood, Texas; and the Army Reserve's 399th CSH from Massachusetts are deployed to Iraq. The 14th CSH from Fort Benning, Georgia has just redeployed from Afghanistan. The 31st CSH from Fort Bliss, Texas arrived in theater early this year to replace the 21st CSH. While these units deploy, others are being sourced, equipped, manned, and trained to sustain the ongoing mission in support of the global war on terror.

TRANSFORMATION/ADVANCING PROFESSIONAL NURSING

The Army Nurse Corps continues the process of self-examination and transformation to maintain the competencies required to face the complexities of health care in the 21st century. Last year, I described a few of the initiatives that we have pursued and I want to provide you an update.

We have made great strides in transitioning the Army community health nurse to the Army public health nurse role—one that is necessary as we face future threats within our homeland and theaters of operation. The curriculum for the Army public health nurse has been modified to include public health officer roles and responsibilities, training in epidemiology, and the management of large population groups in the event of a pandemic or major disaster. In addition, the curriculum details the role of the Army public health nurse in combat theaters of operations to include civil affairs and the rebuilding of healthcare infrastructure. At the graduate nursing level, Army public health nurses will be directed to programs offering either a Master's in Public Health, such as the Uniformed School of Health Sciences (USUHS) or to civilian institutions offering a Public Health Nursing graduate degree.

While we have only recently transitioned to the psychiatric nurse practitioner role, with our first group of nurses attending graduate school beginning in 2006, our psychiatric clinical specialists have been critical to the support of our soldiers in theater as well as soldiers and their families following deployments. Since March of 2006, five psychiatric nurse clinical specialists have deployed in place of clinical psychologists and all have performed spectacularly. On our installations, the clinical specialists have either led or participated in programs related to post traumatic stress management and in the reintegration of soldiers and families.

Our family nurse practitioners (FNP) continue to be a valued asset of the AMEDD team. They are filling critical roles during deployments, proving themselves to be a significant force multiplier. In addition to providing outstanding primary care across our facilities, they have taken on provider roles within the Brigade Combat Teams at level II. Last year, 19 FNP's deployed in place of physician assistants. Their performance has validated their interchangeability as primary care and trauma providers. More recently, three FNP's were assigned to support special operations missions around the world.

To ensure that our nurse practitioners have the skills to transition from academia into practice, we have incorporated a post graduate preceptorship program for new graduates. We also began putting nurse practitioners through advanced trauma training programs prior to deployment ensuring they have the necessary skills to function in their advanced practice roles. In addition, we put one of our family nurse practitioners, CPT Ida Montgomery through the Army flight surgeon's course at Fort Rucker, Alabama.

We are also continuing to strategically move forward with the registered nurse first assist (RNFA) perioperative subspecialty. The RNFA expands the scope of practice of the perioperative nurse to function as first assistants to the surgeon in the operating room, optimizing the utilization of general surgeons. During times of war,

the RNFA can provide enhanced capabilities to the forward surgical team, the CSH, and be a major contributor to the successful outcomes of military surgeries during combat operations. Incorporating RNFAs into our structure also enhances our ability to recruit and retain perioperative nurses. Historically, perioperative nurses sought advanced education in roles unrelated to the perioperative arena due to a lack of advanced opportunities in that field. With the RNFA, we can preserve our clinical experience base while offering nurses an expanded role within the Perioperative Clinical Nursing Specialty. Our perioperative nursing consultant, Col. Linda Wanzer, has incorporated this training into the Perioperative Clinical Nurse Specialists program at USUHS. The current inventory of Army nurses trained as first assists is 14. There are currently three RNFA students enrolled in USUHS and three completing their internship. In the past year, five RNFA's have deployed in support of contingency operations as advanced practice Perioperative Clinical Nurse Specialists.

I am proud of the entire AMEDD team caring for the wounded warriors along the entire medical evacuation continuum. Another area in which we continue to advance professional nursing practice is in the area of case management. A world-class nurse case management model assures the seamless transitioning of our soldiers from the battlefield to home. There are currently 2,204 medical hold soldiers assigned to military medical treatment facilities and another 1,431 assigned to community based health care organizations. Today there are 272 nurse case managers assigned throughout the AMEDD health care system providing inpatient and outpatient care of our active duty, medical hold soldiers, retirees, and dependents. Reports from the field indicate that case managers are effectively and efficiently coordinating appropriate and quality health care for this population of ill and injured soldiers. Soldiers report high satisfaction regarding their case managers and prefer to have Army nurses manage their health care. With such demonstrated successes, we are developing and implementing strategies for the preparation of our new RN case managers to meet the special needs of our soldiers. We are also standardizing case management practices and documentation across the AMEDD and helping with the implementation of Veterans Administration and Department of Defense (DOD) clinical practice guidelines that will enhance the collaboration of medical, nursing, and other specialties as well as standardize best practices.

As the Army works to rebalance its forces, we are also working to adapt to the circumstances of this long global war on terror. We are rapidly applying lessons learned and developing training to ensure we provide the best care across the health care continuum. At the AMEDD Center and School, the Department of Nursing Science has incorporated those lessons into all courses offered to Army nurses, licensed practical nurses (LPN), and combat medics. We have had a number of other successes in both ongoing and new initiatives that I would like to share with you.

The U.S. Army Graduate Program in Anesthesia Nursing once again ranks second in the Nation. We are equally proud of the USUHS Registered Nurse Anesthesia Program. However, I remain concerned about the crisis that continued shortages of certified registered nurse anesthetists (CRNA) presents to the AMEDD. We are moving ahead and increasing enrollment in the U.S. Army Graduate Program in Anesthesia Nursing (USAGPAN), and working on issues related to their retention. The largest class in the program's history of 43 Army students will start in June 2007. To accommodate this class and assure sustained throughput, four new civilian faculty members were added to the didactic phase of the course at the AMEDD Center and School. Each of the clinical locations now have a military director and civilian deputy director in order to maintain fidelity in training when directors deploy.

Combat operations over the past 5 years have provided many lessons learned, and probably none more important than the need for early trauma training for all of the AMEDD team. Trauma rotations are now mandatory for all students in the Graduate Anesthesia Program. The Trauma Nursing Core Course (TNCC) sponsored by the Emergency Nurses Association continues to be the standard for training new Army nurses during the Officer Basic Leaders Course. In 2006, 292 entry level nurses were trained in all aspects of trauma care lead by Ltc. Anthony Bohlin. The course teaches the principles of optimal care of the trauma patient and how that care is best accomplished within a systematic team framework. In addition TNCC has also become a standard part of pre-deployment training for all nurses.

With significant burn injuries being seen in both Iraq, Afghanistan, as well as during humanitarian operations last year in Pakistan, we have identified the requirement for advanced burn care training for our teams. In response, the Department of Nursing Science at the AMEDD Center and School integrated the Advanced Burn Life Support (ABLS) Course into the Captains Career Course. The course designed for physicians, nurses, physicians assistants, nurse practitioners, therapists, and paramedics provides guidelines in the assessment and management of the burn

patient during the first 24 hours post injury. The first class will take place in May 2007 for approximately 130 Army nurses of all specialties providing this advanced skill set to seasoned clinicians. The ABLS course has also been identified as a critical course for all clinicians deploying to theater.

Providing nursing care in austere environments has been the cornerstone of Army nursing. The art of field nursing has been integrated into every major course taught at the AMEDD Center and School. During fiscal year 2006, upgraded field medical equipment was purchased for the Camp Bullis training site. The result is students training on equipment identical to that which they will encounter in the theater of operations. This not only enhances their competency but also strengthens their confidence in the field technology ultimately providing better care to our ill and injured soldiers.

From the beginning of combat operations in Iraq, nurses have transported severely wounded patients by air within theater. They performed superbly, but most had little or no training in aviation medicine or enroute care. During Operation Iraqi Freedom rotations IV–VI there were 450 critical care transport missions from two hospitals in Iraq. To assure that the Army provided appropriate training to medical attendants, the U.S. Army School of Aviation Medicine Fort Rucker, Alabama developed the Joint Enroute Care Course. The purpose of the course is to provide concise, realistic, relevant enroute trauma transport team training to flight medics, registered nurses, physician assistants, and physicians. Since the program opened in June 2006, approximately 77 Army nurses have completed the training. We expect three more iterations of the course this fiscal year to train an additional 105 medical personnel. To enhance exposure to patients' requirements during medical evacuation, the Department of Nursing Science has integrated aspects of this course into programs at the AMEDD Center and School.

As reported last year, the Department of Nursing Science at the AMEDD Center and School broke ground for a new general instruction building which is scheduled to open in July 2007. The $11.1 million, 55,000 square foot building, named in honor of Brigadier General Lillian Dunlap, 14th Chief of the Army Nurse Corps, will house all four branches of the Department of Nursing Science; the U.S. Army Practical Nurse Branch, the Operating Room Branch, the Army Nurse Professional Development Branch, and U.S. Army Graduate Program in Anesthesia Nursing Branch.

The training of enlisted medical personnel is a critical mission of the AMEDD Center and School and we continue to update and improve the educational processes and curriculum. The Surgical Technologist (68D) Program is a 19-week course preparing entry level operating room technicians. Previously, students are trained for 9 weeks at the AMEDD Center and School and were sent to 1 of 23 locations for hands-on clinical training. To improve the quality and standardize the training, the number of clinical sites has been reduced to 14 to include a newly forged partnership with the San Antonio VA Medical Center. This reorganization of the training process has markedly improved 68D training by increasing the number of dedicated faculty across fewer locations.

The Surgical Technologist Branch continues to work on the Inter-Service Training Review to conduct an analysis of Army, Air Force, and Navy commonalities in training surgical technologists. The goal in 2007 is to explore the mechanisms for certification of students with this specialty. The 68D Branch also conducted a rapid train-up program for USAR 68D's preparing for deployment and is producing a distance learning program to assist in pre-deployment training.

I remain fully committed to making sure we smoothly transition our new Army nurses into the organization and clinical practice. It is demonstrated very clearly in the professional literature and from feedback from our officers that a solid orientation and preceptorship are directly linked to, clinical skill development, job satisfaction, and ultimately retention. We continue to work towards the establishment of an enhanced new graduate internship program across the Army. In the meantime, some facilities have changed how new nurse graduates are indoctrinated by incorporating feedback from redeploying nurses and including an array of clinical experiences within the first year to maximize clinical skill acquisition. Starting in January 2007, new graduates assigned to Tripler Army Medical Center complete a nurse internship program overseen by Ms. Shelia Bunton, Ltc. Patricia Wilhelm, and Ltc. Mary Hardy. They are assigned to a "home room" nursing unit and over a 6-month period are scheduled for rotations that expose them to medicine, surgery, critical care, emergency/trauma, psychiatry, pediatrics, and labor and delivery. The first 12 officers will graduate from the inaugural internship in June 2007 with a much more rounded clinical skill sets.

The national nursing shortage and unprecedented nursing staff turnover have required us to examine our care delivery model and processes to continue to achieve

quality clinical outcomes. In a Bureau of Labor Statistics report dated February 2004 indicated that the production of new registered nurses is not keeping pace with nurse retirements and the aging nursing workforce. Total job openings which include both job growth and replacement of nurses will produce 1.1 million nursing job vacancies by the end of the decade. Based on these statistics, a group of senior Nurse Corps leaders and civilians from across the AMEDD are examining and piloting a relationship based nursing care model that focuses on patient and family centered care, Registered Nurse led teams, clearly defined nursing roles and responsibilities, education, experience, and the scope and standards of nursing practice. The initial pilot began in January of 2007 at Tripler Army Medical Center and is expected to become a model for the delivery of nursing care across the Army regardless of the team, facility, or region in which nursing care is being delivered.

Evidenced-based practice is the process by which nurses use the body of knowledge to develop best nursing practices based on clinical outcomes. Army nurse researchers, in collaboration with their Navy and Air Force colleagues, are heavily vested in the TriService Nursing Research Programs' Center of Excellence in Evidenced-Based Nursing Practice. Projects to bring research findings to the bedside are underway at Walter Reed, Brooke, Madigan, and Tripler Army Medical Centers. These projects are part of a larger effort to improve patient outcomes and reduce costs by standardizing care. They teach nurses how to critique research and incorporate the relevant findings into patient care. Nurses involved in these projects increase their knowledge, become motivated to further their education, and are becoming involved in research projects, much earlier in their careers.

Tripler Army Medical Center and Martin Army Community Hospital at Fort Benning, Georgia were selected as test sites by the DOD Patient Safety Center to establish rapid response teams (RRT). The purpose of the teams is to provide critical care nursing and respiratory therapy teams to assess patients exhibiting early clinical symptoms of decline. These teams provide expert resources to novices nurse to assist in assessment and intervention for at risk or high acuity patients. The pilot programs are clearly demonstrating that the RRT's are highly successful in preventing patient complication with early expert intervention, providing nursing staff support and training new and less experienced nursing staff.

Each year, the U.S. Pharmacopedia's (USP) Center for the Advancement of Patient Safety conducts an in-depth analysis of medication errors using data captured from MEDMARX. This year, the U.S. Pharmaocpedia has collaborated with the Uniformed Services University of the Health Sciences and the Association of Perioperative Registered Nurses on the data analysis and report. This marks the first time USP has worked with partners on the report, and the collaboration has produced multi-dimensional analysis. The analysis and data collected will help hospitals nationwide and throughout the Department of Defense reduce and prevent medication errors and related costs due to patient injury, further hospitalization and treatment.

LEADERSHIP IN RESEARCH

The TriService Nursing Research Program (TSNRP), established in 1992, provided military nurse researchers funding to advance research based health care improvements for the war fighters and their beneficiaries (S.R. 107–732). TSNRP actively supports research that expands the state of nursing science for military clinical practice and proficiency, nurse corps readiness, retention of military nurses, mental health issues, and translation of evidence into practice.

TSNRP is a truly successful program. Through its state of the art grant funding and management processes, TSNRP has funded over 300 research studies in basic and applied science and involved more than 700 military nurses as principal and associate investigators, consultants, and data managers. TSNRP funded study findings have been presented at hundreds of national and international conferences and are published in over 70 peer-reviewed journals. Army Nurse Corps studies focus on the continuum of military health care needs from pre-and post-deployment health to nursing specific practices necessary to best care for the warrior in theatre. The Army nurse research portfolio includes a study by Col. Richard Ricciardi that evaluated the metabolic cost and the consequences of wearing body armor, finding that wearing body armor significantly increases workload. His findings have implication for the amount and type of work commanders can expect soldiers to perform and put additional emphasis on the importance of soldiers maintaining a normal body weight and physical fitness as part of overall readiness.

Col. Stacey Young-McCaughan is assessing the prevalence, severity, and characteristics of pain and sleep disturbance to determine how they impact physical and

psychological outcomes in soldiers with extremity trauma sustained during service in Operation Enduring Freedom (OEF) and OIF.

Our improvements in battlefield medical and trauma care, has resulted in unforeseen advances in treatment for both military and civilian populations. These advancements largely come from dedicated research teams co-located with deployed combat hospitals. These teams have been deployed since at least WWI and continue to be along side our providers today. We are at a phase in the war in Iraq that we can collect data, conduct comprehensive and detailed analysis, and develop focused improvement that will result in practice change while still in theater. Ltc. Veronica Thurmond PhD, a nurse researcher, is part of the 6-person deployed combat casualty research team (DC2RT) located in Baghdad Iraq with the 28th CSH. This dedicated research and analysis team is operating under Multi-National Coalition Iraq (MNC–I) DOD Assurances of Compliance for the Protections of Human Subjects and complies with all research regulatory and ethical guidelines. The researchers collaborate with subject matter experts in the United States on all aspects of their research.

I would like to highlight some of the ongoing areas of research the team is focused on which will ultimately result in practice changes that save lives. These areas include: Registry of emergency airways at combat hospitals, burn outcomes at the CSH, damage control vascular surgery, effects of blast-concussive injuries, acinetobacter skin colonization among deployed soldiers, survey of tourniquet use, and outcomes of patients receiving blood transfusions in a combat environment. There are also numerous studies in various stages of development.

Army nurse researchers and our doctoral students continue to focus their efforts on military relevant issues. They are conducting a number of studies that foster excellence and improve the nursing care we provide. They are researching issues including recruit health; clinical knowledge development; the provision of care for the traumatically injured; objectively measuring nursing workload; and the impact of deployments on service members and their families. For example, LTC(P) Lisa Latendresse at USUHS is working to identify the variables predictive of phantom limb pain in combat casualties with lower extremity amputations.

The U.S. Graduate Program in Anesthesia Nursing has had a very active research/scholarship program year in 2006. Most of the research involves investigation of interactions of herbal medications with anesthesia and hypothermia. Eleven research projects were presented at the American Association of Nurse Anesthetists (AANA) convention; five posters were presented at American Surgeons of the United States (AMSUS); five research studies were presented at Phyllis J. Verhonick Conference; and three at State conventions. One student group received the AANA Program Director's Outstanding Student Research Award. Ltc. Thomas Ceremuga received the Army Nurse of the Year Award, and Dr. Norma Garrett received the AANA Researcher of the Year Award. The faculty and students have over $1,000,000 in external funding from TriService Research Nursing Program, AANA, and Air Force Medical Evaluation Support. Six student projects have been approved for funding in 2007. Thirteen research articles and three chapters written by students and faculty were accepted in 2006 and are in press.

We acknowledge and appreciate the faculty and staff of the USUHS Graduate School of Nursing for all they do to prepare advanced practice nurses to serve America's Army. They train advanced practice nurses in a multidisciplinary military-unique curriculum that is especially relevant given the current operational environment. Our students are actively engaged in research and the dissemination of nursing knowledge through the publication of journal articles, scientific posters, and national presentations. In the past year alone there have been over 21 research articles, publications, abstracts, manuscripts, and national presentations by faculty and students at USUHS.

COLLABORATION/INNOVATIVE DELIVERY

The AMEDD team collaborating with government and non-government organizations around the world has helped streamline care where it was otherwise fragmented and introduced innovations in the delivery of care. I would like to share with you some examples of these innovations and collaborative partnerships.

The 21st CSH nurses have seamlessly supported the transition of medical care to over 4,000 detainees from Abu Ghraib to Camp Cropper and have continued to improve the medical care of that population. Efforts like those of 1st. Lt. Michelle Racicot demonstrate how Army nurses continue to improve health care on the ground in Iraq. She designed a data base for over 10,000 tuberculosis patients to track when laboratory testing and medication refills were required. Her efforts improved the quality of care and follow-up while reducing the spread of this infectious

disease in the detainee population. Similarly, Cpt. Nicole Candy and 1st. Lt. Sharon Owen developed an outpatient wound care clinic that manages up to 45 patients a day with complex wound care needs. The program has drastically reduced wound infection rates and freed up inpatient beds.

While the AMEDD team continues to provide quality health care, its members work to advance health care delivery systems in the countries around the world. Between April 2006 and January 2007, the 14th CSH initiated a formal program in Bagram, Afghanistan to train nearly 50 Afghan military and civilian nurses. In Salerno, Afghanistan, Ltc. Bruce Schoneboom, Maj. Elizabeth Vinson, and Maj. Tanya Sanders worked with the Khowst Provincial Teaching Program. These Army nurses spearheaded an initiative to teach local Afghan doctors and nurses state of the art techniques in providing perioperative surgical and nursing care. They were instrumental in teaching over 15 Afghan providers and were involved in the care of over 600 local nationals. They trained providers in conscious sedation, burn and wound care, airway management, postoperative management, and sterile technique. At the end their rotation, the 14th CSH opened the Khowst Afghan-American Comprehensive Surgical Clinic designed to serve the local Afghan community.

Army nurses around the world continue to work collaboratively through practice and educational partnerships. In Korea, the 121st CSH shares a collegial and enriching partnership by providing continuing nursing education. Nurse practitioners at the 121st CSH support Korean Advanced Practice Nursing (APN) student from Yonsei University by providing observational experiences to students as part of their clinical practicum. This opportunity allows Korean nurses to see APNs functioning within that role. In return, the partnership with Yonsei University provides Army nurses with continuing education activities and supports professional practice partnerships.

Last year I mentioned the Vietnam Military Subject Matter Expert Exchange that was started in December 2005. We continue working with that country to help establish structures and processes to enhance military nursing in Vietnam. To date this has included trips by Army nurses and subject matter experts to Hanoi as part of a health care systems assessment, as well as a visit by a Vietnamese Delegation to Tripler Army Medical Center, the University of Hawaii, the AMEDD Center and School, and Brooke Army Medical Center. I am firmly committed to partnerships that advance health care delivery and professional nursing practice in emerging nations.

Army nurses continue making contributions toward building sustainable medical infrastructure throughout the world. Earlier this year, Ltc. Charlotte Scott was dispatched to Kuwait as part of an informatics team to advise the Kuwaiti military and civilian health care systems on medical information technology capabilities. Also this year the Kingdom of Saudi Arabia requested a group of medical and nursing advisors from the AMEDD to enhance capabilities of military medical treatment facilities within the Kingdom. The team included a nurse executive, Col. Diana Ruzicka, a perioperative nurse, Ltc. Lawrence Crozier, and a medical surgical nurse, Ltc. Gerdell Phyall, to make a comprehensive assessment of the system and make recommendations for sustainable improvements.

Despite a sustained upswing in enrollments in baccalaureate nursing programs, the need for nurses continues to outpace the number of new graduates. Baccalaureate programs continue to turn away tens of thousands of qualified applicants each year, many due to faculty shortages. We remain committed to partnering with the civilian sector to address this and other issues contributing to the worldwide shortage of professional nurses. We are currently researching ways to encourage our retired officers to consider faculty positions as viable second career choices.

RECRUITING AND RETENTION

The future of the Army Nurse Corps depends on our ability to attract and retain the right mix of talented professionals to care for our soldiers and their families. In addition to the shortage of nurses and nurse educators, competitive market conditions and current operational demands continue to be a challenge as we work to ensure we have the proper manning to accomplish our mission. With a current deficit of 254 officers, primarily in the company grades and in critical specialties, such as anesthesia, critical care, perioperative, and OB/GYN nursing, we are continuously monitoring the status of our recruiting and retention efforts.

We access officers for the Active Component through a variety of programs, including the Reserve Officers' Training Corps (ROTC), the Army Medical Department Enlisted (AMEDD) Commissioning Program, the Army Nurse Candidate Program, and direct accession recruiting, with ROTC optimally being our primary accession source. We reported to you last year that since 1999, we have accessed an average

of 16 percent fewer officers than required. That proved to be true last fiscal year as well, despite rate increases to the Nurse Accession Bonus, increased funding for the AMEDD Enlisted Commissioning Program, and a substantial commitment of personnel resources to the recruiting effort. However, there are positive trends on the horizon. For the first time in several years, the majority of our new lieutenants came from ROTC and so far this year, we are seeing a 62 percent increase in accessions as compared to this same time last year. These are trends we hope will continue. We thank the U.S. Army Cadet Command and the U.S. Army Recruiting Command for their focused efforts at providing nurses for the Army Nurse Corps.

Retention also remains under close scrutiny and we are constantly working to refine our retention strategy. A recent review of personnel records by the Department of the Army indicated that the Army Nurse Corps had the highest attrition rate of any officer branch in the Army. Ongoing research indicates that Army nurses leave the service primarily because of less than optimal relationships with supervisors, length of deployment, and the absence of specialty pay. Those who stay do so because of our outstanding educational opportunities and retirement benefits, as well as the satisfaction that comes with working with soldiers and their families.

I remain very concerned about our certified registered nurse anesthetists (CRNAs). Our inventory is currently at 66 percent—down from 70.8 percent at the end of the last fiscal year. While the U.S. Army's Graduate Program in Anesthesia Nursing, our primary training program, is rated as the second best in the Nation, we have not been filling all of our available training seats for several years now. Additionally, many of these outstanding officers are opting for retirement at the 20 year point. The restructuring of the incentive special pay program for CRNAs in 2005, as well as the 180-day deployment rotation policy have helped stem the tide in the mid-career ranks and this coming June, we will start one of the largest classes in the history of the program. However, there is still much work to be done to ensure there are sufficient CRNAs to meet mission requirements in the future. We continue to work closely with the Surgeon General's staff to closely evaluate and adjust rates and policies where needed to retain our CRNAs.

For Reserve Component nurses, the issue is primarily the imbalance of professionally educated officers in the company grades—so many of them are prepared at the associate degree or diploma level that over the past few years, only 50 percent are educationally qualified for promotion to major. This creates a concern for the future force structure of the senior ranks of the Reserve Component in the years to come. For this reason, we are grateful that the Chief, Army Reserve is focusing recruitment incentives on those nurses educated at the baccalaureate level and funding the Specialized Training and Assistance Program for BSN completion (BSN–STRAP) for both new accessions and existing Army Reserve nurses without a BSN. These strategies will assist in providing well-educated professional nurses for the Army Reserve in the years ahead.

As we continue to face a significant registered nurse shortage, it is essential that I address the civilian nursing workforce. We also face significant challenges in recruiting and retaining civilian nurses, particularly in critical care, perioperative, and OB/GYN specialties. This results in an increased reliance on expensive and resource exhausting contract support. We must stabilize our civilian workforce and reduce the reliance on contract nursing that impinges our ability to provide consistent quality care and develop our junior Army nurses. To address this issue, last year the AMEDD approved recruitment and retention initiatives at Walter Reed Army Medical Center and Charles R. Darnell Army Medical Center, Fort Hood, Texas. These two pilot projects provided financial support for advertising, salary increases, and recruitment financial incentives. At Fort Hood, Texas the initiative was very successful in recruiting, training, and retaining obstetrical nurses that were very much in demand.

The AMEDD also recently approved the limited application of a student loan repayment program for current and new civilian nurse recruits with an outstanding response. Over 70 civilian nurses opted into the loan repayment program with an associated 3 year service obligation. The program has been so successful that the AMEDD will continue the education loan repayment program, and seek a program to support civilian nurses seeking advanced degrees. We must continue such initiatives in the future if we are to maintain a quality nursing work force.

We are also challenged in recruiting and retaining civilian nurses as a result of personnel regulations that date as far back as 1977. These regulations constrain our ability to hire in a competitive nursing employment market. We must have the same flexibilities as the Department of Veterans Affairs to recruit nurses, especially new graduates. Recently, I have assembled a strategic work group of civilian nurses and senior Army nurse leaders to look at these issues and help us solve some of the long term problems impacting recruitment and retention of our civilian work force.

One promise of the National Security Personnel System (NSPS) is to attract and retain talented and motivated employees. I remain optimistic that NSPS will address the issues that make civil service a disincentive for new and practicing nurses. We have worked with the Navy and Air Force to standardize duty titles throughout the system. This will ease local marketing and facilitate the development of tiers for advanced practice nurses, similar to those for physicians and dentists. However, the delay in implementation of NSPS because of legal challenges by unions renews our concerns.

More than ever, the Army Nurse Corps is focused on providing service members and their families the absolute highest quality care they need and deserve. We continue adapting to the new realities of this long war, but remain firm on providing the leadership and scholarship required to advance the practice of professional nursing. We will maintain our focus on sustaining readiness, clinical competency, and sound educational preparation with the same commitment to serve those service members who defend our Nation that we have demonstrated for the past 106 years. I appreciate this opportunity to highlight our accomplishments and discuss the issues we face. Thank you for your support of the Army Nurse Corps.

Senator INOUYE. May I call on Senator Stevens?

Senator STEVENS. I have to apologize. I have to leave, but I will make one request. I would like to have the three of you submit to us suggestions for changes in the law to give additional incentives to people to join and stay with the nursing corps of our armed services. I think they have been under extreme strain, and we ought to understand that, and we ought to offer great incentives to people to join and stay.

Thank you.

General POLLOCK. Thank you, sir. We will work that for you and get that to you quickly.

Senator INOUYE. I concur with the Senator, because we are competing with the general public, and if we don't do and provide incentives, we're not going to meet the demands.

You are at 92 percent now?

General RANK. Yes.

Senator INOUYE. And the Navy?

Admiral BRUZEK-KOHLER. Ninety percent, sir.

Senator INOUYE. Ninety percent? And the Army?

General POLLOCK. Sir, it really depends on the specialties that we address. Across the corporate nurse corps, I would estimate 90 to 92. In some of our specialties we are at 59 percent.

[The information follows:]

Suggestions for changes in the law to give additional incentives to people to join and stay in the Nurse Corps of our Armed Services:

Support Office of Personnel Management Act Relief for Nurse Corps and Biomedical Sciences Corps. Disparate promotion opportunity and timing is currently the greatest challenge in retaining Nurse Corps officers. In a recent survey, lack of promotion opportunity was the most common influence mentioned by the 381 responders in their decision to separate from the military. Promotion opportunity for Nurse Corps officers is and has consistently been 10–15 percent lower than other Air Force officers. Promotion timing for Nurse Corps officers lags consistently two to three years behind all other Air Force officers.

Continue to support: Nurse Accession Bonus; Critical Skills Retention Bonuses and Incentive Special Pays; Uniformed Services University of the Health Sciences & Graduate School of Nursing; Board Certification Pay; Scholarship Programs; Health Professions Loan Repayment Program; and Tri-Service Nursing Research Program.

Clarify legislative language (Title 10, United States Code Section 2107) to allow candidates over the age of 31 years to be eligible for financial assistance. Recently nine candidates over the age of 31 years were disapproved for the Airman Enlisted Commissioning Program based on interpretation of Title 10, United States Code, Section 2107.

Senator INOUYE. Senator Mikulski.

Senator MIKULSKI. Thank you, Mr. Chairman.

NURSES AND THE CONTINUUM OF CARE

I'm so glad to see you once again, and I thank you for working with my staff to crack this issue of retention and recruitment, because it's the linchpin of delivering care. But in the warmest and most grateful way, I would just like I think just talk about the role that nurses have been playing from, as you say in your testimony, from battlefield to home, and the very intense ops tempo, the nature of the injuries, et cetera.

I'll come back, because I know we're all well aware that without recruitment and retention this isn't going to work, but as you know, we're focusing so much now on outpatient care. General Pollock, I'd like to start with the testimony on page 8 in which you raise some very important issues, and then have our other leadership respond.

You talk about the AMEDD team caring for the wounded warriors, and the medical evacuation continuum, et cetera. You also talk about this continuum of care and nurses as case managers. Could you share with us, what is the role of nursing both in outpatient care, or is there any in rehabilitation, for the three services?

And then I'm going to get to my point two. One of the issues that came up in the Walter Reed series and we're hearing everywhere is the so-called case manager. Now, you all are nurses. I'm a professionally trained social worker. The question is, do we have enough? Who are these so-called case managers?

Because here when I see nurse case managers, I breathe a sigh of relief, because you know the medicine but you look at the whole person, including these 19-year-old spouses or maybe the 50-year-old mother. So could you, one, just talk with us about the role in the continuum of care, in addition to the acute care continuum that has been both brilliant and stunning and all—we can't say enough good things.

General Pollock, can we start with you? And then what would it take for you to be able to continue to do this?

General POLLOCK. Yes. There's a couple of pieces that I would like to answer for you——

Senator MIKULSKI. I know there's not——

General POLLOCK [continuing]. So I'll focus on your question of case management.

Senator MIKULSKI. You see where I'm trying to get to?

General POLLOCK. Yes, yes.

Senator MIKULSKI. Which is what is the role of the nurses, but we really need to have good case managers if we're going to oversee the continuum of care back home.

General POLLOCK. Ma'am, I think this is a second- and third-order effect of the transition from inpatient care that Senator Inouye spoke of, that we provided during Vietnam, that no longer exists. Now, 90 percent of the healthcare that we provide is done in the ambulatory setting.

And in the past, when it was done as an inpatient, the nurse was the coordinator, the communicator, the teacher, the educator—the

coercer, as Senator Inouye has talked, the story about how he learned to light a cigarette again, and start to understand that he could care for himself. We do all of those things, but when we made the national transition to ambulatory care, no one thought of the importance of having nurses actively engaged to ensure that continuity of care.

And, as a result, in the Army we were significantly downsized. "Well, if you're not going to do inpatient care, then we don't need you." That has been a major challenge for us, because although we know we need to do care management, case management in the outpatient arena, our first priority was to use the nurses to ensure that people survived that very traumatic event so that they would eventually need outpatient care.

Unfortunately, particularly at Walter Reed, I don't have enough case managers. Now, the case managers that they have been using, there were three social workers and the rest were retired enlisted soldiers who they believed understood how to care for a soldier, which they did, but they didn't understand healthcare and the need to bring all those pieces together to assure that the patients would have the highest quality outcome.

Senator MIKULSKI. Well, with the indulgence of the Chair, when they use the term "social worker," you know, that can range from just a term to those of us who have MSWs. And I'm not saying an MSW should do this, but I come with a body of knowledge, a particularly trained skill set, and a code of ethics. That's the triad which we stood on, regardless of how we practice, including here.

But my question was, are these bachelor of arts people? Are these trained social workers, because they would at least know how to work——

General POLLOCK. The social workers, ma'am, I was up at Walter Reed last week meeting with the case managers, meeting with the staff, to help them to endure the negativity of the press, because it's been very, very difficult for the staff. They're working very, very hard, and to see on the front page of the paper every day and to hear on the news every night that the Nation is now thinking that what they do has no value, that they're not doing a good job, this has been devastating for the personnel of the Army Medical Department. So I wanted to spend time with them and reassure them——

Senator MIKULSKI. And we want to reassure them, too, that the fault is not at the mid-level hands-on, it's where was the leadership?

General POLLOCK. So that's why I know, ma'am, that three of those, that group that had been in the case management bucket, three were social workers who were MSM-prepared and were certified, and the rest of them were retirees that they thought would be adequate to manage the issues, not realizing how complex it was.

CASE MANAGEMENT

Senator MIKULSKI. Do you believe that as we look ahead to the new world order, both for Army, the marines, the caregivers, there will be Air Force involved, that we should reclaim the heritage of nurses as case managers——

General POLLOCK. Absolutely.

Senator MIKULSKI [continuing]. Particularly the move from acute care to maybe outpatient, et cetera, and then also ensuing, and that this is a need?

General POLLOCK. Oh, absolutely, it's a need, and it's one that nurses are particularly skilled for. What I would really like to see is for the Nation to understand that once someone has a diagnosis of any chronic condition, they then receive a nurse case manager to ensure that all of the pieces that need to come together so they can live at their highest quality of functioning is addressed.

Senator MIKULSKI. Admiral?

Admiral BRUZEK-KOHLER. Thank you, Senator Mikulski.

In the Navy we have 106, approximately 106 active duty and civil servant nurses who are presently engaged in case management. Case management is a catch-all, in my opinion——

Senator MIKULSKI. Yes.

Admiral BRUZEK-KOHLER [continuing]. Of following the care of a category or categories of patients. In my opinion, when we moved care into the outpatient arena, there was a period of time when nurses were trying to determine exactly what their role was in the ambulatory care setting. Many thought they were clinic managers, many thought they were receptionists, some thought they were appointment clerks, but in reality they were case managers.

Senator MIKULSKI. In reality they were nurses.

Admiral BRUZEK-KOHLER. And they were nurses.

Senator MIKULSKI. Nurse is an identity.

Admiral BRUZEK-KOHLER. Yes.

Senator MIKULSKI. I mean, it is an identity.

Admiral BRUZEK-KOHLER. And their role in an ambulatory setting as a case manager is different than the role of case manager that you refer to, in today's world, in a wartime scenario. So while case management is fielded by nurses, by active duty and civil servant nurses, it's more of a multidisciplinary team.

As I mentioned in my oral testimony, San Diego has created a multidisciplinary team because it's not just about nursing care. Clearly it's about the rehabilitative care, the mental healthcare, and the continuum of assets that we have to pull together to make certain that the care of the patient is holistic and appropriate. Nurses are leading these teams in many cases. And if they are not the team leader, they are still filling a significant role as a member on the team.

Do we have enough? I don't think you ever have enough nursing care, and I don't think we ever have enough nurses. Clearly, as we have shown, we are not achieving our end strength goals. But case management is, in my opinion, one of the most important services a professional nurse offers our wounded servicemembers as they return home from war.

Senator MIKULSKI. Well, I think I'm going to share with the subcommittee leadership, we want again the ideas for recruitment and retention, because whatever job the nurse does, you need the nurse. The length of deployment issue, if we could—I know Senator Stevens has talked about financial incentives, but the length of deployment and who makes those decisions and what would be your recommendations.

And the other, what I thought was so interesting was that for those that are already nurses, you noted were either the so-called hospital trained and then the associate of arts, but your point was, if they could get—and correct me if I'm wrong, General Pollock and others—that if they could have the ability while they are within military nursing to then move to the next level of education, that this in and of itself would be both recruitment but you would also be not recruiting a per capita slot.

You're recruiting someone who is trained, absorbs the culture, which is different than working for a doc-in-a-box. I mean, it's what we said about why people want to be in military medicine. So is this where you see an opportunity for both your next level leadership as well as keeping good people, that they could go from an associate of arts degree to a bachelor's degree, or a bachelor's degree to get specialized training? Did I understand the testimony right, or am I off base?

General POLLOCK. Yes, some of it, and some of it is——

Senator MIKULSKI. Yes, I am off base, and yes, I'm right? That's okay.

General POLLOCK. For our Reserve component, we are working very hard to provide more opportunities for them to make their transition, because they are the only officers among the three militaries who are allowed to access without a baccalaureate degree. So it's very important, because that education is required for officers in our military, it's very important that they complete that education. So the funding for them to complete that education as part of their military experience would be fabulous, because then the big reason that people use for not completing their education is, they can't afford to stop working and caring for their families.

The piece that you raised, though, ma'am, about case management for us, and we talked for a moment about the transition that we made to ambulatory care in the Nation, with this being a long war, with the threats that these terrorists pose to our homeland, this is not going to be just an issue for military nursing or military healthcare. We are going to need a plan for the assisted living, for the rehabilitation of our citizens, should they start to become injured.

Senator MIKULSKI. But right now we could start with our military. They are an identifiable population for which we have a moral and a legal obligation, and if we got that right, then the civilian, I think this is where we could lead civilian planning in medicine.

General POLLOCK. Thank you, and I would like to submit for the record the responses to your concerns about the length of deployment and the nurses' concerns about that deployment.

Senator MIKULSKI. Right. Well, Mr. Chairman, I know we could continue this very excellent and instructive conversation. But I think what we want to know is, how do we keep what we've got and recruit the new that are as talented and dedicated as your leadership. And the other is really the role now of nursing in the continuum, to be sure that the continuum works for both the patient but for the system.

And I think you are the leadership team. I mean, nursing, by the very nature that it can coordinate the medical and the psychosocial

needs and understand that, I think is there. So as a social worker, I'm happy to be part of your multidisciplinary team. Thank you.

General POLLOCK. Thank you.

ADDITIONAL COMMITTEE QUESTIONS

Senator INOUYE. Several of the members would like to submit questions, and I hope that you will respond accordingly. General Rank, Admiral Kohler, and General Pollock, in behalf of the subcommittee, I thank you very much for your participation in our hearings. I can assure you that your words will be taken very seriously.

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

QUESTIONS SUBMITTED TO VICE ADMIRAL DONALD C. ARTHUR

QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

NURSE CORPS: SHORTAGE IMPACTS

Question. The U.S. Bureau of Labor Statistics (BLS) has projected that by 2014, our nation will need an additional 1.2 million new and replacement nurses. In 2004, 72 percent of hospitals were experiencing a nursing shortage. The ongoing conflicts in Iraq and Afghanistan have increased the need for qualified nurses in military medical facilities. Unfortunately, the military faces the same difficulty in recruitment and retention of nurses. In addition, the average age of retirement of nurse faculty is 62.5 years and it is expected that 200 to 300 doctorally prepared faculty will be eligible for retirement each year from 2005 through 2012 just as more than 1 million replacement nurses will be needed.

Can you please elaborate on the impact that the nursing shortage has had on the Armed services? Do you feel that you are sufficiently staffed and have the adequate resources to engage in aggressive recruiting efforts?

Answer. We recognize that our recruiters have often struggled in competing with civilian institutions and other government agencies for the same group of nurses. Yet for the first time in four years, the Navy Nurse Corps is projected to meet its direct accession goal. This can be attributed to the tireless efforts of Navy Nurse Corps recruiters, recent increases in our Nurse Accession Bonus and the Health Professions Loan Repayment Program.

Additionally, our pipeline programs continue to be quite successful and serve as the primary recruitment source for future Nurse Corps officers. The Nurse Candidate Program, Medical Enlisted Commissioning Program, Naval Reserve Officer Training Corps Program and Seaman to Admiral Program ensure a steady supply of trained and qualified Navy Nurses who are critical to maintaining desired manning levels.

Attentive monitoring of the national nursing market, coupled with periodic evaluation and modification of the aforementioned programs help maintain our competitiveness and viability amidst civilian recruiting initiatives for America's nursing workforce.

NURSE CORPS: SHORTAGE CHALLENGES

Question. What do you think are the major challenges compounding the nursing shortage in the Armed Services?

Answer. The continuation of our ongoing engagement in Iraq has not become a deterrent to recruiting prospective nurses to join our ranks. Instead we have found that the decision to leave active service is more related to concerns regarding the length of deployments in which our nurses support our war fighters and humanitarian missions. A six month geographic separation from family and friends is typically deemed acceptable. Concerns arise when the potential for lengthening deployments is discussed to extend beyond six months.

Other factors which contribute to the nursing shortage in the Armed Services include recruitment challenges posed by: regional areas that have few schools of nursing; and highly competitive civilian markets for the same available nursing pool.

NURSE CORPS: RECRUITING

Question. Can you please speak to the issue of faculty shortage and its implications on the ability for the Armed Services to recruit additional nurses?

Answer. Navy Nurses welcome the opportunity to assist our colleagues in academia. We have served as clinical nurse preceptors, educators and adjunct professors in support of schools of nursing throughout the country. This interface with America's colleges and universities provides a unique perspective of Navy Nursing and avails possible recruitment opportunities for our corps.

The Troops-to-Nurse Teachers program offers some salient proposals to amend the shortage of nursing faculty. We must be assured that this amendment will not become an incentive for Nurse Corps officers to leave the active component of military service. We would also recommend that the Troops-to-Nurse Teachers program be modeled after the DANTES Troop-to-Teachers program under the purview of the U.S. Department of Education.

TRAUMATIC BRAIN INJURY

Question. It is estimated that as many as 2 of every 10 combat veterans from Iraq/Afghanistan are returning with concussions of varying degrees of severity. With 1.4 million vets already having served, that would mean up to 280,000 people (and that number grows with every new soldier, sailor, marine, and airman deployed) requiring some sort of screening/treatment.

Do we currently have the capacity to screen, diagnose and treat all of these service members in the Defense and Veterans health care systems today and in the future?

Answer. Identifying, evaluating and treating service members and veterans suffering from brain injuries is of highest priority for Navy Medicine. The current criteria for sustaining brain injury was derived from sports medicine models and works well for athletes on the playing field; however, over-pressurization such as that caused by an IED correlates irregularly with signs and symptoms of classic ball-field sustained closed head injuries such as concussion. Over-pressurization may produce occult and sometimes subtle damage and service members often wrongfully believe that if they are able to "walk away from it" they are well.

The extraordinarily high rate of occurrence the press is reporting ("upwards of 20 percent of combat veterans") cannot be definitively ascertained without conducting sophisticated neuropsychological testing. The most prudent approach employs a conservative, low threshold of suspicion for administrating neuropsychological screening tools. This is precisely the approach in use by the National Naval Medical Center (NNMC), Bethesda Brain Injury Center.

Screening/Identification

Navy medical personnel maintain heightened awareness to possible TBI-related symptoms in service members, using increased indices of suspicion when performing medical assessments. There is not one specific tool used to evaluate service members for TBI. Each of the Services and the Veterans Administration (VA) have developed tools.

On the battlefield, Navy medical personnel use the Military Acute Concussion Evaluation (MACE), a screening tool identifying symptoms in service members involved in blast events. Mental health personnel assigned to USMC I Marine Expeditionary Force utilized the Combat Trauma Registry (CTR) to document and identify TBI-related symptoms in Marines seeking in-theater mental health care. At NNMC, all inpatients with the diagnosis of trauma from any deployment are evaluated for blast injuries using the Repeatable Battery for the Assessment of Neuropsychological Status (RBANS).

DOD and Navy Medicine use the Post Deployment Health Assessment (PDHA) immediately following deployment, Post Deployment Health Re-Assessment (PDHRA) at 90 to 180 days post-deployment and the Periodic Health Assessment (PHA); a health evaluation tool completed once a year on all active and reserve Navy and Marine Corps service members screening questions for TBI will be added to these assessments.

Treatment

We do not know if we have sufficient capacity to fully evaluate, diagnose and treat an unknown but increasing number of service members returning who may have varying degrees of concussion. It is anticipated that the need for services to OIF/OEF patients will continue to increase significantly due to troop surges. As a result, the increased screening for TBI in the field and at Landstuhl Regional Medical Center and the necessary follow up care for TBI patients will require new resources.

In addition to the screening tools mentioned in the previous section, the Navy continues its collaboration with the VA to share resources in joint ventures to improve the immediate and long term care of our wounded warriors. A training program for providers in screening and identifying concussion injuries is currently being developed. Education of family members in identifying behavioral changes of returning spouses from OIF/OEF and the seeking of medical attention has been in place at the Navy Family Service Centers for the last two years. Additionally, command family briefs and command ombudsmen assist in the education of family members.

Over the past two years NNMC has developed special expertise in blast injuries and has created the Traumatic Stress and Brain Injury Program to identify, assess, and treat patients with traumatic brain injuries.

As the Global War on Terror continues we anticipate a prevalence of TBI that relates to the number of personnel directly exposed to blast. At NNMC, neuropsychological services are heavily involved in the evaluation and treatment of OIF/OEF patients with TBI. They routinely screen all returning OIF/OEF casualties arriving for any medical reason. Due to this need, psychological and neuropsychological testing and cognitive rehabilitation services have been severely limited/eliminated to other beneficiaries. They have identified additional personnel requirements to continue to evaluate and treat the majority of casualties returning with TBI, including psychiatrists, psychologists, recreational therapists, case managers with expertise in brain injury, social worker/substance abuse counselors and marriage and family therapist at a cost of over $3,000,000 annually.

We continue to learn a great deal as we care for OIF/OEF casualties. This new expertise will serve as a foundation for future requirements. With appropriate resources, NNMC's programs being developed at other Naval Medical Treatment Facilities and the VA's hospitals will expand capacity to serve the emerging number of patients and offer a broader range of services.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

TRAUMATIC BRAIN INJURY (TBI)

Question. I am very worried about the number of our men and women who are suffering traumatic head and brain injuries on the battlefield. I am also very worried about those servicemembers who may not suffer actual physical brain or functional impairment but who nonetheless are suffering because of the stress and psychological effects of the war.

Traumatic brain injury (TBI) and post traumatic stress disorder (PTSD) are often times very difficult to identify and diagnose. These injuries may manifest themselves months after troops have returned home from battle or have recovered from other injuries. They can also be amongst the most difficult injuries to treat, frequently requiring months or years of rehabilitation and therapy.

Some doctors are calling TBI the "signature injury" of the Iraq campaign. Body armor is helping many soldiers survive bomb and rocket attacks, but they are suffering brain injury and brain damage as a result of the blasts. What is being done to screen, identify, and treat servicemembers who may be suffering from TBI?

Answer. Navy medical personnel maintain heightened awareness to possible TBI-related symptoms in servicemembers using increased indices of suspicion when performing medical assessments. Unit medical personnel use the Military Acute Concussion Evaluation (MACE) developed by the Defense Veterans Brain Injury Center (DVBIC). MACE is a battlefield screening tool used to identify symptoms in servicemembers involved in blast events. Additionally, mental health personnel assigned to USMC I MEF use the Combat Trauma Registry (CTR) to document presenting symptoms. This registry includes neuropsychological screening questions to identify TBI-related symptoms in Marines seeking in-theater mental health care.

Post-deployment screening occurs immediately following deployment using the Post Deployment Health Assessment (PDHA), and again at 90 to 180 days using the Post Deployment Health Re-Assessment (PDHRA). The PDHRA includes a question regarding exposure to blast incident or motor vehicle accident. DOD (Health Affairs) plans additional TBI-related screening questions to the PDHA, the PDHRA, and the Periodic Health Assessment (PHA).

All casualties evacuated to the National Naval Medical Center (NNMC), Bethesda receive neuropsychological screening with appropriate treatment and follow-up for later-onset symptoms. Abnormal TBI screens receive 3-month follow-up, and referral to appropriate level of treatment as needed. A dedicated NNMC database tracks all casualty treatment/follow-up. The Physical Evaluation Board (PEB) process and VA OIF/OEF Coordinators also track patients to ensure continuity of care.

POST TRAUMATIC STRESS DISORDER (PTSD) IDENTIFICATION AND TREATMENT

Question. This war is going to create a high number of patients who need mental health care because of the stress of battle and the traumatizing, often life-threatening events they are witnessing. What is being done to help identify those servicemembers who may suffer from PTSD or otherwise need assistance dealing with their combat-related experiences? Once identified, what help is being provided to these servicemembers?

Answer. Prevention is at the forefront of the continuum that includes early identification and intervention of PTSD. Closely aligned with warfighters while in garrison, providers teach Marines and their leaders on signs of combat stress and how to prevent it. Navy Medicine has also established a Deployment Health Directorate and identified a Combat/Operational Stress Control Consultant to coordinate prevention and treatment efforts.

Sailors and Marines receive Post Deployment Health Assessment (PDHA) immediately following deployment and Post Deployment Health Re-Assessment 90–180 days later. Additionally, Navy Medicine has established 13 Deployment Health Centers (DHCs)—non-stigmatizing portals for identification and care. Through February 2007, DHCs conducted more than 4,000 encounters (in excess of 3,700 primary care and 420 mental health visits).

When intervention is necessary the PIES (Proximity, Immediacy, Expectancy, Simplicity) principle is used as treatment by embedded mental health personnel in deployed units (USMC OSCAR teams and Carrier Group Clinical Psychologists). The Navy uses best practice guidelines for mental health treatment such as the VA/DOD jointly developed clinical practice guidelines. Moreover, the Navy has partnered with other services to establish a Center for Deployment Psychology, providing education and training on treatment of PTSD and other combat stress disorders. Extensive in-theater research efforts are also underway to identify mental health needs, guide development of appropriate prevention and treatment programs, and ensure adequate in-theater mental health support.

TRANSITION OF CASES OF SERVICEMEMBERS SUFFERING FROM PTSD/TBI TO VA FACILITIES AND CIVILIAN LIFE

Question. What is being done to help servicemembers suffering from PTSD and TBI as they transfer from Service-run programs to Veteran Affairs facilities and civilian life?

Answer. Patient information for the hospitalized service member is coordinated with the assistance of the case manager or discharge planner when they transfer from a service-run program to VA or to civilian life. Providers may change as the patient transitions through the continuum of care; it is expected that transfer of the case history will be seamless.

The National Naval Medical Center (NNMC) has a system to review each individual trauma patient during a meeting called Trauma Rounds. This is a bi-weekly multi-disciplinary team care meeting in which inpatient care is revisited, patient progress is reviewed, and the plan for discharge is implemented. Case management is an integral component of the inpatient Trauma Rounds.

Each patient at NNMC is assessed prior to discharge for indicators of TBI or PTSD. When patients are discharged, case managers are sensitive to TBI and PTSD issues and monitor patients through the continuum of care, referring to appropriate resources when needed.

Navy Medicine and the VA carefully coordinate the transfer of cases from one to the other. Key components of this coordination effort include regular case-specific management VTCs between facilities, ongoing medical tracking/case management, deployment of Veteran Health Administration (VHA) Liaison staff at major Military Treatment Facilities (MTFs) (NNMC Bethesda, NH Camp Pendleton, NMC San Diego), detailing of active duty providers to select polytrauma VHA facilities, and administrative coordination between a Navy MTF and the treating VA facility.

In addition, there are multiple administrative programs to assist the patient and family as the individual transitions from Department of the Navy system Service to the Veterans Administration or civilian life. These include: Marines for Life-Injured Support Program, Military Severely Injured Joint Operations Center, SIMS Pilot Program, Military One Source, Fleet Liaisons, Marine Corps Extension Program, Military Severely Injured Support, Navy Safe Harbor, Fleet and Family Services, Chaplain Corps, Navy and Marine Corps Relief Society, Wounded Warrior programs, and Navy Safe Harbor.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL JAMES G. ROUDEBUSH

QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

MEDICAL READINESS

Question. The U.S. Bureau of Labor Statistics (BLS) has projected that by 2014, our nation will need an additional 1.2 million new and replacement nurses. In 2004, 72 percent of hospitals were experiencing a nursing shortage. The ongoing conflicts in Iraq and Afghanistan have increased the need for qualified nurses in military medical facilities. Unfortunately, the military faces the same difficulty in recruitment and retention of nurses. In addition, the average age of retirement of nurse faculty is 62.5 years and it is expected that 200 to 300 doctorally prepared faculty will be eligible for retirement each year from 2005 through 2012 just as more than 1 million replacement nurses will be needed.

Can you please elaborate on the impact that the nursing shortage has had on the Armed Services? Do you feel you are sufficiently staffed and have the adequate resources to engage in aggressive recruitment efforts?

Answer. Currently the national nursing shortage is not impacting the Air Force Nurse Corps' ability to meet deployment requirements to include supplementing Army taskings. The shortage is impacting the home station business plans due to military registered nurse recruiting and retention shortfalls. Significant increases in contract dollars are being used to backfill vacant military positions or to shift workload to the TRICARE Managed Care Support Contract network. Additionally, early evidence indicates limited success in efforts to fill military-to-civilian conversions (privatization) of registered nurse positions; however, the number of conversions in fiscal years 2006 and 2007 are limited. The larger numbers in fiscal years 2008 to 2013 will be extremely challenging to fill. We will evaluate hiring and retention success in every execution year.

Based on recent successes in recruiting for fiscal year 2006 (92 percent of goal), we feel confident that our monetary incentive package has proven successful in achieving adequate manpower. However, field-level nurse recruiters have been cut for fiscal years 2007 and 2008 so it is unclear what impact this will have on recruiting effectiveness. Additionally, we are aggressively working to diversify accessions sources by expanding the enlisted Bachelors of Science in Nursing program from 7–10 per year up to 50 per year.

Question. What do you think are the major challenges compounding the nursing shortage in the Armed Services?

Answer. Three major challenges standout as compounding the nursing shortage with the Air Force Medical Services: (1) Recruiting (active and civilian workforce), (2) retention, and (3) deployment operational tempo for a few specialties. These challenges are all compounding the nursing shortage in the Air Force Nurse Corps.

As the market for nurses becomes more competitive it is imperative for the Air Force to keep up with financial incentives to recruit a qualified workforce. In fiscal year 2006, we achieved 92 percent of our accessions goal. This was a significant improvement over fiscal year 2005's 69 percent. We attribute our success to larger financial incentives, which combined the options of accepting a nurse accession bonus and Health Professions Loan Repayment for nursing school loans. We also attracted new nurses with Reserve Office Training Corps scholarships. Our fiscal year 2006 accession bonus options were $15,000 for a 3-year commitment or $20,000 for a 4-year commitment. In collaboration with our sister services we have increased the bonus for fiscal year 2007 ($25,000/4 years).

Air Force salaries are relatively competitive starting in the Major rank category; however, for novice nurses the military salary falls short. Our nurse accession bonus for fiscal year 2006 proved to be successful in filling the salary gap.

	Military Annual Pay	RN National Average 2004
1 Lt	$29,631.60	$57,784.00
2 Lt	38,876.40	57,784.00
Capt	52,704.00	57,784.00
Maj	70,588.80	57,784.00
Lt Col	83,617.20	[1] 77,140.00
Col	100,742.40	[1] 77,140.00

[1] Mean annual salary for Medical and Health Services Managers (i.e. Director, Nursing Services, Chief Nurse, etc.) Bureau of Labor Statistics, May 2005.

Additionally, we are aggressively working to diversify accessions sources by expanding the enlisted Bachelors of Science in Nursing program. After we resolve internal Air Force issues, we look forward to increasing the students from 7–10 per year up to 50 per year.

Retention is currently the greatest challenge compounding the Air Force nursing shortage. Disparate promotion opportunity and timing are also great challenges of retention. In a recent survey, lower promotion opportunity was the most common influence mentioned by the 381 responders in their decision to separate from the military. Promotion opportunity for Nurse Corps officers has consistently been 10–15 percent lower than other Air Force officers. Promotion timing for Nurse Corps officers lags consistently two to three years behind all other Air Force Defense Officer Personnel Management Act (DOPMA)-constrained corps. This disparity has a 15–20 year history. Recently, we are experiencing improvements in opportunity and will continue to work with the Line of the Air Force to bring Nursing Corps promotion opportunity and timing in line with other officers.

As Calendar Year 2006 came to a close, the Nursing Corps inventory was a gravely concerning 85 percent. We retired 166 officers and another 188 separated, for a net loss of 354 experienced nurses. Loss rates are increasing at the 4–5 year point and 9–12 year point. In response, we initiated a $15,000 critical skills retention bonus targeting nurses completing their initial commitment in the Air Force (4–5 year point), and will be closely monitoring its impact on retention for this year group. For the second attrition peak (9–12 years) disparate promotion and timing opportunity has the greatest impact. We are working aggressively to resolve this problem through the submission of a Unified Legislation and Budgeting request for DOPMA relief in an effort to improve Nursing Corps promotion opportunity and timing.

In addition to recruiting and retaining our active force we are facing the challenging initiative of converting military positions to civilian equivalents and hiring into those equivalents. Nationally, the demand for nursing personnel far exceeds the supply, creating a competitive market that favors qualified candidates. Through active recruiting, hiring bonuses where warranted, and use of direct hire authority, we hired 86 percent of the clinical nurses programmed for fiscal year 2006.

Lastly, deployments for our critically manned specialties compound the nursing shortage. Of note, since September 2001, the Total Force Nurses have comprised 53 percent of all Air Force medical Total Force deployments. Out of necessity we have had to prolong deployments for "high demand low density" specialties, (critical care). Deployments for this group are now 179 days, or 59 days longer than other deployed nurses. We have increased our training platforms to increase our numbers of nurses skilled in these specialties. Additionally, we continue to incentivize our specialty nurses with incentive specialty pay programs.

Question. Can you please speak to the issue of faculty shortage and its implications on the ability for the armed services to recruit additional nurses?

Answer. According to the latest projections from the U.S. Bureau of Labor Statistics published in the November 2005, Monthly Labor Review, more than 1.2 million new and replacement nurses will be needed by 2014. Government analysts project that more than 703,000 new registered nursing positions will be created through 2014, which will account for two-fifths of all new jobs in the health care sector.

The American Association of Colleges of Nursing (AACN) has cited the shortage of nursing school faculty as a major contributing factor in the nursing shortage. It's estimated that for 2006 approximately 42,000 qualified applicants were turned away from baccalaureate and graduate nursing programs due to insufficient number of faculty, limited clinical sites/clinical preceptors/classroom space and budget constraints.

According to an article published in the March/April 2002 issue of Nursing Outlook, the average age of nurse faculty at retirement is 62.5 years. With the average age of doctorally-prepared faculty currently 53.5 years, a wave of retirements is expected within the next ten years. In fact, the authors project that between 200 and 300 doctorally-prepared faculty will be eligible for retirement each year from 2003 through 2012, and between 220–280 master's-prepared nurse faculty will be eligible for retirement between 2012 and 2018.

According to the 2006 salary survey by The Nurse Practitioner, the average salary of a master's prepared nurse practitioner is $72,480. By contrast, AACN recently reported that master's prepared associate professors earned an annual average salary of $58,249.

In 2005, 49 percent of hospital Chief Executive Officers reported having more difficulty recruiting registered nurses than in 2004.

The information above was obtained from the American Association of Colleges of Nursing Fact Sheet.

The end results of the nursing faculty shortage on recruitment of nurses for the armed forces are directly related to supply and demand. The number of nursing faculty retiring will decrease the number of students graduating from schools. The law of supply and demand would indicate that as the supply shrinks, there will be greater civilian competition for new nurses.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

MEDICAL READINESS

Question. I am very worried about the number of our men and women who are suffering traumatic head and brain injuries on the battlefield. I am also very worried about those service members who may not suffer actual physical brain or functional impairment but who nonetheless are suffering because of the stress and psychological effects of the war.

Traumatic brain injury (TBI) and post traumatic stress disorder (PTSD) are often times very difficult to identify and diagnose. These injuries may manifest themselves months after troops have returned home from battle or have recovered from other injuries. They can also be amongst the most difficult to treat, frequently requiring months or years of rehabilitation and therapy.

Some doctors are calling TBI the "signature injury" of the Iraq campaign. Body armor is helping many soldiers survive bomb and rocket attacks, but they are suffering brain injury and brain damage as a result of the blasts. What is being done to screen, identify, and treat service members who may be suffering from TBI?

Answer. We recognize that, while severe Traumatic Brain Injury (TBI) is readily identified, mild TBI (mTBI) can be difficult to identify. At our level II and III theater facilities we have implemented the Joint Theater Trauma System (JTTS) Clinical Practice Guideline (CPG) for in-theater management of mild traumatic brain injury (concussion). Any Service member involved in an explosion/blast, fall, or blow to the head and/or motor vehicle incident is considered to have potentially suffered a concussion and will undergo a TBI screening questionnaire. If a patient has a positive screen they undergo further evaluation using the Military Acute Concussion Evaluation which was developed in conjunction with Defense and Veterans Brain Injury Center Program.

Treatment of TBI begins at the point of injury with level I Self-Aid/Buddy Care and continues in theater to our level III theater hospitals according to the JTTS CPG for TBI. Those unable to return to duty are returned to a Continental United States level V Military Treatment Facility by aeromedical evacuation. Patients requiring specialized rehabilitation for traumatic brain injury, spinal cord injury, blind rehabilitation and post traumatic stress disorder are typically sent to one of the four Veterans Administration Polytrauma Centers for continued care using the aeromedical evacuation system. Individual case managers work with these patients and their families in arranging this specialized care.

All returning deployed Service members are screened for mTBI using the DOD Post Deployment Health Assessment. Additionally, at three to six months after returning home the Service member undergoes a second evaluation, the Post Deployment Health Reassessment. Additional TBI screening questions are being added to these screening tools to better assess unrecognized TBI injuries.

Question. This war is going to create a high number of patients who need mental health care because of the stress of battle and the traumatizing, often life-threatening events they are witnessing. What is being done to help identify those service members who may suffer from PTSD or otherwise need assistance dealing with their combat-related experiences? Once identified, what help is being provided to these service members?

Answer. We screen all members returning from deployments administering the DOD Post Deployment Health Assessment (PDHA). Any problems identified are fully assessed and any treatment required is done. All members undergo a second evaluation, the Post Deployment Health Reassessment (PDHRA), three to six months after returning home from deployment. To date, roughly seven percent of deployed Air Force personnel are diagnosed with new mental health concerns (depression, marital problems, anxiety, difficulties sleeping, etc.); PTSD has been diagnosed in 0.3 percent of our deployed personnel.

The Air Force deploys mental health providers to offer in-theatre assistance to Service members to head off combat-related problems. At home, we have trained one hundred AF mental health providers in specialized PTSD training to allow them to effectively treat combat-related PTSD. GWOT monies have been used to hire 32 ad-

ditional mental health professionals to bolster Military Treatment Facility mental health care services available at our high operational tempo bases.

Question. What is being done to help service members suffering from PTSD and TBI as they transfer from Service-run Programs to Veteran Affairs facilities and civilian life?

Answer. The Air Force places all combat wounded and ill casualty patients into the Palace HART (Helping Airmen Recover Together) Program. Each patient is assigned a Family Liaison Officer (FLO) to assist during their recovery. Family liaison officers assist transitioning service members to coordinate follow-up appointments, facilitate record transfers, and aid service members and their families to obtain any services they may require. The program continues to assist service members and families until the member returns to duty or the fifth year anniversary of separation from service.

Patients requiring specialized rehabilitation for traumatic brain injury, spinal cord injury, blind rehabilitation and post traumatic stress disorder are usually sent to one of the four Veterans Administration (VA) Polytrauma Centers for continued care. In some cases, Active Duty members receive rehabilitation in the VA and are transitioned back to the Military Treatment Facility (MTF) system if they have recovered sufficiently.

Air Force mental health providers and other physicians understand the importance of establishing continuity of care as they transition from Service-Run Programs to Veteran Affairs facilities and civilian life. The Defense and Veterans Brain Injury Center (DVBIC) program is a model of interaction between the DOD and the VA system for those Airmen who sustain Traumatic Brain Injuries. Regular teleconferences are held between DVBIC physicians at VA Polytrauma Centers, case managers, and the referring MTFs to coordinate preparation for transition.

QUESTIONS SUBMITTED TO MAJOR GENERAL MELISSA A. RANK

QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUYE

AIR FORCE NURSES

Question. General Rank, the combat casualty care in the Global war on Terror demonstrates a remarkable synergy between the Army and the Air Force. The ability of the Army medical care to save more lives on the battlefield, coupled with the ability of the Air Force to transport patients to higher levels of care in the United States is a true success story.

How has the higher acuity level of patients requiring inter-theater transportation changed the structure and the training requirements of the Air Force Nurse Corps?

Answer. The Global War on Terror (GWOT) demand for operational, clinically-current specialty nurses have steadily grown. In response, we have increased production of critical care and trauma nurses and returned nurses with specialty nursing experience to the deployment pool.

Encouraged by the success of our joint training pipeline in San Antonio, Texas, we awarded 30 critical care and emergency fellowships this year and expanded our joint training platforms to include the National Naval Medical Center in Bethesda, Maryland and St. Louis University Hospital in Missouri. We have not stopped there. We are revising our support agreement with the University of Cincinnati Medical Center in Ohio to accommodate critical care nursing fellows.

We continue to rely on our Centers for Sustainment of Trauma and Readiness Skills (C–STARS). These advanced training platforms are embedded into major civilian trauma centers throughout the continental United States. In 2006, this invaluable clinical immersion enabled 614 doctors, nurses, and medical technicians to refresh operational currency while preparing them to deploy as Critical Care Air Transport Team members or clinicians in expeditionary medical support facilities.

Strengthening operational clinical currency remains a priority. Now 11 months old, our clinical sustainment policy continues to gain momentum. The concept is simple: providing opportunities for nurses temporarily assigned in out-patient or non-clinical settings to refresh their technical skills by working a minimum of 168 hours per year at the bedside. For many of our outpatient facilities, this means affiliating with local medical centers for innovative patient care partnerships.

In 2006, we gained access to eight complex medical-surgical, emergency trauma and critical care training platforms in which to sustain clinical skills for our officer and enlisted nursing personnel. An extraordinary benefit emerging at nearly all training sites has been exposure to—and appreciation for—the unique missions of various agencies. We are encouraged by reports of how affiliations with our federal

health partners have fostered collegiality between nurses. Among these affiliations, two are with civilian organizations (Miami Valley Hospital in Dayton, Ohio and Iowa HealthCare in Des Moines, Iowa). Federal tort laws make securing affiliations with civilian organizations particularly challenging, so I applaud the hard work expended at the local level. Nursing personnel from the 3rd Medical Group DOD/VA Joint Venture Hospital and the Alaska Native Medical Center have collaborated on continuing education and professional development programs for many years. Their partnership expanded recently to include rotations in pediatric, medical-surgical and critical care units—experiences long-sought to bolster currency at home station and in deployed settings.

In addition to sustainment, we have robust entry-level training platforms. The 882nd Training Group at Sheppard AFB, Texas graduated 1,638 Total Force Aerospace Medical Service Apprentice (AMSA) students in fiscal year 2006. AMSA students have the unique experience of training on technologically advanced simulations systems. Life-like mannequins simulate clinical patient scenarios, allowing students to learn and gain hands-on experience in a controlled environment. As they progress through training, students are challenged with increasingly complex scenarios.

Landstuhl Regional Medical Center, Germany (LRMC) became our 10th Nurse Transition Program (NTP) training site and the first NTP hosted in a joint facility. With the addition of the LRMC NTP, we have increased overall enrollment to 160 nurses in this AFMS entry-level officer program.

Additionally, we deliberately laid in higher grade positions into selected Unit Type Codes (UTCs) or deployment requirements driving a demand for increased rank for those deployment taskings. In the military, rank equates to experience level. This action puts more experienced nurses in our deployed locations where they teach, mentor and guide our more junior nurse corps officers.

In addition to laying in increased grade, we reevaluated our substitution designation for UTC requirements. For example, between fiscal years 2003 to 2006, of the 78 requirements for mental health nursing, 15 of these were filled by clinical nurses or clinical psychologists. In retrospect, we realize a requirement for mental health nurses is best met with mental health nurses and now we are not allowing this substitution.

Lastly, in fiscal year 2007 we deployed the first Air Force Joint Theater Trauma System Program Manager. This individual has accomplished much to include authoring clinical practice guidelines, conducting advanced research, and refining the trauma registry.

AIR FORCE NURSES

Question. General Rank, is there a potential way to utilize our retired military nurses to benefit recruiting nurses into the military?

Answer. All nurses are recruiters. We have emphasized this in the Air Force Nurse Corps for some time. We would hope that retired military nurses use every opportunity to encourage nurses to serve in the military.

Question. General Rank, would you consider filling critical shortages in deployments from other services?

Answer. Air Force Nursing Services is an operational capability. We consider all appropriate deployment scenarios. At this time, we are able to meet the demand for nurse and technician deployment taskings within the Total Nursing Force (Air National Guard, Reserve and Active Duty components). We will continue to support Army "in lieu of" taskings with personnel assigned to corresponding Air Expeditionary Force (AEF) windows. However, we make every effort to honor the AEF construct rather than pull from upcoming "buckets" to support "in lieu of" missions.

Question. General Rank, in fiscal year 2008, the Air Force is planning to convert 123 Nurse Corps positions to civilian positions. Please comment on the status of these conversions, the process used for determining them and the anticipated impact on the nurse corps for converting nurse billets.

Answer. Military essential positions were identified first, along with the critical operational readiness requirements analysis. The Nurse Corps recommended conversions in the outpatient and maternal child arenas as loss of either platform does not negatively affect the active duty nurses' opportunity for practicing war readiness skills.

For the 2008 to 2013 conversions, a make vs. buy with market availability analysis was performed on billets available for conversion. This analysis compared the "fully burdened cost" of an Active Duty authorization in a given specialty with the "fully burdened cost" of a General Schedule civilian or contractor. Where a General Schedule civilian or contractor was less expensive than Active Duty, consideration

was given to the market availability of that person/skill set. The outcome from this analysis identified the number of authorizations by Air Force specialty code to convert to civilian or contractor. The analysis included four levels of risk: Not constrained, minimally constrained, moderately constrained and highly constrained. Recommended conversions came from only the "not constrained" and "minimally constrained" risk categories.

The current Air Force Nursing Services civilian inventory includes more than 1,000 nursing personnel in advanced practice, licensed and paraprofessional roles. Nationally, the demand for nursing personnel far exceeds the supply, creating a competitive market that favors qualified candidates. In nine months of active recruiting, we have hired 11 nurse practitioners and nurse specialists, 59 clinical nurses, and 41 paraprofessional nursing personnel (Licensed Practical Nurses (LPNs), Emergency Medical Technicians and Operating Room (OR) technicians). Although we hired 86 percent of the clinical nurses programmed for fiscal year 2006, we were significantly less successful with other civilian hires, especially LPNs and OR technicians. Through active recruiting, hiring bonuses where warranted, and use of direct hire authority, we are cautiously optimistic about reaching our fiscal year 2007 goal of accessing 211 additional civilian nursing personnel.

Question. General Rank, the Quadrennial Defense Review recommends aligning medical support with emerging joint force employment concepts. What is your vision for joint medical training?

Answer. We support the warfighter in fully-integrated Joint environments. Ideally, we train as we fight because Joint Interoperability promotes mission success. Joint Medical Training Platforms are not new. We currently have them at the Uniformed Sciences University of the Health Sciences (USUHS) and the Graduate School of Nursing (GSN). We depend on USUHS and GSN to prepare many of the Family Nurse Practitioners (FNPs) and Certified Registered Nurse Anesthetists (CRNAs) needed to fill our mission requirements. Currently, 57 percent of our 49 FNPs and 52 percent of our 143 CRNAs are USUHS graduates. The GSN enrolled 46 Air Force nurses this fall in Perioperative Specialty, FNP, and CRNA programs. Overall, Air Force nurses represented 41 percent of the GSN student population.

Additionally, in San Antonio, Texas we are moving forward with plans to relocate enlisted medical basic and specialty training to a Tri-Service Medical Education and Training Campus (METC) at Fort Sam Houston, Texas. METC will capitalize on synergy created by co-located training programs. We have fiercely protected our Community College of the Air Force degree granting to Air Force students, and are exploring the feasibility of extending that authority to our Sister Services.

Currently, enlisted joint training includes neurology, allergy, immunization, biomedical equipment technician (BMET), and dental courses. Training is available for both Air Force and Army at the U.S. Army Critical Care Education Fellowship and the U.S. Air Force Flight School. We are pursuing training affiliations with both federal and civilian medical centers to sustain operational currency as mentioned earlier. We anticipate the BMET and radiology courses as the first courses to move to METC in the fourth quarter of fiscal year 2009.

QUESTIONS SUBMITTED TO REAR ADMIRAL CHRISTINE M. BRUZEK-KOHLER

QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUYE

HUMANITARIAN MISSIONS EFFECT ON NAVY NURSE CORPS

Question. Admiral Bruzek-Kohler, the Navy continues to support humanitarian missions throughout the world, and most recently deployed the U.S.S. *Mercy* to Asia. How does participation in humanitarian mission affect the Navy Nurse Corps in terms of its ability to meet both the inpatient demands and deployment requirements? How does the Navy Nurse Corps measure the effectiveness of this mission?

Answer. Regional TRICARE contracts continue the provision of healthcare to all beneficiaries when active forces are deployed to meet essential missions. A plan that includes targeted reserve component support and proactive case management has also allowed our nurses the opportunity to support both humanitarian missions and deployment requirements with minimal disruption to our inpatient care services.

The provision of care to citizens of the world can positively affect their perceptions of America via our humanitarian missions is important to our Corps. Our nurses are emotionally engaged and professionally rewarded by these missions. Discussions with our nurses indicate that this experience or the prospect of an experience in a humanitarian mission would influence their decision to stay in the military.

Qualitative methods to capture and measure our effectiveness in these humanitarian missions encompassed the development of a rating scale that evaluated the following: interoperability, host nation support and access and medical operations (which included right personnel and skill mix).

A variety of opinion polls done in the regions visited by our hospital ships indicate that health diplomacy is a very powerful tool against the war on terrorism and the Navy Nurse Corps has become a vital commodity in accomplishing this mission.

ADVANCED JOINT NURSING EDUCATION

Question. Admiral Bruzek-Kohler, this Committee urged the establishment of a Graduate School of Nursing (GSN) at the Uniformed Services University (USU) for a number of years and we were gratified by its establishment in 1993. Recent investments have allowed the University to break ground on a new building. Admiral, can you tell us how advanced joint nursing education contributes to the recruitment and retention of military nurses? What do you see as the future of the Graduate School of Nursing?

Answer. Joint training opportunities, such as those afforded by the Graduate School of Nursing (GSN) at the Uniformed Services (USU) University, provide our nurses with the unique opportunity to see first hand how closely our mission aligns with those of our sister services. An educational milieu in which the similarities as well as the differences of other services are incorporated into learning objectives fosters collaborative rapport, longstanding professional respect and enhances retention.

The Navy Nurse Corps utilizes the Graduate School of Nursing for our duty under instruction selectees in the following programs: Peri-Operative Clinical Nurse Specialist, Family Nurse Practitioner, Certified Registered Nurse Anesthetist and Doctorate in Nursing. The Uniformed Services University provides excellent advanced degrees with a military focus that are not typically provided in civilian programs. These programs have all been quite helpful in bolstering our retention.

In the future, the Navy Nurse Corps' Peri-operative Clinical Nurse Specialists will be participating in the GSN's new First Assist Program. While our nurses are not utilized in this exact role, the training received will be of great value, providing our nurses with advanced clinical skills and leadership and management tools which are integral to the role of a Clinical Nurse Specialist.

We are also exploring the feasibility of moving the Navy Nurse Corps Anesthesia Program (in its entirety) to the GSN and would welcome the GSN's offering of a Masters Degree in Nursing via distance education/online learning.

IMPACT OF DEPLOYMENTS ON RETENTION OF NAVY NURSES

Question. Admiral Bruzek-Kohler, how have deployments impacted the retention of Navy nurses?

Answer. The continuation of our ongoing engagement in Iraq has not become a deterrent to retaining nurses in our Corps. Instead we have found a greater concern in relation to the length of the deployments in which our nurses support our war fighters and humanitarian missions. A six month geographic separation from family and friends is typically deemed preferable. But when discussions ensue regarding lengthening deployments from six months to one year, greater concerns arise. Thus we are cognizant of keeping our deployments at close to six months when operationally feasible.

MILITARY-TO-CIVILIAN CONVERSIONS EFFECT ON NAVY NURSE CORPS

Question. Admiral Bruzek-Kohler, I am concerned about the Navy's continued conversion of military to civilians given the issues we face about patient care and continued recruiting and retention challenges. How do these conversions affect the Navy Nurse Corps and what specialties and/or locations have been problematic?

Answer. Indeed, the degree of flexibility in meeting both forward deployment requirements as well as humanitarian assistance missions will be tested by the military to civilian conversions as both of these missions have not been incorporated into our operational requirement algorithms.

Currently all Navy Military Treatment Facilities are staffed at 90 percent or above with Military Nurses. These manning levels include nurses who are currently deployed to Iraq and Afghanistan, causing staffing adjustments at some facilities during deployments. Our treatment facilities are experiencing challenges in recruiting civilian registered nurses in some nursing specialty areas (particularly in: emergency care, labor and delivery and pediatrics).

Recruitment and retention initiatives for both military and civilian nurses have been implemented to assuage the nursing shortages experienced at our Military Treatment Facilities. These incentives include accession bonuses, Health Profes-

sional Loan Repayments, and submission of a Critical Skills Retention Bonus for junior nurses.

NAVY NURSES IN OUTPATIENT CARE

Question. Admiral Bruzek-Kohler, could you describe the involvement of Navy nurses in the outpatient care of sailors and Marines who are returning from deployment?

Answer. In our Deployment Health Clinics, a specialized team of nurses, providers and allied health professionals ensure personnel returning from operational deployments receive health assessments and follow-up care.

Naval Medical Center San Diego offers a multidisciplinary program of care via the Comprehensive Combat Casualty Care Center. This service offers a wide range of medical, surgical, behavioral health and rehabilitative care to those wounded in the service of our country.

In Quantico, Virginia, the nurse-run Wound Clinic instituted several nurse-focused standard operating procedures to address ailments that would otherwise require physician intervention. In Camp Lejeune, North Carolina, the branch medical clinic sends nursing personnel directly to the School of Infantry to address healthcare issues on-site versus requiring medical clinic visits. In Portsmouth, Virginia, nurses from the local reserve unit have performed over 84,000 man hours of operational and clinical support over the last 27 months.

Throughout our military treatment facilities, Navy Nurses proudly serve alongside their civilian (Government Service and contract) colleagues as nurse case managers to our active duty service members.

SUBCOMMITTEE RECESS

Senator INOUYE. And with that, this subcommittee will stand in recess until March 14, at which time we will receive testimony from the Department of the Army.

[Whereupon, at 12:30 p.m., Wednesday, March 7, the subcommittee was recessed, to reconvene at 10:30 a.m., Wednesday, March 14.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2008

WEDNESDAY, MARCH 14, 2007

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

The subcommittee met at 10:35 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Dorgan, Mikulski, Murray, Stevens, Cochran, Domenici, Bond, and Shelby.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY

OFFICE OF THE SECRETARY

STATEMENT OF HON. PETE GEREN, ACTING SECRETARY

STATEMENT OF SENATOR DANIEL K. INOUYE

Senator INOUYE. Today we welcome the Honorable Pete Geren, Acting Secretary of the Army along with the Army Chief of Staff, General Peter Schoomaker. Gentlemen, thank you for being here today to review the Army's budget for fiscal year 2008.

General Schoomaker, I presume that this is your last appearance before this subcommittee and you once again head off to retirement. On behalf of the subcommittee, I thank you for your service to our Nation over the past four decades and in particular for answering the call 4 years ago when your Nation needed you once more. We wish you well in your second retirement.

The Army's fiscal year 2008 base budget request is $130 billion, an increase of $20 billion over the last year's budget. And to put this into perspective, when you consider the terror attacks of September 11, 2001, at that time, the Army's budget was approximately $92 billion in today's dollars.

As we review this budget request, we are mindful that the Army remains a force at war, executing operations at a pace which places high stress on the soldiers and equipment while simultaneously continuing on its path to modernization. This creates an inherent tension between meeting demands for resources in support of current forces and funding future requirements. Finding the right balance is extremely difficult and it is our hope that today's hearing will amplify how the Army is addressing today's needs while positioning itself for the future.

For instance, the Army is investing heavily in a future combat system (FCS), a very complex, integrated transformation initiative to equip the future force. However, once fielded, this capability will only equip a fraction of the Army's combat brigades and so this raises the questions as to how the Army will transform its remaining combat brigades on which you rely so heavily. Many of these units are still utilizing systems that were first fielded over 20 years ago, such as the Abrams tank and the Bradley fighting vehicle and compounding this challenge is the Army's plan to grow its force by almost 80,000 troops over the next 5 years. These troops will have to be recruited, trained, and equipped and this will add to the Army's challenge but also presents opportunities. So we look forward to hearing how the Army plans to absorb and utilize these additional forces.

One concern that comes to mind is the Army's ability to recruit and retain additional soldiers required to maintain and expand this all-volunteer force and as bonuses have facilitated this effort over the past few years but there are questions as to whether the Army will be able to continue to attract the quality men and women it needs without the emergency supplemental funds which cover these significant bonus pays.

The Army is facing further challenges, such as the global repositioning of its forces, maintaining readiness, and equipping the Guard and Reserves. Addressing each of these fighting the global war on terror and simultaneously transforming the Army requires us all to be mindful of how you are allocating your resources. And gentlemen, we look forward to working with you to ensure that our Army is appropriately resourced to meet each of these tasks and I'm certain the subcommittee agrees with me because I sincerely appreciate your service to our Nation and the dedication and sacrifice that is made daily by the men and women in our Army. We could not be more grateful for what they do.

Your full statements will be made part of the record and if I may now turn to the co-chairman of this subcommittee, Senator Stevens, for his opening remarks.

STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Secretary Geren, General Schoomaker, it's nice to see you. I think this is your first time before us, Mr. Secretary and we're happy to have you here. I'll just ask you to put my statement in the record in full, if you will. It's a very short statement anyway.

[The statement follows:]

PREPARED STATEMENT OF SENATOR TED STEVENS

Thank you, Mr. Chairman.

Secretary Geren, we welcome you in your first appearance before this committee. You have a challenging assignment and we look forward to working with you in meeting the needs of the Department of the Army.

General Schoomaker, we welcome you back to the committee. I understand this will be your last hearing with us as you plan to retire next month. We must congratulate you and commend you for your service to this committee and our Nation. We wish you well in your future endeavors.

Again, welcome to the committee. We look forward to your testimony.

Senator INOUYE. Mr. Secretary.

Mr. GEREN. Thank you, Mr. Chairman, Senator Stevens, members of the subcommittee. It's truly an honor to be before you as Acting Secretary of the Army. I want to thank you all for the extraordinary support you give to the United States Army and I know I speak for every——

Senator STEVENS. Pull that microphone toward you, Mr. Secretary.

Mr. GEREN. Yes, sir. Pardon me? Better now? Thank you for the support that this subcommittee and the Congress has given to the Army over the years, over the decades. I know I speak for every uniform and civilian member of the United States Army when I say thank you to what you do and the support you give us.

WALTER REED ARMY MEDICAL CENTER

Mr. Chairman, if I could just take a moment because of the concern the Congress has and members of the subcommittee have expressed about the situation at Walter Reed. I would like to touch briefly on some of the steps we've taken there before I talk about the budget, if I may.

We have been working very hard as an Army to meet the needs of our wounded warriors. What happened at Walter Reed recently, we did not live up to our obligation to them and we've been taking steps to correct the problems that we've identified there and I'd like to just touch briefly on some of the things that have happened so you're aware of the steps we've taken and what our way ahead is.

In thinking about Walter Reed, you really need to think of two different issues. One is the issue that came to light in the press report, having to do with the facilities and how those outpatients, medical hold, and medical holdovers were treated at Walter Reed and then look at the bigger issue, the rest of the medical care system in the United States Army and some of the steps we're taking to address these issues across the force and do a better job of preparing for the needs of particularly the outpatients and the wounded warriors in the future.

As far as the facility that was at issue, Building 18, there are no more soldiers in that building. We've moved every single soldier out of that building. We've moved them into appropriate quarters, to the Abrams Barracks on the Walter Reed campus. These barracks, I have personally inspected them. They've got computers, they've got Internet connection, they've got telephones, televisions. They are quarters that are appropriate and the kind of quarters that these soldiers deserve to be in.

We have—the future of Building 18 is still up in the air. We're going to put a new roof on it. We're not sure what the future of Building 18 is. We're going to look at it and decide whether or not it's something we need to renovate in order to meet surge capacity in the future but that's still undone, a decision unmade.

As far as immediate improvements we've made at Walter Reed though, to address this long term—I think the most important thing we've done is leadership changes. Major General Eric Schoomaker was assigned as Commander at Walter Reed the Friday before last and within hours, he was on the job with his command sergeant major. He had his command sergeant major walk through every single room we were putting those soldiers in.

We have created a new position there, a deputy commanding general, which we have not had before. It's a one star. It's combat veteran Brigadier General Tucker and he will be the bureaucracy buster. He will be there working on behalf of the soldiers.

We have created a Wounded Warrior Brigade under the leadership of a colonel who is also a combat veteran and he has a command sergeant major whose responsibility it is to take care of the needs of those soldiers. He is on the ground. He is working with them. He has already built trust and he is their advocate and I'm confident that he is going to do what it takes to make sure that those soldiers get what they need.

We have done other things that are going to improve the quality of service for those soldiers and across the system. We're creating, and it's going to go online in a week, a hotline, an 800 number. It's initially going to be answered 12 hours a day then move to 24 once we get the folks prepared to do, but a hotline that will come into the Army Operations Center so if there are issues, they'll get right up to Army leadership soon and not be allowed to percolate at low level without being addressed. We have created a one-stop Soldier and Family Assistance Center at Walter Reed. We've launched a Tiger Team under General Dick Cody. The Vice Chief of Staff is going to every major medical center in the country over the next 30 days and he is going to report back to the Chief and to me. We're also sending a similar team to all the community-based healthcare organizations that serve our Reserve community and the Vice Chief is meeting regularly by video teleconference with every hospital commander in the system. We have the Army Wounded Warrior program, which you all are familiar with and we're working to improve that.

Sir, we also released an inspector general report this week, which has been in the works for 1 year and it has identified some additional initiatives that we can take and are underway. In fact, many of them we corrected as we went along, to make sure that we address this issue.

FISCAL YEAR 2008 ARMY APPROPRIATIONS REQUEST

Now let me turn to my posture statement and talk about the budget that is before you. Sir, for the Army and I know for this subcommittee, our number one priority is the soldiers and their families. Seldom has our Nation asked as much of our soldiers and their families as we're asking right now, not just those we have in combat but it's a tremendously busy time for the Army all the way from combat into the transformation we have underway in bases all across the country. We want to thank this Congress and thank this subcommittee for your support of the soldiers. This budget represents a commitment to soldiers and their families, to improving barracks, to improve housing, childcare services, healthcare as well as the maintenance of the facilities.

Our top focus has to be our soldiers at war. We've got 130,000 soldiers in combat, soon to grow to 150,000 and our commitment is to ensure that they are best trained, best led, best equipped force in the world. They are today and this budget is going to help us ensure that they remain that way. We've got to take care of the soldiers and their families. It's a moral obligation we have to their

families and we've got to provide them a quality life that matches their quality of service. I believe that this budget lives up to that commitment.

It has a 3-percent pay raise for our soldiers. It funds the maintenance and operations of our facilities at 90 percent, 90/90 BOS/SRM, which is a major step forward as far as our budget request and we have also made additional investments through the Milcon and through the base realignment and closure (BRAC) that are going to improve the quality of life of our soldiers.

RESERVE COMPONENT EQUIPMENT

Sir, this we have said for a long time, we are one Army, active, Guard, and Reserve. This budget puts our money where our mouth is. We are one Army. We train as one, we fight as one, and we have seen the Guard and Reserve move from a strategic Reserve to a part of the operational force. You'll see in this budget and over the next 5 years that we're going to invest up to $38 billion in Guard equipment. We're going to modernize the Guard's tank and Bradley fleet. About 2011, we're going to finish before we finish the active component. We make an investment in Army modernization for the Guard and Reserve. About 40 percent of all the new helicopters we're buying over the next 5 years are going to the Guard and Reserve.

We are making sure that the Guard is in a position to meet the obligations that we are putting upon them. They have carried a heavy burden in the war. A third of our soldiers that are deployed have come from the Guard and Reserve and we're going to continue to look to them as part of the front line force.

SOLDIER PROTECTION

We'll make investment in other soldier protection measures here, body armor, up-armored humvees and the new V-hulled MRAP. Sir, we've got a mission in front of us and this budget helps us fulfill it. It's bigger than the war on terror. We are deterring aggression around the world. We have 150,000 soldiers deployed in countries other than Iraq and Afghanistan, 76 countries around the world and we've got to build strategic depth and full-spectrum readiness.

ARMY GROWTH

This budget will help us manage the stress on the force, will provide us the resources to begin the process of growing the Army and building the Army of the future through transformation and modernization. BRAC funding is critically important to us. We need it in April and we need the supplemental in April so that we don't have to start disrupting things and start doing reprogramming.

PREPARED STATEMENT

Thank you, Mr. Chairman. I appreciate the opportunity to appear before you today and represent the United States Army. I look forward to answering your questions.

[The statement follows:]

PREPARED STATEMENT OF THE HONORABLE FRANCIS J. HARVEY AND GENERAL PETER J. SCHOOMAKER

FEBRUARY 14, 2007.

America remains at war. This is one of the most dangerous times in our history. We retain the confidence of the Nation as we engage in a long struggle against global terrorism and the conditions that give it life and sustain it. Since 9/11, well over 700,000 active and reserve soldiers have deployed overseas in support of the war on terror.

Today, almost 600,000 soldiers are on active duty, serving in nearly 80 countries worldwide. While fighting, we are continuing to prepare our soldiers, leaders, families, civilians, and forces for the challenges they will face. Our commitment to current and future readiness in the face of uncertainty is driving how we are transforming; modernizing; and realigning our entire global infrastructure of bases, depots, arsenals, and equipment sets.

To fulfill the central role that will be demanded of landpower in the 21st century, we are becoming a strategically agile, expeditionary force reliant on modular brigades. These modular brigades are designed to deal with the full spectrum of challenges our Nation will face. Their effectiveness in current theaters of operation today validates that we are moving in the right strategic direction.

The recent decision to expand the size of the Armed Forces—specifically our ground forces—reflects clear recognition on the part of the President, the Congress, and the Secretary of Defense of the dangers we face, the importance of our mission, and the increasing level of stress that our soldiers and families are weathering as a result of unprecedented levels of strategic demand over the past 5 years.

To continue to accomplish our mission in service to the Nation, we require support to:

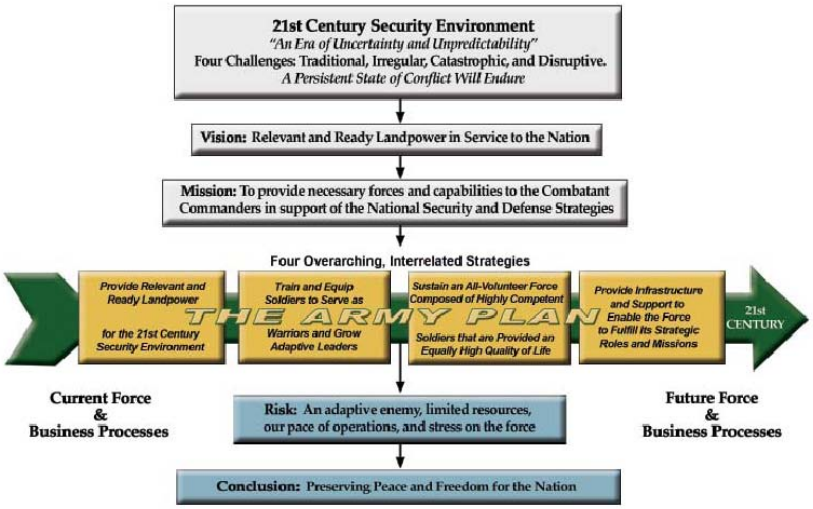
—Ensure full, timely, and sustained funding to be ready for current and future challenges;
—expand the size of the Army to build strategic depth and to enhance readiness across all components of the force;
—implement new policies to assure recurrent, predictable access to Army National Guard and Army Reserve units in order to meet sustained global demand for Army forces;
—enhance wartime authorities to improve commanders' ability to deal with emerging, in-theater operational demands and to build the capabilities of strategic partners; and
—support to sustain our all-volunteer soldiers, their families, and our Army civilians and to maintain the trust of the American people, whom we serve in this time of war and uncertainty.

We have received considerable support to execute current operations, to reset our forces, and to build a modular Army. We will need additional support to close the gap between requirements and resources, particularly as we maintain an extraordinarily high operational pace and grow the Army. This support must not be provided at the expense of our future readiness. To break our historic cycle of national unpreparedness, America must invest prudently and predictably in defense, which it can afford to do.

To meet the needs of the Combatant Commanders and the Nation, the Army will require the full level of the resources requested in the base budget and in supplemental appropriations.

PETER J. SCHOOMAKER,
General, United States Army, Chief of Staff.

FRANCIS J. HARVEY,
Secretary of the Army.



EXECUTIVE SUMMARY

Soldiers are serving today in one of the most dangerous periods in our history. They are making enormous contributions and sacrifices at the forefront of the global war on terror. Their "boots on the ground" have enabled historic elections in Afghanistan and Iraq and will be required for democratic institutions to take hold. Operating as part of the Joint Team, our soldiers are preventing attacks on the Nation, responding to natural disasters at home and abroad, helping to secure our borders, and underwriting our Nation's commitment to defend its interests.

In light of the growing threats to the Nation posed by States and non-State movements and organizations, the environment in which our soldiers will operate will remain extraordinarily dangerous for the foreseeable future. Our mission within this environment will remain largely unchanged. The Army, as a vital ground component of the Joint Team, will be required to conduct prompt, sustained combat and stability operations. We will continue to provide the forces and capabilities to the Combatant Commanders needed to sustain the full range of U.S. global commitments in the face of growing challenges.

As U.S. ground forces have demonstrated so vividly since 9/11, the ability to operate in the "human dimension"—to directly confront, to defeat, or to otherwise influence our adversaries—can only be provided by putting "boots on the ground." Ground forces will play a central role in countering the spread of radical ideologies, influencing people, and bringing order and stability to troubled areas worldwide. This capability will become increasingly important for the Nation and its friends, allies, and coalition partners.

To prepare our soldiers for the challenges they will face today and tomorrow, and to sustain anticipated levels of demand for Army forces which far exceed deployments to current theaters of operation, we seek to accelerate critical aspects of our transformation.

GUIDING OUR TRANSFORMATION

Whole Cohesive Units
Adaptive Leaders and Soldiers
National Commitment
Holes in the Force

Recent decisions to expand the size of the Armed Forces—specifically our ground forces—reflect clear recognition on the part of the President, the Congress, and the Secretary of Defense of the dangers we face, the importance of our mission, and the

increasing level of stress our soldiers and families are weathering as a result of unprecedented levels of strategic demand over the past 5 years.

This recognition must be matched by commensurate levels of national commitment that result in timely, adequate, and predictable resourcing and support. These resources are required to sustain the capacity to wage war and to transform—to build our force in a balanced, coordinated fashion, while providing adequately for the needs of our all-volunteer soldiers and their families, across our active and reserve components.

The purpose for our expansion is to build readiness for current and future challenges. We know from our national experience that this is a time consuming process—that depends not only on manning and equipping, but also on training and caring for our people. Likewise, our capacity to grow military forces depends on our capacity to grow and maintain the infrastructure needed to train and sustain these forces.

As we move to expand the size of our force, we will adhere to the four key ideas which have guided our transformation in recent years:

—*Whole Cohesive Units.*—First, we remain committed to producing units that are ready for the challenges they will face and to overcoming years of underfunding prior to 9/11. We have received unprecedented support to "buy back" much needed capability. We cannot, however, fool ourselves by maintaining large numbers of forces on paper that, in reality, lack the people, equipment, training, and support needed to accomplish the missions that they will be assigned.

—*Adaptive Leaders and Soldiers.*—Second, we recognize that intellectual change precedes physical change. For this reason, we are developing qualities in our leaders, our people, our forces—and the institutions which generate and sustain them—that will enable them to operate effectively amidst uncertainty and unpredictability. We describe the leaders we are creating as "pentathletes," whose versatility and agility—qualities that reflect the essence of our Army—will enable them to learn and to adapt to new situations in a constantly evolving environment. To ensure that our soldiers are well led, we are now actively implementing the findings of a comprehensive review focused on how we train, educate, assign, and develop our officers, noncommissioned officers, and civilian leaders.

—*National Commitment.*—Third, reinforced by American military experience, we believe that our soldiers' effectiveness depends upon a national commitment to recruit, to train, and to support them properly. This commitment demands consistent investment in their equipment and supporting infrastructure. We are acutely aware of fiscal constraints; however, we remain firm and unwavering in our determination to fulfill our duty to do what is right for our soldiers, their families, and the Nation. We are equally determined to improve support for our soldiers and their families. Our objective is to provide a quality of life that matches the quality of service they perform for America.

—*Holes in the Force.*—Fourth, we remain mindful of our position at the start of the long struggle in which we are now engaged. After years of insufficient investment in the Army, many of our units were under-equipped and not ready for deployment, especially in our reserve units. To meet Combatant Commanders' immediate wartime needs, we pooled equipment from across the force to equip those soldiers deploying into harm's way—a practice that we are continuing today to meet current operational demands. This practice increases risk in our ability to perform other critical missions, as observed in our Army National Guard during Hurricanes Katrina and Rita, and in our assessment of our ability to respond to other strategic contingencies.

With help from the President, the Secretary of Defense, and the Congress—through base and supplemental appropriations—we have addressed many of our equipment shortfalls. Supplemental appropriations, however, have not enabled the Army to "get well," as they are intended to pay for the costs of war, principally through the purchase of consumable supplies and the replacement of battle losses. Even with full resourcing, we would still have much to accomplish to mitigate risk as currently assessed (by the Department of Defense and the Chairman of the Joint Chiefs).

REDUCING RISK TO THE FORCE

Obtain Full, Timely, and Predictable Funding
Grow the All-Volunteer Force
Reset the Force
Improve Wartime Authorities and Resources
Transform the Force
Modernize by Accelerating the Fielding of Advanced Technologies
Station the Force to Meet Emerging Strategic Demands
Transform Business Practices

Our need to build readiness to sustain the current mission, to remain relevant and ready to meet future challenges, and to maintain risk at acceptable wartime levels, translates into a set of core objectives which the Army must achieve:

—*Obtain Full, Timely, and Predictable Funding to Sustain the Army's Global Commitment.*—Full, timely, and predictable funding of the Army's Fiscal Year 2008 President's Budget request and supplemental appropriations is required to build readiness needed to execute the National Defense Strategy and to pay for the costs of war. Full funding will enable the Army to provide adequately for soldiers, families, and Army civilians; to accelerate key aspects of our transformation; and to maintain the momentum of vital training programs, modernization, and critical stationing initiatives.

—*Grow the All-Volunteer Force to Sustain the Long War.*—Support and full funding is needed to continue to achieve our goals for attracting and retaining high quality people in each of our active and reserve components. This funding will facilitate the expansion of our operational, deployable force pool—which is vital to sustaining the effectiveness and health of the all-volunteer force, now being tested for the first time in a long war.

—*Improve Wartime Authorities and Resources for Soldiers and Commanders in Combat.*—Changes are needed to eliminate unintended constraints on programs such as the Commander's Emergency Response Program, the Logistics Civil Augmentation Program, and in administering security cooperation and assistance programs, as well as furnishing humanitarian assistance. In addition, continued congressional leadership will be required to support programs and initiatives to protect soldiers (to counter improvised explosive devices, to provide up-armored vehicles, to field individual body armor, etc.) and to better equip Iraqi and Afghan police, security, and military forces.

—*Reset the Force to Ensure Readiness for Current and Future Challenges.*—Full funding is needed to restore units—a process with both materiel and human dimensions—to required levels of readiness to execute projected operational deployments, while remaining prepared for likely future contingencies and homeland defense missions. To be ready, we must not only ensure that battle damaged items are repaired, recapitalized, or replaced; we must also enable our soldiers and families to recover from the stress of combat and prolonged separation. Resetting the force will require sustained, predictable funding for several years beyond major deployments.

—*Transform the Force to Sustain the Full Range of our Global Commitments.*—Full funding for Army transformation is needed to create an operational, deployable pool of 76 modular brigade combat teams and approximately 225 support brigades. Our transformation is improving our ability to execute and support protracted campaigns by increasing the depth and breadth of our overall capacity. We are converting to more capable modular formations, balancing the size and capabilities of our active and reserve components, and stabilizing our force.

Our transformation will be reinforced by an Army-wide readiness model to support expeditionary, rotational deployment. This system is designed to: improve the readiness of our non-deployed forces across all components; reduce stress on soldiers, families, and equipment; improve predictability for employers of reserve component soldiers; end the need to extend deployments in theater to provide active component soldiers at least 1 year at home before redeploying them; and manage the force to achieve our goal of 1 year deployed with 2 years at home station for these soldiers.

This system requires recurrent, assured, and predictable access to our reserve component units who—because of strategic decisions and operational necessity—have become a vital part of our deployable force pool.

—*Modernize by Accelerating the Fielding of Advanced Technologies to our Soldiers Today.*—Full funding of the Army's modernization program is needed to accelerate aspects of future combat systems (FCS) development, aviation programs, and over 300 other key modernization initiatives. FCS is our first major modernization program in several decades and is our most critical investment program. In 2008, to enhance combat effectiveness today, FCS will begin to "spin out" key technologies to our current forces—a process projected to continue in roughly 2-year intervals. FCS is enabling soldiers—from our active and reserve components, all U.S. ground forces, and our allies that support ground campaigns—to deal with the full spectrum of challenges they will face.

—*Station the Force to Meet Emerging Strategic Demands While Providing Infrastructure and Services to Enable Mission Accomplishment.*—Full funding and timely passage of key appropriations is needed to achieve the framework of a new global basing posture by 2011 and to enable our installations to deliver a quality of life for our soldiers, families, and Army civilians that matches the quality of the service they provide to the Nation. Our plan will improve our ability to fulfill national strategic requirements and to do so far more efficiently than today. Moreover, the funding provided to the Army will enable us to allocate significantly greater levels of resources to improve the quality and effectiveness of the facilities we depend on to: train, maintain equipment; house and care for our soldiers, and provide safe, modern working conditions for our Army civilians.

Our capability to meet current force requirements and to grow our forces, depends on adhering to an extremely complex, intricate schedule to realign our entire global infrastructure of bases, depots, arsenals, and other facilities. Our ability to remain on schedule depends on timely execution of a diverse range of military construction projects and supporting activities (e.g., environmental assessment studies and remediation projects). Timely passage of military construction appropriations is needed to prevent the effects of delays from cascading into other areas of Army activity that put at risk our ability to accomplish our mission—to provide trained, ready forces to meet the Combatant Commanders' needs.

The resources provided in 2007 and 2008, through base and supplemental appropriations, are needed to enable the Army to adhere to the schedule established by law, and to sustain our all-volunteer soldiers and their families, now bearing the stress of more than 5 years of war.

—*Transform Business Practices to Better Enable Army Transformation.*—Continued support is needed to execute Army business transformation and achieve targeted efficiencies through: management reform; acquisition reform; comprehensive redesign of the organizations and business processes that generate, deploy, and reset forces; consolidation of bases and activities; military to civilian conversion programs; and performance measurement enhancements.

This remains a pivotal time for the Army. We will continue worldwide operations to support the war on terror and to sustain the full range of our global commitments. At the same time, we will maintain our focus on transforming the force, our global infrastructure, and our supporting business processes.

Four overarching, interrelated strategies form the core of our plan—which we call The Army Plan. This plan is enabling us to accomplish our mission today and to realize our vision over time: to remain the preeminent landpower on Earth—the ultimate instrument of national resolve—that is both relevant to, and ready for, the challenges of the dangerous, complex 21st century security environment.

Our strategies are summarized in figure 1. Our compelling needs—expressed in terms of the resources and support we require to execute these strategies—are summarized in figure 2.

These strategies are driving change at an unprecedented pace. We are making enormous progress in "shifting the weight" of our intellectual and organizational focus from traditional challenges to be better prepared for irregular, disruptive, and catastrophic challenges.

We are developing a broad set of capabilities to deal with, and quickly adapt to, the full spectrum of challenges we will face. Our forces are becoming more powerful, more flexible, and more deployable. We are improving our ability to operate with our joint and coalition partners. We are also working, while at war, to relieve stress on our soldiers, families, and Army civilians to sustain the viability of our all-volunteer force—which is perhaps our greatest strategic challenge.

The resources and support provided to the Army in 2007, 2008, and beyond will enable us to maintain the momentum of key programs and to accelerate critical aspects of our transformation. Moreover, this funding will determine our ability to

continue to accomplish our mission, to complete the shifting of our weight, and to prepare our soldiers to deal with the challenges they will face today and tomorrow.

Four Overarching, Interrelated Strategies

Provide Relevant and Ready Landpower

We are improving our capabilities to achieve victory in the war on terror and sustain all of our global commitments. While fighting, we are:

- Accelerating our efforts to transform and to modernize.
  - Transforming to create an active and reserve component pool of 76 modular Brigade Combat Teams and approximately 225 Support Brigades.
  - Modernizing – the first time in decades – to develop Future Combat Systems, new aviation systems, and over 300 advanced technologies and systems.
- Building a modular force in which brigades – not divisions – can "plug into" joint and coalition task forces in expeditionary and campaign settings.
- Improving readiness to deal with traditional, irregular, catastrophic, and disruptive challenges.
- Building depth (*more*) and breadth (*more kinds*) of capability to ensure Soldiers and units can adapt to these challenges.
  - Growing the Army and accelerating the availability of *more* brigades, to increase our strategic depth, and to relieve stress on Soldiers and equipment.
  - *Developing more kinds* of capability by making our brigades *more* powerful, versatile, deployable, and relevant to new challenges.
  - Transforming our supporting organizations to better enable the execution of combat and logistics operations.
- Creating improvements in: Sustaining the Force, Actionable Intelligence, Stability Operations, Homeland Defense, Operating in Complex Environments, and more.
- Ensuring that every investment in our current force benefits our future force.

Train and Equip Soldiers and Grow Adaptive Leaders

We are better preparing our Soldiers for the rigors of war and developing our leaders to serve as multi-skilled pentathletes able to thrive amidst complexity and uncertainty. Recognizing that intellectual change precedes physical change, we are:

- Producing Soldiers armed with the mindset, values, and combat skills to serve as competent, resilient *warriors*.
- Reinforcing a commitment to our *Warrior Ethos* among all our Soldiers and Army Civilians.
- Enhancing education and training programs throughout the Army: at home stations, at our Combat Training Centers, within our schools, by leveraging distance learning methods – and by increasing opportunities for graduate level education.
- Growing innovative, adaptive leaders through training and education programs that quickly apply lessons learned during combat, stability operations, reconstruction, and in providing support to civil authorities.
- Enhancing our capabilities by providing the best possible training, weapons, sensors, protection, and equipment to our Soldiers.
- Expanding our emphasis on language training and enhancing cultural awareness in our military education programs.
- Improving our Soldiers' abilities to operate in complex environments overseas and with other governments and militaries to strengthen the capacity of partner nations.

Sustain an All-Volunteer Force

Our continuing success in accomplishing the Army mission is directly attributed to the talented men and women of our Army who provide "boots on the ground" around the world. We are sustaining the All-Volunteer force by:

- Honoring our commitment to care for these versatile young Americans and their families.
- Enhancing numerous programs for housing, education, health care, and other areas to improve how we support our Soldiers and their families.
- Promoting a greater sense of belonging to units and communities to build readiness and cohesion, while reducing uncertainty.
- Executing a full range of initiatives to recruit and retain Soldiers with the right aptitudes and attitudes.
- Working to match the *quality of life* that our Soldiers enjoy to the *quality of service* they provide to the Nation.

Provide Infrastructure and Support

To better enable the force to fulfill its strategic roles and missions, we are:

- Adjusting our global footprint to be better positioned for the challenges of the 21st Century and to achieve victory in the long war on terror.
- Transforming our installations, depots, and arsenals – and the information network that connects them – to become more efficient and better able to support the Army's mission, at home and abroad.
- Changing how we conduct the business of the Army – finding ways to improve, to increase productivity, and to maximize the use of every dollar.
- Transforming the Army's structure, systems, processes, and logistics automation to enable Soldiers to sustain the full range of our global commitments.

www.army.mil/aps/07

Figure 1

Figure 2

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

In the 5 years since 9/11, the international security environment has become increasingly dangerous. Military commitments—requiring ground and Special Operations Forces—have increased on a global scale. Sustained levels of force deployment have stressed our soldiers, their equipment, and the institutions that generate them. The likelihood of sustained strategic demand for Army forces underscores the need to improve our readiness for both current and future challenges.

We need sustained support and timely, predictable funding to keep requirements and resources in balance—in the face of growing threats to the Nation. We will continue to conduct operations to prevail in the war on terror and to execute a range

of initiatives designed to improve our strategic posture to deal with the challenges we will face.

We are increasing our capabilities to deal with the challenges we face today. In light of the clearly foreseeable challenges now emerging, we must accelerate our preparation for those we will face tomorrow. We remain steadfast in our determination to:

—Transform and modernize to build a far more capable, relevant Army;
—realign our global infrastructure of bases, depots, arsenals, and equipment sets; and
—sustain our all-volunteer soldiers, their families, and our Army civilians.

Recent decisions to expand the size of U.S. ground forces reflect clear recognition on the part of the President, the Congress, and the Secretary of Defense of the dangers America faces, the importance of our mission, the central role that ground forces will perform to defend the Nation, and the stress that our all-volunteer force is weathering.

This decision puts us on a path to greatly enhance the depth and breadth of Army capabilities, yet will require several years, considerable resources, and a sustained national commitment to bring to fruition. Over time, this decision will alleviate strategic risk. To implement the changes required to prepare for the future, while continuing our current pace of operations, we require timely, sufficient resources, and rapid implementation of policies designed to assure recurrent, predictable access to all of our components.

Complexity and Uncertainty

The National Defense Strategy identifies an array of traditional, irregular, catastrophic, and disruptive challenges that pose distinct threats to our Nation (figure 3). These threats are growing increasingly more complex due to:

—The decline in the military primacy of States, resulting from the rise of non-State extremist movements and organizations;
—the corresponding deterioration in our adversaries' adherence to international law and norms, intended to govern the character and conduct of warfare;
—the rise of globalization, which is creating both opportunity and vulnerability due to the growing interdependence of international financial, commercial, information, and transportation systems;
—the diffusion of technology, which is increasing the availability and killing power of weaponry, while creating new challenges for space and communications systems;
—the dramatic growth of the internet and cellular communications, which is creating low-cost, effective means to rapidly move information, transmit instructions, shift resources, and shape perceptions in unprecedented ways; and
—growing disparities among "haves" and "have nots" in the international order, compounded by feelings of hopelessness and despair, which are creating fertile ground to sow the seeds of hatred and radicalism.

We will be confronted with increasing threats posed by a growing number of transnational organizations and movements, who will wage irregular warfare. We will continue to face threats, posed by nation-states that will involve large scale conventional military forces in more regular forms of warfare.

Fueled by ideologies that oppose our Nation's bedrock values, extremist groups like al-Qaeda and other enemies, supported by the states and groups who sponsor them, are committed to reducing America's global presence—and to destroying American society. They will seek to oppose the United States asymmetrically—by employing terror, information warfare, and the most deadly, casualty-producing weapons available. Al-Qaeda's goal is clear: to gain control in the Islamic world by establishing a unified caliphate, stretching from North Africa to Indonesia, and to expand its influence well beyond these regions.

Enemies like al-Qaeda are ruthless, unconstrained, and expert in distorting and exploiting the power of religion to further their ends. Ongoing counter-terrorism and counter-insurgency operations in Iraq, Afghanistan, and elsewhere reflect the tough challenges involved in confronting savage, extremist adversaries in highly complex environments. We are fighting smart, adaptive opponents who are leveraging the opportunities presented by globalization to conduct brutal, indiscriminate, and unprecedented attacks.

These adversaries will be neither deterred by nuclear or conventional forces nor defeated in battles with decisive outcomes. Previous concepts for intelligence and warning do not adequately address the threats we now face. To prevail in this struggle, the Nation must remain vigilant, improve interagency cooperation, and employ all instruments of national power—diplomatic, informational, military, and economic—in a rapid, concerted, and fully integrated manner.

Figure 3

Military conflict will be waged increasingly in the human dimension—which underscores the need to be able to directly confront, to defeat, or to otherwise influence adversaries on the ground. This need can only be met with "boots on the ground," as U.S. ground forces have demonstrated so vividly since 9/11. Ground forces, able to conduct sustained operations, will be required to counter the spread of radical ideologies, to influence people, and to bring order and stability to troubled areas.

The security environment in which our soldiers will operate is becoming increasingly uncertain and unpredictable. Their environment will be influenced by:

—International progress in the war on terror;

—the commitment and stability of key international institutions and the governments of allies and partners in the war on terror;

—the actions of states and non-state extremist movements and organizations who oppose democratic reform in the Middle East and elsewhere, particularly in Iraq, in Afghanistan, and in the emerging Palestinian State;

—the ability of existing governments to perform traditional state functions—and to deny safe haven for terrorist organizations—amidst increasing economic pressures and demands for energy, water, and other natural resources;

—progress in controlling the proliferation of nuclear weapons and other weapons of mass destruction;

—the nature and outcome of military competition (on land, sea, air, and space) at both regional and global levels;
—the potential for adversaries to disrupt critical land based and space based communications systems; and
—decisions in key areas which include: defense priorities amidst growing national fiscal pressures and the pace and level of resourcing for both base realignment and closure and global defense posture realignment initiatives.

Competing Fiscal Priorities

The Army will remain engaged around the globe, while operating in a constrained fiscal environment. This will continue to limit the resources available for both current and future challenges.

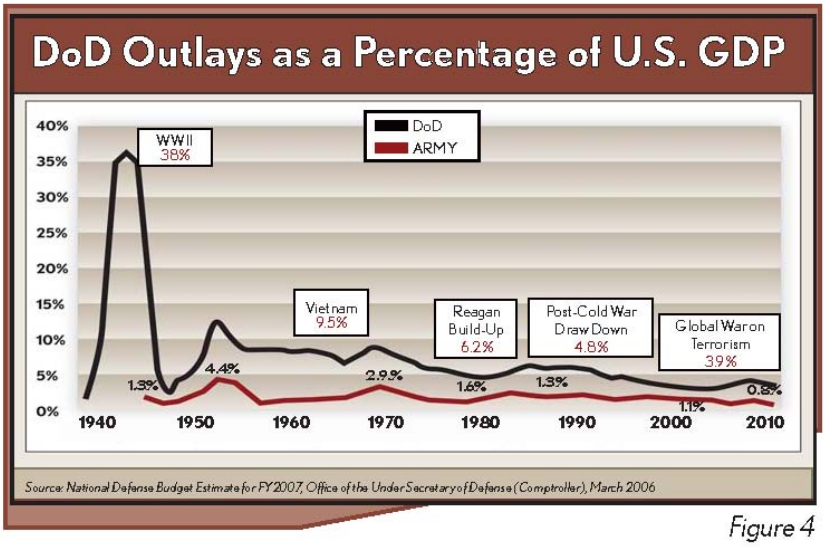


Figure 4

National Budget Trends

The Office of the Secretary of Defense, Comptroller, projects 2007 Defense spending will be 3.9 percent of Gross Domestic Product (GDP), continuing a downward trend (figure 4). Defense resources have not kept pace with growth in GDP. GDP increased over 300 percent between 1968 and 2005, from $3.7 to $11 trillion. Defense spending, however, increased only 62 percent, from $358 to $523 billion.

Defense Budget Trends

The allocation of Defense resources has changed little over time (figure 5), despite changes in the focus and emphasis of the National Defense Strategy. Today, while providing the largest number of forces for the war on terror, the Army receives the smallest share of programmed Defense resources. The Army is the most manpower intensive Service. Unlike the other Departments, who are able to reduce manpower to offset rising personnel costs, the Army must add soldiers to meet its commitments. Rising fuel, health care, and other costs—on top of steadily increasing costs to man the force—will continue to erode the Army's purchasing power.

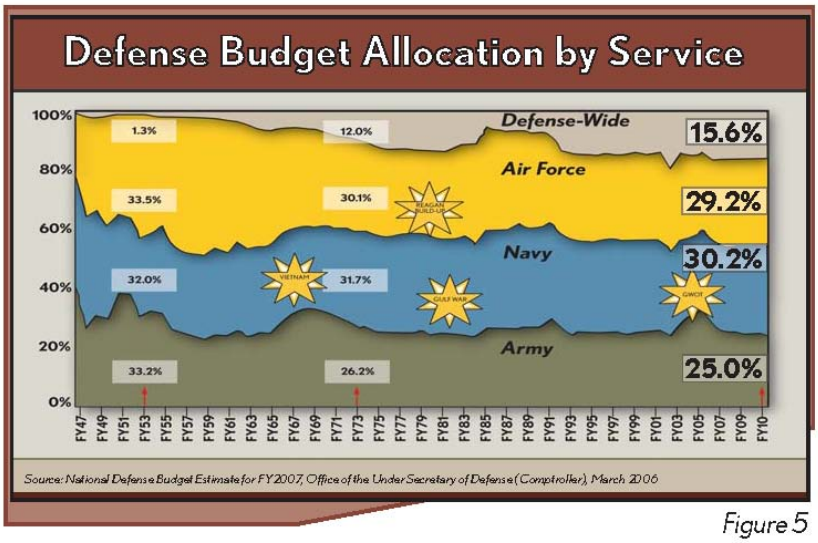


Figure 5

Army Budget Trends

The bulk of the Army's funds are committed to sustaining people, maintaining vital infrastructure, and preparing equipment for combat deployment. People accounts—including salaries for soldiers and Army civilians as well as the labor costs incurred in contracts and in procurement—amount to more than 80 percent of the Army's budget. As a result, our ability to fund investment accounts today is extremely limited (figure 6)—and has diminished steadily over time. In 1984, for example, procurement and research, development, test, and evaluation amounted to 31 percent of the Army's budget, which by 2005 had diminished to only 17.5 percent. Caused in large part by rising manpower costs—to attract, to retain, and to provide for a competitive quality of life for an increasingly married force—this trend is indicative of the Army's continuing tension between current and future demands.

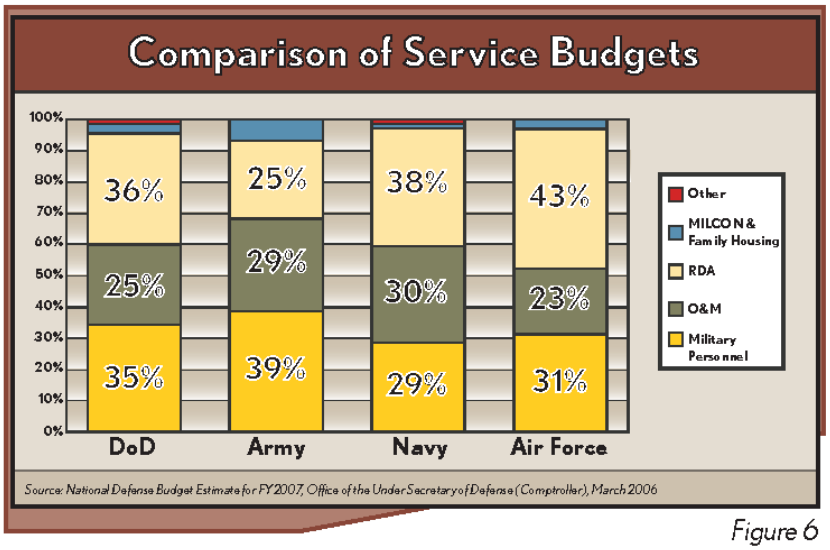


Figure 6

Army Investment Trends

Since 1990, the Army's share of investment dollars has been considerably smaller than that of the other Departments (figure 7). The Army has received less than one-fifth, while the other Departments have each received approximately one-third. Consequently, the Army has been unable to invest in the capabilities needed to sustain a rising operational tempo and to prepare for emerging threats. Supplemental funds have enabled the Army to replace essential weapons and equipment lost or worn out during battle. They have sustained our capability to meet the operational demands of the war on terror. Supplemental funds have not, however, enabled the research and procurement required to be prepared for the future.

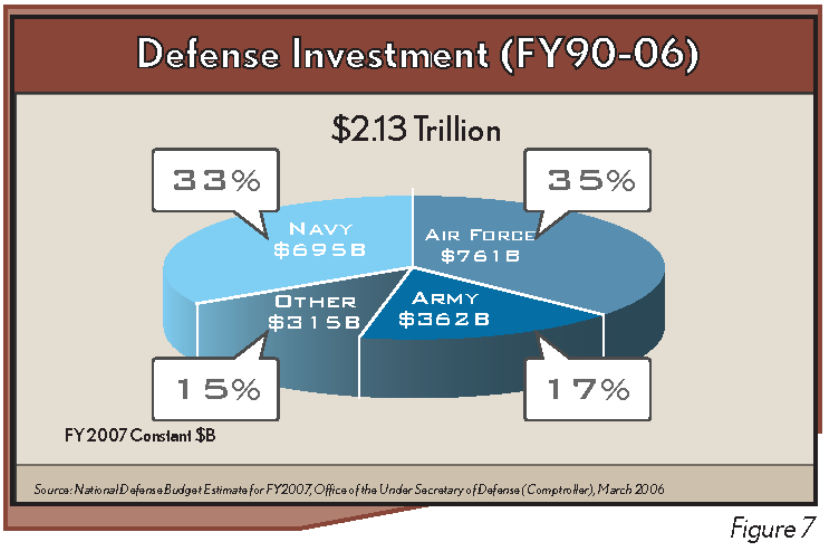


Figure 7

Implications for the Army

The implications of the 21st century security environment for the Army are clear:

—*An Era of Uncertainty and Unpredictability.*—The Nation will remain engaged in a long struggle of continuous, evolving conflict. As in Iraq and Afghanistan today, this conflict will manifest itself in both traditional and irregular settings involving conflict in the human dimension—necessitating the presence of forces on the ground. We will face adaptive adversaries (now carefully observing United States and allied forces) who will present unprecedented threats to our military establishment. We must prepare for disruptive challenges including cyberspace attack and attempts to disable national and international communications systems.

—*Need for Relevant Forces.*—Landpower will perform an enduring, central role to underwrite U.S. commitment and resolve. More than ever before, we will rely on our ability to project power and to deploy rapidly across strategic distances—with relevant forces that are able to conduct combat operations immediately upon arrival in theater. Relevant forces will enhance our national strategic agility—and enable our leaders to create favorable strategic situations by foreclosing, and potentially preempting, enemy options. As described in the Army's capstone concept for the future force, the Army in joint operations, these forces must be able to operate effectively as part of joint, interagency, multinational, and coalition teams and to do so with little or no warning.

—*Trained and Equipped to be Ready in the Face of Uncertainty.*—We must maintain the capacity to deploy trained, ready forces in response to emerging strategic contingencies as required by the National Defense Strategy, the National Military Strategy, and Combatant Commanders' plans. For this reason, our soldiers, from all components, must be ready to conduct the full spectrum of operations needed to defeat the threats they will face—and to strengthen the capacity of friends, allies, and partners. We can no longer accept the risks associated with partially manning, equipping, or training our units. We will not be able

to depend on significant warning to provide the time needed to mobilize, to train, and to prepare for deployment. Instead, our units designated for deployment will require their full complement of soldiers and equipment. They must also be trained to conduct the full spectrum of likely operations: from engagement with friends, allies, and partners . . . to irregular warfare . . . to major combat operations.

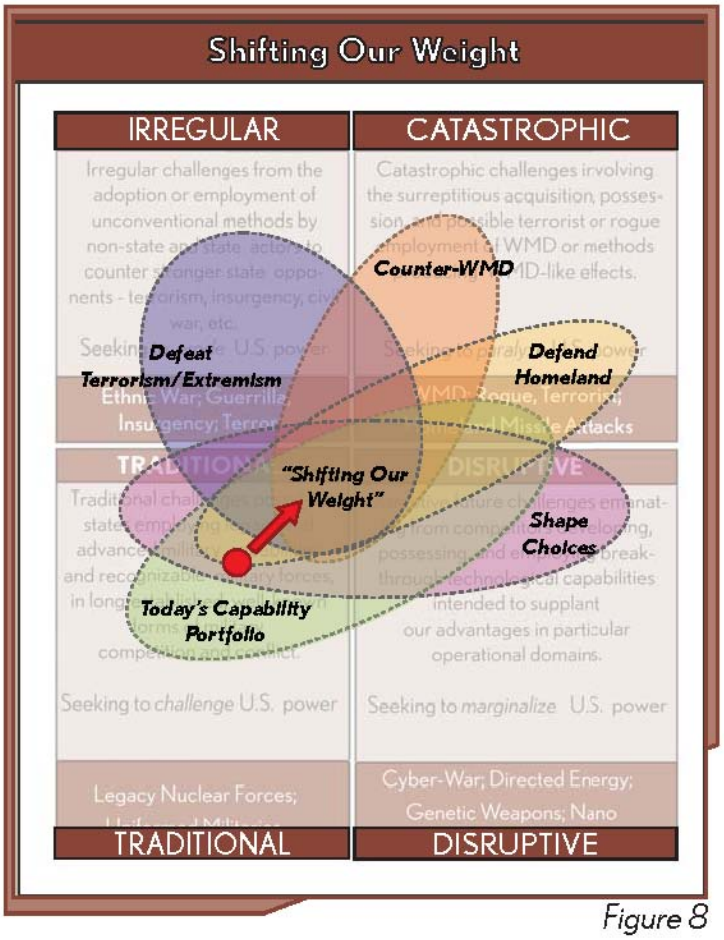


Figure 8

—*Capacity to Sustain the All-Volunteer Force.*—Sustaining the overall viability of the all-volunteer concept may well be our greatest strategic challenge. Our installations play a vital role in this effort—by providing homes and communities for our soldiers and families as well as safe, modern workplaces for the many civilians who support our Army. To continue to attract and to retain the highest quality of soldiers and civilians, we must provide a quality of life for our soldiers, families, and Army civilians that matches the quality of service that they provide to the Nation.

—*Infrastructure and Capacity to Project Power.*—To prepare, to generate, and to sustain forces, we will demand more from our global infrastructure of bases, depots, arsenals, equipment sets, and the network which connects them. Our installations provide the foundation of our ability to execute the National Defense Strategy. They enable us to project power and to train our soldiers, leaders, and units. As such, we must invest in them accordingly to develop the strategic capabilities we need, and to overcome decades of underfunding. In addition, our

Armed Forces must maintain a proper mix of airlift, sealift, and properly maintained equipment sets, positioned on land and afloat.

To remain relevant to the threats now clearly emerging, we must continue to "shift our weight" from our traditional focus to become more versatile across the full range of irregular, disruptive, and catastrophic challenges we will face. We must accelerate the ongoing adaptation of our leader development, training, and modernization programs, which is already well under way. Likewise, we must also continue our efforts to improve our strategic responsiveness and agility—as well as the overall effectiveness of our operating and generating forces. In addition, we must continue our initiatives to create improvements in critical areas which include:

—Joint interdependence;
—operational agility;
—intelligence for our commanders and soldiers that is timely, actionable, and draws upon all sources available;
—lethality;
—soldier and unit protection;
—networks to improve common situational awareness and understanding needed for battle command;
—information assurance and information security; and
—cultural awareness and foreign language proficiency, and the ability to operate with the militaries and governments of other nations.

Building the capabilities required to execute the full spectrum of likely operations amidst increasing threats to the Nation will require prudent investment today. This level of investment must be sustained at predictable levels over time to reduce risk for our soldiers, the Army, the Joint Team, and the Nation.

Investing in defense in this manner would reflect a significant departure from historic patterns of spending—that have resulted in corresponding cycles of unpreparedness—which have increased America's vulnerability at the outset of the major conflicts of the 20th century and those occurring in the early stages of the 21st century.

THE ARMY VISION: RELEVANT AND READY LANDPOWER IN SERVICE TO THE NATION

The challenges posed by the 21st century security environment drive our vision of the force we must become to continue to accomplish our mission, to preserve peace and freedom for the Nation. Maintaining our focus on soldiers—who are well led and organized into flexible, adaptive formations in our operating force, and properly supported by our generating force—we will ensure that our Army continues to be relevant, in terms of its design, and ready, in terms of its capabilities, for whatever the Nation demands. America has entrusted us to preserve peace, maintain freedom, and defend democracy—a role we have performed for over 230 years. Today, because of our soldiers and our record of accomplishment, the American people regard the Army as one of the Nation's most respected institutions. We will maintain this trust.

MISSION: PROVIDING FORCES AND CAPABILITIES

The Army exists to serve the American people, to defend the Nation, to protect vital national interests, and to fulfill national military responsibilities. Our mission is enduring: to provide necessary forces and capabilities to the Combatant Commanders in support of the National Security and Defense Strategies. The Army recruits, organizes, trains, and equips soldiers who, as vital members of their units and the Joint Team, conduct prompt, sustained combat and stability operations on land. The Army is also charged with providing logistics and support to enable the other Services to accomplish their missions, and supporting civil authorities in time of emergency, when directed.

Figure 9

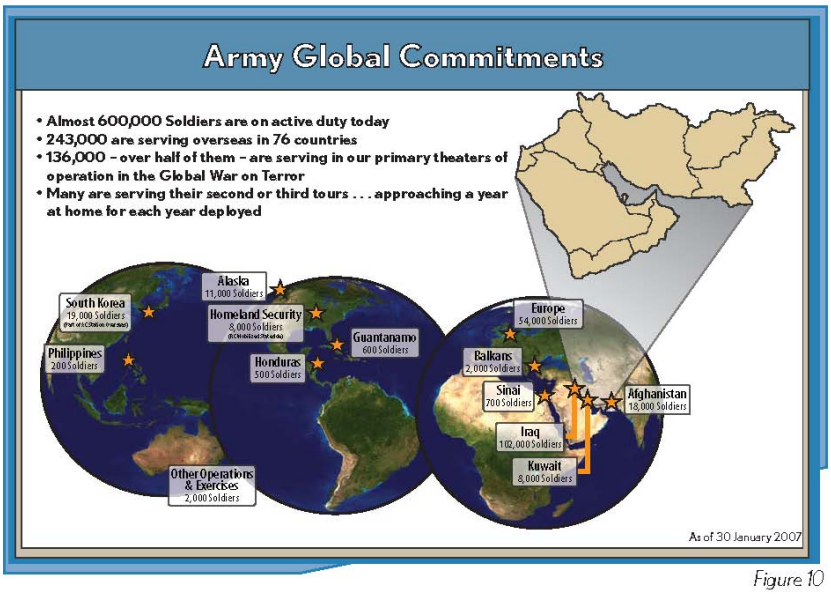


Figure 10

Accomplishing the Mission Today: Sustaining Global Commitments

Almost 600,000 soldiers are on active duty today (currently 507,000 active component, 46,000 Army National Guard and 28,000 Army Reserve). Over 40 percent (243,000) of them are deployed or forward stationed, serving in 76 countries worldwide. More than 4,600 Army civilians are serving side-by-side with them in the field, performing a variety of missions vital to America's national defense. At home, over 8,000 soldiers are on duty in support of the war on terror. The Army's operational pace remains high, continuing the trend established during the post-Cold War era. Whenever and wherever needed, soldiers are continuing to answer the call to duty, enabling America's ability to put "boots on the ground"—as demonstrated so vividly by the recent national decisions to reinforce our forces in Iraq and Afghanistan.

The Army continues to provide Combatant Commanders with a wide range of forces and capabilities to prevail in the war on terror, to sustain our global commitments, and to build effective multinational coalitions. First and foremost are the forces required for Operation Iraqi Freedom and Operation Enduring Freedom, which include forward-stationed units and those based in the United States. The Army's requirements, however, are far greater than those needed to support the war on terror.

They include support for:

—Multinational exercises which reflect our longstanding leadership of, and commitment to, an expanding North Atlantic Treaty Organization and many other alliances;

—the defense of South Korea, Japan, and many other friends, allies, and partners;

—ongoing peacekeeping operations in the Sinai Peninsula, the Balkans, and elsewhere;

—the security of our borders, as evidenced most vividly by the major deployment of reserve component soldiers to our Southwest Border this past year;

—operations and equipment to counter the flow of illegal drugs; and

—civil authorities in response to disasters and threats at home and abroad.

As a result of the dramatic changes in the security environment since 9/11 and the enduring requirements of the global war on terror, we are also engaged in South America, the Philippines, Africa, the Caucasus, Central Asia, and many other places. These operations, which depend on our soldiers to put "boots on the ground," include a wide range of combat and non-combat missions: from counter-insurgency, to humanitarian and civic assistance, to large scale reconstruction operations.

Our soldiers are also working to accomplish a vital U.S. national objective—to build partnerships with foreign militaries and preserve the coalition formed to counter terror—by training and advising the military forces of many nations. In addition, through various forms of military to military exchanges, and other forms of assistance and cooperation, our soldiers are helping to enhance the military capabilities of our international partners. Through international education programs, such as the Army War College, the Command and General Staff College, the Western Hemisphere Institute for Security Cooperation, and a variety of other cooperative studies initiatives, our soldiers are helping to shape the strategic environment in favorable ways by building enduring security relationships and improving interoperability. In addition, the presence of U.S. forces assures friends and allies of our national commitment, while encouraging them to contribute their national resources to international efforts.

In the 5 years since 9/11, the Army National Guard has mobilized more than 610,000 soldiers to perform both State and Federal missions. On any given day, the Army National Guard provides vital capabilities in virtually every mission area. Today, more than 46,000 soldiers from the National Guard are on active duty.

Besides their commitments in Iraq and Afghanistan, and in troubled regions around the world, National Guard soldiers are protecting the homeland, performing key missions in support of U.S. Northern Command. They are helping the Department of Homeland Security to protect critical infrastructure and to patrol our southern borders (with nearly 5,000 soldiers deployed). They are also continuing their service in areas ravaged by Hurricane Katrina and performing vital State-directed missions under the command of the Governors. Our current levels of operational commitment have created intense demand for National Guard soldiers. Despite sustained levels of high operational tempo, Army National Guard soldiers are performing superbly, accomplishing every one of their missions and serving with distinction worldwide.

Since 9/11, the Army Reserve has mobilized more than 164,000 soldiers, who are also performing superbly. Today more than 28,000 Army Reserve soldiers are serving on active duty, with more than 16,000—almost half of them—deployed to serve in 18 countries worldwide. The Army Reserve provides vital capabilities across a di-

verse range of mission areas which include 88 unique skill sets. Our Army Reserve provides over 90 percent of the Army's civil affairs capability, and more than 50 percent of the Army's medical capability.

The unique skills resident in our Army Reserve are in great demand by Joint and Army commanders. The commitment to mission accomplishment and the values demonstrated by our Reserve soldiers, coupled with their inherent capabilities, enable our Army Reserve to make an absolutely vital, essential contribution to the Joint Force. They are meeting every requirement for their special skills, accomplishing every one of their missions, and underwriting our capability as a Nation to put "boots on the ground."

Major Decisions in 2006–2007

During 2006 and 2007, the Army continued its efforts to "shift the weight" of its intellectual and organizational activities to be better prepared for both current and future challenges. Five key areas highlight the Army's efforts to accelerate change.

—*Accelerated the Pace of Modular Conversion of Operating Force.*—To improve our capacity to meet global demand for Army forces and capabilities, the Army received support and initiated plans to convert two active component brigade combat teams to modular designs far sooner than planned. Two brigade combat teams will now become available for worldwide deployment, in their new modular designs, a year or more earlier than planned.

We are also developing plans to accelerate the availability of other brigade combat teams. Accelerating modular conversion will help to reduce stress on the force by increasing the time that soldiers will be able to remain at their home stations prior to redeploying.

—*Received Approval to Grow Army Capabilities and for New Policies to Assure Access to All Components of Our Force.*—In recognition of current levels of stress on the force, and the need to sustain high levels of force deployment for the foreseeable future, the Army has been directed to increase in size. During 2007, the Army will begin to execute a plan to field six additional brigade combat teams by 2012 in the active component and a diverse range of supporting organizations in our active component, Army National Guard, and Army Reserve. We will expand our rotational pool to 76 brigade combat teams and approximately 225 support brigades. This decision will enable the Army to meet an anticipated demand for brigade combat teams and vital supporting units from our active and reserve components.

While this plan will greatly improve the Army's ability to meet strategic demand, it will not reduce current levels of stress on the force, since it will take several years to accomplish. The recent changes to policy governing reserve component mobilization will help to fulfill sustained high levels of strategic demand for Army forces, and to better manage stress across the force. Growing the Army and improving access to all components of the forces are vital strategic initiatives, which will accelerate the momentum the Army has established to improve its capacity to execute the National Defense Strategy, today and tomorrow. All of the initiatives now underway—to reset the force, to improve readiness of non-deployed forces, to expand the size and condition of our operational force, to modernize the force, to realign and improve the condition of the bases and installations which comprise our global infrastructure, and many others—still require full financial support.

—*Reinforced the Concept of Full Spectrum Operations.*—The National Defense Strategy, updated as part of the 2006 Quadrennial Defense Review, requires the Armed Forces to be able to conduct joint, multinational operations anywhere across the spectrum of conflict. This spectrum ranges from the low end—emphasizing stability and civil support operations—to the high end—emphasizing major combat operations (which focus on more familiar offensive or defensive operations).

The change in the National Defense Strategy reflects the reality of the strategic environment: that due to the complexity of stability operations, the Armed Forces must develop readiness for these operations, in addition to developing readiness for combat operations, their more traditional focus. This change, is wholly consistent with the doctrine which has guided our transformation—and how we prepare soldiers and leaders—since 9/11. It has also created unique, additional requirements for manning, training, educating, and equipping our operating forces and the forces and institutions that generate them. Put simply, we must plan for stability operations to be an integral, enduring component of any and all joint campaigns; therefore, we must organize, prepare, and provide resources for this aspect of our mission accordingly.

—*Restructured Our Approach to Fielding Future Combat Systems.*—The Army is transitioning continuously from the current to the future force through the combined effects of transformation and modernization. The main focus of our transformation is modular conversion. Converting to a force that is built around brigade level modules is enabling the Army to become more capable, more flexible, more deployable, and ultimately, more relevant to current and future challenges. This transformation has already improved our ability to meet Combatant Commanders' needs and to conduct joint, expeditionary warfare.

Our transformation is complemented by our modernization initiatives, which center on future combat systems (FCS), aviation modernization, and more than 300 other advanced technologies and systems. Future combat systems will reflect the Army's first comprehensive modernization in decades. We have cancelled well over 100 programs in recent years to free resources for our modernization. FCS is generating, or "spinning out," technologies to protect soldiers, enhance battlefield understanding, and provide other tactical advantages for our soldiers fighting in irregular environments today. FCS will produce fully equipped brigades that will begin to enter the force in 2015.

FCS will provide significant tactical and operational advantages for our soldiers and commanders in pre-insurgency environments and to counter insurgencies if they occur. It will also improve our ability to support civil authorities and to meet all anticipated operational requirements. In recognition of the importance of this initiative to the Army's current and future readiness, we activated and manned a special Army Evaluation Task Force and a supporting headquarters during 2006 to test, refine, and validate FCS technologies.

As a result of the combined effects of budget cuts over the past 3 years, and fiscal guidance that will reduce resources programmed for future years, we will reduce the scope and delay the schedule of FCS fielding. We will continue to develop the core operational capability envisioned for FCS, yet will do so with 14 instead of 18 interconnected systems. We will defer plans to develop two classes of unmanned aerial vehicles, one class of unmanned ground vehicles, and a whole class of intelligent munitions (except for the Korean Peninsula).

These projected reductions will put at risk our ability to reach the full tactical and operational potential envisioned for FCS. It will also delay our target date to field the first of 15 projected FCS equipped brigade combat teams by 5 months, to 2015, and slow the rate of procurement to one per year. These adjustments will cause us to take 5 years longer, until 2030, to be able to field and employ all 15 brigade combat teams. These program adjustments will decrease capabilities available to the Joint Force and therefore, increase levels of future challenges risk, as described in the National Defense Strategy.

—*Expanded the Scope of Army Business Transformation.*—As we change the way in which we operate militarily, we are also changing the way in which we do business. As a parallel effort to the transformation of Army warfighting forces, we are transforming the business processes and functions to better support our forces—improving both effectiveness and efficiency. The scope of the effort is immense, touching every facet of Army activity.

The goal of our effort is to free human and financial resources for more compelling operational needs. Realizing this goal depends upon improving processes, developing tools to enhance enterprise-wide situational awareness and decision-making, and reducing organizational redundancy and overhead.

We are now well underway in deploying the Lean Six Sigma methodology as a vehicle to seek continuous process improvement, eliminate waste, and improve quality across the force. This methodology is the foundation of the comprehensive review of all of our major commands and organizations, now in progress. The award of the coveted Shingo prize to four activities within our Army Materiel Command for improvements in business processes and manufacturing is but one example of our progress in this regard.

THE ARMY PLAN TO ENABLE MISSION ACCOMPLISHMENT

We are executing The Army Plan, which centers on our four overarching, interrelated strategies, to enable mission accomplishment and to achieve the Army vision over time. This plan accelerates the redesign of the forces, support structures, and headquarters that are accomplishing our mission today. This plan also guides our initiatives to provide Combatant Commanders with the capabilities needed to protect the Nation today and tomorrow.

The Army is continuing to:

—Provide relevant and ready landpower for the 21st century security environment;

—train and equip soldiers to serve as warriors and grow adaptive leaders;
—sustain an all-volunteer force composed of highly competent soldiers that are provided an equally high quality of life; and
—provide infrastructure and support to enable the force to fulfill its strategic roles and missions.

We are transforming to create a future force with a broad set of capabilities to enable our Army to address strategic problems the Nation will face (see figure 11). The benefits of our approach are clearly evident in the attitudes and levels of commitment we see in our soldiers, as well as the attributes of our combat formations, the forces that sustain them, and the facilities and processes that generate them from their home stations.

The combined effects of transformation, modernization, innovation, and improvement—reinforced by positive change in the attitudes and behaviors that create the culture of our service—are helping us to become the force the Nation will need to safeguard its peace and freedom in the 21st century. The Army plan is continuously improving our ability to operate as part of the Joint Team, while ensuring our ability to dominate in any environment against current, emerging, and unforeseen threats. We believe that every dollar spent to build capability for our current force is an investment in our future force.

Our initiatives are guiding our efforts to:
—Increase soldier and unit effectiveness and protection;
—grow innovative, adaptive soldiers and leaders through training and education programs that rapidly incorporate lessons learned from combat and prepare them to serve as warriors;
—adapt the doctrine which guides how we fight, how we sustain our forces, how we train our soldiers, and how we work to strengthen the capacity of friends, allies, and partners;
—create far more capable, strategically deployable brigades designed to receive new technologies and equipment as soon as they become available; and
—apply better business practices to free resources to use for our most pressing operational requirements.

Our ongoing intellectual and cultural transformation is dramatically improving how our leaders, soldiers, civilian workforce, and families are adapting to the reality of protracted conflict. This transformation is reinforcing the commitment to continuous improvement that has taken hold across the Army.

EXAMPLES OF UNIQUE ARMY CAPABILITIES TO SUPPORT JOINT, COMBINED, AND INTERAGENCY OPERATIONS

Countering Terrorism

Assist friends, allies, or partners to conduct military operations by providing logistics, command and control, intelligence, protection, and other support to the Joint Force.

Train military and security forces to counter extremist, radical, or insurgent elements.

Provide ground forces (conventional and special operations) to sustain large-scale counter-terror and counter-insurgency operations.

Rapidly deploy substantial numbers of ground forces from strategic distances to meet Combatant Commanders' requirements for counter-terror or combat operations.

Conduct extended stability operations.

Defending the Homeland

Detect and prevent hostile actions against the homeland through the presence of the National Guard and the Army Reserve within States and communities.

Support civil authorities in consequence management, disaster relief, and other roles including: executing the National Response Plan, reinforcing public safety, and providing logistics, transportation, communications, utilities management, engineering, and other services.

Shaping Choices of Countries at Crossroads

In support of Combatant Commanders, establish relationships with foreign leaders, forces, and people through: security cooperation, training, humanitarian and civil assistance, medical, engineering, exercises, and other national and international programs.

Seize control and defend key facilities or terrain to preclude actions by potential adversaries.

Conduct expeditionary operations to deter, destroy, or defeat potential adversaries.

Conduct extended campaigns to deter or prevent potential adversaries from engaging in protracted conflict with joint or U.S. led coalitions of forces.

Preventing Acquisition of Weapons of Mass Destruction

Conduct irregular or unconventional warfare in support of the Joint Force.

Deny sanctuary and safe haven for terrorist groups.

Assist the forces of other nations to conduct operations against adversaries seeking to possess or transfer control of weapons of mass destruction.

While the problems we face will evolve, soldiers' "boots on the ground" will remain vital to our solutions.

Source: Strategic Problems drawn from 2006 Quadrennial Defense Review, Office of the Secretary of Defense, February 2006.

FIGURE 11

BALANCING RISK: THE TENSION BETWEEN CURRENT AND FUTURE DEMANDS

To be able to execute the National Defense Strategy (which includes the military requirements of the National Military Strategy), the Army must maintain readiness to deal with current challenges, while developing the capabilities to be ready for future challenges. Now 5 years after 9/11, the Army continues to fight the long war with high levels of force deployment.

This sustained demand for Army forces continues to exceed the demand envisioned in the National Defense Strategy established during the 2006 Quadrennial Defense Review. This level of demand is placing enormous strain on the Army's all-volunteer force. Time between deployments for our active component has been steadily decreasing over the last 5 years, and is now approaching less than 1 year, on average.

The Army is incapable of generating and sustaining the forces required to wage the global war on terror, to respond to emerging challenges, and to sustain the full range of U.S. global commitments without all of its components—active, National Guard, and Army Reserve—fully available to deploy together. At current levels of

demand, without recurrent, assured, and predictable access to our reserve components, we will be unable to manage current and projected requirements for Army forces.

The recent decisions by the President and the Secretary of Defense—to assure access to all components of the force—will fully enable our reserve components to perform their new role as an integral part of our operationally deployable force. In addition, these new policies will facilitate the deployment of our best led, and best equipped reserve units—as whole cohesive units. We are working rapidly to implement these changes and will require continued congressional support to do so.

The decision to expand the size of the Nation's ground forces reflects clear recognition on the part of the President, the Congress, and the Secretary of Defense of the dangers we face, the importance of our mission, and the stress our soldiers, families, and Army civilians are enduring. This decision will enhance the depth and breadth of Army capabilities, yet will require several years and considerable resources to bring to fruition. Over time, this decision will alleviate strategic risk, as we assess it today.

ARMY ACTIONS TO MITIGATE RISK IN 2006

Operational Risk

Completed transformation of 31 of 42 AC brigade combat teams (BCTs) to modular designs and initiated the conversion of an additional four AC BCTs and 16 ARNG BCTs (based on fiscal year 2005 baseline).

Funded reset program to repair over 4,100 tracked and wheeled vehicles and over 540 helicopters.

Continued Army Force Generation (ARFORGEN) implementation to generate a continuous level of forces—BCTs augmented by all enabling organizations—and to deploy additional, fully enabled BCTs, if required.

Future Challenges Risk

Transitioned effort to develop future combat systems—which are on cost, on schedule, and meeting performance parameters—to system development and demonstration phase, moving us closer to fielding future combat systems.

Manned and activated Army Evaluation Task Force to facilitate "spinning out" advanced technologies and systems to the current force.

Developed new Army Prepositioned Stock strategy to meet global requirements for agile, flexible forces.

Established Army Asymmetric Warfare Office to work with the Joint Improvised Explosive Device Defeat Organization to better understand and defeat asymmetric threats.

Force Management Risk

Implemented improvements to ARFORGEN to better manage our forces, and improve predictability for soldiers and families.

Increased number of rebalancing actions to approximately 57,000—reducing overstructure in certain areas, and increasing the availability of skills in greatest demand, such as Military Police, civil affairs, infantry, and others.

Increased number of military-to-civilian conversions to approximately 7,170—moving soldier positions from our generating force to better structure and man our operating force.

Established reserve component transient, trainee, holder and student (TTHS) account to improve readiness, deployability, training, and education opportunities.

Institutional Risk

Maintained focus on business transformation which is helping us to improve efficiency and effectiveness, to decrease cycletime, to lower the cost of doing business and to increase quality, productivity, and morale.

Implemented Lean Six Sigma methodology within all Army commands, direct reporting units, Army service components of joint commands, and across headquarters, Department of the Army.

Developed facilities support strategy to meet the target dates established by base realignment and closure law, global defense posture realignment, and building the Army Modular Forces which requires the execution of approximately $38 billion in military construction and related projects between 2007 and 2013.

Initiated consolidation of information technology services world-wide and implemented a range of initiatives to assure the availability of information to ensure network security.

Completed technology demonstration for General Fund Enterprise Business System to enable better financial management and decisionmaking.

In recent years, we have received considerable support to improve our capabilities; yet we still have much to accomplish to establish the levels of readiness—across all components of the force—needed to maintain risk at acceptable levels in wartime.

Since 9/11, we have used our resources carefully, making numerous decisions to allocate resources to immediate wartime needs, and to better prepare and protect our soldiers. We have drawn upon the entire Army to meet requirements for forces and equipment. We have cancelled countless investment programs and deferred both maintenance and required investment in our infrastructure. To free human and financial resources for our most compelling operational needs, we have undertaken major Army-wide business transformation initiatives. We have also received

the support needed to accelerate our schedule for modular conversion that will enable two brigade combat teams to deploy much earlier than planned.

The combined effects of continuing high levels of strategic demand for Army forces, at home and abroad, compounded by longstanding deficits in equipment, modernization, and infrastructure investment place current and future readiness at risk. In addition, our capacity to meet current force requirements, and to grow our forces, depends on adhering to an extremely complex, intricate schedule to realign our entire global infrastructure of bases, depots, arsenals, and other facilities. Our ability to remain on schedule is jeopardized by our inability to execute a diverse range of military construction projects and supporting activities (e.g., environmental assessment studies and remediation projects). Timely passage of military construction appropriations is required to stay on schedule and to prevent the effects of construction delays from cascading into many other areas of Army activity that will unintentionally put at risk our ability to accomplish our mission—to provide trained, ready forces to meet the Combatant Commanders' needs.

The Army will require additional base and supplemental appropriations to achieve the levels of readiness needed to fulfill the requirements of the National Defense Strategy. Without sufficient resources, the Army cannot continue its current pace of operations and implement the changes required to prepare for the future—in the face of growing threats to the Nation posed by State and non-State extremist movements and organizations.

To build readiness to sustain the current mission, to remain relevant and ready to meet future challenges, and to maintain risk at acceptable wartime levels the Army needs to:

—*Obtain Full, Timely, and Predictable Funding to Sustain the Army's Global Commitments.*—Full, timely, and predictable funding of the Army's Fiscal Year 2008 President's Budget request and supplemental appropriations is required to build readiness needed to execute the National Defense Strategy and to pay for the costs of war. Full funding is needed for the Army to fulfill its global responsibilities in the face of traditional, irregular, catastrophic, and disruptive challenges; to provide adequately for soldiers, families, and Army civilians; to accelerate key aspects of our transformation; and to maintain the momentum of vital training programs, modernization, and stationing initiatives..

—*Grow the All-Volunteer Force to Sustain the Long War.*—Support and full funding is needed to continue to achieve our goals for attracting and retaining high quality people in each of our active and reserve components. This funding is enabling the expansion of our operational, deployable force pool, which is vital to sustaining the effectiveness and health of the all-volunteer force, now being tested for the first time in a long war.

—*Improve Wartime Authorities and Resources for Soldiers and Commanders in Combat.*—Changes are needed to eliminate unintended constraints on programs such as the Commanders' Emergency Response Program, the Logistics Civil Augmentation Program, and in administering security cooperation and assistance programs, as well as furnishing humanitarian assistance. Sufficient funding for programs to enhance security cooperation and provide assistance to friends and allies is required to build partner capacity and institutions that prove to be cooperative and enduring. In addition, continued congressional leadership will be required to support programs and initiatives to protect soldiers (to counter improvised explosive devices, to provide up-armored vehicles, to field individual body armor, etc.) and to better equip Iraqi and Afghan police, security, and military forces.

—*Reset the Force to Ensure Readiness for Current and Future Challenges.*—Full funding is needed to restore units—a process with both materiel and human dimensions—to required levels of readiness to execute projected operational deployments, while remaining prepared for likely future contingencies and homeland defense missions. To be ready, we must not only ensure that battle damaged items are repaired, recapitalized, or replaced; we must also enable our soldiers and families to recover from the stress of combat and prolonged separation. The requirement to reset our units will not be satisfied with a one-time infusion of funds; it will require a sustained, predictable commitment of funds for several years beyond major deployments.

—*Transform the Force to Sustain the Full Range of our Global Commitments.*—Full funding for Army transformation is needed to create an operational, deployable pool of 76 modular brigade combat teams and approximately 225 support brigades. By increasing the depth and breadth of our overall capacity, through conversion to more capable modular formations, our transformation is improving our ability to execute and support protracted campaigns. Our ability to meet the levels of force availability envisioned in the National Defense Strat-

egy depends upon an Army-wide readiness model to support expeditionary deployment on a rotational basis. It is designed to improve the readiness of our non-deployed forces across all components; reduce stress on soldiers, families, and equipment; improve predictability for employers; end the need to extend deployments in theater to provide active component soldiers at least 1 year at home before redeploying them; and manage the force to achieve our goal of 1 year deployed with 2 years at home station for these soldiers. This model depends upon assured, predictable access to our reserve component units who—because of strategic decisions and operational necessity—have become a vital part of our deployable force pool.

—*Modernize by Accelerating the Fielding of Advanced Technologies to our Soldiers Today.*—Full funding of the Army's modernization program is needed to accelerate aspects of future combat systems (FCS) development, aviation programs, and over 300 other key modernization initiatives. FCS is our first major modernization program in several decades and is our most critical investment program. In 2008, to enhance combat effectiveness today, FCS will begin to "spin out" key technologies to our current forces—a process projected to continue in roughly 2-year intervals. FCS is enabling soldiers—from our active and reserve components, all U.S. ground forces, and our allies that support ground campaigns—to understand battlefield conditions in unprecedented ways. These improvements are better preparing them to deal with the full spectrum of traditional irregular, catastrophic, and disruptive challenges they will face for the foreseeable future. Despite the benefits FCS will provide, as a result of the combined effects of budget cuts over the past 3 years, and fiscal guidance that will reduce resources programmed for future years, we will adjust the scope and schedule for fielding FCS. We will continue to develop the core operational capability envisioned for FCS, yet will do so with 14 instead of 18 interconnected systems. These adjustments will result in delaying development, acquisition, and delivery of this much needed capability to our soldiers and the Nation.

—*Station the Force to Meet Emerging Strategic Demands While Providing Infrastructure and Services to Enable Mission Accomplishment.*—Full funding is needed to achieve the framework of a new global basing posture by 2011 and to enable our installations to deliver a quality of life for our soldiers, families, and civilians that matches the quality of the service they provide to the Nation. Our plan will improve our ability to fulfill national strategic requirements in an uncertain environment. Due to extensive streamlining and consolidation of facilities and activities, it will also improve our overall efficiency. Moreover, the funding provided to the Army will enable us to allocate significantly greater levels of resources to improve the quality and effectiveness of the facilities we depend on to: train, maintain equipment; house and care for our soldiers, and provide safe, modern working conditions for our Army civilians. The resources and support provided to the Army will have a pivotal outcome on our ability to execute our stationing plan, to meet the schedule established by law, and to sustain our all-volunteer soldiers and their families, now bearing the prolonged stress of more than 5 years of war.

—*Transform Business Practices to Better Enable Army Transformation.*—Continued support is needed to execute Army business transformation to achieve targeted efficiencies through management reform; acquisition reform; comprehensive redesign of the organizations and business processes that generate, deploy, and reset forces; consolidation of bases and activities; military to civilian conversion programs; performance measurement enhancements, and more.

PRESERVING PEACE AND FREEDOM FOR THE NATION

We remain resolute in our determination to preserve peace and freedom for America. Guided by the Army Vision, we are accomplishing our mission today while building the future force—of soldiers, leaders, Army civilians, operating and generating forces, and the infrastructure that serves as our foundation—to ensure our ability to do so tomorrow.

We remain focused on tough questions that will remain at the center of the defense debate:

—What are the strategic requirements of the 21st century? What decisions must we make now to fulfill our title 10 obligation to ensure that the Army, as a vital component of America's Armed Forces, is best prepared to defend U.S. interests in the face of traditional, irregular, catastrophic, and disruptive challenges?

—Are joint ground forces (Army, Marines, and Special Operations Forces) properly sized and structured to provide the capabilities needed to perform the missions the nations will require?

—What additional actions are required to ensure that our forces are organized, manned, trained, and equipped to be relevant to, and ready for, the challenges they will face?
—How can we best prepare our leaders to become multi-skilled pentathletes able to operate with confidence amidst complexity and uncertainty?
—What will be the impact of protracted conflict on the all-volunteer force? What combination of quality of life, compensation, incentives, service options, family programs, and other tools will be required to recruit, retain, and sustain the concept of the all-volunteer force for the future?
—How do we ensure that our physical infrastructure (of installations, depots, arsenals, and the network which connects them) best supports our mission?
—How do we balance our resources to: provide quality of life to sustain our volunteers; maintain deployment facilities (air, ground, sea, rail, cargo, and other facilities) to support Combatant Commanders' timelines; and establish a training and education base to prepare our soldiers, leaders, and Army civilians for the challenge they will face?
—How can we best leverage the human and financial resources we have been provided to ensure that we remain the world's preeminent landpower?
—How can we accelerate the momentum we have established in recent years, in all of these areas, to properly position our force for the future?

Our continued effectiveness depends upon a national commitment to properly recruit, train, equip, and support the Army. We have received considerable support to execute current operations and to reset our forces. To provide for future readiness and to break our historic cycle of national unpreparedness, the Nation must invest prudently and predictably in defense, which it can afford to do.

ADDENDUM A.—PROVIDE RELEVANT AND READY LANDPOWER FOR THE 21ST CENTURY SECURITY ENVIRONMENT

We are improving our capabilities to prevail in the war on terror and sustain all of our global commitments. While fighting, we are:
—Accelerating our efforts to transform and to modernize.
  —Transforming to create an active and reserve component pool of 76 modular brigade combat teams and approximately 225 support brigades.
  —Modernizing—for the time in decades—to develop future combat systems, new aviation systems, and over 300 advanced technologies and systems.
—Building a modular force in which brigades—not divisions—can "plug into" joint and coalition task forces in expeditionary and campaign settings.
—Improving readiness to deal with traditional, irregular, catastrophic, and disruptive challenges.
—Building depth (more) and breadth (more kinds) of capability to ensure soldiers and units can adapt to these challenges.
  —Growing the Army and accelerating our schedule to field more brigades, to increase our strategic depth and to relieve stress on soldiers and equipment.
  —Developing more kinds of capability by making our brigades more powerful, versatile, deployable, and relevant to new challenges.
  —Transforming our supporting organizations to better support combat and logistics operations.
—Creating improvements in: Sustaining the force, actionable intelligence, stability operations, homeland defense, operating in complex environments, and more.
—Ensuring that every investment in our current force benefits our future force.

ACCOMPLISHMENTS

Since 9/11

Soldiers helped to overthrow two terrorist regimes, rescue two nations from oppression, enable vital elections, train and equip Iraqi and Afghan security forces, and liberate over 50 million people.

More than 360,000 Army National Guard (ARNG); 167,000 United States Army Reserve (USAR); and 498,000 Active Component (AC) soldiers supported Combatant Commanders in Iraq, Afghanistan, Guantanamo Bay, the Balkans, the Sinai, and elsewhere.

More than 150,000 ARNG, USAR, and AC soldiers helped to secure the homeland by providing security augmentation for key assets, airports, special events, and Air Force bases.

Began 51 of 70 planned Brigade Combat Team (BCT) modular conversions; 31 of these 51 conversions completed. Completed 131 of the over 200 planned multi-functional and functional support brigade conversions.

Significantly increased depot output to refurbish and reset vehicles and equipment for future deployments.

More than 52,800 soldiers from all components, supported by a diverse range of Army civilians and Army aviation, transportation, military police, medical, and other units, provided hurricane relief support (including support for Katrina and Rita).

Soldiers also deployed to South Asia and Southwest Asia to provide tsunami and earthquake relief.

Initiated $2.2 billion contract to procure 368 Armed Reconnaissance Helicopters—the Army's new manned helicopter acquisition since 1983.

2006

Completed conversion of 13 AC BCTs; initiated conversion of an additional 13 BCTs (4 AC,9 ARNG). Completed conversion of 19 multi-functional and functional support brigades (4 AC, 12 ARNG, 3 USAR).

Created an intelligence, surveillance, reconnaissance (ISR) integration and synchronization office to improve quick reaction capabilities and optimize ISR support to current global war on terror (GWOT) operations.

Integrated space technology to guide munitions, track forces, protect against fratricide, and stream real-time battlefield video.

Continued the transformation of Army pre-positioned stocks (APS) of equipment, ammunition, and general support items worldwide to support operational deployments.

Developed and fielded an unprecedented capability to identify individuals through an automated biometric identification system.

Developed and fielded the operational headquarters to perform weapons of mass destruction elimination missions at the Joint Task Force level.

Fielded unprecedented intelligence fusion and analysis capability to 11 brigades and 73 battalions deployed in support of GWOT.

Support Current Global Operations with Relevant and Ready Landpower

The Army is transforming and modernizing to build a more capable and relevant force for the 21st century, while fully engaged in the war on terror and sustaining the range of our global commitments. The combined effects of our transformation and modernization are improving our readiness to deal with traditional, irregular, catastrophic, and disruptive challenges, as a vital member of the Joint Force.

Modular conversion is the main effort of our transformation. To sustain a steadily increasing demand for military forces, we are building a modular force centered on brigade combat teams as the basic building block of our fighting capability. Our modular conversion of active and reserve components is designed to create brigade based modules able to "plug into" joint and coalition task forces in expeditionary and campaign settings. These forces will be better organized to accept advanced new capabilities and technology in order to meet the demands of the current war, sustain other global commitments, establish the organizational structure needed to accelerate modernization, and support a new global basing posture that will rely more heavily on rotational presence.

Our plan is creating a rotational pool of 76 BCTs: 48 in the active component and 28 in the Army National Guard. These BCTs are organized into one of three standard designs: Infantry, heavy, or stryker. We will support these BCTs with approxi-

mately 225 support brigades. Our BCTs require the capabilities of our support brigades to accomplish the missions they are assigned. Our support brigades also provide essential capabilities to other Services, as well as to civil authorities in homeland defense missions, which include consequence management and disaster relief.

Our support brigades are organized into two categories: Multi-functional support brigades and functional support brigades. Multi-functional brigades perform operational roles including: Combat aviation, combat support (maneuver enhancement), sustainment, fires, and battlefield surveillance. Functional brigades perform broad support roles on a theater-wide basis including: Air defense, engineer, chemical, military police, signal, medical, logistics, and intelligence.

Like our theater commands, our corps and division-level operational command posts and headquarters, support brigades are also converting to modular designs. They will be trained, manned, and equipped to work directly for each of these headquarters without augmentation of people or equipment.

We are improving the readiness of our reserve forces that are making vital contributions on a daily basis—and have transitioned them from a strategic reserve to an operational force as our global commitments have increased. We are also working to improve access to these forces in order to support our strategic requirements. Strength reporting, educational opportunities and special skills training opportunities have been improved by reducing overstructure. These improvements, coupled with modular conversion, are enhancing the Army's overall ability to provide ready forces and capabilities to the Combatant Commanders and to civil authorities in a timely manner.

In addition, to make best use of our resources, we are both rebalancing and redistributing our forces. We are rebalancing to create the right mix of high demand units and to assign soldiers with critical and high demand skills in each of our active and reserve components. At the same time, we are redistributing soldiers to create the right mix between our operating force and our generating force.

—To assure timely access to the right types of units and soldiers, we are rebalancing skills within our three components. We have determined the types of units and skills that are in greatest demand in today's environment—including infantry, engineer, military police, military intelligence, logistics, Special Forces, chemical, civil affairs, and psychological operations units—and have identified approximately 116,000 positions to rebalance. We have accomplished more than half of this rebalancing and project to be completed by 2013.

—We are redistributing skills from our generating force to increase the size of the active component of our operating force. We are continuing military-to-civilian conversions (that have already returned approximately 7,200 soldiers to our operating force) and improving management of our individual soldier assignment processes to ensure full manning of our operational units and command posts.

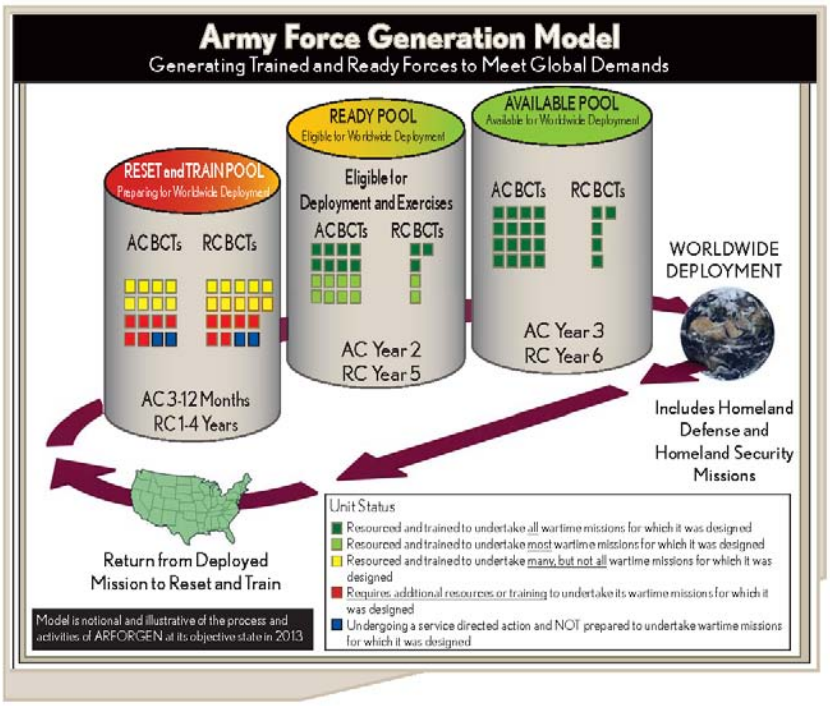
The combined effect of rebalancing, redistributing, and increasing our operating force is improving our overall effectiveness. We are improving our ability to provide trained soldiers in cohesive formations to the Combatant Commanders and to support civil authorities, while reducing stress on soldiers and families.

To support global operations while transforming, we are preparing our forces for war—or resetting them—as quickly and efficiently as we can. Our reset program links other Army programs together through replacement, repair, and recapitalization. This program is restoring units returning from war to required levels of readiness to prepare them for future missions. As we reset our units, we are simultaneously converting many of them to their new modular designs. Several of these units have already returned to theaters of war in their new configurations.

The Army's readiness model, Army Force Generation (ARFORGEN), is used to manage the force and ensure the ability to support demands for Army forces. ARFORGEN sequences activities for all active and reserve Army units to include:

—Reset;
—modular conversion;
—modernization;
—manning adjustments;
—soldier and leader training and education programs;
—unit training;
—employment; and
—stationing decisions.

To sustain global commitments, we will transition units through a progression of three sequential readiness pools: Reset and train (recovering from deployments, resetting equipment and other activities), ready (eligible for deployment and exercises), and available (immediately available for world-wide employment).



ARFORGEN establishes a basis to schedule deployments on an Army-wide scale. Our planning objective is to be able to generate a continuous output of trained and ready forces that will be ready to support one operational deployment and 2 years at home station for the active component. The planning objective for involuntary mobilization of the Army National Guard and Army Reserve units is 1 year mobilized and 5 years demobilized. This goal will be achievable only after completion of all projected modular conversions.

Current levels of operational demand—to include the Balkans, the Sinai, and other global commitments in addition to Iraq and Afghanistan—exceed the levels which had been projected. To meet sustained global demand for Army forces, we require timely implementation of policies intended to ensure recurrent, assured, and predictable access to our Army National Guard and our Army Reserve units. Without full access to our reserve component units, our active component units will continue to deploy for a year, return home for a year, and then redeploy—a situation which is creating unsustainable levels of stress on the force.

When fully operational, ARFORGEN will enable the development of a schedule to bring units to full readiness—with people, equipment, and training—before they are scheduled to deploy. It is also designed to enable the following critical objectives:

—Reduce uncertainty for soldiers, families, and the communities that support installations;

—improve availability of forces for Combatant Commanders;

—generate a continuous level of BCTs, augmented by all required supporting organizations (given appropriate mobilization authority); and

—surge additional BCTs, augmented by all required supporting organizations (given appropriate mobilization authority).

Build A Campaign-Quality Modular Force with Joint and Expeditionary Capabilities for Today and Tomorrow

The war on terror and the changing paradigm for maintaining forward presence have created both the necessity and the opportunity to accelerate change from the current to the future force. Our conversion to a modular force—one that is carefully balanced between active and reserve component BCTs, support brigades, and division and corps-level operational command posts—is well under way. This conversion is transforming the Army into a more lethal, flexible, deployable, and sustainable

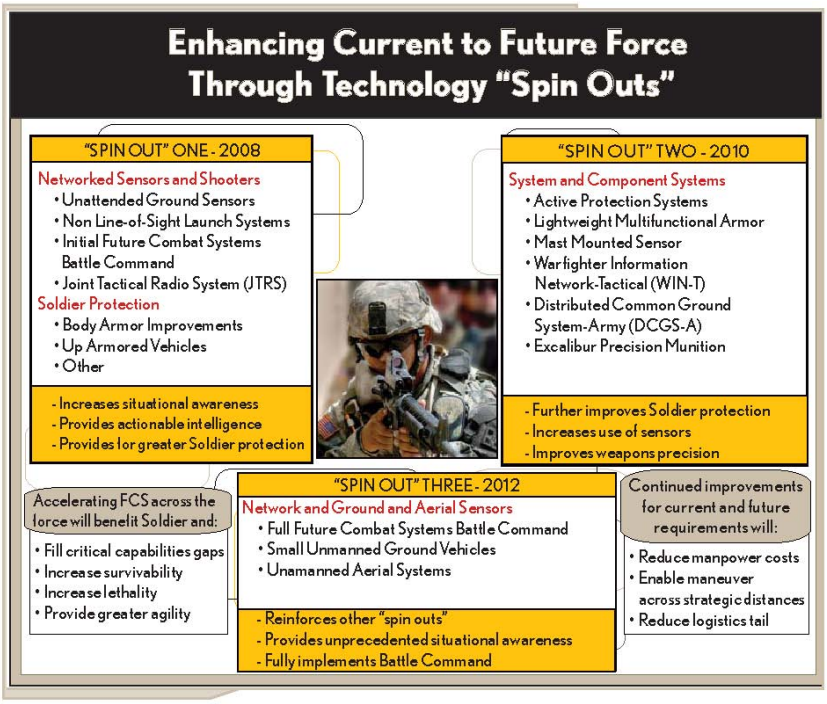
force. It is enabling us to shift the center of gravity of our capabilities (previously focused primarily on traditional challenges) to better address the full spectrum of traditional, irregular, disruptive, and catastrophic challenges.

The 21st century necessitates a highly versatile Army that can handle a diverse array of operations and missions. The combination of transformation, to build a modular Army, and continuous modernization, to field future combat systems (FCS) new aviation systems, and other advanced technologies and systems, is methodically producing the future force.

FCS is a system of interconnected weapons, communications, and intelligence systems (which include sensors, manned and unmanned ground and aerial vehicles, as well as improved linkages to national and theater level surveillance and imagery systems) that will be immediately responsive to soldiers and commanders. When fielded, FCS will provide a persistent, ubiquitous intelligence, surveillance, and reconnaissance capability. In addition, it will create an integrated, distributed network to leverage the value of intelligence and facilitate the rapid employment of all weapons system available.

FCS is the Army's first major step toward modernization in several decades and is our most critical investment. FCS, and Army modernization as a whole, is incorporating lessons learned from current operations, at home and abroad.

The capabilities provided by FCS will directly benefit all U.S. ground forces, including the Marine Corps and the Special Operations Forces from all Services. These capabilities will fundamentally alter how we deploy, employ, and sustain our ground forces. They will greatly improve our ability to put "boots on the ground," to stabilize contested zones, and to support joint, an interagency and multinational teams.



FCS capabilities are providing soldiers with significant tactical and operational advantages which are dramatically improving our ability to address the dilemma of irregular warfare and to conduct operations to prevent and to counter insurgencies.

FCS provides enhanced awareness of friendly and enemy situations and improves the ability to operate across larger areas with fewer soldiers. FCS enables the ability to defeat weaponry which includes improvised explosive devices, anti-tank weapons, and small arms. Because of improved understanding of battlefield conditions and better protection, soldiers will be able to operate from extended distances, re-

mote locations, and the protection of their vehicles for longer periods which will result in fewer casualties. They will also benefit from greater precision and responsiveness of their weapons, which will improve their ability to operate in urban terrain and other complex environments.

By "spinning-out" FCS and advanced technologies into our formations—as soon as the capabilities are ready—we are strengthening our current forces and working to stay ahead of enemies who are constantly adapting their tactics and methods. Through "spin outs," we are working to improve both our current and future capabilities.

—The first "spin out," on track for delivery in 2008, will introduce unattended ground sensors, non-line-of-sight launch systems, and the network. These capabilities will enhance soldiers' understanding of their situation in dynamic, battlefield conditions by promoting a common perspective of enemy and friendly locations on digital maps. This improvement will greatly increase the area that soldiers can influence and control. The network will also provide soldiers with more timely actionable intelligence.

—The second and third "spin outs," are on track for 2010 and 2012 respectively. These "spin outs" will introduce new unmanned ground and air systems and to better support our soldiers. These technologies will enable soldiers to employ greater numbers of sensors to see and find their enemies first. These "spin outs" will also enable robotic reconnaissance of dangerous areas, mines, and booby traps. Together, they will increase soldier protection, effectiveness, and enhance the precision of their weapons.

—The 2012 "spin out" includes the technologies required to complete the fielding of the network. This improvement will reinforce the comprehensive efforts now under way to improve the accuracy and responsiveness of the joint weapons systems designed to support soldiers, while providing unparalleled connectivity and situational awareness.

When BCTs are fielded with the full complement of FCS systems, these units will contain more fighting vehicles and more infantry squads than the units we field today. By leveraging technologies, and the power of the network, the number of soldiers in an FCS BCT will be significantly fewer than current formations, decreasing in size from about 3,850 today to 3,200 in the future. These BCTs will have double the amount of critical infantry soldiers, enabling these formations to operate far more effectively in irregular environments. Soldiers and commanders will enjoy far greater ability to see and to act first—ahead of their adversaries—while dealing with the full spectrum of challenges they will face.

FCS will produce numerous advantages in tactical and operational capability. It will:

—Enable more efficient use of fuel and supplies, and reduce other logistical requirements;

—reduce costs associated with both manpower and procurement; and

—improve the ability of modular brigades to operate as self-sufficient, independent formations over increasingly larger areas in far more complex environments.

Eventually, as key technologies are fielded across the force, battalions will be capable of similar levels of self-sufficiency—dramatically increasing the capability and effectiveness of U.S. ground and special operations forces at lower levels than today.

Despite the benefits FCS will provide, budget cuts and overall reductions to the scope of this initiative will delay the development and delivery of this much needed capability to our soldiers and the Nation.

The future force comprises more than just FCS-enabled, modular BCTs. It includes all of the improvements in strategic agility found in the formations above the BCT and efficiencies that will result from implementing base realignment and closure and global defense posture realignment decisions. These decisions will enable the repositioning of forces to better respond to emerging strategic challenges. We will also be able to execute much of our enduring overseas presence mission with units that deploy from the United States for overseas duty, during rotational windows scheduled and managed as part of the ARFORGEN model.

For both rotational duties and for contingencies, our units will rely on strategic mobility provided by airlift, sealift, and prepositioned equipment. To increase both strategic agility and efficiency, we began modernizing our prepositioned equipment sets to the extent that resources allowed. However, current operational demands require us to use prepositioned stocks to provide forces today.

We lack sufficient funding to realign our prepositioned equipment sets to support the global footprint we need to achieve. Future agility and responsiveness will depend on establishing the right balance among forward stationed forces, prepositioned equipment, and strategic mobility. In addition, our need to rapidly

move forces and equipment from home station and between theaters of operation will become an increasingly important determinant of our ability to execute the National Defense Strategy.

Another key aspect of our plan for our future force is standardization. We are reducing the number of variants of our heavy combat vehicle fleet. This initiative will promote standardization, decrease the number of systems that we must train active and reserve soldiers to operate, and reduce maintenance costs.

Our commitment to being a learning, adaptive organization is evident in our efforts to apply lessons learned from our operations both at home and abroad.

We are working to develop a future force that is better able to fight as part of joint and coalition formations—in either protracted campaigns or in expeditionary operations and to serve the Nation—by examining how to best accomplish traditional and nontraditional missions such as:

—Sustaining the force is paramount to the Army's success in defeating our adversaries. It enables modular Army logistics units to better anticipate requirements and provide rapid, precise capability to Army, joint, and multinational partners. We are creating 360 degree visibility of all the assets and resources, both deployed and in-transit, and improving theater wide distribution systems needed to support military operations.

—Actionable intelligence is providing soldiers and leaders with expanded situational understanding by distributing intelligence with more speed and accuracy, ultimately leading to successful operations.

—Improve capabilities for stability operations is developing and improving our capability and capacity to conduct stability, security, transition, and reconstruction operations within joint and coalition operations and to support other U.S. Government agencies while continuing to conduct combat operations.

—Improve contributions to homeland defense is focusing on balancing capabilities in the active and reserve components to ensure the right capabilities are available to address expanded homeland defense requirements and broaden the options available to civil authorities.

—Increase Army capabilities to dominate in complex environments is focusing on improving the Army's ability to operate in complex human, informational, and physical environments by increasing soldiers' and organizations' cultural awareness, regional familiarity, and language skills.

The combination of transformation and modernization, reinforced by our commitment to learn and adapt to traditional and nontraditional missions of this type, and continued improvements in training soldiers, developing leaders, and improving facilities is producing relevant and ready landpower for the 21st century.

The following initiatives (found at Addendum G) reinforce our efforts to provide relevant and ready landpower:

—Develop operational capabilities in LandWarNet.

—Execute major acquisition programs.

—Restructure Army aviation.

—Enhance joint interdependence.

—Stabilize soldiers and units to enhance cohesion and predictability.

—Leverage science and technology.

COMPELLING NEEDS

Full, timely, and predictable funding of the Army's fiscal year 2008 President's Budget request and supplemental appropriations are required to build readiness needed to execute the National Defense Strategy and to pay for the costs of war.

Resource the Army's requirements for resetting the force. Full funding is needed to restore units—a process with both materiel and human dimensions—to required levels of readiness to execute projected operational deployments, while remaining prepared for likely future contingencies and homeland defense missions.

Support the Army's efforts to grow our operational forces, and restructure our operating and generating forces in our active and reserve components, to meet global commitments now and in the future.

Fully fund continuous modernization of the current force through future combat systems and key supporting programs including: increasing soldier protection, sustaining development of advanced technologies, transforming LandWarNet, transitioning Joint Network Node to Warrior Information Network—Tactical (WIN–T), and rebalancing active and reserve component units and skills.

Accelerate momentum established in transforming the force through modular conversions scheduled in fiscal years 2007 and 2008, and support plans to grow our operating force, to meet current and future requirements:

—Continue or complete conversion of 17 brigade combat teams (1 AC, 16 ARNG).
—Continue or complete conversion of 27 multi-functional or functional support brigades (12 AC, 8 ARNG, 7 USAR).
—Begin conversion of 16 brigade combat teams (4 AC, 12 ARNG) and 2 ARNG Headquarters.

ADDENDUM B.—TRAIN AND EQUIP SOLDIERS TO SERVE AS WARRIORS AND GROW ADAPTIVE LEADERS

We are better preparing our soldiers for the rigors of war and developing our leaders to serve as multi-skilled pentathletes able to thrive amidst complexity and uncertainty. Recognizing that intellectual change precedes physical change, we are:

—Producing soldiers armed with the mindset, values, and combat skills to serve as competent, resilient warriors.
—Reinforcing a commitment to our Warrior Ethos among all of our soldiers and Army civilians.
—Enhancing education and training programs throughout the Army: at home stations, at our combat training centers, within our schools, by leveraging distance learning methods—and by increasing opportunities for graduate level education.
—Growing innovative, adaptive leaders through training and education programs that quickly apply lessons learned during combat, stability operations, reconstruction, and in providing support to civil authorities.
—Enhancing our capabilities by providing the best possible training, weapons, sensors, protection, and equipment to our soldiers.
—Expanding our emphasis on language training and enhancing cultural awareness in our military education programs.
—Improving our soldiers' abilities to operate in complex environments overseas and with other governments and militaries to strengthen the capacity of partner nations.

ACCOMPLISHMENTS

Since 9/11

Continued to adapt combat training centers to replicate current cultural and language environments, emphasizing urban operations, live-fire convoy training, defeating improvised explosive devices, and working with joint and allied forces.

Continued to enhance soldier protection by fielding flame resistant uniforms and improving individual body armor. Today, every soldier serving in Iraq and Afghanistan is issued improved body armor.

Continued to meet Combatant Commanders' requirements for tactical vehicle armor, delivering over 14,000 up-armored HMMWVs to key theaters of operation.

Equipped over 800,000 soldiers with mission enhancing equipment through the rapid fielding initiative.

2006

Distributed and pre-positioned over 7,000 items of equipment to better posture the Army National Guard to respond to hurricanes and other missions.

Applied combat lessons to continue improvements in training on essential warrior tasks and drills provided for all soldiers, in all specialties, during initial military training.

Improved quantity and quality of language training. Soldiers and Army civilians can now study 30 languages available via the internet including Arabic, Chinese, and Tagalog. To date, more than 66,000 personnel have completed over 85,000 units of instruction.

Reduced combat vehicle fatalities by 71 percent from the previous year by using a composite risk management process in all plans and operations.

Conducted over 1,700 different resident, non-resident, and distance learning training courses in fiscal year 2006 for soldiers and civilians across all Army components, other services, and many partner nations.

Expanded our institutional training instruction—from training provided to soldiers entering the Army to the education provided to our most senior officers—to increase development opportunities for soldiers, military and civilian leaders, and students from partner nations.

Added cultural awareness training to all professional military education courses, providing training for over 260,000 soldiers and leaders.

Deployed a new joint precision airdrop system to reduce numbers of cargo trucks on the road and limit soldier exposure to enemy fire.

Reinforce Our Centerpiece: Soldiers as Warriors

Soldiers are the Army. This idea is foremost in our thinking. It is the soldier—well trained, equipped, and led—who serves as the ultimate expression of the capabilities the Army provides to the Joint Force and the Nation. For this reason, soldiers are the centerpiece of our formations. Their "boots on the ground" provide capabilities that no technology could ever replace.

Our soldiers operate in the human dimension—interacting with the populace, facing their enemies in close combat, while preserving the lives of innocent civilians around them. We reinforce these warriors by preparing them with the mindset, training, and equipment they need to accomplish their mission in an increasingly uncertain, unpredictable security environment.

The warrior ethos, a set of principles we live by, is imbued and reinforced through adherence to Army values, and exemplary standards of conduct and discipline. Our warrior ethos serves as the bedrock to prepare soldiers and leaders to face danger and uncertainty, think critically, and solve the complex problems they face on today's battlefield. These values are reflected in three sets of guideposts for key groups within our Army: the soldier's creed, the Noncommissioned Officer's creed, and the civilian corps creed. To reinforce our commitment to values, we work aggressively, in our units and across the training base, to build pride in the Army's traditions and our record of service to the Nation.

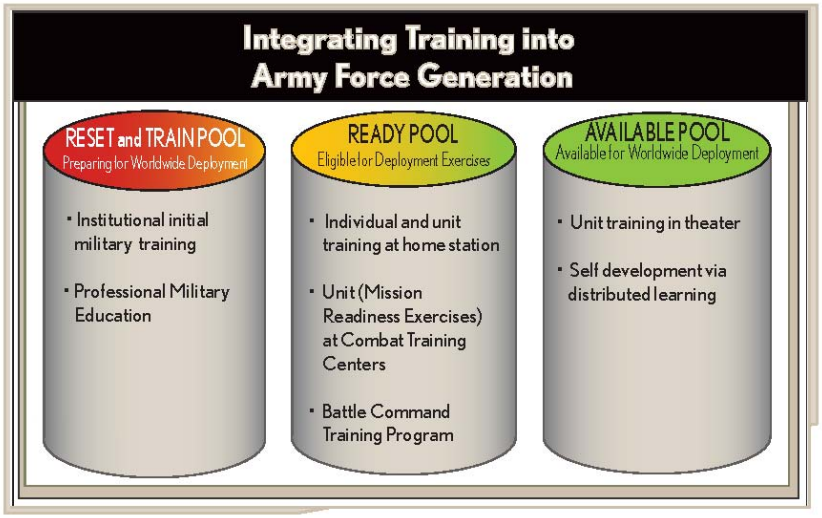
Our soldiers believe in their mission. They are making enormous sacrifices so that others may live in peace and freedom. Their continued honorable, selfless service against ruthless, adaptive enemies is a testament to our values-based Army. Our Nation must remain equally committed to them by providing the capabilities and support they need to succeed in their mission.

Train Soldiers

To accomplish our mission, we are preparing our soldiers from all components to conduct the full spectrum of operations as part of joint, interagency, and coalition teams. This spectrum ranges from engaging with friends, allies, and partners to strengthen their capacity to conducting major combat operations.

We are transforming how we train and educate our soldiers to better prepare them to deal with the challenges they will face today and tomorrow. We take a "lifelong approach" to enhancing knowledge and skills. We begin upon entry into service and furnish opportunities for professional growth and learning throughout their careers.

To better prepare soldiers for combat, we have enhanced the rigor and relevance of training for newly enlisted soldiers and recently commissioned officers. Today, every soldier and officer, regardless of specialty, becomes a warrior first. A grouping of carefully selected warrior tasks and battle drills, developed from lessons learned on the battlefield, builds proficiency and confidence to function in today's operational environment. We conduct a biannual review of these tasks and drills to ensure continued relevance.



Through a program we call Operation Warrior Trainer, we are using the recent combat experiences of junior leaders from the Army National Guard and the Army Reserve to better prepare leaders for the challenges they will encounter. This program relies upon officers and noncommissioned officers who volunteer to serve in our training support brigades. They teach, coach, and mentor their fellow soldiers in the tactics, techniques, and procedures that were successful during their recent combat tours.

We are increasing our investment in our soldiers to develop foreign language capability and to increase their appreciation, understanding, and respect for other cultures. These two areas establish the foundation for improving our soldiers' abilities to operate in complex environments overseas and to work closely with other governments and militaries to strengthen the capacity of partner nations.

Our operations in recent years have underscored the important role that language proficiency plays in the execution of successful operations. It accelerates the process of building rapport with the local populace, partner nations, and other organizations. In addition to language training in our schoolhouses, we also provide training on 30 languages to all soldiers and Army civilians through modern distance learning methods. Language proficiency, coupled with focused instruction, is helping to improve cultural awareness and enhance leader development. In addition, we are expanding opportunities for graduate level studies in all aspects of foreign cultures, which has the additional benefit of helping to retain our junior officers.

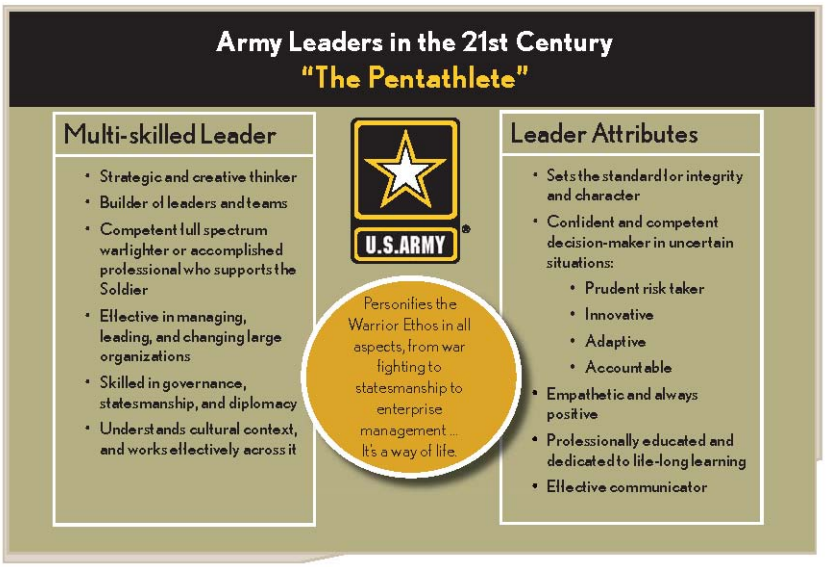
In addition to these enhancements in training soldiers and leaders, we are improving how we develop the readiness of our units. Our combined arms training strategy is designed to provide trained and ready forces to meet the Combatant

Commanders' operational requirements. This strategy features specific activities throughout what we refer to as multiple training domains: institutional, unit, and self-development. The cycles of Army Force Generation (ARFORGEN)—reset and train, ready, and available—allow commanders to optimize available training time in each of these domains, in a progressive manner, from individual training and education to more complex tasks in which whole units are involved. We carefully manage the flow of equipment throughout the cycles of ARFORGEN to ensure units have the tools they need to conduct demanding, realistic unit training. Applying the latest technology to use simulated training experiences and other tools is helping us to remain ahead of our adversaries and to quickly adapt our doctrine and training methods to prepare for a complex, dynamic environment.

We are also expanding our distributed learning program to enhance opportunities to develop our soldiers and Army civilians. On an average day over 22,000 soldiers participate in one or more of the over 2,600 available online courses, including foreign language and cultural awareness training, to improve job proficiency and to work toward civilian degrees. Army knowledge online, the largest and most mature of all Department of Defense (DOD) portals, is the model for development of defense knowledge online (DKO). Defense knowledge online will be established as the DOD portal for personnel from all services, and will be the interface for providing DOD users with the services needed to accomplish their mission.

Enhance the Combat Training Centers

To better prepare our forces for the rigors of an increasingly uncertain, complex, and dangerous environment, we are continuing to enhance our combat training center program. We maintain three combat training centers (CTC) which support large scale training operations. A fourth center supports the execution of the battle command training program, which facilitates training through advanced simulation based exercises. We are adapting the settings, conditions, and scenarios used at all of our centers based on operational experience. To better prepare our soldiers, leaders, and units, our goal is to accurately reproduce the complex environments—terrain, culture, language, and information—in which they will operate.



At the CTCs, our brigade combat teams and other units conduct pre-deployment training on their core mission skills. As units practice their missions at the CTCs, they will encounter nongovernmental organizations, media, coalition forces, hundreds of civilians, interagency organizations and often, special operations forces. This training is crucial to developing readiness for combat. It enables our units to hone their skills and to develop into effective, cohesive teams before they deploy to our theaters of operation.

As we transform to a larger, more capable operational force, we require additional training capacity. In addition, our training centers are exceeding their capacity be-

cause of sustained high levels of strategic demand for Army forces. To meet the increasing need for world-class training to certify our units before they deploy, we are developing an exportable training capability. This capability is providing an experience that is close to what is provided at our actual centers at units' home stations. This initiative provides greater flexibility to meet the schedules established by the Combatant Commanders. It can also serve to reduce the time that our soldiers are away from their home stations.

Our battle command training program provides realistic, stressful training, and leader development for corps, division, and brigade commanders and their staffs. We use the latest simulation technology and developments in operational scenarios to create the challenging, dynamic conditions these headquarters will encounter when deployed. This program prepares them to serve as joint and coalition task force operational headquarters in combat.

The rigor and relevance of our CTC program is enhancing our capabilities across the full spectrum of operations. By improving pre-deployment preparation, it is also reducing risk to our soldiers.

Grow Adaptive Leaders

Today's security environment requires more of Army leaders at all levels. The evolving transition team mission that our officers and noncommissioned officers are performing—to train foreign nation's security forces—is but one example of the challenges our leaders are dealing with. As we have seen in Iraq, Afghanistan, Korea, Europe, across the Americas, in peace enforcement operations around the world, and while providing civil support, the actions of individual soldiers and leaders are vital to success and can have strategic consequences.

Accelerating Force Protection Equipment to Soldiers

Area	Where We Were September 2003	Where We Were January 2006	Where We Are January 2007
Individual Body Armor (IBA)	Estimated 10 percent of Soldiers in Iraq equipped	All Soldiers and DoD civilians in theater equipped; and 60,000 Deltoid Axilliary Protectors issued	All Soldiers and DoD civilians in theater equipped; more than 900,000 IBA fielded; (more than 271,000 Deltoid Axilliary Protectors issued; and more than 276,000 Ballistic Side Plates issued)
Up-Armored HMMWVS	500 Up-Armored HMMWVs in Iraq and Afghanistan	More than 6,400 Up-Armored HMMWVs in Iraq and Afghanistan	More than 14,700 Up-Armored HMMWVs in Iraq, Afghanistan and Kuwait
Tactical Wheeled Vehicle Add-on Armor Kits	Contingency mission only	More than 19,000 vehicles in theater have add-on armor kits	More than 26,000 vehicles in theater have add-on armor kits
Armored Security Vehicle (ASV)	No ASVs in theater	Resurrected a terminated program; more than 80 ASVs in theater	Provided more than 540 ASVs in theater
Unmanned Aircraft Systems	8 aerial vehicles in theater	591 aerial vehicles in theater	Provided more than 1,200 aerial vehicles in theater
Rotary Wing Aircraft Survivability Equipment (ASE)	In process of upgrading rotary wing aircraft with basic ASE	New ASE system in theater, limited fielding to aircraft	All theater rotary wing aircraft upgraded with new ASE system
Buffalo Armored Vehicle	No systems deployed in theater	No systems deployed in theater	More than 40 systems deployed

To better prepare our leaders to develop creative solutions to the complex, ambiguous problems they will face, we formed a special task force to review education, training and assignments for leaders. We drew upon the ideas and experiences of the finest leaders inside and outside of the Army.

The results of this task force's work are now being incorporated into Army leaders for the 21st century (AL21)—a comprehensive initiative designed to build leaders akin to pentathletes, skilled in many disciplines and able to rapidly transition between complex tasks with relative ease.

We are evolving our training and education programs for our officers, noncommissioned officers, and civilians to grow military and civilian pentathletes. We are teaching our leaders critical thinking skills—emphasizing how to think, not what to think. Our focus is to develop highly adaptive leaders who have the intellectual agility needed to thrive in adverse, dynamic situations.

For our newly commissioned officers we implemented the Basic Officer Leader Course (BOLC). Consistent with our warrior first approach, this tough, standardized, small-unit leadership experience ensures that all junior officers, in all of our branches, master the skills they will need to lead in combat. Our warrant officer and noncommissioned officer programs are experiencing similar improvements in the rigor and relevance of training and education.

Guided by AL21, we are also overhauling our civilian education system. We are creating a progressive, sequential program to enhance leader development and provide structured education opportunities for our Army civilians throughout their careers. Our goal, is to create Army civilians who, as pentathletes, exemplify the civilian corps creed in dealing with the full range of challenges they will face in providing our soldiers with the resources, quality of life, infrastructure, and other support they will need to accomplish the Army's mission.

Equip Our Soldiers

Providing our soldiers with the best possible equipment is our highest priority. The changed conditions of warfare necessitate that we can no longer accept risk in how we equip all of our soldiers. Since there are no front lines in today's battlefields, we must now equip all of our units with night vision goggles, crew served weapons, communications equipment, and other critical items they need to survive. We must also provide them with every means available to protect them and to minimize the risks to which they are exposed.

One of the many programs we have designed to increase individual soldier capabilities is the rapid fielding initiative.

This initiative accelerates the fielding of commercial, off-the-shelf technologies to quickly deliver state-of-the-art equipment to our soldiers to enhance their performance. The rapid fielding initiative provides a specific set of equipment to every one of our deploying soldiers. We provide additional items of equipment to our soldiers assigned to brigade combat teams. Since its inception, this initiative has equipped nearly 800,000 soldiers.

Recent experiences in operational theaters help us to determine the items we furnish to our soldiers. Key examples of rapid fielding initiative successes include: the advanced combat helmet, which enhances protection, comfort, and permits better hearing; and the improved first aid kit, which improves the ability to treat bleeding from wounds and remove airway obstructions. We plan to complete fielding these items to all operational forces by October 2007.

Another key program, in which we restore battle losses and repair worn equipment, is our reset program. During "reset," we restore soldier and unit capability by repairing or replacing key items of their equipment, or issuing whole new types of equipment to them. We also provide training on new equipment that our soldiers are issued.

Like other aspects of support for an Army at war, our soldiers' effectiveness and protection depends upon a sustained national commitment to train and equip them properly. Since 2003, we have issued over 900,000 sets of improved body armor. We have delivered more than 14,000 up-armored HMMWVs to our theaters of operation. In addition, we have deployed manned and unmanned systems to detect and to defeat improvised explosive devices (IEDs). We have also fielded new systems such as the armored security vehicle and the Buffalo Armored Reconnaissance Vehicle to better protect our convoy formations.

The IED is the deadliest terrorist method being used against our soldiers. We are investing unprecedented resources to counter this threat. The Army Asymmetric Warfare Office is our focal point to integrate a diverse range of asymmetric warfare initiatives. These initiatives include countering IEDs and to provide specific training. This office also serves as our link to Defense Department initiatives in this area.

Our rapid equipping force is another means we are using to better protect our soldiers. This force works in partnership with industry, academic, and military leaders to quickly support unit equipping needs. It furnishes commanders with readily employable solutions to enhance lethality and survivability, using both off-the-shelf and new technologies. The rapid equipping force is enabling us to remain ahead of adaptive enemies and save soldiers' lives. Examples of rapid equipping force successes include the deployment of language translators, vehicle scanning systems, and robots able to inspect possible IEDs.

The following initiatives (Addendum G) reinforce our efforts to train and equip soldiers to serve as warriors and grow adaptive leaders:

—Army initiatives to improve in irregular warfare capabilities;

—expand cultural awareness and foreign language capabilities; and

—support the joint national training capability.

COMPELLING NEEDS

Full funding for Army operations and maintenance accounts to ensure readiness—of fully manned, trained, and equipped units—able to execute the full spectrum of operations.

Full funding of equipment modernization programs to accelerate the delivery of advanced technologies to our soldiers to increase their combat effectiveness and protection.

Continued support to reset unit equipment, needed to train soldiers and to develop readiness to meet current and future challenges and defend the homeland.

Support to implement Army leader for the 21st century policies, programs, and initiatives designed to build pentathletes.

Full funding of infrastructure improvements—new construction and upgrade of existing training facilities and ranges—to support our Combat Training Center Program and at our installations.

Full funding to expand our capacity to train Soldiers and grow adaptive leaders at our Combat Training Centers, at home stations, and across our institutional training base to accommodate the expansion of the Army.

Full funding to support the continued expansion of our language and cultural awareness programs in our schoolhouses and in our unit based activities.

ADDENDUM C.—SUSTAIN AN ALL-VOLUNTEER FORCE COMPOSED OF HIGHLY COMPETENT SOLDIERS THAT ARE PROVIDED AN EQUALLY HIGH QUALITY OF LIFE

Our continuing success in accomplishing the Army mission is directly attributed to the talented men and women of our Army who provide "boots on the ground" around the world. We are sustaining the all-volunteer force by:

—Honoring our commitment to care for these versatile young Americans and their families.

—Enhancing numerous programs for housing, education, health care, and other areas to improve how we support our soldiers and their families.

—Promoting a greater sense of belonging to units and communities to build readiness and cohesion while reducing uncertainty.

—Executing a full range of initiatives to recruit and retain soldiers with the right aptitudes and attitudes.

—Working to match the quality of life that our soldiers enjoy to the quality of service they provide to the Nation.

Recruit and Retain the All-Volunteer Force

Sustaining the all-volunteer force as an enduring institution is a fundamental strategic objective for the Army. It serves as a vital investment in the future security of our Nation.

We enjoyed great success in manning the Army during 2006. More than 184,000 qualified men and women answered the call to duty by choosing to serve. We exceeded our 80,000 total accession goal for the active component by 635 soldiers—the most we have accessed since 1997. Our Army National Guard met 98.6 percent of its total annual goal (69,042 of 70,000)—achieving its highest number of accessions since 1993. Our Army Reserve finished the year at 95.4 percent of its total annual goal (34,379 of 36,032).

The success we enjoyed during 2006 is significant in light of changing public attitudes toward the war and an improving economy and job market. Less than one-third of our primary recruiting market (17 to 24 year old males) is fully qualified to serve in the Army (see figure C–1). We compete with the other Services for this relatively small pool of eligible candidates. Our challenge is perhaps the most difficult in the Armed Forces because we are the largest, most manpower-intensive Service. We recruit more new enlistees each year than all of the other Services combined.

ACCOMPLISHMENTS

Since 9/11

Exceeded combined active and reserve retention goal each year.

Built over 26,500 barracks spaces and modernized over 12,200 existing spaces through our Barracks Modernization Program.

Dramatically improved family housing by privatizing 73,000 sets of quarters at 34 different installations through the Residential Communities Initiative.

Consistently improved care for injured and severely wounded soldiers upon their return from theater.

Established a comprehensive well-being framework to integrate, resource, and measure quality-of-life programs for soldiers and families.

Provided rest and recuperation opportunities for more than 400,000 deployed soldiers and Army civilians.

2006

Exceeded retention objectives in all three components.

Achieved Active Component recruiting objective of 80,000 soldiers—most soldiers recruited since 1997.

Improved support to families by improving family support programs at installations.

Increased command support for family readiness groups at all levels of organization.

Expanded virtual family readiness groups to improve support for families in remote locations.

Expanded community-based child and youth services programs for child care, youth outreach, and school transition to support more than 200,000 Army children and youths.

Expanded the Residential Communities Initiative to include construction of 392 apartments to house bachelors and unaccompanied soldiers.

With the support of the Congress and the Department of Defense, we accomplished our objective in 2006. We attribute our success to improved advertising, an expanded recruiter base, and enlistment incentives program enhancements. New programs, such as the Army Referral Bonus and the Recruiter Incentive Pay Program, along with several recruitment policy changes and improved processes, also contributed to these successes. We will require continued resources and support in the coming year to attract and access the best possible soldiers to man our formations.

In October, we announced a new Army recruitment advertising campaign: Army Strong. This campaign highlights the physical, mental, and emotional strength of soldiers. It draws from past successes the Army has achieved and underscores the strength and pride our soldiers demonstrate daily while serving the Nation, at home and abroad. We are optimistic that this campaign, reinforced by the support of the Congress and the American people, will enable our 2006 recruiting successes to continue during 2007.

The Army continues to retain soldiers at tremendously high levels. While fighting the war on terror, we have surpassed our combined Army-wide retention goals, each year, since 2002. In 2006, we exceeded our retention goals in the active component by 5 percent, in the Army National Guard by 18 percent, and in the Army Reserve by 3 percent.

Our soldiers value the Army's tradition of service to the Nation. They appreciate the opportunity to contribute to national security in a meaningful way. We continue to reenlist two out of every three eligible soldiers who reach the end of their term of service. We are particularly proud that one out of every two first-term soldiers decides to reenlist. We believe that our success in retention results from the high quality of leadership that our soldiers experience in their units.

The continued support of spouses, parents, and veterans, along with the employers of our reserve component soldiers, plays a huge role in recruiting and retaining our all-volunteer force. Their support directly affects the pride and morale of each of our soldiers. We have recognized over 800,000 of these key influencers through the Freedom Team Salute Program.

Care for Soldiers, Civilians, and Army Families

Caring for Army families plays a vital role in sustaining the commitment of our soldiers and Army civilians. Our leaders concentrate on this critical aspect of their

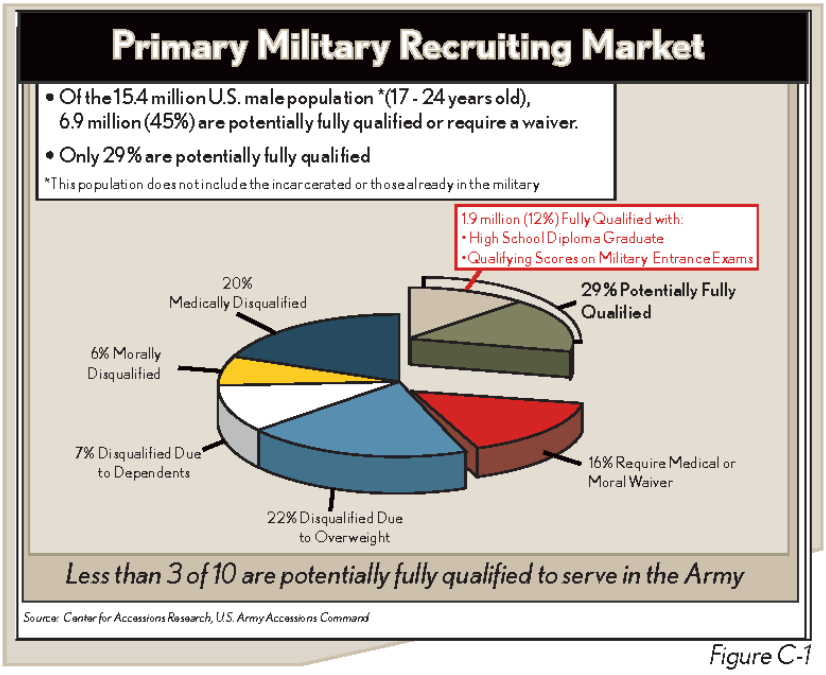


Figure C-1

duties. We apply resources carefully to maintain and to improve the programs that are of the greatest concern to our family members. We constantly work to assure our soldiers, their families, and our civilian employees that they will be well taken care of and that their needs will be met.

Army well-being programs provide leaders a variety of ways to care for our people. We have integrated numerous Army-wide quality of life functions into a comprehensive well-being framework to better enable us to focus resources, measure success, and address the needs of an Army at war. Our expanding morale, welfare, and recreation programs are a key part of this framework. These programs help to reduce the stress of daily challenges and enhance mental and physical fitness for our soldiers, their families, and our Army civilians.

Family readiness groups, to include virtual family readiness groups, continue to be the centerpiece of our efforts to care for families before, during, and after soldier deployments. Our new Family Readiness Deployment Assistant Program, which provides administrative and logistical support to family readiness group leaders and rear detachment commanders, has been a great success. In 2006, The Army Chaplaincy's Strong Bonds Program reached more than 40,000 active and reserve soldiers. This program is designed to help our soldiers to maintain healthy family relationships.

Other programs and initiatives designed to reduce the stress of war for our soldiers, families, and Army civilians include:

—U.S. Central Command Rest and Recuperation Program.
—Deployment Cycle Support Program.
—Military One Source.
—Multi-Component Family Network.
—Child and Youth Services School Transition Services.
—Spouse Employment Partnership.
—Family First Household Goods Shipping Initiative.

Health care is another critical aspect of caring for our soldiers and their families. The Army provides world-class health care for over 3.5 million beneficiaries, on the battlefield, and at hospitals and clinics worldwide. To fulfill our obligation to care for soldiers and families, we continually look for ways to improve health and well-being. The U.S. Army Wounded Warrior Program exemplifies our commitment to honor the soldier's creed by "never leaving a fallen comrade." This program provides continuous, comprehensive transition and support services for our severely wounded

soldiers. These services continue, even if a soldier is medically retired, to help our wounded warriors receive the support they have earned through their service to the Nation.

Improve Soldier and Family Housing

Our commitment to providing quality housing for our soldiers is reflected in the progress we are making in our Barracks Modernization Program and in our Residential Communities Initiative. We have been working aggressively, over many years, to improve the quality of the barracks which house our soldiers. By the end of 2006, we had funded 85 percent of our goal for Army-wide modernization. We expect to complete the funding of this vital initiative by the end of 2011. In addition, we are planning for 36 percent of our barracks for new soldiers entering the force to be modernized by 2013. We are continuing to modernize the barracks used by our Army National Guard and Army Reserve soldiers during their annual training.

Through the Residential Communities Initiative, we are providing better family housing for our soldiers by employing an innovative privatization process. This program leverages private investment capital to improve housing at much faster rates than traditional methods of financing and contracting for military construction. When completed in 2010, over 98 percent of Army housing in the United States will have been privatized—over 86,000 units at 45 installations. We have also constructed more than 7,600 family homes and renovated over 8,000 existing homes using traditional military construction.

Improving housing is one of the most effective ways to provide our soldiers and families with a quality of life that recognizes their service to the Nation. Our programs in this area have a positive, enduring effect on morale, enable our soldiers to provide for their families, and contribute immeasurably to our ability to sustain our all-volunteer force.

The following initiatives (found in Addendum G) reinforce our efforts to sustain an all-volunteer force:

—Provide competitive compensation;
—develop resilient Army families; and
—provide a system that promotes continuous personal and professional learning development.

COMPELLING NEEDS

Support and full funding for critical recruiting and retention goals that enable the Army's effort to grow the Army by:

—Achieving accession and retention goals across all components of the Army by providing incentives, recruiters, advertising, and other support.
—Continuing support of Army initiatives to provide greater predictability and stability for soldiers and their families in both our active and reserve components.

—Support and full funding for quality-of-life programs that sustain the propensity to serve demonstrated by our soldiers, their families, and our civilian employees and ensure a quality of life that matches the quality of their service to the Nation by:

—Supporting housing initiatives to provide quality housing for soldiers and families at installations impacted by current operations, base realignment and closure, and the global defense posture realignment.
—Supporting initiatives to improve medical care in both active and reserve components that attest to the Nation's concern for soldier well-being.
—Supporting construction of child development centers, youth centers, fitness centers, recreational facilities, and chapels.

ADDENDUM D.—PROVIDE INFRASTRUCTURE AND SUPPORT TO ENABLE THE FORCE TO FULFILL ITS STRATEGIC ROLES AND MISSIONS

To better enable the force to fulfill its strategic roles and missions, we are:

—Adjusting our global footprint to be better positioned for the challenges of the 21st century and the long war on terror.
—Transforming our installations, depots, and arsenals—and the information network that connects them—to become more efficient and better able to support the Army's mission, at home and abroad.

—Challenging the way we conduct the business of the Army—constantly finding ways to improve, to increase productivity, and to maximize the use of every dollar.
—Transforming the Army's structure, systems, processes, and logistics automation to enable soldiers to sustain the full range of our global commitments.

Adjust Global Footprint to Create "Flagships of Readiness"

We are repositioning all of our bases and facilities in one of the most sweeping structural and basing changes in our history. Our plan directs, by 2013, the movement and consolidation of major elements of our operating and generating forces through over 1,800 individual moves. We are working now to establish the environmental foundation and to initiate the renovation and construction required to reposition many of our schoolhouses, headquarters, and major supporting activities.

We are committed to creating "Flagships of Readiness," a concept that is an imperative for our Amy and the Nation. To be ready to execute the National Defense Strategy, in wartime, we are working to dramatically improve our capacity to train soldiers and leaders and to generate combat power in time of war.

ACCOMPLISHMENTS

Since 9/11

Created the Installation Management Agency to unify the business structure of Army installations and to create uniformly high standards of quality for soldiers and their families.

Developed a strategic stationing plan that synchronizes base realignment and closure, global defense posture realignment, Army modular force initiative, and the demands and realities of the global war on terror.

Optimized Power Projection Platforms.—Enabling wartime mobilization and facilitating over 700,000 soldier deployments for the war on terror.

2006

Developed facilities support strategy to meet the target dates established by base realignment and closure law, global defense posture realignment, and to build the Army modular forces which requires the execution of approximately $38 billion in military construction and related projects between 2007 and 2013.

Implemented Lean Six Sigma methodology within all Army commands, direct reporting units, Army Service Components of Joint Commands, and across Headquarters, Department of the Army.

Received four Shingo Prizes for the Public Sector for improving business practices at key Army Materiel Command depots.

Activated the Army Sustainment Command to serve as our national logistics integrator.

Our plan is guiding the overall transformation of our support infrastructure to better enable our ability to:
—Furnish tough and realistic training;
—prepare and deploy forces;
—provide standards for quality of life that our soldiers and families deserve;
—establish modern working conditions for our Army civilians; and
—establish the infrastructure needed to support and sustain the all-volunteer force.

Our plan integrates base realignment and closure decisions, global defense posture realignment, and the actions required to build a modular Army—which will allow us to divest Cold War era bases and facilities to create the global infrastructure required for a new era. This plan depends on careful synchronization of our stationing, construction, and deployment schedules to support the war on terror and other missions. If done efficiently, this consolidation will yield tremendous savings over time—while posturing our forces, logistics activities, and power projection platforms to respond to the demands of the Nation as efficiently and as effectively as possible.

MAJOR STATIONING MOVES IN 2007

1st Brigade, 1st Armored Division moves from Germany to Fort Bliss.
2nd BCT, 4th Infantry Division moves to Fort Carson.
17th Fires Brigade moves from Fort Sill to Fort Lewis.
5th Brigade, 2nd Infantry Division (Stryker Brigade Combat Team 7) activates at Fort Lewis.
Support Brigade (Maneuver Enhancement) activates at Fort Polk.
3d COSCOM moves to CONUS and will reflag as the 3d Expeditionary Sustainment Command.

In support of our plan, we have received significant support from the President, the Secretary of Defense, and Congress; however, we require significant resources to improve training, housing, and deployment facilities on our installations and infrastructure. We are continuing to assess the impact of budgetary challenges on the timing of our comprehensive global restationing plan. We started fiscal year 2007 under a continuing resolution for the Military Construction, Quality of Life, and Veterans Affairs (VA) Bill. This measure kept dollars flowing, yet greatly affected the timing of our ability to construct vital facilities needed to house and to train our soldiers.

We are at the forefront of an extraordinarily complex challenge, one that must be supported with timely funds to adhere to an intricate, complex schedule. Repositioning our forces worldwide impacts not only the lives of our soldiers and their families; but also, our overall ability to execute the National Defense Strategy. To execute our plan according to schedule, and to continue to meet strategic requirements for forces and capabilities, we require timely, sustained funding. Failure to underwrite this commitment with sustained and timely resources will increase risk for the Army and the Nation.

Implement Business Transformation

As we are changing the way we operate militarily, we are also changing how we do business. We are aggressively transforming our business methods and our workforce culture to reflect best practices in civilian industry. These changes will enhance the Army's ability to deal with the challenges we will face today and tomorrow.

Successful business transformation is essential to our long-term health. It is freeing human and financial resources that we are directing to our core warfighting missions. In addition, by "taking work out" of our processes—reducing waste in all its forms—we are accelerating the rate of our transformation.

The centerpiece of our business transformation is continuous improvement. Through the application of Lean Six Sigma (LSS), we are critically analyzing how we do business. Using this methodology, now increasing its appeal throughout civilian industries, we are constantly identifying ways to increase productivity, reduce cycle time, and decrease our overall resource demands.

The initial focus of our LSS deployment has been on processes used within our operating and generating forces. We currently have over 500 active projects designed to improve efficiency across the Army. We have already enjoyed great success from completed projects in certain areas, as evidenced by continued improvement in manufacturing and repair processes at several depots and arsenals within our Army Materiel Command (AMC). During the past year, four of these AMC depots received the coveted Shingo Prize in 2006 for their efforts to improve manufacturing practices. We will continue to work toward full implementation throughout the Army and to replicate these successes in all our activities.

Develop the LandWarNet Institutional Infrastructure

We continue to invest in information technology (IT) at our installations and reserve component facilities. We are working to establish the architecture to provide the foundation for LandWarNet, the Army's portion of the Global Information Grid. LandWarNet moves information through a seamless network to better support our combat forces and the infrastructure that generates and supports them. Our IT infrastructure will also enable operational forces to "reach back" for data in the form of high definition intelligence products, voice, video, and data.

Consolidating IT network services is helping to increase LandWarNet's efficiency and effectiveness. LandWarNet is enabling us to establish area processing centers to better facilitate and consolidate support for operations in many diverse regions. LandWarNet is reducing vulnerabilities, while increasing both access to and secu-

rity of our information. Our investment in LandWarNet is helping to improve the Army's ability to conduct joint, interagency, and multi-national operations. This capability will fully leverage the potential value of the network to promote common understanding, move data in real-time, and support operations, at home and abroad.

We are improving how we manage our network. We are applying new technologies and implementing sound investment guidance. We are also dramatically improving the quality of available data by transforming the processes used to analyze and distribute it. While helping to avoid information overload, this initiative will enable the sharing of knowledge needed to optimize decisionmaking. It will also facilitate more effective and more efficient mission planning and performance across the Army.

Enhance Logistics Readiness

While the global war on terror remains our top priority, we must also prepare the Army for future challenges. To be successful, we are transforming the Army's structure, equipment, and processes, while sustaining the Army's ability to fulfill the full range of its global commitments.

The Army Force Generation (ARFORGEN) process identifies emerging equipment requirements and permits a complete corporate view of equipment readiness. Our reset program enables us to meet those requirements and quickly restore the capabilities of our units. Congress has funded this restoration process for this year and must continue to do so in future years. Our retrograde program enables us to account for and redistribute millions of dollars in excess equipment to meet warfighting requirements.

We are ensuring that Logistics Transformation keeps pace with broader Army transformation initiatives by:

—Providing commanders with transformed logistics organizations that are fully embedded in their formations to provide more immediate, more responsive support;
—deploying logistics headquarters that are fully able to operate with other members of the Joint Team and provide unified, theater-wide command and control of logistics operations and activities; and
—improving home station and wartime accountability by implementing an aggressive logistics automation governance strategy which is rapidly creating and fielding an automation architecture to better support and sustain our modular forces.

The following initiatives (found at Addendum G) reinforce our efforts to provide infrastructure and support:

—Execute base realignment and closure;
—implement Army sustainability strategy; and
—implement logistics automation governance strategy.

COMPELLING NEEDS

Support to execute a carefully synchronized plan to achieve a new global basing posture, and grow the Army, while fulfilling the requirements of the National Defense Strategy. The requirements of this plan (for renovation, construction, environmental remediation, and other costs) will exceed the resources currently apportioned for base realignment and projected to be recouped through consolidation and closure (a situation that will require continuous reevaluations in future years).

Support Army efforts to synchronize global defense posture realignment, base realignment and closure, and stationing of modular forces.

Fund base operations and sustainment accounts to meet minimum support levels while providing a predictable spending level to Army installations.

Fully fund sustainment, restoration, and modernization accounts to slow the rate of deterioration of Army infrastructure.

Fully fund the Installation Information Infrastructure Modernization Program.

ADDENDUM E.—DATA REQUIRED BY NATIONAL DEFENSE AUTHORIZATION ACT OF 1994

Sections 517 and 521 of the National Defense Authorization Act (NDAA) for Fiscal Year 1994 require the information in this addendum. Section 517 requires a report relating to the implementation of the pilot program for active component support of the Reserves under section 414 of the NDAA for fiscal years 1992 and 1993. Section 521 requires a detailed presentation concerning the Army National Guard, in-

cluding information relating to the implementation of the Army National Guard Combat Readiness Reform Act of 1992 (title XI of Public Law 102–484, and referred in the addendum as "ANGCRRA"). Section 521 reporting was later amended by section 704, fiscal year 1996 NDAA. U.S. Army Reserve information is also presented using section 521 reporting criteria.

Section 517(b)(2)(A)

The promotion rate for officers considered for promotion from within the promotion zone who are serving as active component advisors to units of the Selected Reserve of the Ready Reserve (in accordance with that program) compared with the promotion rate for other officers considered for promotion from within the promotion zone in the same pay grade and the same competitive category, shown for all officers of the Army.

	AC in RC [1]	Army Average [2]
Fiscal year 2005:		
Major	93.6	97.7
Lieutenant Colonel	42.1	88.7
Fiscal year 2006:		
Major	93.9	97.5
Lieutenant Colonel	68.7	90.9

[1] Active component officers serving in reserve component assignments at time of consideration. All figures represent percentages.
[2] Active component officers not serving in reserve component assignments at the time of consideration. All figures represent percentages.

Section 517(b)(2)(B)

The promotion rate for officers considered for promotion from below the promotion zone who are serving as active component advisors to units of the Selected Reserve of the Ready Reserve (in accordance with that program) compared in the same manner as specified in subparagraph (A) (the paragraph above).

	AC in RC [1]	Army Average [2]
Fiscal year 2005:		
Major	4.1	6.2
Lieutenant Colonel	2.9	6.0
Fiscal year 2006:		
Major	5.1	6.8
Lieutenant Colonel	3.2	8.1

[1] Below the zone active component officers serving in reserve component assignments at time of consideration.
[2] Below the zone active component officers not serving in reserve component assignments at the time of consideration.

Section 521(b)

The number and percentage of officers with at least 2 years of active-duty before becoming a member of the Army National Guard or the U.S. Army Reserve Selected Reserve units.

—Army National Guard (ARNG) officers: 20,284 or 55.0 percent.

—Army Reserve officers: 7,088 or 26.6 percent.

The number and percentage of enlisted personnel with at least 2 years of active-duty before becoming a member of the Army National Guard or the U.S. Army Reserve Selected Reserve units.

—ARNG enlisted: 114,560 or 37.0 percent.

—Army Reserve enlisted: 29,498 or 26.6 percent.

The numbers of officers who are graduates of one of the service academies and were released from active duty before the completion of their active-duty service obligation and, of those officers:

—The number who are serving the remaining period of their active-duty service obligation as a member of the Selected Reserve pursuant to section 1112(a)(1) of ANGCRRA:

—In fiscal year 2006, no officers were released to the Selective Reserve to complete their obligation.

—The number for whom waivers were granted by the Secretary of the Army under section 1112(a)(2) of ANGCRRA, together with the reason for each waiver:

—In fiscal year 2006, no waivers were granted by the Secretary of the Army.

The number of officers who were commissioned as distinguished Reserve Officers' Training Corps graduates and were released from active duty before the completion of their active-duty service obligation and, of those officers:

—The number who are serving the remaining period of their active-duty service obligation as a member of the Selected Reserve pursuant to section 1112(a)(1) of ANGCRRA:

—In fiscal year 2006, no distinguished Reserve Officers' Training Corps (ROTC) graduates were released before completing their active duty service obligation.

—The number for whom waivers were granted by the Secretary of the Army under section 1112(a)(2) of ANGCRRA, together with the reason for each waiver:

—In fiscal year 2006, no waivers were granted by the Secretary of the Army.

The number of officers who are graduates of the Reserve Officers' Training Corps program and who are performing their minimum period of obligated service in accordance with section 1112(b) of ANGCRRA by a combination of (a) 2 years of active duty, and (b) such additional period of service as is necessary to complete the remainder of such obligation served in the National Guard and, of those officers, the number for whom permission to perform their minimum period of obligated service in accordance with that section was granted during the preceding fiscal year;

—In fiscal year 2006, five ROTC graduates were released early from their active duty obligation. Of this number, all five are completing the remainder of their obligation through service in the ARNG, and none through service in the Army Reserve.

The number of officers for whom recommendations were made during the preceding fiscal year for a unit vacancy promotion to a grade above first lieutenant, and of those recommendations, the number and percentage that were concurred in by an active duty officer under section 1113(a) of ANGCRRA, shown separately for each of the three categories of officers set forth in section 1113(b) of ANGCRRA (with Army Reserve data also reported).

—1,960 ARNG officers from units were recommended for position vacancy promotion and promoted.

—89 Army Reserve officers from units were recommended for position vacancy promotion. A total of 82 were favorably considered.

The number of waivers during the preceding fiscal year under section 1114(a) of ANGCRRA of any standard prescribed by the Secretary establishing a military education requirement for noncommissioned officers and the reason for each such waiver.

—In fiscal year 2006, no waivers were granted by the Secretary of the Army.

The number and distribution by grade, shown for each State, of personnel in the initial entry training and non-deployability personnel accounting category established under section 1115 of ANGCRRA for members of the Army National Guard who have not completed the minimum training required for deployment or who are otherwise not available for deployment. (A narrative summary of information pertaining to the Army Reserve is also provided.)

—In fiscal year 2006, the number of ARNG non-deployable personnel was 63,839. The National Guard Bureau (NGB) maintains the detailed information.

—In fiscal year 2006, the Army Reserve had 20,080 soldiers that were considered non-available for deployment for reasons outlined in Army Regulation 220–1, Unit Status Reporting (i.e., pending administrative/legal discharge or separation, medically non-available).

The number of members of the Army National Guard, shown for each State, that were discharged during the previous fiscal year pursuant to section 1115(c)(1) of ANGCRRA for not completing the minimum training required for deployment within 24 months after entering the National Guard. (Army Reserve data also reported).

—The number of ARNG soldiers discharged during the previous fiscal year pursuant to section 11115(c)(1) of ARNGCRRA for not completing the minimum training required for deployment within 24 months after entering the ARNG is 170 officers and 12,435 enlisted soldiers, which includes all 54 States and Territories. The breakdown by each State is maintained by NGB.

—The number of Army Reserve soldiers discharged during the previous fiscal year for not completing the minimum training period required for deployment within 24 months after entering the Army Reserve is 173 officers and 547 enlisted soldiers. Those soldiers who have not completed the required initial entry training (IET) within the first 24 months are discharged from the Army Reserve under AR 135–178, Separation of Enlisted Personnel.

The number of waivers, shown for each State, that were granted by the Secretary of the Army during the previous fiscal year under section 1115(c)(2) of ANGCRRA of the requirement in section 1115(c)(1) of ANGCRRA, together with the reason for each waiver.

—In fiscal year 2006, no waivers were granted by the Secretary of the Army.

The number of Army National Guard members, shown for each State, (and the number of AR members), who were screened during the preceding fiscal year to determine whether they meet minimum physical profile standards required for deployment and, of those members: (a) the number and percentage that did not meet minimum physical profile standards for deployment; and (b) the number and percentage who were transferred pursuant to section 1116 of ANGCRRA to the personnel accounting category.

—The number and percentage who did not meet minimum physical profile standards required for deployment:

—In fiscal year 2006, approximately 96,603 ARNG soldiers underwent a physical. Of these personnel, 4,386, or 4.5 percent, did not meet the minimum physical profile standards required for deployment.

—In fiscal year 2006, approximately 23,146 Army Reserve soldiers underwent a retention physical. Of these personnel 3,214 or 13.8 percent were identified for review due to a profile-limiting condition or failure to meet retention standards.

—The number and percentage that were transferred pursuant to section 1116 of ANGCRRA to the personnel accounting category.

—In fiscal year 2006, 12,042 ARNG persons were transferred from a deployable to a non-deployable status.

—Fiscal year 2006, 2,474 Army Reserve soldiers were considered non-available for deployment. This is a decrease of 1,748 from the beginning of fiscal year 2006 (21,828).

The number of members and the percentage total membership of the Army National Guard shown for each State who underwent a medical screening during the previous fiscal year as provided in section 1117 of ANGCRRA.

—Public Law 104–106 (NDAA 1996), Div A, title VII, section 704(b), February 10, 1996, repealed section 1117 of ANGCRRA.

The number of members and the percentage of the total membership of the Army National Guard shown for each State who underwent a dental screening during the previous fiscal year as provided in section 1117 of ANGCRRA.

—Public Law 104–106 (NDAA 1996), Div A, title VII, section 704(b), February 10, 1996, repealed section 1117 of ANGCRRA.

The number of members and the percentage of the total membership of the Army National Guard shown for each State, over the age of 40 who underwent a full physical examination during the previous fiscal year for purposes of section 1117 of ANGCRRA.

—Public Law 104–106 (NDAA 1996), Div A, title VII, section 704(b), February 10, 1996, repealed section 1117 of ANGCRRA.

The number of units of the Army National Guard that are scheduled for early deployment in the event of a mobilization, and of those units, the number that are dentally ready for deployment in accordance with section 118 of ANGCRRA.

—Public Law 104–106 (NDAA 1996), Div A, title VII, section 704(b), February 10, 1996, repealed section 1118 of ANGCRRA.

The estimated post-mobilization training time for each Army National Guard combat unit (and Army Reserve unit), and a description, displayed in broad categories and by State of what training would need to be accomplished for Army National Guard combat units (and Army Reserve units) in a post-mobilization period for purposes of section 1119 of ANGCRRA.

—Estimated time for post mobilization training is reported through the Unit Status Report, is classified, and is maintained by the Department of the Army, G–3, Operations, Readiness and Mobilization Division.

—Information on the type of training required by units during post-mobilization is maintained by the appropriate Army Command (ARCOM) or Army Service Component Command (ASCC), i.e., FORSCOM, USAREUR, and USARPAC).

—During fiscal year 2006, the ARNG began transforming enhanced separate brigades (ESBs) and divisional brigades to brigade combat teams (BCT). To reduce post-mobilization training time, ARNG BCTs will train in accordance with the Army force generation model (ARFORGEN). This 6-year model, executed prior to mobilization, culminates with ARNG BCTs achieving company level training proficiency prior to arrival at the mobilization station. The post-mobilization training for ARNG BCTs will then focus on theater specific training requirements. Additionally, ARNG BCTs will conduct collective training in order to attain brigade level training proficiency. This training focuses on combat tasks associated with attack, defend, and support/stability operations.

—The Army Reserve no longer manages units through the force support package (FSP) model, but is transitioning into the ARFORGEN. The Army Reserve has 77 percent of their units integrated into the ARFORGEN model. Post mobiliza-

tion training for Army Reserve units typically consists of common task testing, NBC defense, force protection, sustainment, command and control, weapons qualification, tactical communications training, and branch-specific technical training. Virtually all units require branch-specific technical training to meet deployment standards. Five additional days are required to conduct convoy lane training (includes live fire and immediate action drill training).

A description of the measures taken during the preceding fiscal year to comply with the requirement in section 1120 of ANGCRRA to expand the use of simulations, simulators, and advanced training devices and technologies for members and units of the Army National Guard (and the Army Reserve).

—During fiscal year 2006, the ARNG synchronized the use of existing and ongoing live, virtual, and constructive training aids, devices, simulations and simulators (TADSS) programs with the training requirements of the ARFORGEN. By synchronizing the use of TADSS with the ARFORGEN, the ARNG will improve unit training proficiency prior to mobilization.

—To support the training requirements of M1A1 Abrams and M2A2 Bradley equipped BCT's the ARNG continued the fielding of the advanced Bradley full-crew interactive simulation trainer (AB–FIST) which provides a full crew simulations trainer for M2A2 units and the conduct of fire trainer (COFT) XXI. When fully fielded these devices in addition to the Abrams full-crew interactive simulation trainer (AFIST) XXI will be the primary simulations trainers to meet the virtual gunner requirement of M1 and M2 crews. In order to meet the virtual maneuver training requirements in the ARFORGEN, M1 and M2 units utilize the close combat tactical trainer (CCTT) and the rehosted simulations network (SIMNET).

—In order to train all ARNG units on the tactics, techniques, and procedures (TTPs) of convoy operations, the ARNG is fielding the virtual convoy operations trainer (VCOT). The VCOT, through the use of geo-specific databases, also provides commanders with a unique and critical mission rehearsal tool. Currently, there are 21 VCOT systems positioned in the ARNG force to train the fundamentals of convoy operations.

—In order to meet basic and advanced rifle marksmanship requirements, the ARNG is fielding the engagement skills trainer (EST 2000). This system is the Army's approved marksmanship training device. The EST 2000 is also used to provide unit collective gunnery and tactical training for dismounted Infantry, Special Operations Forces, Scouts, Engineer, Military Police Squads, and Combat Support and Combat Service Support elements. These systems also support units conducting vital homeland defense missions. Additionally, in order to more quickly provide critical marksmanship training capability to ARNG units, the ARNG is using the fire arms training system (FATS) as in lieu of training system for the EST 2000.

—The ARNG supplements its marksmanship training strategy with the laser marksmanship training system (LMTS). The ARNG currently has over 900 systems fielded down to the company level. The LMTS is a laser-based training device that replicates the firing of the soldier's weapon without live ammunition. The LMTS is utilized for developing and sustaining marksmanship skills, diagnosing and correcting marksmanship problems, and assessing basic and advanced skills.

—Through the ARNG Distributed Battle Simulation Program, civilian infrastructure commanders receive assistance from Commander's Operational Training Assistants, TADSS facilitators, and Janus Technical Team Exercise Support in the planning, preparation, and execution of simulations-based battle staff training that augments the support provided by training support XXI soldiers and greatly enhances unit proficiency and readiness.

—In order to provide the critical culminating training event of the ARFORGEN, the ARNG has implemented the eXportable combat training capability (XCTC). The XCTC program provides the method to validate that ARNG combat units have achieved the company level maneuver proficiency prior to mobilization. The XCTC incorporates the use of advanced live, virtual, and constructive training technologies to replicate the training experience until now only found at one of the Army's combat training centers. The centerpiece of the XCTC is the deployable force-on-force instrumented range system (DFIRST). DFIRST utilizes training technologies that allows for full instrumentation of the training area from major combat systems down to the individual soldier, role player and civilian on the battlefield.

—The most important part of every training exercise is the after action review (AAR). By fully instrumenting the training area units receive an AAR complete with two dimensional, three dimensional and video playback of the actual train-

ing exercise. This allows commanders and soldiers to see what occurred during the training exercise from a different prospective further enhancing the training experience.

—The Army Reserve continues to focus on integrating simulations, simulators, and TADSS into training plans. As part of the Army Campaign Plan Decision Point 72, the Army Reserve has created an entire battle command training division with simulations brigades strategically placed throughout CONUS. These brigades provide Army Reserve units train-up exercises which culminate in participation in corps warfighter and battle command staff training exercises to enhance training readiness.

—The Army Reserve remains an active member of the Army's simulation community by participating in the live, virtual, constructive (LVC) training environment periodic review and as a member of the LVC integration concept team. The Army Reserve continues to press PEO–STRI and the National Simulation Center on the priority for the development of combat support and combat service support functionality within the Army Constructive Training Federation to ensure training capabilities for the entire spectrum. The Army Reserve has also identified the need for increased digital equipment fielding for the Reserve components. Current and future forces need digital capability to train effectively in the contemporary operating environment (COE) and the joint national training capability (JNTC) environment of Army capabilities.

—The Army Reserve continues to investigate alternative training mechanisms to simulate urban terrain and potential terrorist activities, including the virtual emergency response training system (VERTS). The Army Reserve continues to develop the simulations operations functional area assessment to ensure that capabilities exist to support the DOD training transformation goal of integrated live, virtual, and constructive training in a joint environment.

—At the tactical level, the Army Reserve is using paintball weaponry to simulate conditions in battle. Convoy live-fire training, using paintball technology, teaches valuable combat skill at the cost of soldiers having to wash off paint stains rather than blood. The Army Reserve continues to work on a joint learning process that develops leaders who are agile and adaptive, ready to participate in any theater of operation.

—The Army Reserve is prepared to meet any challenge as we move towards the future to combat persistent adversaries in the global war on terror, homeland defense, and weapons of mass destruction.

Summary tables of unit readiness, shown for each State, (and for the Army Reserve), and drawn from the unit readiness rating system as required by section 1121 of ANGCRRA, including the personnel readiness rating information and the equipment readiness assessment information required by that section, together with:

—Explanations of the information:

—Readiness tables are classified. This information is maintained by the Department of the Army, G–3.

—Based on the information shown in the tables, the Secretary's overall assessment of the deployability of units of the ARNG (and Army Reserve), including a discussion of personnel deficiencies and equipment shortfalls in accordance with such section 1121:

—Summary tables and overall assessments are classified. This information is maintained by the Department of the Army G–3.

Summary tables, shown for each State (and Army Reserve), of the results of inspections of units of the Army National Guard (and Army Reserve) by inspectors general or other commissioned officers of the Regular Army under the provisions of section 105 of title 32, together with explanations of the information shown in the tables, and including display of:

—The number of such inspections;

—identification of the entity conducting each inspection;

—the number of units inspected; and

—the overall results of such inspections, including the inspector's determination for each inspected unit of whether the unit met deployability standards and, for those units not meeting deployability standards, the reasons for such failure and the status of corrective actions.

—During fiscal year 2006, ARNG State level inspectors general conducted extensive inspections throughout the United States. State level inspectors general (IG) conducted approximately 1,410 inspections during the year, visiting 361 separate units. Because IG inspections focus on findings and recommendations, the units involved in these inspections were not provided with a pass/fail rating. Results of inspections conducted by inspectors general may be requested for release through the Inspector General of the Army.

—Operational readiness evaluation data for FSP and eSBs is unavailable as these inspections were eliminated as requirements in 1997. Data available under the training assessment model (TAM) relates to readiness levels and is generally not available in an unclassified format. TAM data is maintained at the State level and is available upon request from State level training readiness officials.

—In accordance with AR1–201, Army Inspection Policy, the United States Army Reserve Command (USARC) conducts inspections of RRCs/DSUs within requirements of the USARC organizational inspection program (OIP). Per the Army regulation, at division levels and above, OIPs are comprised primarily of staff inspections, staff assistance visits and IG inspections. Staff inspections are only one aspect by which the Commanding General can evaluate the readiness of their command. The Inspector General conducts inspections and special assessments based on systemic issues and trends analysis; issues that may possibly impede the readiness of the Army Reserve.

—The Chief, Army Reserve directed the Inspector General to conduct a special inspection in fiscal year 2006 derived from concerns about a myriad of soldier support issues, such as pay and promotions procedures, awards processing and evaluations.This inspection also covered the particular special interest item of motorcycle safety, an additional concern due to increasing motorcycle accidents throughout the command.

—The Army Reserve is meeting regulatory requirements through a combination of battle focused readiness reviews (BFRR) and staff assistance visits, with the assistance visits conforming to regulatory requirements listed in AR 1–201. The BFRR is the tool used by major subordinate commanders to provide the Army Reserve Commanding General a lay-down on the readiness and resource status of their command, and resolve systemic issues/trends in order to achieve continuous improvements in readiness. The Army Reserve conducted 16 BFFR in fiscal year 2006. BFRRs were halted until the new Deputy Commanding General was selected and resumed in December 2006, with a review of the 104th Division (IT). The staff assistance visits are more assistance oriented in nature.

A listing, for each ARNG combat unit (and U.S. Army Reserve FSP units) of the active-duty combat units (and other units) associated with that ARNG (and U.S. Army Reserve) unit in accordance with section 1131(a) of ANGCRRA, shown by State, for each such ARNG unit (and for the U.S. Army Reserve) by: (A) the assessment of the commander of that associated active-duty unit of the manpower, equipment, and training resource requirements of that National Guard (and Army Reserve) unit in accordance with section 1131(b)(3) of the ANGCRRA; and (B) the results of the validation by the commander of that associated active-duty unit of the compatibility of that National Guard (or U.S. Army Reserve) unit with active duty forces in accordance with section 1131(b)(4) of ANGCRRA.

—There are no longer ground combat active component (AC/reserve component (RC) associations due to operational mission requirements and deployment tempo.

—As forces command's executing agent, First Army executes the legislated Active Duty Associate Unit responsibilities through both their pre-mobilization and post-mobilization efforts with RC units. When RC units are mobilized, the units are thoroughly assessed in terms of manpower, equipment, and training initially by the appropriate RC chain of command and that assessment is approved by First Army.

—Validation of the compatability of the RC units with the active duty forces occurs through the mobilization functions with the direct oversight of First Army and FORSCOM at the mobilization centers.

—The Army's transformation from a division-centric to brigade-centric organization under the ARFORGEN model, coupled with the acceleration of the ARNG modularity and recognition of the combat experience of deployed RC personnel and units; should render the reporting requirement as specified in U.S. Code: Title 10,10542. Army National Guard Combat Readiness Annual Report as no longer appropriate.

A specification of the active-duty personnel assigned to units of the Selected Reserve pursuant to section 414(c) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (10 U.S.C. 261 note), shown (a) by State for the Army National Guard (and for the U.S. Army Reserve), (b) by rank of officers, warrant officers, and enlisted members assigned, and (c) by unit or other organizational entity of assignment.

As of September 29, 2006, the Army had 3,327 active component soldiers assigned to title XI positions. In fiscal year 2006, the Army began reducing authorizations in accordance with the National Defense Authorization Act of fiscal year 2005 (Pub-

lic Law 108–767, section 515). The Army G–1 and U.S. Army Human Resources Command carefully manage the authorizations and fill of title XI positions.

TITLE XI (FISCAL YEAR 2006) AUTHORIZATIONS

	OFF	ENL	WO	Total
Human Resources Command		5		5
U.S. Army Reserve	37	147		184
TRADOC	97	167		264
FORSCOM	1,358	2,318	129	3,805
ESGR	1	3		4
USARPAC	30	58	1	89
Total	1,523	2,698	130	4,351

ADDENDUM P.—HELPFUL ARMY WEBSITES

The following websites provide greater information on various topics:

The Army Website. This site is the most visited military website in the world, averaging about 7 million visitors per month or 250 hits per second. It provides news, features, imagery, and references.

http://www.army.mil

The Army National Guard. Provides information about the Army National Guard.

http://www.arng.army.mil

The United States Army Reserve. Provides information about the Army Reserve.

http://www.armyreserve.army.mil/usar/home

Army Families Online. This site provides information and links to other support programs that support our soldiers and their families.

http://www.aflo.org/skins/WBLO/home.aspx?AllowSSL=true

U.S. Army Wounded Warrior Program. This site provides information on the Army's Wounded Warrior Program which provides support for severely wounded soldiers and their families.

https://www.aw2.army.mil/

Deputy Chief of Staff for Personnel, G–1. For information on personnel issues.

http://www.armyg1.army.mil

Deputy Chief of Staff for Intelligence, G–2. For information on intelligence issues.

http://www.dami.army.pentagon.mil

Deputy Chief of Staff for Operations, Plans, and Policy, G–3/5/7. For information on Army plans and operations.

http://www.g357extranet.army.pentagon.mil/#

Deputy Chief of Staff for Logistics, G–4. For information on Army logistics.

http://www.hqda.army.mil/logweb/

Chief Information Officer, CIO/G–6.

http://www.army.mil/ciog6/

Deputy Chief of Staff for Programs. For information on materiel integration.

http://www.g8.army.mil

Future Combat Systems. For information on the Future Combat Systems program.

http://www.army.mil/fcs

Army Logistics Transformation Agency. For information on Army logistics transformation.

http://lta.army.mil

Army Medicine. For information on Army medical programs.

http://www.armymedicine.army.mil

Army Posture Statement. For the web-based version of the Army Posture Statement which includes amplifying information not found in the print version.

http://www.army.mil/aps

Army Modernization Plan. Provides a detailed overview of the Army's organizational and materiel modernization efforts.

http://www.army.mil/features/MODPlan/2006/

ADDENDUM Q.—ADDITIONAL INFORMATION ON ARMY RELATED TOPICS

We have provided additional information on the following topics in the CD–ROM and web-based versions of the 2007 Army Posture Statement. They are available as in-text links and may be accessed through this addendum either on the CD–ROM or the Web.

2006 Army Modernization Plan
Actionable Intelligence
Active Component/Reserve Component Rebalance
Adapting the Major Army Command Structure
Add-on Armor for Tactical Wheeled Vehicles
Army Barracks Modernization Program
Army Capabilities to Dominate in Complex Environments
Army Career Intern Program
Army Community Service
Army Energy Strategy for Installations
Army Environmental Programs
Army Equipping and Reuse Conference
Army Family Action Plan
Army Initiatives to Improve in Irregular Warfare Capabilities
Army Knowledge Online (AKO)/Defense Knowledge Online (DKO)
Army Leaders for the 21st Century
Army Leads Biometrics Integration
Army Prepositioned Stocks
Army Referral Bonus Pilot Program
Army Reserve: All-Volunteer Force and the Army Reserve
Army Reserve: Army Reserve Child and Youth Services Program
Army Reserve: Army Reserve Education Services
Army Reserve: Army Reserve Employer Relations
Army Reserve: Army Reserve Facility Management Transformation
Army Reserve: Army Reserve Family Programs
Army Reserve: Full-Time Support Revalidation
Army Reserve: Regional Personnel Service Centers
Army Reserve: Reserve Components Separate Competitive Categories for Officer Promotions
Army Reserve: Selected Reserve Incentive Program
Army Reserve: Sexual Assault Prevention and Response Program
Army Reserve: Trainees, Transients, Holdees and Students Account
Army Reserve: Voluntary Selective Continuation of Alerted and Mobilized Selected Reserve Lieutenant Colonels and Colonels
Army Retention Program
Army Sexual Assault Prevention and Response
Army Spouse Employment Partnership
Army Strong
Army Sustainability
Army Training Support System
Army Transferability of GI Bill Benefits to Spouses Program
Army Values
Asymmetric Warfare Group
Base Realignment and Closure Decisions for the Army
Basic Officer Leader Course
Battle Command (Annex)
Battle Command (as a Weapons System)
Battle Command (Equipping)
Building Partnership Capacity through Security Cooperation
Campaign Quality Force
Child and Youth Services
Child and Youth Services School Transition Support
Civilian Creed
Civilian Education System
Clinger-Cohen Act Title 40, Subtitle 3 Compliance and Certification
Combating Weapons of Mass Destruction (WMD)
Composite Risk Management
Concept Development and Experimentation
Consolidated IT Services
Core Enterprise Services
Cultural Awareness and Foreign Language Capabilities
Defense Integrated Military Human Resources System
Defense Support to Civil Authorities—(Annex)
Defense Support to Civil Authorities
Defense Support to Civil Authorities (Establishment of Army North)
Defense Support to Civil Authorities (Hurricane Katrina Response)
Defense Support to Civil Authorities (Pandemic Flu Preparation)
Defense Support to Civil Authorities (Special Events for 2006)
Deployment Cycle Support Process
Expeditionary Capabilities
Families First Program
Family Readiness Group Deployment Assistant Program
Family Readiness Group
Force Stabilization
Freedom Team Salute
Full Spectrum Operations in Army Capstone Doctrine
Global Force Posture
Information Assurance and Network Security
Installation Design Standards
Interceptor Body Armor
IT Interoperability Testing
IT Portfolio Management
Joint Interdependence
Joint Knowledge Development and Distribution Capability
Joint National Training Capabilities
Joint Tactical Radio System
LandWarNet and the Global Information Grid
Life Cycle Management Initiative
Live, Virtual, Constructive Training Environment Integration
Major Acquisition Programs: Armed Recon Helicopter
Major Acquisition Programs: Black Hawk Utility Helicopter

Major Acquisition Programs: CH47 Medium Lift Helicopter
Major Acquisition Programs: Future Combat Systems
Major Acquisition Programs: Light Utility Helicopter
Major Acquisition Programs: Longbow Apache Attack Helicopter
Major Acquisition Programs: Medium Extended Air Defense System
Major Acquisition Programs: Unmanned Aircraft Systems (Raven)
Major Acquisition Programs: Unmanned Aircraft Systems (Shadow)
Major Acquisition Programs: Unmanned Aircraft Systems (Warrior)
Medical and Dental Readiness
MILCON Transformation
Military Family Life Consultants Programs
Military One Source
Military-to-Civilian Conversions
Modular Force Conversion
Morale Welfare and Recreation (MWR)
Multi-Component Family Network
National Guard: Chemical, Biological, Radiological, Nuclear and High Yield Explosive Enhanced Response Force Package
National Guard: Counterdrug Program
National Guard: Education Support Center
National Guard: Every Soldier A Recruiter
National Guard: Exportable Combat Training Capability
National Guard: Family Assistance Centers
National Guard: Family Readiness Programs
National Guard: Recruiting Assistance Program
National Guard: Historical Armory Activities
National Guard: Homeland Defense
National Guard: Operational Support Airlift Agency
National Guard: Personnel Services Delivery Redesign
National Guard: State Partnership Program
National Guard: Strategic Reserve to Operational Force
National Guard: Weapons of Mass Destruction Civil Support Teams
National Security Personnel System
Non-Commissioned Officers Creed
Officer Retention
Rapid Equipping Force
Rapid Fielding Initiative
Recruiter Incentive Pay Pilot Program
Recruiting Incentive Program
Recruitment Policy Changes
Red Team Education and Training
Reset
Residential Communities Initiative
Restructuring Army Aviation
Retrograde Task Force
Review of Education, Training and Assignment for Leaders
Science and Technology
Soldier's Creed
Spiraling Technology into the Current Force
Stability Operations Capabilities
Stabilizing Soldiers and Units to Enhance Cohesion and Predictability
Strong Bonds Program
Sustainable Range Program
The Army Distributed Learning Program
The Digital Training Management System
U.S. Army Combat Training Center Program
U.S. Army Wounded Warrior Program
U.S. CENTCOM Rest and Recuperation Program
Unit Combined Arms Training Strategies
Up-Armored Vehicle Program
Utilities Privatization
War Reserve Secondary Items
Warfighter Information Network—Tactical
Warrant Officer Education System
Warrior Ethos
Warrior Tasks and Battle Drills
Western Hemisphere Institute for Security Cooperation

ADDENDUM R.—ACRONYMS

AC—Active Component
ACOM—Army Command
AMC—Army Materiel Command
APOE—Aerial Port of Embarkation
APS—Army Prepositioned Stocks
ARFORGEN—Army Force Generation
ARI—Army Research Institute
ARNG—Army National Guard
ASC—Army Sustainment Command
ASCC—Army Service Component Command
ASV—Armored Security Vehicle
AW2—U.S. Army Wounded Warrior Program
BCT—Brigade Combat Team
BfSB—Battlefield Surveillance Brigade
BOLC—Basic Officer Leader Course

BRAC—Base Realignment and Closure
BT—Business Transformation
CBRN—Chemical, Biological, Radiological, and Nuclear
CBRNE—Chemical, Biological, Radiological, Nuclear and High Yield Explosives
CES—Civilian Education System
CM—Consequence Management
COIN—Counterinsurgency
CPI—Continuous Process Improvement
CS—Combat Support
CSS—Combat Service Support
CT—Counter Terrorist
CTC—Combat Training Center
CWMD Combating Weapons of Mass Destruction
DCGS–A—Distributed Common Ground System—Army
DMDC—Defense Manpower Data Center
DOD—Department of Defense
ES2—Every Soldier a Sensor
FCS—Future Combat Systems
FTS—Full Time Support
FY—Fiscal Year
GBIAD—Ground Based Integrated Air Defense
GCSC–A—Global Combat Service Support—Army
GDP—Gross Domestic Product
GDPR—Global Defense Posture Review
GFEBS—General Fund Enterprise Business System
GWOT—Global War on Terrorism
HMMWV—High Mobility Multipurpose Wheeled Vehicle
HSDG—High School Diploma Graduates
HST—Home Station Training
HUMINT—Human Intelligence
IBA—Improved Body Armor
IED—Improvised Explosive Device
ISR—Intelligence, Surveillance, and Reconnaissance
IT—Information Technology
JIEDDO—Joint Improvised Explosive Device Defeat Organization
JIOC–I—Joint Intelligence Operations Capability—Iraq
JTF—Joint Task Force
LMP—Logistics Modernization Program
LSS—Lean Six Sigma
METL—Mission Essential Task List
MFO—Multinational Force and Observers
MI—Military Intelligence
NCO—Non-Commissioned Officer
NDAA—National Defense Authorization Act
OA&D—Organizational Analysis and Design
OEF—Operation Enduring Freedom
OIF—Operation Iraqi Freedom
OPTEMPO—Operational Tempo
O&M—Operations and Maintenance
PLM+—Product Lifecycle Management Plus
QDR—Quadrennial Defense Review
RC—Reserve Component
RCI—Residential Communities Initiative
RDA—Research, Development, and Acquisition
REF—Rapid Equipping Force
RFI—Rapid Fielding Initiative
SDDC—Surface Deployment and Distribution Command
SIGINT—Signals Intelligence
SMS—Strategic Management System
TPFDD—Time Phased Force Deployment Data
QOL—Quality of Life
UAS—Unmanned Aerial Systems
USAR—United States Army Reserve
VA—Veterans Affairs
WMD—Weapons of Mass Destruction

Senator INOUYE. Thank you very much, Mr. Secretary. General Schoomaker.

STATEMENT OF GENERAL PETER SCHOOMAKER, CHIEF OF STAFF, UNITED STATES ARMY

General SCHOOMAKER. Well, Mr. Chairman, Senator Stevens, distinguished members of the subcommittee, thanks very much for the opportunity to appear today and also for your kind words. You know, I joked in the past about answering the cell phone on my pick-up truck and what a mistake it was but the reality is, it's been a tremendous honor to serve once again our great Nation and to serve with the young men and women, their families of all components and I really appreciate your kind words.

INTRODUCTION OF SOLDIERS

As has been our tradition in the past, I've brought three soldiers again today that I would like to introduce to the subcommittee. They represent all three components of our Army and the thing that I like to remind everybody, as General Laten once said, the people aren't in the Army. The Army is people. So these great young people I'd like to introduce.

The first is Sergeant Jonathon James from Tuscaloosa, Alabama. He's a member of the Alabama Army National Guard. He deployed to Iraq for Operation Iraqi Freedom III as an infantry team leader in Alpha Company First Battalion 167th Infantry, attached to the 48th Brigade Combat Team. Sergeant James participated in the capture of eight of the top insurgents or blacklisted personnel in his division area of operations. He led his four-man fire team on successive missions that engaged and disrupted three separate insurgent motor teams who were firing on U.S. and Iraqi army positions as well as on Iraqi civilians in the nearby town of Lutifiya.

As a testament to his leadership, Sergeant James participated in the capture of the largest weapons cache in the division and led over 70 combat operations over the course of his year at FOB Roe, all without a single friendly casualty. He has been awarded the Bronze Star Medal, the Army Commendation Medal with V-Device for Valor and the Combat Infantryman Badge. Sergeant James.

The second soldier I'd like to introduce is Sergeant Sandra or Sandy Kitzinger, a native of Heilbronn, Germany who joined the U.S. Army Reserve in August 2001. Due to the restrictions from the German government on her initial efforts to deploy to Afghanistan, they were denied because of those restrictions as a German citizen.

Sandy became a U.S. citizen in June 2005, then immediately volunteered to deploy to OIF IV, with the 3rd Corp Support Command. A personnel specialist, she served as a noncommissioned officer in charge of the casualty-tracking cell in the logistics support area, Anaconda. On the morning of January 16, 2006, Sergeant Kitzinger was returning from her guard mount when the camp came under rocket propelled grenade (RPG) attack. Caught in the open along with one of her soldiers, Sergeant Kitzinger acted quickly and with total disregard for her own safety by pulling the soldier away from the direct impact area of an incoming RPG. In shielding the other soldier from the blast, Sergeant Kitzinger sustained hearing loss in her right ear, a severe concussion, and injuries to her face. The other soldier was unhurt.

As a soldier on active Guard Reserve status, Sergeant Kitzinger also represents a critical aspect of what our Reserve component soldiers provide and that is full-time support to enable our Guard and Reserve units to sustain the high operational tempo and to support their mobilization activities.

She is a recipient of the Purple Heart Medal, the Meritorious Service Medal and the Combat Action Badge. Sergeant Kitzinger.

Finally, Corporal John Stewart of Huntington, West Virginia. He is an active duty soldier and combat medic from the 101st Airborne Division. Corporal Stewart was deployed with the 1st Brigade Combat Team during both OIF III and OIF IV as an infantry scout platoon medic. He participated in more than 500 missions during those two tours, ranging from route clearance to raids on insurgents and strongholds.

On the night of June 23, 2006, PFC Stewart accompanied his platoon in the back of a Bradley fighting vehicle when it was struck by an improvised explosive device or IED. The vehicle's fuel cell ruptured and flames quickly engulfed all six occupants. With clear and decisive thinking, PFC Stewart was able to extinguish himself, exit the burning vehicle and begin to direct the efforts of other platoon members to extinguish the other five occupants.

After helping to move everyone away from the secondary explosions of the still-burning vehicle, he then began triage and administered initial aid to the severely burned, barely conscious crew members of the Bradley fighting vehicle. Despite the shock and concussion of the IED blast and after suffering second and third degree burns to his face and hands, PFC Stewart refused medical treatment for himself until all other casualties were safely aboard the medivac helicopter.

For his valiant efforts, he earned a Purple Heart Medal, the Bronze Star Medal with V-Device for valor, an Army Commendation Medal with V-Device in the Combat Medic Badge. Corporal Stewart has since returned to his unit after more than 7 months in Brooke Army Medical Center, where he was both a patient and finally served as a division liaison officer for the soldiers of the 101st Airborne Division.

Now these soldiers are why I'm so proud of being associated with the United States Army and for having had the opportunity to serve.

FUTURE COMBAT SYSTEMS (FCS)

What I'd like to do now—we have a few representations of the future combat system. So very briefly, what I'd like to show you are the kinds of things we're doing with your support and the money that you have given us to support these great soldiers with things that will help them do their job.

First of all, if you look at the screen up here, this young man is going to operate a robotic vehicle. Got it going? Now we have several hundred of these deployed right now overseas, some of them in larger version EOC that allows you to enter caves, it allows you to climb steps, it allows you to enter buildings and rooms without putting soldiers in harms' way.

You can see that—why don't you turn around and look at some of these better—this provides soldier standoff, especially in the

kind of environment that we find ourselves in, in regular warfare. And as I said, we have larger versions of these, several hundred of them already deployed. These are the kind of spinouts that we are taking from the future combat system and spinning onto the current force that allows the current capability to be enhanced. In this picture, now because of the bandwidth we have throughout our forces, going all the way down to the lowest tactical levels, these pictures now can be shown from the top of the organization to the bottom, over the bandwidth in the backbone that we have.

Now likewise, on the table over here are some unattended ground sensors and any kind of sensor can be placed in these, acoustic, oral seismic, EO, night—whatever you want, IR. Again, these signals, which can be distributed all over the battle space, are able to be transported over the bandwidth that we now have all the way down into vehicles with squads in them. They can watch places where we've seen people put up mortars. They can watch places where we know they put caches, watch road intersections, roads, see people that are trying to put in IEDs, et cetera. So again, this is a spinout that we're actually involved in right now.

Finally, down here on the floor—I don't think we're going to fly it in here but that's a UAV. It looks like a little beer can. You can expect—if somebody might walk out there and just move that in the center of the floor, if you wouldn't mind. These will be deployed—the money in 2008 will fund these and they will be fielded in 2010. We already demonstrated these but what is different about these and the tactical UAVs we have today is this hovers and it allows you to move this thing and land on building tops, hover and look in windows and stare at things that—you know, otherwise with something that's got to fly, you don't have that staring capability. This is operated at the tactical level and there is a small one and then there is a larger one, solo man, portable. It starts like a lawnmower or something and it's controlled here with these things on a joystick that kids today are very comfortable in operating.

I just wanted to show you this kind of technology is what is being spun out of the future, out of the future combat system capabilities and where the network is so important because it ties all these things together in such a way that all the way from a core commander down to the lowest rifleman, they can really enhance their ability, their situation on the battle space and of course, it enables these great young people with capabilities that causes them not have to put themselves in harm's way to learn things, as they develop the battle space.

So finally—thank you very much. Finally what I'd like to say is that—sir?

Senator DOMENICI. General, that one there, does it merely direct traffic or it is also itself—does it carry armament capability?

General SCHOOMAKER. Well, we have not armed this. This is purely something to look around a corner in an urban environment or over a hill or——

Senator DOMENICI. To tell somebody what's happening.

General SCHOOMAKER. But obviously, even not arming this, you can put things on this that allow you to pinpoint targets that other

platforms can put ordinance on a target, like laser designation, that kind of thing.

Senator DOMENICI. Thank you very much.

General SCHOOMAKER. There is a lot of capability here to network and this is what allows this great combat team and the modular force and certainly the future combat system equipped team now to kind of cover the kind of battlespace that before it would have taken a division to cover. Now you can do it with a brigade. In some cases, you can do what a corps used to do in terms of the situational awareness and this is very, very important to our future and of course, it's one of the big ways in which we are transforming this Army into one that is relevant for the 21st century and the irregular warfare kind of things that we now are doing.

I'm very proud of the achievements we've had here and your continued support is going to allow us to refine these things, continue to deploy them and of course, our soldiers will show us how to use them to the best advantage.

Finally, I have many members of the Army staff and the Secretary here. I'm not going to introduce them all but they provide subject matter expertise. I would like to recognize two, though.

The first is the Director of the Army National Guard, Lieutenant General Clyde Vaughn. I want you to know that he is here and Lieutenant General Jack Stultz, who is the Chief of our Army Reserve.

ARMY READINESS

Again, thank you very much for your support. I continue to have my concerns and I stand with Secretary Geren and his concerns about the stress that is on our force and about the strategic depth of our Army and about the need for us to continue to energetically—you know, keep great energy and to accelerate these capabilities and accelerate in the transformation of the Army so we have the depth to meet the requirements.

Senator STEVENS. I'm going to ask all those general officers to be listed. We've got General Lovelace, General Speakes, General Melcher and General Jackman behind those that you've already mentioned, General. We will put their names all in the record with your consent.

General SCHOOMAKER. Major General Boles with the G4 is also here. Thank you.

Senator INOUYE. Thank you very much, General and thank you, Mr. Secretary and may I now call on Senator Stevens for questioning.

Senator STEVENS. One of the things I'd like to learn is how close we are to needing the monies that we've got in the supplemental. Are you prepared to talk about that, Mr. Secretary or General Schoomaker?

PASSAGE OF THE SUPPLEMENTAL IN A TIMELY FASHION

Mr. GEREN. Yes, sir, I am and we really don't have to speculate on what the impact would be if this supplemental does not reach us in a timely manner.

Senator STEVENS. What is timely?

Mr. GEREN. We would need it by the end of April, sir and if we don't have it by the end of April, we're going to have to start pulling levers. We're going to have to start making decisions that are going to impact our force, up and down the force. Obviously, our——

Senator STEVENS. If we get you money by the end of April, that means we'll have to get this to the President by about April 15 at the latest because it takes time to get it processed and then get you that money through the Department released. So you're saying you actually need—the Army actually needs money no later than the end of April, right?

Mr. GEREN. Yes, sir, we do and if we don't, we will have to start making adjustments. We'll have to start reprogramming in order to make sure that we have the resources to fully support the force that is in combat. We had this happen last summer. We had to start making changes. We had to start reprogramming money and the impact was everything from the quality of life of our families. We did everything from closing swimming pools in the middle of summer at some of these bases to slowing down some of our work at our depots. We laid off contractors, we laid off temporary employees. We've, around the country, the bases felt the impact of that delay because we had to make sure we could reprogram our assets to meet the needs of the soldiers in the theatre.

Senator STEVENS. Did you do all that just so you could move money into the combat area?

Mr. GEREN. Yes, sir. We did a reprogramming to make sure that we were able to meet the needs of our soldiers in the field and it caused the troops back home and their families to pay a price.

Senator STEVENS. General Schoomaker, we're told that you want to grow the Army force by 65,000 soldiers over the next 5 years, is that right?

General SCHOOMAKER. That is correct, sir. Actually, the total Army is around 74,000. Eight thousand in the National Guard and a little over 1,000 in the Army Reserve and 65,000 in the active component.

Senator STEVENS. Mr. Secretary, do we have a plan to adequately house those people and provide the equipment and facilities they need within 5 years?

Mr. GEREN. Yes, sir, we do, if you combine what we have in the Milcon budget as well as the BRAC funding. We have a plan. It's a tightly synchronized plan and delays in either Milcon or BRAC make it difficult to accomplish those goals but our budget and our plans over the next 5 years will allow us to meet the needs of housing those soldiers and their families and providing them a quality of life that matches the quality of their service. But it's tightly synchronized and any time it slips, it requires us to make adjustments. In fact, we are in the process of making adjustments now because of the delay in the BRAC funding.

BASE REALIGNMENT AND CLOSURE (BRAC)

Senator STEVENS. Under the current BRAC plan, the Army proposes to close Walter Reed and to consolidate the functions there and with those in Fort Belvoir. Being one that has expressed concern already about doing that with the surge that is going on right

now, does this plan really make sense now? I mean, why? That facility is a working facility. It's had some problems here about the support buildings but Walter Reed is still performing, I think, the basic work for those that are seriously injured in this war. Why are we going on with a plan to move it before that space is over?

Mr. GEREN. Walter Reed is used, so correctly stated, as a critical piece in our care to our soldiers and their families. Under the BRAC, we're going to build a better facility at Bethesda, a world-class center as well as an additional facility at Fort Belvoir. What I would suggest rather than reopening BRAC and changing the decision on Walter Reed, that we make sure that Walter Reed is fully operational, able to deliver a 100-percent quality care up until the moment that the Bethesda center and the Belvoir center are open and going. What we want to see happen is emphasis on getting those two new facilities up and going, getting the investment made and make sure they are done on time and in the meantime, make sure that the quality of service at Walter Reed is continued, up until the moment that we cut the ribbon on those new facilities and move the soldiers into them. It's going to require emphasis in the Army as well, I think, in the Congress, to make sure that those two facilities are expedited and done and ready in time.

General SCHOOMAKER. Mr. Chairman, if I could add, Walter Reed isn't supposed to close until 2011. I share your concerns and I think that—my big concern is BRAC is underfunded and if we don't robustly fund BRAC and we don't establish the proper capability of Bethesda and we don't expand the capability to handle the outpatient stuff at Belvoir, we'll find ourselves closing Walter Reed and having real issues. For instance, there are no barracks at Bethesda that are funded right now. There are other issues that are not funded at Bethesda and BRAC that exist at Walter Reed.

The second issue I would tell you is I agree. I think in this long war and with the unknowns that are ahead of us that we ought to think long and hard before we take capability down, capacity down in the medical system because there are certain capabilities that military medicine has, especially when you start talking about chemical, biological or radiological kinds of problems, you start talking about mass casualty problems. Until some of the unknowns are known in the future, I would be careful about hastily taking things down without making sure there is not very robust capacity or you establish what if.

Senator STEVENS. Well, I've taken more than my time already, General, but I've got to tell you, when we went over and took a look at Aviano and Vicenza, moving the bases from Germany to Italy and I look at this process of moving Walter Reed to Bethesda and Fort Belvoir and building new facilities over at Bethesda, I just question seriously the use of that money at a critical time. I really think we ought to be concentrating our money on protecting the individuals that are over there now. That's just my feeling. This BRAC schedule, to move so many people with enormous costs of building bases and building things now at a time we're facing just tough choices on what to fund for the combat soldier, I think is really questionable.

But let me just say this. This is your last meeting before us, General Schoomaker. We thank you for coming back and for taking the reins. Was it worth it?

General SCHOOMAKER. Absolutely, sir.

Senator STEVENS. What do you mean?

General SCHOOMAKER. There were some days that were a year long but you know, the 4 years passed very quickly and it was absolutely worth it and I think that we've got the best Army in the field today that we've ever had. I think we're on the right path. I think with your help that we will have an Army that is part of a joint team that is absolutely going to be necessary in this century.

Senator STEVENS. People ask us from time to time what we think is our greatest accomplishment. I'd just say staying alive. What do you think is yours?

General SCHOOMAKER. Well, staying alive is one of them but I personally am very proud of the warrior ethos that we have in the Army and how that has emerged in this fight. I just see our young men and women living it every day and I'm very, very proud of that.

Senator STEVENS. Do you have confidence that General Casey can fill your shoes?

General SCHOOMAKER. Absolutely.

Senator STEVENS. Thank you, Mr. Chairman.

Senator INOUYE. Thank you very much. Senator Dorgan.

Senator DORGAN. Mr. Secretary and General, thank you very much for being here. I want to ask about two things—well, first of all, thanks for your service and our thoughts are with the soldiers who are in harm's way today.

MINE RESISTANT AMBUSH PROTECTED VEHICLE

I want to ask about two things. One, retired Colonel Hammonds testified 1 year or so ago in Congress and he said, you know, our country is not mobilized for the war. We send soldiers to war but our country is not mobilized. We say, put on a uniform and go to war and we'll go shopping and his point was, in the Second World War, at the end of the Second World War, our country mobilized. We were putting out tens of thousands of airplanes a year. I mean, we mobilized everything and he made a point about the mine-resistant ambush protected vehicle, the MRAP. He said, we can produce vehicles that will reduce casualties. I've read since that time, to reduce casualties by two-thirds. We have the capability to put that vehicle out and produce that vehicle but we're buying far too few of them. Give your estimate of that. Why would, if we have that capability, why would we not do everything to mobilize, to move as many of them into the field as is possible?

General SCHOOMAKER. Well sir, we can build what we can get the funds to build. It's strictly an issue of money and as you know, we have an unfinanced requirement for the vehicles we've asked for to do—over $2 billion for the MRAP vehicle. We believe that not only do we need the MRAP immediately to give us better protection but that we need to stay on a path to get an even better vehicle than the MRAP for the long haul because the enemy is going to continue to adapt. We're going to continue to see more and more lethal kinds of problems and we know that there are technologies

and capabilities out there that we need to continue to reach for. So I see it as an immediate issue with what we're doing with obviously FRAG–KIT 5 and these kinds of things, with the more midterm issue of MRAP and then I see a real need for us to continue to look deeper because this is a problem that's not going to go away.

Senator DORGAN. But if MRAP would reduce casualties by two-thirds from roadside bombs, why would we request only 2,500 be built? My understanding is that Congress has actually funded more than you have requested at this point and the point that Colonel Hammonds was making is we just are not mobilized to say we're going to do everything we can to get the latest equipment in the field post haste.

General SCHOOMAKER. Well, I will have somebody else speak or we'll get for the record but it's my belief that we are not fully funded for all 2,500, that we have a shortfall of what?

Mr. GEREN. In this budget, we have funding for 700, in the supplemental.

Senator DORGAN. What did the Army request in their budget submission to DOD, for the MRAP?

Mr. GEREN. It was a supplemental funding request. It was generated after the budget was submitted and the total requirement is about $1 million for each vehicle so for 2,500 vehicles, we're talking then about——

Senator DORGAN. Two point five billion dollars.

Mr. GEREN. Two point five billion dollars is what the total is.

Senator DORGAN. I'd like to send some questions and again, it gets back to the question of have we mobilized as a country to do everything necessary to support those troops? I mean, we want to do that. I want to ask one other question, if I might, General.

General SCHOOMAKER. Could I answer the mobilization question?

Senator DORGAN. Yes.

MOBILIZING THE NATION

General SCHOOMAKER. The country is not mobilized. Less than one-half of 1 percent of the people are participating in this and I absolutely believe that we've got to get people out of the spectator stands and onto the field. So it's not just mobilizing industry, it's mobilizing people to serve, it's mobilizing people's energies in terms of—in all directions. So I am absolutely on board with the fact this country is not mobilized and I believe this is a very long, serious fight that is going to continue to get more and more dangerous and that we ought to be paying some attention. But World War II level mobilization is not the answer. This is not one of those kinds of fights. This is a fight that is going on generationally. So we're going to have to have a sustained effort to deal with this.

Senator DORGAN. Well, the fight against terrorists is the fight against an enemy that doesn't wear a uniform. I mean, I don't disagree with—the terrorist fight is going to go on.

General SCHOOMAKER. We see future threats already talking about adapting these irregular warfare capabilities into their conventional forces. This is now something we'll see for this next century. This is not just a terrorist fight anymore. Every foe we see in the future is now going to employ these methods.

UNMANNED AERIAL VEHICLES (UAVS)

Senator DORGAN. General, when I came to Congress some long while ago, I joined Senator Gary Hart and Republicans and Democrats that had what was called a Defense Reform Caucus. I was very interested in that. One of the things that peaked my interest recently is a project in the Army called the Warrior, where the Army is building a UAV in this case that will fly at 25,000 feet for 36 hours, carry sensors, very much like the Air Force Predator, carry a couple of missiles, four missiles, I guess. I don't understand why we would have two services in the Department of Defense, both working on nearly identical programs for UAVs to fly at medium or high level. It seems to me to be duplicative and my guess is, the research that went into it from both services is a duplication of research. Why would that not be, at least with respect to that function of a UAV—this would be yours, I understand. Why would the one I've described not be an Air Force function at 25,000 feet, a nearly duplicate system that exists with the Predator that we've funded so aggressively?

General SCHOOMAKER. Well, for the same—first of all, it's not duplicative. Our business is in the tactical and operational role. The Air Force has got a higher role than that. Listen, we have different services, manufacturing different weapon systems. They do similar things. We have different services, buying different kinds of helicopters. We have all kinds of things that go on because there are real differences in terms of how these are employed and what's going to happen with them. So I personally think that we have sorted this out with the Air Force. We have an MOA—a memorandum of agreement. We have a joint office out at Nellis Air Force Base where we are operating all of the doctrinal themes in how we're going to employ this and quite frankly, they are not, as you described, duplicative. There may be some similarities in how they fly and some other kinds of things but how they're connected and what they do is not duplicative.

Senator DORGAN. It appears to be but I'd be happy to receive additional information and I think those of us in Congress who are required to appropriate the funding for this, I think what we would like is for every service not to want to do everything that perhaps we could have one service do something, a cross service for the purpose of another service. And as I look at the UAV, your point this morning about a hovering opportunity here with sensors, I understand that. That's ground support. I understand even battlefield tactical support for 1,000 feet or 2,500 feet but when you're building a UAV to fly at 25,000 feet and we're spending aggressively on the Air Force Predator program, I don't have contractors in either of these. I'm just asking as somebody who years ago took a look at this duplication and said, what on Earth are we doing here and I take a look at the UAV issue and wonder, why is the Army building a nearly identical program to the Predator and calling it the Warrior and wanting to run it yourself. It seems to me——

General SCHOOMAKER. Sir, I think we owe you—we owe you a complete lay-down. We'd be glad to do that. We'll get our experts over and see if we can't——

Senator DORGAN. I'd be happy to meet them but I raise the question just because it's a question in my mind and we have limited resources for nearly unlimited wants in these areas. You know, it's tough to meet all of the needs and we certainly want to try.

Well, Mr. Secretary, I didn't ask you a question but thank you for your service. Thanks for being here as well.

Mr. GEREN. Thanks a lot.

Senator DORGAN. General, thank you.

Senator INOUYE. Thank you. Senator Domenici.

Senator DOMENICI. Might I first say, Senator, if you don't mind and that meeting is set up, would you spread the word—so they won't have to do it in every office, could you invite me so I could get the same briefing? I think it would be worthwhile. I was going to ask the same question. But I thank you for asking it.

Let me talk about—I'm going to submit a whole series of questions that I thought I was going to ask you and I'm not.

WALTER REED BASE REALIGNMENT AND CLOSURE ISSUES

Senator DOMENICI. I'm going to talk a minute about the idea of building a brand new hospital to take the place of Walter Reed. Senator Stevens sort of started talking about this, around the edges as to whether we're going to be able to do this while we're at war.

You were answering, General, that in a sense, we're really not fully mobilized. We're a country that is kind of doing both. We're immobilized here at home and only a little piece of our productivity and power is being devoted to the war. But I want to tell you, sir, I would really ask for the very best minds to be allocated to putting together the plans, specifications and implementation for that new hospital. I already know it is a dream of a hospital. The Army is looking at, saying we don't always get a chance to be first but we are building a new hospital at a time when a new hospital is really something special. And it has all kinds of gadgets and it will be a super, super hospital. I want to urge you and today I want to go on record as saying, if you try to do that new hospital with our current operational efforts, it won't get done right. And I urge that you be very careful and maybe that you hold up on that new hospital until you have a much, much bigger ability to see daylight. This is going to be a terrible thing to build at the same time you're taking care of people and have this war going on. Maybe you better just talk a bit. I don't—I'm not——

General SCHOOMAKER. Well, see I don't disagree with anything you've said but I think it is really important to understand this isn't an Army deal. This whole move of Walter Reed to Bethesda was done in the joint cross service group that was done under OSD and it was done with all the services that are involved. So this isn't the Army doing this by itself. It was—all of the reasons for doing it made a lot of sense to the joint cross service group and of course, we had our representatives on this group but it's not funded to do what it said and it's now in law. This is outside of our control right now, internally.

By 2011, the BRAC is supposed to be complete and that's in law. So all I'm reporting on is what I have been told and that is, is that we have a very aggressive plan. It's not fully funded. As you know,

we're $2 billion short this year in BRAC and we're sitting here 6 months into the fiscal year and still without the bill. These are the kind of things that the Secretary talked about that really become problematic if we are to be able to accomplish what the law is requiring us to do and to do it on our back, in trying to mobilize the nation, try to run the depots, fight the war and all the other things we're trying to do, it's very, very difficult. So we're going to need a lot of help and again, I'll just end with this. I am concerned that we do it right.

Senator DOMENICI. You bet.

General SCHOOMAKER. And we do it without taking any risk in the capacity in our military healthcare system, at a time of war, when there are so many uncertainties ahead on this. And I'm not suggesting——

Mr. GEREN. We must be sure that we maintain top quality, first class medical care at Walter Reed until these other two facilities are up and running and ready to go. That's the commitment of this administration. The chief pointed out that we, because of a number of issues, the 2011 deadline for accomplishing BRAC is going to be a tight squeeze. There's no doubt about it but our commitment to our soldiers must be that we will continue to offer first class care there until such time as those facilities are up and going. Those facilities will add, as you've described, Senator, capabilities that we cannot currently deliver. They will be first class, state-of-the-art healthcare facilities for our soldiers and their families. But the commitment we must make to the soldiers is that Walter Reed will continue to offer first class care until such time as those are open.

Senator DOMENICI. Yes, sir. I see the misunderstanding. I don't know what that means but I'm certainly not arguing against the hospital. I'm arguing—trying to make the point that somehow, you have to have super, super talent allocated to this kind of proposition or the tradeoffs won't occur and you'll have half a half and half a half and what will happen is nothing. It won't work. So we'll get cut short and you'll be up here testifying that we're almost there but the hospital isn't open.

Mr. GEREN. Yes, sir.

Senator DOMENICI. Right?

Mr. GEREN. I appreciate that.

Senator DOMENICI. And I'm saying to the chairman, that's going to be the problem. Thank you for giving me so much time. I yield.

Senator INOUYE. I thank you very much. Senator Murray.

Senator MURRAY. Thank you, Mr. Chairman.

Senator INOUYE. Before you proceed, I should note that there is a vote pending now.

ARMY OUTPATIENT SERVICES

Senator MURRAY. Okay. Thank you, Mr. Chairman and thank you to both of you for being here and I appreciate, Mr. Secretary, your addressing at the top, the concerns about Walter Reed. It is deeper than painting walls and moving people. It is about the bureaucracy that they've been caught in and I heard your comments about mobilizing, the importance to mobilize. Well, if we want to mobilize, we better make sure those families are taken care of and they don't feel that they get lost in this system and that's under-

lying all of this. I know it's deeper than Walter Reed. Newspaper articles in my home State listed concerns at Fort Lewis and Madigan Army Medical Center last week and we expect these to be addressed by letting us know what the costs are in reality, in real terms, so we are able to provide the funds to make sure that the people get the support they need, get the counselors they need, get all of the things that are so important in order to take care of them.

I will say, the good news, Mr. Chairman, is that Generals Dubic and Baxter from Fort Lewis and Madigan, have contacted me in the last few days to let me know they are taking some steps to deal with this paperwork issue that they've been facing. They're making sure that all of their soldiers get their own medical records for the first time. They are changing the medical board process from 3 days to 10 days so that people have some more time to be able to make a very critical decision about their life, and they are focusing on retraining some caseworkers. Those are initial steps and we need to continue them every step of the way.

RETRIBUTION FOR TALKING OUTSIDE THE CHAIN OF COMMAND

I wanted to start with you, Secretary Geren. I asked General Kiley last week but we are hearing from many, many soldiers in our State who are very concerned that if they talk to us about the issues that they're facing, that there will be some kind of retribution. I got his word last week but I want to raise it with you as well because we need to have these facts in order for us to make sure we are doing what we need to do in order to make sure these families are taken care of. I want your word that there will be no retribution to any service member that steps forward to any of us or within the system, should they come forward with a complaint.

Mr. GEREN. Senator, I can assure you, any form of retribution, anything that discourages a soldier or family from coming forward and sharing their concerns with us, any form of retribution or discouragement will not be tolerated.

One of the steps we're taking that I think will help in that regard, because I've heard the same thing. I've had some nurses and I've had some family members tell me that there was a perception that there would be retribution if people came forward. That's absolutely unacceptable but this 800-number that we're putting in that is not going to some bureaucracy somewhere, it's going to come to the Army Operations Center, is going to give soldiers the opportunity to come straight into the Army center and share their concerns. If they want to do it anonymously, we'll protect their confidentiality. But we're going to——

Senator MURRAY. I appreciate that and I want you to get the word out and I want you to know we'll take it very seriously if there is any retribution that we hear about. So I hope that you get that word out to everybody.

Mr. GEREN. Can I say one thing on that point? General Schoomaker, Dr. Eric Schoomaker that took over the hospital the Saturday before last—I was out there with him the Sunday, the day after he took over and in speaking to the staff and in speaking to some of soldiers that we're dealing directly with; the outpatient soldiers—he made the point on the very front end of this conversa-

tion. I want the soldiers to talk confidentially with me, with you and if there is any retribution, it's absolutely unacceptable. From his first day on the job, he made that clear at Walter Reed and I can assure you, that's the position of your Army leadership.

DISABILITY RATINGS

Senator MURRAY. And we need it to be system wide. My time is short so let me just ask you, Secretary Geren, I am very concerned about the PEB ratings for the Army, that only 4 percent of those have a disability rating of 30 percent or higher. That's very different than the other services and I want a short answer from you because I have another important question I want to get to. But why is it that the Army appears to have an artificially low incident of 30 percent disability ratings?

Mr. GEREN. I can't answer that question for you right now but I'd raise the same question, as has Chief Schoomaker. We became aware of that disparity recently and it's part of our review. We're looking at the entire disability rating system, scrubbing it from top to bottom and that's one of our questions and we're going to get an answer.

Senator MURRAY. Well, I think that is absolutely critical because what I'm hearing from a lot of people on the ground is that they believe those disability ratings are artificially low because of the encouragement to try and keep people in the military. When they have an injury, it's important that we take care of them and their family and not rate those artificially low. So I expect to have an answer back from that.

ALTERED MEDICAL EVALUATIONS IN 3RD INFANTRY DIVISION

Related to that, I don't know if you saw—I'm sure you saw an article that ran in Salon this week about soldiers being sent back to battle in Iraq even though a medical evaluation had listed them as medically unfit. I'm going to read it to you. It said, "as the military scrambles to pour more soldiers into Iraq, a unit of the Army's 3rd Infantry Division at Fort Benning is to decline troops with serious injuries and other medical problems, including GI's who doctors have said are medically unfit for battle. Some are too injured to wear their body armor, according to medical records." The story goes on to say that some soldiers had their medical evaluations altered although their medical conditions had not changed. Is the Army in the practice of doctoring health records just so we can deploy more soldiers overseas?

Mr. GEREN. If anyone is doing that, it's against regulation. I am familiar with Salon.com article as well as the allegations in it. There was a soldier who spoke on the record there. If these allegations are serious and allegation of that sort, I can assure you, we're going to follow up on it and investigate. General Schoomaker, do you want to speak to that?

General SCHOOMAKER. I just—I don't know of a commander that would want to take somebody with them in their unit that wasn't capable of doing the full job. To me, if that's going on, it's wrong.

Senator MURRAY. I agree and I hope that we can get both of you to take a serious look at that and to report back to this subcommittee and Congress because that is a very serious issue, if sol-

diers are going into harm's way who can't wear a helmet for more than an hour or can't wear body gear or are unfit for conditions, have post-traumatic stress syndrome or whatever their medical evaluation is. We need to make sure that that is not happening, and I hope we can get a report back from both of you expeditiously.

Mr. GEREN. You certainly will. I cannot speak to the truth of those allegations but we take every allegation seriously and we'll check it out fully, I assure and we'll get back to you.

[The information follows:]

ALTERED MEDICAL EVALUATIONS IN THE 3RD INFANTRY DIVISION

On March 13, 2007, the U.S. Army Forces Command (FORSCOM) Inspector General (IG) received an Inspector General Action Request from the Department of the Army IG (DAIG). The FORSCOM IG opened a case that same day, and initiated an inquiry. DAIG will retain oversight of the inquiry, which is ongoing. When the inquiry is complete, the Army will provide you with the final report.

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

Senator INOUYE. Thank you. Senator Shelby.

Senator SHELBY. Thank you. Mr. Secretary, I believe you're going to take control of the problems at Walter Reed, with other help and I believe it will be a good outcome. I'm counting on that.

General Schoomaker, we all thank you for your service.

General SCHOOMAKER. Thank you, sir.

Senator SHELBY. And what you've done. I also want to thank you for recognizing these three soldiers here today. We all respect them and we salute them. One of them happens to be Sergeant James from my hometown, Tuscaloosa, Alabama and that makes us all proud and then proud some more.

Unmanned aerial vehicles—it was brought up just a minute ago. General Schoomaker, 2 years ago, the Air Force made a major push to become the executive agent over all Department of Defense unmanned aerial vehicles. Eventually, the executive agency idea was abandoned and instead, the Department of Defense established a Joint UAV Center for Excellence as well as several service-specific UAV Centers for Excellence because we know there is a difference between the services do here.

To me, the mere concept of the executive agencies for UAVs is problematic. Having an executive agent for UAVs carries the inherent risk that the service designated, in this case, the Air Force, would not have the capability to effectively balance and manage something you mentioned, tactical and strategic platforms. In addition, setting up a single authority for all service UAVs is the unmanned equivalent of establishing an executive agent for all manned aircraft. I think it is an impossible feat.

Now, it is my understanding that the Air Force has recently made another move to try to establish themselves as executive agent over UAVs, this time over medium and high altitude UAVs, including tactical. On March 5, 2007, the Air Force Chief of Staff, General Mosley, issued a memo outlining their interest in establishing this, effectively giving themselves procurement authority and operational control over any UAV that flies above 3,500 feet. That's troubling to me and it should be for the Army. Do you have any thoughts in that?

General SCHOOMAKER. Well, yes, I think it's a problem. That's what I just said. I was unaware of his memo but I can tell you that he's the third Air Force Chief of Staff I've dealt with on that.

Senator SHELBY. Absolutely.

General SCHOOMAKER. And we've had numerous discussions in the tank, in the JCS tank, because the Navy has equities in this as well.

Senator SHELBY. That's right.

General SCHOOMAKER. The Army has got equities, the Air Force has got equities and it isn't a simple solution. I think you're exactly right. I mean, we don't have a single executive agent for manned aircraft. We don't have a single executive agent for rotary aircraft. There are too many complexities in this to do it that simplistically. So my view is, is the memorandum of understanding, an agreement that we have today, is an effective way to approach this problem.

Senator SHELBY. It's working is it not?

General SCHOOMAKER. It's working and we have an Army commander on an Air Force installation out in Nevada that is working it and the services will rotate that commandership in terms of how we are working the doctrine and the tactics, techniques and procedures for these UAVs. But we have a huge need in the United States Army in our modular force. We have UAVs down to the lowest tactical level and some of these UAVs are going to fly in airspace that you just described. We fly helicopters about 3,500 feet. The Air Force flies fixed wing below 500 feet. So it's just not—it's not the way we ought to go about doing this and I think that we've come up with an effective fix and I think we'll go back through, if he is approaching it this way and it will stand the test of time again, that's it's a more complex issue.

Senator SHELBY. What we're doing works. The Army needs control. They need some procurement authority here too, do they not?

General SCHOOMAKER. And we do. I mean, we have the authority over our own programs.

Senator SHELBY. Mr. Secretary, you'll weigh on this, I'm sure.

Mr. GEREN. Yes, sir. I agree with what the chief has said.

Senator SHELBY. Thank you, Mr. Chairman. I'm going to try to get a vote.

Senator STEVENS [presiding]. The chairman asks that we stand in recess until the rest of the subcommittee gets back. How about explaining some of these things to me?

Senator INOUYE. Sorry for this interruption but may I now recognize Senator Mikulski?

Senator MIKULSKI. Thank you very much, Mr. Chairman and we need to again welcome the Army leadership in the most cordial way. General Schoomaker, I want to express my gratitude for your service.

General SCHOOMAKER. Thank you, ma'am.

Senator MIKULSKI. And we wish you well. I hope you stay engaged in this advocacy, particularly of the returning soldier and what's going to happen to our military. We are relieved that your brother, Eric, has taken over Walter Reed. I know him from his work at Fort Detrick and we look forward to, along with you, this family style of candor. I think if we can all be kind of open about the reality of the situation, we can get to it.

Mr. Secretary, we know you're trying to move in a good step. I would like to comment very briefly that we appreciate the fact that Major General Gale Pollock is the Acting Surgeon General. I believe she is the first woman ever to be the Surgeon General but we've met with General Pollock and the other women nurses, the leadership, about the nursing shortage. We could talk all morning just about that. But we're pleased that for now, you've got the right people to get to where we need to go with Army medical care.

BASE REALIGNMENT AND CLOSURE

So let me get right to my questions. I know that Ranking Member Stevens has raised the question about BRAC. I think we have to be honest and take a look about that. Others have raised the flashing yellow lights about whether there is enough funding to do this, move to Belvoir and Naval Bethesda and also, we can't forget that there is a 50-bed hospital at Andrews, which is the only one with an absolutely secure facility if we ever had some nature of an attack. So I think BRAC might have to be looked at but I don't think that's the most important thing. You know, the facilities are important but what I'm concerned about is two things: the medical care and the disability compensation.

DISABILITY RATINGS

And on this, I'll turn to the Secretary. We're very concerned about the disability benefit situation. All of the men and women who've been injured want to hit 30 percent. Now, why? They want to hit 30 percent so they can get TRICARE. They are terrified that if they go into the Veterans Administration (VA), it will be even another backlog and also that they will wither away because of their chronic, long-term care needs. So that's why there is this desire to hit 30 percent and maybe that's the way to do it. I don't know. We need to hear from you.

The second thing is, you know the amount of backlog. I don't need to repeat it. You have the data. But what I'm concerned about is the fact that the protocols used to evaluate the men and women are dated, are absolutely dated. We have new types of injuries, particularly the TBI or various manifestations of it, other grim and ghoulish things that have happened to them. So my question is, that while Dole and Shalala are looking at one aspect of this crisis, can you tell me where you are in taking a look at really, truly getting your arms around the disability benefit structure, not only for the Army but for the marines and the Air Force as well. But you're at 4 percent. That's a flashing light. Senator Murray raised it. But you see, what I'm worried about—the backlog and then the fact that when they are evaluated, what are your protocols and how dated are they? Can you tell us where they are because that's why we fear the under-evaluation of the seriousness of the disability situation.

Mr. GEREN. We're looking at the disability system from top to bottom. The Army IG that completed his study just recently is a good first step. You mentioned the protocols. There is no question that those need to be reviewed and updated, in light of not only changes in the healthcare but changes in the type of injuries that we are experiencing now. The TBIs you mentioned. Some of the

other mental health problems that we have, we need to look at the protocols to make sure that those are properly considered. But our first step was this IG report and the IG has identified that regulations are out of date as far as our disability population. Our standards—we're falling behind our own timeliness standards. We do not have standardized and up to date training. Our quality controls are not uniform across the system and we also don't have the type of technology to properly track the soldiers as they move through the system.

SEAMLESS TRANSITION TO THE VETERANS ADMINISTRATION

I met with General Pollock yesterday, her second day on the job and went over this IG report and also, she assured me of her commitment to take on this whole issue of disability. You mentioned the VA. The long-term solution to this problem is not an Army solution, not a DOD solution, frankly. We're going to have to look across the Government and at the end of the day, if we're going to address this as we should and care for those who will have borne the battle properly, as they deserve, we're going to have to look across the Government and the final solution is going to involve State government as well because they have many veterans programs. And the volunteers—using the VSOs more effectively than we currently use them.

But we pledge to you——

Senator MIKULSKI. Well, Mr. Secretary, you know and we appreciate the volunteer effort. I know that there are some stunning volunteer efforts from Walter Reed to my own community. But the fact is, we're concerned number one, about the fact of once—if they reach a certain disability, they'll get TRICARE for life and that's what they want. I mean, that's what the majority would prefer because it enables them to, if you don't have the availability for a military hospital, they'll have availability where TRICARE is contracted with the private sector. So in my own State, not only do we have Naval Bethesda but you also have Hopkins and University of Maryland as part of TRICARE. So that's one of the reasons why the military want to be in TRICARE. Then there is going to be the overwhelming cost of this. I mean, we're heading to the largest workmen's compensation system that this country has ever seen, other than World War II. So I think we've really got to be into this, to move the claims and then also look at what is the role for the Army in TRICARE for life as well as veterans. Are you with me? This takes me to another question.

I peppered General Kiley with a series of questions about the 50-year care. This goes right to what you are saying about VA. I don't dispute that. But he hadn't even met with VA. He hadn't even met with VA about the seamless transition of our men and women who will go into the VA system. Remember when they're evaluated—they come to a fork in the road. They're either in TRICARE or they're in VA. There's no electronic—there is not even an electronic record system. Then they have to stand in another line for VA. Can you tell then, how you're going ahead with VA, because they have a 700,000 person backlog?

Mr. GEREN. Well, our relationship, our working relationship with the VA is not what it should be when it comes to working with

these wounded soldiers and their families, absolutely not. It's not where it needs to be. Not only is the Army committed to working that but Secretary Gates has—that is a priority for him. He's working with Secretary Nicholson. We recognize that there is a problem there and this administration recognizes there is a problem there. I can't sit before you today and tell you I know what the solution is but I can assure you that we recognize a problem and General Eric Schoomaker, Dr. Schoomaker in my first meeting with him, that was one of the issues that he raised also, was the issue with how do we manage the transition to the VA better and we don't have the answer today. But I can assure you, we're committed to working through this problem. We're taking it from the bottom up. We're going to deal with the bureaucracy issue, the backlog issue. We're committed to doing a better job with VA.

This new deputy commanding general, this one star that is a new office added at Walter Reed, his job—and he's a combat veteran. He understands what these soldiers have gone through. His job is to be the bureaucracy buster—advocate on behalf of these soldiers and cut through this bureaucracy that is strangling the system. That old of a bureaucracy is a fight they should not have to fight.

Senator MIKULSKI. I think we're in absolute alignment but my question is, when do you see your reports in and how do you see action being taken?

Mr. GEREN. We're making corrections every day. We're fixing things as we go. I will tell you, if I were—the relationship with the VA is something that is not going to change overnight. Dr. Gates, Secretary Gates, his work with the VA is going to be an important part of that. I know it is high on the President's agenda as well. But we are not waiting for any of these final reports, whether it is the Dole/Shalala or even the one that we have, Secretary West and Secretary Marsh. We are identifying problems and fixing them every day and I can assure you, General Schoomaker is doing that.

Senator MIKULSKI. I can't tell you how much I like hearing that because rather than waiting for a report, you're addressing that. I think that's outstanding. I would just hope that our subcommittee, through part of its oversight, could meet with you again and have an ongoing conversation because—as we look at the 2008 while we're looking at the supplemental now, because again—I know my time is up but we have to think about this as 50 years. It's what I said to General Kiley. These men and women are now in their twenties. If you've lost an arm, you have TBI, you're into a 50-year situation, both to manage your care and your outpatient care. These will be chronic care situations. Some will need assisted living. Some will need assistance with living. Then we haven't even talked about the trauma to the spouse and the children. We've got to be treating both the warrior and the family and I know General Pollock will speak to that. I think the nurses as case manager is—just listen to General Pollock. She has lots of excellent ideas and she'll tell them to you as well. I think we're clear about that.

But you see, we've got to look at the 50 years, both their compensation, then their care and then how we're going to help the families get through this.

Mr. GEREN. Yes, Senator, I couldn't agree more. We have a commitment as a Nation to—President Lincoln said it best—a commitment to those who have borne the battle, his widow and his orphan. That is a moral commitment that we as a Nation have to every one of those soldiers and their families and we've got to stand behind them.

Senator MIKULSKI. Okay. Thank you.

Senator INOUYE. Thank you very much. General Schoomaker, listening to your introduction of the three brave soldiers and their citations, I would believe that they are deserving of at least a Silver Star. Do you have any influence?

General SCHOOMAKER. Are you saying, are you influencing me?

Well, sir, you know how the system works and we have to work within that and I'd be glad to see them wear the Silver Star. I just think they are real heroes. But we work within the rules.

Senator INOUYE. To the soldiers, the applause should indicate to you how much we admire you and how much we are grateful to you. The subcommittee is very grateful for your service. Thank you very much.

I don't want to get involved in the Walter Reed matter but I'd like to make a little observation. In all of the furor in the front pages, I don't recall reading anything about criticisms of surgical and medical service at Walter Reed. I think we should note that. Most if not all of the criticism came about as a result of Building 18, the mold, the insects and such. But no one has ever complained about surgical and medical treatment and I think we should note that and express our gratitude to the men and women who serve our soldiers there.

ARMY RECRUITING

Mr. Secretary, we are now predicting a shortage of troops and we are beginning a recruiting drive. DOD sets a recruiting quality benchmark and the benchmark says 90 percent of the recruits should be high school graduates or men and women who have high school diplomas but in fiscal year 2006, we came down to 81 percent. We also have increased and doubled the use of moral waivers. Are you concerned about this drop in quality, the quality set up by your office?

Mr. GEREN. The quality of our force that we have today is excellent. We have changed some of the recruiting guidelines in order to better meet the demographics of the population we're recruiting in. As we stand here today, only one-third of all the young men in the age of 17 to 25 are eligible to join the United States Army. We have made some changes in the guidelines but our Army keeps a close watch on the quality of the force and the quality of the force has not gone down. We have excellent soldiers from entry level all the way up through officer level and we keep a close eye on it. The leadership of the Army watches the recruiting numbers. They watch the retention numbers, looks at the quality of the force and the force that we have today is up to the high standards that you expect and we expect but we're going to keep a close eye on it and ensure that we maintain those standards.

We've met our recruiting goals for the active component for 21 months in a row. The Guard has developed some very innovative

approaches to recruiting that I think that the active component can learn from and we're going to learn from them, some best practices. We continue to do better in recruiting. We're looking at ways to do better. We're targeting certain areas where we've got needs but I can assure you, the quality of the forces are a high priority and we're going to keep a close eye on it. I think General Schoomaker can also speak to the quality and put it in an historical perspective.

Senator INOUYE. Please do.

General SCHOOMAKER. Sir, I think we've got the most experienced, highest quality force that we've ever put on a battlefield and I often go back and say, look at this thing in a broader context. The laws of the land, the law of the United States of America allows us to go to 20 percent CAT–4s. Twenty percent. We're below 4 percent CAT–4s. The law of the land allows us to go to 65 percent high school graduates. You just said we were at 81 percent. Our goal is to go to 90 percent.

I think back to 1980. We were at 56 percent in 1980, CAT–4s, CAT–3 and below, at 56 percent in 1980. I mean, the quality of this force and experience of this force is extraordinary and yes, I would be concerned about any trend that indicates as you said but I think we're talking about very marginal kinds of things right now and the demonstrated performance of these soldiers is extraordinary.

The second thing is we watch our attrition very carefully. We're seeing right now, although we've made the basic training, initial entry training, by far—by several orders of magnitude more difficult than it was 3 or 4 years ago, we see our attrition now tailing lower than it's ever been and we're following those soldiers in the force and we see the same thing in the force. The soldiers that are training are very low in that. But commanders still have the same problems they've always had and that is, if soldiers don't perform, they have procedures in which they can remove the soldiers from the force. And that's why these attrition figures are important to us.

So I honestly believe that we are fielding a very, very high quality force, that these young men and women are just extraordinary and what Secretary Geren just said, when less than 3 out of 10 young men between the ages of 17 and 24, in this Nation today, can qualify to join the Armed Forces, we have a bigger problem and I think it's extraordinary that we are getting the quality force that we do. In fact, about 15 percent of that category of people provides about 49 percent of all of our Army recruits. I mean, it's pretty extraordinary and I would remind everybody, when you look at active Guard and Reserve, we are recruiting every year, more soldiers every year than the entire Marine Corps is—big. We're recruiting more soldiers every year than the Navy, the Marine Corps, the Air Force and we're getting very high quality folks. So I think we need to keep our eye on it. I'm sorry to talk so long about it but it is a very important piece of it. I think we ought to be concerned about it. We ought to guard it very carefully but I think we're a long way from having to set our hair on fire over it.

Senator INOUYE. Well, I thank you very much for your most reassuring response. The Army is now predicting a shortage of 3,700 career officers for the next fiscal year. Are you concerned?

General SCHOOMAKER. Well, of course. But again, let's put this in context. We started this fight what? Five, six years ago and we were about 5,000 captains short in the United States Army, when this started and largely because—you know, the Army today is only 40 percent the size it was during the cold war. So when you draw down what happened was, to manage the force, we underassessed lieutenants and that level is passing through the system now and—well, now it's the major level. So we're seeing that go through. At the same time as we're growing this Army, creating more brigades, we're creating more requirements for captains and majors and lieutenant colonels and so where we started in the hole, we've now also created a larger demand. We agreed to see ourselves short for quite some time and one of the reasons why we are accelerating promotions of those that are high performers, moving that promotion in on ranks, we've now moved majors back to 10 years, for instance, from 11, which is consistent with the other services. Captains we're promoting at the 38 month mark now, back from a 42 month mark, so we're doing things that we have to, to appropriately manage the force.

I might remind you, I came in during the Vietnam era. You were a second lieutenant for 1 year. You were a first lieutenant for 1 year. You were a captain in 2 years. One of the field grade officers in the first battalion I joined made major in 5½ years. We're not going there. We were making staff sergeants in 6 months, during that period, through what used to be called a shake and bake program. We're not going in that direction. We are carefully managing this and making sure that the education and the training and all the rest of it is properly managed. But we do have a challenge and it's one that I think is directly related to downsizing the force to 40 percent of its previous size and now trying to grow a force at war, which is a little bit like trying to build an airplane while it's flying. It's a pretty touch act. I hope that's useful because that's my answer.

ARMY READINESS

Senator INOUYE. In a way, Mr. Secretary, we are constantly told that our readiness is being endangered or diminished because of the damage and what adequate equipment the Army has to continually use. Now you're asking for, I think, $24 billion. Is that sufficient?

Mr. GEREN. We are able to meet our immediate readiness investment goals with that amount of money. That's what we have in the budget. It's only a piece of our total investment in readiness and reset. You all have helped us last year with the $17 billion we are investing in reset and making sure we get the equipment ready, not only for the troops that are deployed but the troops here at home. But we've got readiness challenges. We're committed to full spectrum readiness and we've got to, as an Army, got to continue to invest if we're going to achieve our goals in that area. Every soldier that crosses the wire is prepared and ready for this fight. In order to make sure that they are ready in combat, we are having to—it's putting a burden on our non-deployed forces and we've got to do more in investing in our non-deployed forces and investing in our troops back home. Right now, again, I want to assure that the

soldiers we send to battle are ready for war. They are ready for the job we're asking them to do. They are the best led, best trained and best equipped but we have to do a better job in investing in the folks that are non-deployed. The tempo that we're subjecting the soldiers to, the rate of deployment—we have got a lot of issues that are putting a tremendous stress on the force and there is more we need to do. In a way, General, do you concur?

General SCHOOMAKER. Absolutely. I think I've never, in my entire years of service, I've never seen an Army in the field as well equipped, led, trained and experienced as this one but I'm very, very concerned about the price we're paying on the non-deployed forces and I've made this very clear. I've testified to this and of course, if we were in a closed session, I could be very specific about what my concerns are but I think we ought to be very concerned about the readiness and the strategic gap that we have in the United States Army today when you take a look at the strategic situation we face today. I have no concerns about what we're deploying.

SOLDIER PROTECTIVE EQUIPMENT

Senator INOUYE. Recently I read a report issued by your office, General, which amazed me that in World War II, our combat soldiers wore uniforms, steel helmet, boots, rifle, the works—to go into combat and the cost in today's dollars, $175. The men that you are now commanding serving in Iraq, going into combat, have gear that costs $17,000, is that correct?

General SCHOOMAKER. That is correct and, in fact, depending on where you look, some of them are equipped over $20,000 as an individual. It was about $170-something back in World War II. In Vietnam, we were putting around $1,500 on a soldier and today, we're putting upwards of $15,000 to $20,000 on a soldier and we have to because of the kinds of things that we face on the battlefield today.

Senator INOUYE. Not too long ago, I watched an exercise on training and I swear, these GIs were carrying at least 100 pounds. Is that the way they go into combat?

General SCHOOMAKER. I would say that people are routinely carrying 70 to 100 pounds as they move to combat. When they are actually in combat, in some cases, they are fighting a little bit lighter than that but if you take the body armor that a soldier wears today, the ammunition that he has and his water, just that alone, is up there over 50 pounds, 50, 60, 70 pounds.

Senator INOUYE. Now we're talking about adding on to the body armor to cover the elbows and the knees and such. That's going to be heavier yet. Are we looking for lighter materials?

General SCHOOMAKER. Absolutely. There are efforts going on in soldier systems looking at composites and all kinds of things, to include some other additional technologies. One of the things FCS does is allow soldiers to remain mounted in collective protection longer and it takes technology to start trading off heavy armor for other kinds of active protection that protects soldiers. So that's why these technologies are so important to us as we move forward, because we're running out of physics here in terms of being able to

stop the kind of lethal munitions that are on the battlefield with just getting thicker armor.

STRYKER BRIGADE

Senator INOUYE. We have been receiving very complimentary reports on the performance of the Stryker brigades in Iraq and we just learned the National Guard is requesting two Stryker brigades. Are you in favor of that, Mr. Secretary?

Mr. GEREN. I was not aware that they asked for an additional one. The current plan is for the one Stryker Brigade in the National Guard but let me say, the Stryker—I think when I came to the Pentagon in 2001, all the questions that were in the air about the Stryker, whether or not it was the right vehicle, whether or not it was going to live up to its expectations. This war—the Stryker has certainly proven its worth. It is the workhorse of this war effort and it is an area where we should continue to invest and as far as that specific request, I've not had a chance to look at it.

As I said at the beginning of my remarks, we're one Army now, total force concept and we're calling on the Guard and Reserve to step up to the front lines just like the active duty does and we have got to make the appropriate investment in them and I believe we are. As far as that specific request, I can't speak to it. I don't know if General Schoomaker may.

General SCHOOMAKER. I just looked at this tough son of a gun sitting behind right now, Lieutenant General Vaughn and he shook his head no. I've never heard of a request for a second Stryker but I can tell you, the Stryker vehicle, as a vehicle, has demonstrated it is one of the most extraordinarily capable vehicles we've got and that's one of the reasons why our Special Operations forces are now asking us for Strykers.

Second, the Stryker concept brigade and the kinds of things that it is able to do has demonstrated its worth a great deal. As we move forward here with the transformation of the Army, I think Strykers are going to play a big role but what we're really doing with this kind of capability is as we go to FCS, as we go beyond Stryker in terms of the kinds of capabilities that it brings.

Senator INOUYE. I have about 2 hours more of questions but I would like to submit them to you, General Schoomaker, for your responses.

Senator STEVENS. What do you mean, go beyond Stryker? What are you talking about?

General SCHOOMAKER. I'm talking about taking all of the goodness of Stryker and providing a lighter, more lethal, more capable system through the future combat system capabilities we have. For instance, Stryker right now has done some of the things that conceptually that we want to do in FCS. It's reduced to a more common platform. It has provided speed and lethality and situational awareness and all the enabling of these technologies. The problem is, we need to have a better-protected vehicle so we need to go to active protection. We need other things that allow, if a Stryker-like vehicle of that weight to be able to survive on the future battlefield. We also need to get more commonality of these platforms so we can reduce the number of mechanics, reduce the number of tools and reduce the difference in repair parts on a common platform. We

need to go to more fuel-efficient vehicles that generate their own electricity and generate their own water and get greater fuel economy. We want to get a vehicle that is more strategically deployable in terms of its cube and weight. So all of these are where we're going with the future combat system and it will take all of the goodness of Stryker and improve upon it.

The other thing is, we end up trading off. For instance, if you take a look at a Stryker Brigade, it's about 900 soldiers smaller than the modular brigade is, yet it has twice the number of infantrymen and squads and it's because we have taken all of the efficiencies and things like crew-served weapons and mechanics and converted those spaces into actual infantry spaces that give us the kind of things we need on the battlefield. So that's what I mean by going beyond Stryker. It improves upon the concept and brings better technologies to bear for much more lethal battlefields that we will face in the future.

Senator STEVENS. And who is for certain——

General SCHOOMAKER. We're certain about the amount. This is what all this is part of.

Senator STEVENS. Who is for certain the modernization of Stryker?

General SCHOOMAKER. We have. Every Stryker Brigade we feel that we've gotten block upgrades on.

General SPEAKES. Sir, specific examples of—Stryker is first what we call slag armor.

Senator STEVENS. I'm saying you have the money here. Who is going to do it?

General SPEAKES. Sir, it's funded. We have it as part of the program. As General Schoomaker has said, Strykers are absolutely essential to our concept of how we support and execute this war. Thanks to your generosity, what we now have is built-in product improvements in terms of weapon systems, the quality of stabilization on the weapon systems, the quality of protection and situational awareness on that vehicle.

Senator STEVENS. You'll be able to develop the follow-on Strykers with the money in this bill?

General SPEAKES. Yes, sir. We will.

Senator STEVENS. You don't need any more money?

General SPEAKES. At this point, we're adequately funded for the improvements we need. We will continue to improve this system and ask for more money if we see a need.

Senator STEVENS. Thank you. Thank you, Mr. Chairman.

ADDITIONAL COMMITTEE QUESTIONS

Senator INOUYE. I would like to thank the Secretary and General. Thank you for your service, General. But something tells me we will see more of you here.

Senator STEVENS. When do you leave, General?

General SCHOOMAKER. Sir?

Senator STEVENS. When do you step down?

General SCHOOMAKER. In about 3 weeks, sir, the 10th of April.

Senator STEVENS. Before you go, expect a call from us.

General SCHOOMAKER. All right, sir.

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

QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUYE

FUTURE COMBAT SYSTEM

Question. General Schoomaker, the Army has recently restructured the Future Combat System for the second time in four years amid concerns of limited resources for this ambitious undertaking. Is the Army's goal to transform to the Future Force placing undue pressure on budgetary resources?

Answer. FCS is the only affordable approach to Army modernization. The Army has continued to adjust its modernization strategy to meet the challenges of fighting and transforming simultaneously. The FCS restructure in 2004 was designed to resource modularity and bring FCS capabilities into the current force sooner.

Through spin-outs, we are already providing FCS capabilities into the current force, which leverages the investments in the FCS program to modernize the entire force. The majority of theater commanders' operational needs statements are specifically requesting the capabilities we are developing within FCS.

The Army has found the right balance within its budget to satisfy the demands of a long war and responsibly modernize the force. The adjustments to the FCS program achieve this balance. It minimizes developmental risk where possible and gets FCS technologies into the hands of troops sooner rather than later. To help balance the affordability of modernization, the Army reduced the FCS program by $3.3 billion the Fiscal Year 2008–13 Program Objective Memorandum making it even more affordable.

We cannot afford not to modernize. Operational requirements, personnel and logistic costs make the future force strategy an imperative. Our current combat platforms are ill suited for the types of operations we face today and may see in the future. To achieve this goal of balancing sustainment and transformation, it is imperative that we continue modernization efforts while fully resourcing reset, modularity, pre-positioned stocks, and the other costs of war.

Question. The Future Combat System (FCS) is the Army's modernization program. It consists of 14 integrated weapon systems and an advanced information network that requires twice as many lines of software code as the Joint Strike Fighter. While the Army maintains its program cost estimate of $163.7 billion, independent cost estimates put the costs between $203 billion and $234 billion.

The tension between the ambitious program scope and available resources led the Army to restructure the program prior to the fiscal year 2008 budget submission. This is the second major restructure in four years. As a result, several technologies are being deferred, and the procurement of FCS brigades will be decelerated, resulting in full fielding of 15 brigades by fiscal year 2030, compared to fiscal year 2025 under the previous plan.

According to the Army, the restructure was driven strictly by budgetary, not programmatic concerns, fueled in part by congressional reductions of $825 million over the past three years. While some critics question whether FCS can adequately fight the type of asymmetrical insurgent warfare that we are likely to see in the future, the Army maintains that FCS gives it the capability to fight future wars across the full spectrum of operations.

General Schoomaker, the Future Combat System is a large and complex system. What capabilities will it bring to the type of asymmetrical insurgent warfare that we are currently facing in Iraq and are likely to face in the future?

Answer. As I have said on numerous occasions, I believe we are much closer to the beginning than the end of a long war. The Future Combat Systems (FCS) are specifically designed to counter the 21st Century's full-spectrum of threats, including the irregular warfare in which we find ourselves today.

The future is now; through "spin-outs" we are already providing FCS capabilities into the current force: unmanned aerial vehicles, unattended ground sensors, unmanned ground vehicles and robots. Today's operating environment requires the ability to find and track individuals. The majority of theater commanders' operational needs statements are specifically requesting the capabilities we are developing within FCS.

Stryker brigade combat teams are linked together for situational awareness and battle command, and they are proving to be the most capable and the most effective units in counterinsurgency environments. However, this is just a preview of the capabilities that we're going to achieve with the FCS equipped brigades. FCS technologies that we're developing will provide our Soldiers much better situational awareness and battle command, one that is shared real time. We never want to be

in a fair fight, and with these improvements our Soldiers will have the ability to see first, understand first and act first.

FCS equipped brigades will allow us to accomplish missions faster, control much larger areas and reduce casualties compared to our traditional modular brigades. Survivability and force protection will be greatly enhanced in an FCS brigade combat team which will reduce casualties. The information systems and the intelligence systems that support an FCS brigade combat team will enable Soldiers to avoid detection and therefore reduce engagement by the enemy. Furthermore, these capabilities will enable Soldiers to avoid being hit, and when they are hit, the vehicle is designed to prevent a kill.

The middle weight profile of the FCS platforms will fulfill the requirements of being able to fight while mounted. The greatest advantage of the middle weight platform is its increased survivability. Soldiers will be able to make greater use of the armored protection by staying mounted longer, and not dismounting until they are much closer to their objective.

With increased endurance and sustainability, the Future Combat Systems will provide greater mobility at the tactical, operation and strategic level. The FCS brigade combat team is designed to operate for 72 hours without external support. Its reduced logistics requirements will greatly improve sustainability which allows us to reduce the overall size of the brigade while doubling the number of infantry Soldiers that are interacting with the indigenous population. These changes are essential to ensuring our successful outcomes as we prepare to conduct military operations in the middle of the 21st century.

We're up against an adaptive, asymmetric enemy that is changing his tactics every day. What you're seeing in today's FCS capabilities is the application of technology for the counterinsurgency fight, which has always been a human intelligence battle. We need to give our soldiers the decisive advantage, today and tomorrow. FCS is our top modernization priority, and we can't afford not to provide the best technology to our Soldiers. The cost of modernizing is measured in dollars; the cost of failing to modernize is measured in lives.

COUNTERINSURGENCY OPERATIONS

Question. General Schoomaker, in December of 2006 the Department of the Army released an updated field manual that provides principles and guidelines for counterinsurgency operations. A recent news article credited General Petraeus as the driving force behind its creation due to his concern about the lack of strong counterinsurgency training and doctrine in the U.S. Army.

How is this renewed focus on counterinsurgency training going to change operations in the Global War on Terror?

Answer. Just recently, the Department of the Army, in coordination with the Marine Corps, released a field manual which establishes fundamental principles for military operations in a counterinsurgency (COIN) environment. It is based on lessons learned from previous counterinsurgencies and contemporary operations. It is also based on existing interim doctrine and doctrine recently developed. Counterinsurgency operations generally have been neglected in broader American military doctrine and national security policies since the end of the Vietnam War over 30 years ago. This manual is designed to reverse that trend. It provides a foundation for study before deployment and the basis for operations in theater. Perhaps more importantly, it provides techniques for generating and incorporating lessons learned during those operations—an essential requirement for success against today's adaptive foes. Using these techniques and processes can keep U.S. forces more agile and adaptive than their irregular enemies.

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Counterinsurgency operations generally have been neglected in broader American military doctrine and national security policies since the end of the Vietnam War over 30 years ago. This manual is designed to reverse that trend. It provides a foundation for study before deployment and the basis for operations in theater. Perhaps more importantly, it provides techniques for generating and incorporating lessons learned during those operations—an essential requirement for success against today's adaptive foes. Using these techniques and processes can keep U.S. forces more agile and adaptive than their irregular enemies.

Secretary Geren, training in counterinsurgency operations will keep our forces more agile and adaptive than our enemies. Yet training doctrine for such operations

has not been updated for over twenty years for the Army and twenty-five years for the Marine Corps. Why has the Department left such a gap in training for counterinsurgency operations?

Answer. Army doctrine is continuously reviewed to determine if it remains relevant or requires revision. The Army and Marine Corps recently updated their combined counterinsurgency publication, which is heavily influenced by recent lessons learned and historically successful principles and guidelines. The fundamentals that guide counterinsurgency have not significantly changed, but the ways and means of insurgents have changed. Insurgents utilize terror tactics and guerilla operations that do not adhere to the laws of war. After the Cold War, Army training moved away from threat-based scenarios to capability-based scenarios driven by likely missions. But only after 9/11 did counterinsurgency and irregular warfare emerge as dominate operational themes. Over the last 20 years the Army has been engaged primarily in training for conventional war as exemplified by the Air Land Battle doctrine, which easily dispatched the Iraqi Army twice, and peace operations which are distinctly different from counterinsurgency. Training for counterinsurgency is different from conventional operations and peace operations. Today, the Army is transforming into modular organizations that will conduct full spectrum operations. This transformation is still ongoing. Modular Army forces conducting full spectrum operations provide the Nation with the capability for land forces to engage across the range of operations, from peacetime engagement through major combat operations and campaigns, and within the entire spectrum of conflict. The Army is always adapting its training to new insurgent tactics, but the fundamentals of counterinsurgency operations remain the same. The Army is developing a generation of leaders and Soldiers who understand the complexities and challenges of modern day insurgencies and are capable of executing successful counterinsurgency operations.

EQUIPMENT READINESS

Question. Secretary Geren, we are regularly informed that readiness is slipping or endangered because the Army's equipment is damaged and worn out from operations in Iraq and Afghanistan. The fiscal year 2008 budget requests $24.8 billion in procurement and the fiscal year 2008 supplemental adds another $21.1 billion for equipment. How can we measure readiness improvements gained by this huge investment in equipment? How do you measure progress?

Answer. The Army measures progress by the change in the percent fill of units' authorized levels of equipment (i.e., by its modified table of organization and equipment—MTOE). The fiscal year 2008 budget and GWOT requests, if fully supported, will have a significant effect on our equipment on hand readiness (the S-rating from the Unit Status Report). These funds will continue major initiatives, such as Army Modularity, Aviation Restructuring, and accelerate conversion of two active component brigade combat teams, buy down of pre-existing equipment shortfalls, fill theater-specific needs, replace equipment consumed in theater, modernize major combat systems to increase capability across the force, and replace obsolete equipment, primarily in the Reserve Component. Because of procurement lead times, the effects of this investment in equipment will become manifest approximately a year from appropriation and extend over the following year. (We are just now starting to see the initial deliveries of major equipment procured with funding from the fiscal year 2006 main supplemental, which was enacted in June 2006.)

Question. The Army's news release accompanying the fiscal year 2008 budget submission stated that the fiscal year 2008 budget will build readiness. Part of that readiness promise is the Army's plan to "fully fund a modernization and recapitalization program to ensure full-spectrum ground combat capabilities."

In fiscal year 2008, the Army is requesting almost $46 billion for procurement in combined baseline and supplemental funding—that is four times the level requested in fiscal year 2002. The Army is also pursuing a transformation course leading to the Future Combat Systems and incorporating lessons learned from current operations.

General Schoomaker, one of the Army's major challenges is "Achieving the full spectrum of readiness." Does the current budget request achieve this goal? If not, what are shortfalls associated with achieving full spectrum readiness?

Answer. No. The Army has shortfalls in equipment and modernization, sustainment, and training (both unit and institutional) accounts. This reflects the fact that the Army is underfunded to support the current strategy. Additionally, the Army base budget request reflects offsets associated with Reserve Component mobilization, peace-time reductions in depot maintenance, and deployed unit operational tempo that all would need to be restored for the current budget request to fully fund

full-spectrum readiness. Additional funding above the current budget and supplemental requests would allow the Army to accelerate its ability to achieve the full-spectrum of readiness.

Question. Secretary Geren, when we hear about readiness trends, the metrics are often associated with the deployed forces in theater, and the readiness of non-deployed forces is sometimes overlooked. Is the readiness of the Army's deployed forces achieved at the expense of non-deployed forces and what kind of home-station shortfalls are created by the OPTEMPO of deploying forces?

Answer. The readiness of deployed forces does cause reductions in the level of readiness of non-deployed forces. Prior to the advent of Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF), the Army accepted risk in manning and equipping units based on the projected threats and resource constraints. Very few units were typically sourced to or near 100 percent of the requirements documented in their Modified Table of Organization and Equipment (MTOE). The $56 billion in Army shortages were spread across all units based on levels of authorization, which were short of wartime requirements. Units currently deployed to OEF/OIF are fully manned, equipped, and trained to undertake their directed missions.

Achieving wartime-required fill rates means cross-leveling must come from units that were historically short from the beginning. This initial friction is compounded by growing contemporary operational requirements. Operational needs statements from Central Command are filled whenever possible and equipment frequently comes from redeploying or non-deployed units. Wheeled vehicles, machine guns, and night vision devices are examples of equipment requirements that exceed current MTOE but are considered essential for warfighting in the current environment. Units not deployed or scheduled to deploy provide the bulk of these materiel solutions. Multi-national force headquarters, training teams, and transition teams are examples of entities consuming substantial Army resources. These organizations are personnel-intensive, particularly in the need for senior officers and noncommissioned officers.

Sensible policies associated with equipping in-theater forces contribute to depleted inventories for non-deployed forces. It is simpler and more cost-efficient for the Army to keep as much equipment as possible in theater for issue to units rotating in and out. This equipment pool was grown partly by units leaving behind equipment they brought to theater, thus reducing their equipment readiness immediately upon redeployment.

In order to meet the current operational demand, the Secretary of Defense extended deployments to Iraq and Afghanistan to 15 months instead of the previous deployment length of 12 months. Dwell time between deployments is frequently limited to 12 months. The shortened dwell times create a number of challenges for units at home station. Equipment left behind in theater and moved into reset typically leaves the redeployed units with large equipment decrements. Simultaneously, factors associated with the manning lifecycle (block leave, schools, permanent change of station, retirements, etc.) lowers personnel readiness levels. Because the Army only deploys units that are trained and ready for combat operations, every unit must be manned to at least 100 percent of their required strength, equipped with the most modern equipment available and complete an intensive train up prior to their next deployment.

The short time available to move from the reset phase, characterized by minimal manning and equipment, to a combat-ready unit severely challenges commanders. Soldiers and equipment must be available for the units to progress from individual and small-unit training (squad thru platoon level) to company and battalion level collective training prior to the capstone brigade combat team level mission rehearsal exercise. The effect is a "just in time" readiness model that may not fill all unit requirements until just prior to deployment into Iraq or Afghanistan. After returning from deployment, taking block leave, and conducting unit level recovery and garrison resettlement operations, units are thrust right back into the "train up" for deployment mode. A significant portion of the units' dwell time is spent fielding new equipment and conducting training exercises, which adds to the stress on Soldiers and Families as theater demands force the Active Component units to a 27-month deployment cycle.

GROW THE FORCE

Question. General Schoomaker, the strategic goals of the Army include prosecuting the long War against Global Terror, and transforming structure and capabilities to better prepare the Army's soldiers and leaders for challenges today and in the future. From an operational standpoint, why is one of the solutions to meet these strategic goals to "Grow the Army" by 65,000 active duty Soldiers?

Answer. Growing the Army reflects the need to increase strategic and operational depth, build capabilities to meet combatant commanders' requirements, and address persistent shortfalls in high demand/low density units.

Additionally, the Army is rebalancing its Reserve Component force to increase operational capabilities in combat support and combat service support units. With the growth and rebalance initiatives, the Army will increase capacity and improve unit readiness.

Question. A new initiative in the fiscal year 2008 budget request is an increase in Army end strength. The President's Budget proposes increasing active duty Army end strength by a total of 65,000 Soldiers by fiscal year 2013 in increments of 7,000 annually (growing from 482,400 to 547,400 total active duty Soldiers). Based on a continuing need for military forces, the end strength increase will improve the ratio of time spent deployed versus time at home, in turn reducing stress on individuals and Families.

The Army considers "Growing the Force" as one of its major challenges, because it entails recruiting and retaining the all-volunteer force, developing 21st century leaders, and providing the required installation infrastructure and equipment.

Secretary Geren, what is the long-term plan for Army end strength (beyond the Future Years Defense Program)? Will the Army remain at the higher end strength level? If not, what is the plan for the excess infrastructure and equipment purchased to support the increased personnel?

Answer. The long-term plan for Army end strength is to grow and maintain levels to meet the projected global force demand. Although current operational requirements have influenced decisions to increase the inventory of those capabilities in greatest demand such as military police, engineers, and military intelligence linguists and interrogators, the current operations are not the sole reason for determining force growth requirements. The Army will continue to grow to its approved end strength and to rebalance capabilities to build operational and strategic depth across all three components to enable the strategy, meet combatant commanders' requirements, and address persistent shortfalls for today and the future.

The Army plans to remain at the higher approved end strength level beyond the Future Years Defense Program. The combined effects of growing the force and rebalancing will posture the Army to meet long-term strategic requirements by increasing combat power and mitigating challenges in high demand combat support and combat service support capabilities. This growth in capabilities and increase in force capacity will enable the Army to implement the objective Army Force Generation model which will improve the dwell rate for the active component and provide predictable access to the Reserve Component.

Under BRAC and with consideration of best military value, the Army is selecting installations that will facilitate the growth, ensure Soldier and Family quality of life, and meet criteria for the planned increase in ground forces. The investment in infrastructure and equipment will support the Army's sustained growth in the operational force to meet projected global force demands.

ARMY RESET/DEPOT MAINTENANCE

Question. Secretary Geren, what is the status of the Army depots? Do any depots currently have sufficient capacity to absorb an increase in workload requirements? Do industry partners have capacity to add workload?

Answer. All of the Army's depots have the capacity to absorb an increase in workload requirements. Currently, all depots are working at more than 40 hours a week, but no depot is running a 24 hour per day operation depot-wide. The rate of return of equipment from the theater, the receipt of repair parts, and the Army's priorities drive different capacity utilization rates on different maintenance lines. The depots' production schedules are meeting the Army's current needs, and the depots have the capacity to increase production if required.

Question. The fiscal year 2007 Defense Appropriations Act provided a "Bridge Fund" in emergency supplemental appropriations of $17.1 billion for Army equipment reset. Included in that amount was over $4 billion specifically for Army depot maintenance.

The fiscal year 2008 Army budget request includes an increase of over $400 million in the depot maintenance accounts over last year's appropriated amount (fiscal year 2008 more than doubles the fiscal year 2007 amount). However, in fiscal year 2007, $330 million was taken from the baseline program as a "Depot Maintenance Peacetime Workload Adjustment." The fiscal year 2008 request most likely will be reduced under the same assumptions used over the past few years, which is that a lot of Army equipment is in theater and therefore unable to go through scheduled depot maintenance.

Secretary Geren, what are the challenges in executing depot maintenance—asset availability for example?

Answer. Depot maintenance is a complex business that requires the synchronization of assets, repair parts, and skilled labor so that the right equipment is produced at the right time to meet the Army's needs.

The availability of assets is certainly critical to successfully executing the depot maintenance program. We are intensively managing the retrograde of equipment from the theater to ensure our depots receive sufficient assets to induct into the maintenance lines.

The availability of repair parts is also critical. The receipt of the funding for the fiscal year 2007 reset operations at the start of this fiscal year has enabled us to purchase long lead items in time to support the continuous flow of reset workload through fiscal year 2007 and into fiscal year 2008.

Over the last several years, the depots have ramped up their skilled labor pool by hiring permanent and temporary civilian employees and, in some cases, supplementing this workforce with contractor personnel.

AVIATION PRIORITIES

Question. Secretary Geren, in light of the proposal to grow the size of the Army, has there been a review of the Army's aviation programs to ensure that we are buying the right mix of aircraft? Is there a need to transfer investments from some aircraft programs into higher priority capabilities?

Answer. The Army continually reviews its programs in light of changing conditions to ensure they support Army priorities. With respect to the proposed growth of the Army, we continue to assert the critical role Army Aviation will play in support of the larger Army. In fact, Army Aviation may have to also grow in order to support the larger force. Moreover, the President's decision to reinvest the $14 billion from the cancellation of the Comanche helicopter back into Aviation programs has been and continues to be critical to our Army's success in the Global War on Terror and to posture the Army for the future. Upgrades to the UH–60, CH–47, AH–64 platforms, and to aircraft survivability systems coupled with new aircraft programs such as the Light Utility Helicopter, Joint Cargo Aircraft, and Armed Reconnaissance Helicopter are ensuring the relevance of Army Aviation in the future. For the JCA, the Army and Air Force are still committed to the MOU signed by both Service Chiefs on January 30, 2006. As outlined in the MOA, the Army is the lead Service in the Joint Cargo Aircraft program. While the ARH program is currently facing cost, schedule and performance issues, the Army's need for an armed reconnaissance platform to replace the aging OH–58D Kiowa Warrior fleet has not changed. Finally, the investments in our unmanned aircraft systems and our manned aviation programs are vital to the Army's overall strategy.

Question. After the 2004 cancellation of the Comanche helicopter, the Army committed to spending $14.6 billion that would have been spent on the Comanche to a number of other aviation programs. This plan included three new aviation programs, the Joint Cargo Aircraft, the Armed Reconnaissance Helicopter, and the Light Utility Helicopter.

The fiscal year 2008 budget, along with the fiscal year 2008 supplemental, contains substantial increases for each of these new aviation programs: the fiscal year 2008 budget increases baseline funding for the Joint Cargo Aircraft by $85 million, the Armed Reconnaissance Helicopter by $368 million, and the Light Utility Helicopter by $64 million. The fiscal year 2008 supplemental requests an additional $222 million for the Armed Reconnaissance Helicopter.

The Joint Cargo Aircraft is a joint Army-Air Force program. In early 2006, the two services signed a Memorandum of Understanding to cooperate in the fielding of the aircraft, but there continue to be tensions about the Army having such a major role in a large, fixed-wing aircraft program. Last year, the Armed Services Committee transferred the authorization of Joint Cargo Aircraft funds from the Army to the Air Force.

Secretary Geren, the Army and the Air Force have been working together on the Joint Cargo Aircraft. Some continue to raise questions about which service should be leading the program. Are the Army and Air Force still committed to last year's Memorandum of Understanding for the Joint Cargo Aircraft? Has there been any effort to reopen discussions on that MOU?

Answer. Yes, the Army and Air Force are still committed to the MOU signed by both Service Chiefs on January 30, 2006. There has been no discussion to reopen the MOU. Following the MOU, the Vice Chiefs of the Army and Air Force signed a Memorandum of Agreement (MOA) on June 20, 2006 which further details the agreements of both Services to come together for this program. The MOA outlines

agreements, resources, responsibilities and a timeline for key events in the program to include the Joint Program Office which was established on October 1, 2006. Both Service Vice Chiefs of Staff also signed an addendum to the MOA in September 2006 to incorporate input from the TRANSCOM Commander agreeing to provide visibility to U.S. TRANSCOM on passengers and cargo flown in the JCA. As outlined in the MOA, the Army is the lead Service in the Joint Cargo Aircraft program and both services are still committed to this plan.

MINE RESISTANCE AMBUSH PROTECTED VEHICLES (MRAPS)

Question. This Committee has consistently supported the Army's force protection programs. By May of this year, Army will have procured 19,380 Up-Armored HMMWVs, which we note exceeds the current theater requirement. Now, the Army has a requirement to procure 2,500 MRAP vehicles. The fiscal year 2007 Supplemental request, as amended, would buy approximately 750 MRAPs for the Army. There is no funding in the fiscal year 2008 budget for this program. Secretary Geren, how does Army plan to buy the rest of the requirement, about 1,750 MRAPs?

Answer. The Army Program Manager for MRAP estimates that fiscal year 2007 funding will buy 706 vehicles. The Army still has a validated total unfunded requirement of $1.999 billion for MRAP. You are correct there are no funds requested in the fiscal year 2008 supplemental. The Army requested $520 million in the fiscal year 2008 Global War on Terrorism appropriation, but it was not supported. The Army will continue to work with the Office of the Secretary of Defense to request and obtain this required funding.

Question. The MRAP is a tactical wheeled vehicle that will give soldiers and Marines better protection from Improvised Explosive Devices. It is a joint USMC/Army program. The Marines, who lead the program, have awarded contracts to 9 different vendors with the intent to purchase MRAPs and get them in theater as quickly as possible. The vendors must deliver four test vehicles for evaluation at Aberdeen Proving Ground. After successfully completing testing, the Army and Marine Corps can order vehicles for delivery.

Although Army has validated a requirement for 2,500 vehicles, it has not fully funded procurement of that number. The estimated cost is $1 million per vehicle; approximately $750 million is included in the fiscal year 2007 Supplemental.

In addition, the Army is treating these vehicles as a one-time buy that is unique to Iraq and Afghanistan. MRAPs will not be made part of the standard unit equipment lists. Informally, staff has been told that MRAPs would be left in theater.

Secretary Geren, since the "MRAP" is a very high priority requirement, why didn't it displace some other need in the fiscal year 2008 budget?

Answer. There were many competing priorities in the fiscal year 2008 budget which were adjusted during the budget process by the Office of Secretary of Defense. The Army still has a validated total unfunded requirement of $2 billion for MRAP.

Question. General Schoomaker, what is the long-term plan for "MRAP"? Does it replace Up-Armored "Humvees" or Armored Security Vehicles in the unit equipment lists?

Answer. MRAP fulfills a Theater-specific requirement to address an urgent capability gap for underbelly, wheel well, and flank protection against mines and improvised explosive devices. In current operations in Theater, the MRAP vehicle will augment HMMWVs to provide the combatant commander the flexibility to use the proper vehicle to meet the mission requirement. It addresses a current capability gap to protect the underbelly, wheel well, and flanks our tactical vehicle fleet.

The Joint Light Tactical Wheeled Vehicle (JLTV) will ultimately replace the Up-armored HMMWV for the Army's Light Tactical Vehicle (LTV) fleet. The exact number of MRAP vehicles to be procured hinges on the testing and performance of the initial MRAP vehicles and the ability of industry to accelerate development and production of the JLTV.

The ASV is one of the candidates in the current MRAP competition. The ASV is a Program of Record to fill Military Police modernization requirements, so MRAP will not replace ASVs in MP units.

MRAP's post-war role in Army force structure is the subject of a current LTV strategy study to determine the optimum mix of HMMWVs, MRAPs and JLTVs for the Force.

STRYKER'S

Question. Secretary Geren, we've heard that the Stryker Brigades are performing well in theater—and that the National Guard may be interested in gaining two additional Stryker Brigades. Strykers are the first new ground combat system fielded

by Army in recent memory. Is Army considering increasing the number of Stryker Brigades?

Answer. The Stryker Brigade Combat Teams (SBCTs), like all of the Army's BCTs, are performing superbly in Iraq. Stryker brigades provide our combatant commanders a unique combat capability that ranges across the full spectrum of military operations. Stryker BCTs fit into Army Force Generation (ARFORGEN) the same as Heavy and Infantry BCTs. The Army currently has one SBCT in the National Guard, the 56th SBCT. The Army recently received additional authority to build six new BCTs. The mix of these BCTs—Stryker, Heavy, or Infantry—has not been determined, but analysis is underway that will consider the existing requirements, current operational demand, and our assessment of the future capabilities needed to meet the strategy. Additional maneuver BCTs of any type—Stryker, Heavy, or Infantry—will likely reduce the Army's stress and begin to rebuild strategic depth and flexibility.

Question. The Army plans to have a total of seven Stryker brigade combat teams: six active duty units and one in the National Guard (Pennsylvania). Stryker is a rapidly deployable system deemed effective across the full spectrum of operations. It is an armored vehicle that combines high battlefield mobility, firepower, survivability and versatility with reduced logistics requirements.

Stryker was originally envisioned as an interim solution as the Army develops the Future Combat System (FCS). Full FCS implementation has moved further to the future. Existing units are being reconfigured to modular brigade combat teams. Stryker appears to be a good idea that the Army has decided not to extend.

General Schoomaker, are any new equipment or mission changes planned for the Guard at this time?

Answer. The Army National Guard and Army Reserve are transitioning from a strategic reserve to an operational force that will continue to provide depth to capabilities needed to win the long war. This transformation allows us to meet today's demands and to position the force for future obligations. We will balance requirements for providing National Guard units for combatant command missions with obligations for homeland defense.

Additionally, we are continuing to standardize our formations and the levels of equipment modernization. With this modular transformation and transition, we will provide the necessary equipment to these formations to meet operational requirements. The plan is to equip and modernize Active and Reserve Component forces to the same level based on ARFORGEN requirements.

QUESTIONS SUBMITTED BY SENATOR BYRON L. DORGAN

MINE RESISTANT AMBUSH PROTECTED (MRAP) VEHICLES

Question. It is my understanding that the Army's top priority is protecting soldiers from the deadly threat of IEDs and that you are aggressively pursuing a solution.

What is the current status of the Army's vehicle armoring program; will sufficient FRAG Kit 5 armoring kits be available in time to equip those Soldiers supporting the "surge?"

Answer. The Army's priority is sending only the best trained and equipped Soldiers into combat operations and that means providing the best force protection equipment for Soldiers. Even as we plus up troops in Operation Iraqi Freedom and beyond, force protection will not be shortchanged.

An excellent example is how the Army is improving the High Mobility Multipurpose Wheeled Vehicle (HMMWV), based on the ever-changing battlefield threat. As of this date, the Army has produced enough Fragmentation Kits 1, 3, and 5 to outfit every HMMWV in Afghanistan and Iraq. Safety enhancements such as driver restraints and fire suppression systems have been added as well. Bottom line, the Army has sufficient up-armored HMMWVs being produced or fitted with force protection and safety enhancements to meet the plus-up requirement. These vehicles are being shipped directly from the factory to theater to ensure Soldiers in the surge force "cross the berm" in a HMMWV with essential force protection improvements.

Question. General Schoomaker previously testified that armor was a top priority. There is a $2.25 billion request for the MRAP vehicle on your Unfunded Requirements List. Does this mean that you are still under funded for armored vehicles? Did you request additional funding for MRAP vehicles in your fiscal year 2008 baseline budget or in the fiscal year 2008 supplemental?

Answer. The Army still has a validated total unfunded requirement of $2 billion for MRAP. The Army's request for $500 million was not approved in the fiscal year 2008 Supplemental.

Question. What would explain the Army's acquisition plan for MRAP? How many do you intend to buy by class, i.e., Category I, II, and III variants?

Answer. The Army may buy up to 17,770 MRAP vehicles. The exact number of MRAP vehicles to be procured hinges on the testing and performance of the initial MRAP vehicles and the ability of industry to accelerate development and production of the Joint Light Tactical Vehicles (JLTV). The current estimates for the initial buys are 463 for Category I and 2,037 for Category II.

Question. On more than one occasion you have described MRAP as an interim solution. What, in your opinion, is the ultimate solution and when will it be available?

Answer. The JLTV will ultimately replace the Up-armored HMMWV (UAH) for the Army's Light Tactical Vehicle requirement in the fiscal year 2010–15 timeframe.

Question. Will there be open competition for the contract for this ultimate solution armored vehicle?

Answer. The MRAP program is in response to a Joint Urgent Operational Needs Statement which calls for vehicles capable of mitigating or eliminating the three kill mechanisms of mines and improvised explosive devices (IEDs): fragmentation, blast overpressure, and acceleration. The Navy is the lead Service for the MRAP program and the Marine Corps, in response to its Request for Proposal (RFP), recently awarded nine prime vendors with Indefinite Delivery Indefinite Quantity (IDIQ) production contracts. The Marine Corps also awarded a sole source contract initially to fulfill initial capability from Force Protection Industries, Inc. This award was done prior to the award of the nine competitively awarded IDIQ contracts. MRAP vehicles will not meet all of the military's armoring requirements. The intent of the program is to increase survivability and get the best systems available now in the hands of our service members as soon as possible. While it will augment the Up-Armored HMMWVs currently in use, it should not be considered a long-term solution.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

FUTURE COMBAT SYSTEM (FCS)

Question. I have been informed that the Army's Future Combat Systems (FCS) armored vehicles will be too large to fit into a C–130 type aircraft. It seems that air transport options to austere locations will be limited to employing the C–17 aircraft.

Has the Army defined its airlift requirements connected to the deployment of FCS and presented them to the Air Force or USTRANSCOM?

If not, when will this happen?

Answer. The Army's intent is for the FCS manned ground vehicles to be transportable worldwide by air, sea, highway, and rail modes to support inter-theater strategic deployment and intra-theater operational maneuver. The Army has not yet finalized the design of its manned ground vehicles and has not dropped the C–130 sizing construct. Analysis to balance capabilities such as survivability, mobility, lethality and other functions, as well as discussions with U.S. Transportation Command and the Air Force will inform that decision in conjunction with vehicle design reviews. By sizing systems and organizations against the C–130 profile, the Army increases options available to the combatant commander and retains maximum flexibility in pursuing future advanced airlift options. The end design, though, will balance the capabilities to provide the most effective platforms possible using analysis, lessons learned from operations and developing technology.

For assessing Army and global airlift requirements, FCS itself does not change the Army's air mobility or C–17 requirements. There is no FCS requirement to be able to move any specific size unit of an FCS brigade combat team by fixed-wing aircraft. The lighter, highly lethal and survivable, and more easily supportable FCS systems simply provide greater capabilities that commanders can use in responding to the broad array of missions with the lift assets they have.

INTRA-THEATER LIFT

Question. We have seen great success using intra-theater airlift to keep convoys off the road and out of the reach of IEDs. Is there a shortfall in meeting the current Army intra-theater airlift requirement?

Answer. The U.S. Army continues to mitigate convoy risk by streamlining distribution of people and supplies through U.S. Army, Air Force, and commercial air-

lift. Approximately five percent of cargo distribution is conducted by airlift. The Air Force's portion of this critical distribution is supported with their C–130, C–17, and IL–76 aircraft. Commercial partners which include DHL, National Air Cargo, and UPS, are operating their aircraft to augment intra-theater distribution requirements. The Army supplements this system with CH–47 Chinooks and C–23 Sherpas to provide spontaneous capability to move time sensitive, mission critical supplies and personnel to brigade combat teams and subordinate units on the current and future asymmetrical battlefields. The Army's shortfall lies with the CH–47 Chinook and C–23 Sherpa. The CH–47 is a tactical asset that is being pulled from its designed mission of local tactical and logistical employment to conduct longer range intra-theater missions in Operation Iraqi Freedom. The C–23's capability shortfalls limit the ability to meet on-demand, time-sensitive/mission-critical missions. Specifically, the aircraft is restricted to longer runways, cannot operate at altitudes requiring pressurized cabins, and cannot accept standardized pallets. These are few of the major gaps which limit the Sherpa's ability to meet the Army's direct support requirements. The Joint Cargo Aircraft, currently in source selection, is required to fill this existing capabilities gap for direct support, on-demand transport to forward deployed units. Continued congressional support will facilitate fielding of this commercial off the shelf capability and bring the Army closer to meeting its tactical airlift requirements and aviation modernization strategy.

ADDITIONAL AIRLIFT REQUIREMENTS

Question. Secretary Geren, current DOD airlift requirements were formulated before the announcement of an increase in the size of the ground component, projected at an additional 92,000 troops, many of them Soldiers.

What are these additional airlift requirements and have you identified them to the Air Force or USTRANSCOM?

If not, when do you anticipate a new airlift requirement will be developed based on the significant end-strength increase?

Answer. Air Mobility Command (AMC) and U.S. Transportation Command (TRANSCOM) co-sponsored a study, Chief of Staff Inquiry: Mobility Impact of Army/Marine Increase (CSI: MIAMI). The Army, as well as all Services, participated in this quick-look study. The study presented a spectrum of potential mobility impacts based on the Plus-up forces and tasks to respond to warfighting needs. The Army land force increase is designed to increase dwell time between current deployments. The Initial finding, a 92,000 increase solely used for rotational purposes, anticipated no increase in airlift requirements. The current war plans do not include land force increase and have not been modified. The results for the CSI: MIAMI were presented at the Air Force's semi-annual senior leader conference, Corona, to identify and recommend the Mobility Capability Study (MCS)-08 to study to address this issue and suggested maintaining the C–17 production line open. The Army is satisfied with the current mixture of C–17s and C–5s identified in the MCS 05.

JOINT CARGO AIRCRAFT (JCA)

Question. Will the proposed Joint Cargo Aircraft (JCA) be capable of intra-theater transport of the FCS vehicles?

Please elaborate.

Answer. The JCA is designed for a threshold capability of 26,000 pounds or 13 tons. The key performance parameter for the JCA is for a threshold capability to trans-load an Up-Armored HMMWV or an Armed Reconnaissance Helicopter. This is insufficient to move the FCS manned ground vehicles but will be able to transport the unmanned ground vehicles, Unmanned Aerial Systems, and the Non-Line of Sight Launch System Container Launch Unit.

EXTENDED RANGE/MULTI-PURPOSE

Question. Some have proposed terminating Extended-Range Multi-Purpose (ER/MP) and instead procuring additional Air Force MQ–1 programs to more effectively manage these HDLD assets under a single command and control structure. What is the Army's viewpoint regarding such a proposal? If opposed, how would the Army address the inefficiencies in two separate command and control structures?

Answer. The Army has defined, resourced, and fielded UAS solutions consistent with the Office of the Secretary of Defense (OSD) and Joint processes to vet the required capabilities and solicit industry competition for the best materiel solutions for the Joint community, vice direct procurement. A single command and control structure will force a change in Army core competencies and concept of operations. A single command will direct the transfer of "in theater" control of tactical Unmanned Aircraft System (UAS) from reconnaissance, surveillance, target, acquisi-

tion to central, continental United States control of tactical UASs in support of strategic, non-responsive intelligence, surveillance, and reconnaissance. Centralized control will lead to my loss of the capability, funding, organizational employment, and most importantly, direct and assured support of the UAS in direct support of ground combat operations. From purely a fiscal view point, centralized command and control will lead to DOD's sole source procurement of systems from General Atomics and Northrop Grumman for the next 15 years.

Specifically, the ER/MP program is a Joint Capabilities Integration and Development-approved program, with a competitively awarded contract in 2005. The primary purpose of ER/MP is Land Warfare Tactical Operations. The ER/MP has greater capabilities than the Air Force MQ–1, at a lower cost. Equipped with a heavy fuel engine, using JP8, the common DOD fuel, ER/MP will provide greater endurance, including an enhanced payload capacity for both sensors and munitions. ER/MP runway requirements also supports stationing and operations collocated at the combat aviation brigade, unlike Predator B which requires greater runway lengths not normally located within the Army's divisional battlespace. Furthermore, the ER/MP will employ a DOD standard common datalink, common sensor, the One System Ground Control Station, and the One System Remote Video Transceiver, ensuring unrestricted manned/unmanned teaming and access to ER/MP sensor information. Additionally, the Army will operate the ER/MP using a common military occupational specialty.

From an operational perspective, commanders on the ground consistently state that direct tasking authority and control of UAS in their battlespace is non-negotiable. The Army has listened to our tactical commanders and has demonstrated proficiency in UAS operations and procurement. The Army is successfully employing UAS with enlisted operators and has taken manned/unmanned integration to new heights of tactical success, demonstrating the benefit of airborne and ground large scale integration. Additionally, the Army, Navy, Marine Corps, and Special Operations Forces have partnered on UAS training, acquisition, test, and employment, demonstrating Jointness from procurement through operations. Finally, commanders in Iraq have proved UAS command and control in theater is faster and better integrated without using the Air Force's method of strategic satellite "reach back" for operational control and mission execution.

RECRUITING GOALS AND STANDARDS

Question. The Army has previously struggled to meet its recruiting goals.

Is the Army on track to meet its recruiting goals so far this year?

Please compare the number of recruits vs. targeted goals for 2003, 2004, 2005, and 2006.

How has the Army altered its recruiting standards since March 2003?

Answer. The Army is on track to achieve its fiscal year 2007 recruiting goals for the Active Component and the Army National Guard; however, we are concerned about achieving the recruiting goal for the United States Army Reserve. As the table below illustrates, all three of the Army's components fell short of achieving fiscal year 2005 recruiting goals. As a result, the Army implemented measures to expand the opportunity for volunteers to serve their nation in its Armed Forces, address the recruiting challenges of an improving economy, the dwindling pool of qualified prospects and a decreasing propensity to serve, and fulfill the Army's increased accession requirements.

ARMY RECRUITING MISSIONS (FISCAL YEARS 2002–06)

	RA				AR				ARNG			
	Fiscal year 2003	Fiscal year 2004	Fiscal year 2005	Fiscal year 2006	Fiscal year 2003	Fiscal year 2004	Fiscal year 2005	Fiscal year 2006	Fiscal year 2003	Fiscal year 2004	Fiscal year 2005	Fiscal year 2006
Mission	73,800	77,000	80,000	80,000	26,400	21,200	22,175	25,500	62,000	56,002	63,002	70,000
Achieved	74,132	77,587	73,373	80,635	27,365	21,292	19,400	25,378	54,202	49,210	50,219	69,042
Percentage	100.4	100.8	91.7	100.8	103.7	100.4	87.5	99.5	87.4	87.9	79.7	98.6

Beginning in 2005, the Army implemented the following: the Tier Two Attrition Screen (TTAS) to assess the retention of non-traditional high school equivalency degree recruits; the Assessment of Recruit Motivation and Strength (ARMS) to evaluate recruits exceeding entry-level bodyfat screening percentages; increased the maximum age limit for first-time recruits from 35 to 42; adopted the DOD Test Score Category (TSC) benchmark standards; and revised our tattoo policy to reflect the changes of American society. These efforts to expand the opportunity for service are not a lowering of standards; without exception, all Soldiers enlisted meet the qualifications for their military occupational specialty.

Question. Please provide your best assessment of the number of soldiers recruited since March 20, 2003, who would not have met Army recruitment standards prior to that date. This number might be affected by, for example, changes in age requirements, so-called "moral" requirements, and intellectual requirements, among others.

In answering this question, please do not focus exclusively on technical requirements.

Rather, how many recruits since March 20, 2003 would have "likely" failed to meet either technical or well-established "soft" standards that were in place through February 2003?

Answer. The Active Army has enlisted just over 300,000 Soldiers since March 20, 2003. Without exception, all of these Soldiers were fully qualified for military service and the military occupational specialty for which they enlisted.

Basic enlistment eligibility criteria are age, citizenship, education, trainability, physical, and dependents, moral and administrative criteria. "Standards" are associated with some of these criteria. The Army did not make any major adjustments to policies or standards in these criteria between March 20, 2003 and midway through fiscal year 2005. Beginning in fiscal year 2005, the Army implemented several initiatives and adjusted policy where possible to expand the eligible population for enlistment. These programs, initiatives, and policy changes include:

—February 2005, initiated the Assessment of Recruit Motivation and Skills (ARMS) pilot program to evaluate recruits exceeding entry-level body fat screening percentages.

—April 2005, implemented Tier Two Attrition Screen (TTAS) pilot as an attrition study. Current results are favorable.

—August 2005, adjusted Test Score Category (TSC) benchmarks to the DOD standards of at least 60 percent TSC I–IIIA and less than 4 percent TSC IV from the Army standards of 67 percent TSC I–IIIA and 2 percent TSC IV.

—January 2006, as part of NDAA 06, increased the maximum age from 35 to 40 and then in June 2006, from 40 to 42.

—January 2006, allowed tattoos on back of the neck.

The increases resulting from these changes are not mutually exclusive since recruits can fall under more than one category. From fiscal year 2005 to fiscal year 2007, we estimate that 23,000 to 28,000 Soldiers have enlisted since implementing these changes that would not have qualified prior to the changes. This was approximately a 14 percent to 18 percent increase over two and half years of recruiting.

There is no "standard" for moral waivers. Waivers are approved or disapproved based on their merits and the whole person concept. Waivers are approved at two levels based upon the offense. Recruiting battalion commanders review misdemeanor convictions; and the Commanding General, U.S. Army Recruiting Command, reviews serious criminal misconduct convictions (includes felonies, domestic violence, and some misdemeanor convictions: two or more DUIs, two time marijuana possession). Some offenses (such as sexually violent offenses, drug trafficking, etc.) will not be waived. No consideration is given to percentages of waivers, caps, or mission accomplishment. The Army continues to monitor the effect of these waivers and to date, has seen no evidence of a detrimental effect on the force.

QUESTIONS SUBMITTED BY SENATOR BARBARA A. MIKULSKI

ARMY DISABILITY BENEFITS SYSTEM

Question. On Monday, March 12, Army IG released report on Disability Benefits System. This report was requested in April 2006 by former Secretary Harvey.

Secretary Harvey requested this IG investigation one year ago, so there must have been indications that the system was broken. Please provide more detail about this IG report:

Why did the Army wait to address problem? Why were there no steps to fix it until after the series of articles in The Washington Post?

What is the plan for addressing the problems outlined by the Army's own IG?

What is the timeline for remediation of these problems? Does the Army need additional funds?

When will the Army report back to Congress on progress?

Answer. In response to a March 2006 Government Accountability Office report entitled "Military Disability System: Improved Oversight Needed to Ensure Consistent and Timely Outcomes for Reserve and Active Duty Service Members," the Assistant Secretary of the Army for Manpower and Reserve Affairs released a request for proposals seeking management and analytical support to transform the Army's Physical Disability Evaluation System in July 2006. This resulted in the formation of the Army Physical Disability Evaluation System Transformation Initiative which began its work in November 2006. As is apparent from this chronology, the Army identified the need to transform its Physical Disability Evaluation System and took steps towards its accomplishment. The timeline for the completion of this initiative has subsequently been compressed and the Army is working diligently to accomplish this transformation.

We are currently developing a multi-phase Army Medical Action Plan. The plan includes more than 30 initiatives that are programmed for completion by July 2007. Key in these initiatives is the establishment of Warrior Transition Units at Army Medical Treatment Facilities with significant populations of Warriors in Transition. These units will provide command and control of all Warriors in Transition. Care "triads" consisting of a medical provider, a nurse case manager, and the squad leaders of Warriors in Transition are responsible for the management of all aspects of the care and transition of their assigned Warriors in Transition. The remaining phases of the Army Medical Action Plan will address the development and implementation of an efficient and timely system for completing physical their families, vocational rehabilitation, and seamless transitioning of Warriors in Transition and their families from military to civilian life, to include transitioning to the Department of Veterans Affairs for care and services, as well as transitioning into civilian employment. These phases, scheduled for completion between July 2007 and February 2008, will also incorporate ongoing monitoring and oversight to maintain program efficiency and effectiveness.

Major General Gale Pollock and Brigadier General Michael Tucker are providing Congress with periodic updates on the progress of the Army Medical Action Plan. We will continue to keep the Congress updated on the progress of these unprecedented efforts to provide care, training, and services that are responsive to the current realities of a transforming Army.

STATE OF THE ARMY

Question. As you prepare to leave your post as Army Chief after nearly 35 years of service, please provide your thoughts and assessments on the following issues: How is the Army doing? Do you have what you need to continue to fight?

Answer. Resources provided have allowed the Army to man, equip, train, and field the best possible force for the current fight. The Army is making progress in rebuilding its capacity for the future; however, is challenged to pace with the rate the current force is being consumed. Over time, funding will improve unit equipment fill, allowing the Army to equip brigade combat teams by 2015 and support brigades by 2019. Timely and full support from Congress on the Army's budget requests will ensure these milestones are achieved. Additional funding now will allow the Army to positively affect our near-term challenges and accelerate our equipping timelines. The fiscal years 2007 and 2008 budgets include procurement funds for the equipment necessary to equip our modular forces; our Supplemental requests include procurement for items that will improve the capabilities of our Soldiers as we incorporate lessons learned. The budget request for fiscal year 2008 also includes Army growth funds required to grow ready units to sustain its ability to support our Soldiers. We appreciate the support Congress has given the Army as we continue to fight the Long War.

Question. What are you hearing from our young Soldiers and their families? What are the biggest concerns our senior NCO's raise with you?

Answer. Our Soldiers continue to be proud of the mission they have been asked to do and morale remains high. The Army's top quality of life concerns are single soldier and family housing improvements, child care facilities, and a more predictable dwell/rotation time for the Reserve Component. This particular issue was addressed by the Secretary of Defense on January 11, 2007, in the revised Reserve Component (RC) Mobilization Policy, which mandates that RC units would mobilize for one year and have five years before another mobilization.

Question. What is your view of the escalation of U.S. troops in Iraq? Can it improve the situation on the ground?

Answer. The Army and U.S. Central Command support the Administrations request for additional troops along with a continued support in working with national and international partners, promoting development and cooperation among nations, responding to crises, and deterring or defeating state and transnational aggression in order to establish regional security and stability.

Question. The United States will soon have more troops in Afghanistan than at any time since 9/11. What is the objective of our military operations in Afghanistan?

Answer. Our military is working with International Stabilization and Assistance (ISAF), conducting operations that provide security, stability, and maturing governance to the people of Afghanistan. Through Combined Security Transition Command-Afghanistan (CSTC–A), continue to mature and grow the Afghanistan Security Forces. We are working with allies and partners to build capacity and set conditions for regional security and prosperity.

Question. Can NATO defeat al-Qaeda and Taliban without better support from Pakistan?

Answer. I am advised by U.S. Central Command that degrading violent extremist networks and operations, especially al-Qaeda, is a key priority. They are using all available methods to build regional and international momentum for moderate behavior while eroding support for violent extremist ideology, strengthening relationships and influencing all states and organizations to contribute to regional stability and the free flow of commerce.

BRAC/MILCON

Question. The BRAC Commission recommended creating a C4ISR Center of Excellence at Aberdeen Proving Ground (APG) which involves moving CECOM from Fort Monmouth, NJ. This requires facilities to be in place at Aberdeen before operations are shut down in New Jersey. There are highly-technical laboratory and testing facilities in this move and other complicating factors.

How is the delay in funding BRAC for fiscal year 2007 affecting Army's implementation of the 2005 BRAC round?

Answer. We are already experiencing an impact on BRAC execution. More than half of our BRAC military construction is delayed, and continued delay in fully funding for our fiscal year 2007 BRAC request will impact training, mobilization, deployment, and quality of life facilities for Soldiers and Families. If the $2 billion fiscal year 2007 shortfall is not funded, Army will have to re-prioritize the remaining unfunded fiscal year 2007 projects and all of the projects requested for fiscal year 2008.

If the Army receives its full fiscal year 2007 BRAC funds in April, we will still meet our obligations under the BRAC statute.

Question. More specifically, is the Army on target to implement this complex move of Communications and Electronics Command (CECOM) from Fort Monmouth, New Jersey to Aberdeen Proving Ground (APG)?

Answer. Yes, if BRAC is fully funded in the 2007 Supplemental, APG projects will be completed to support CECOM movement under the current timeline.

Question. The installation commander at APG and civilian leaders from Harford County have a detailed plan for managing the complicated move of CECOM from Fort Monmouth to APG. One of their biggest concerns is construction of the new Ordnance Center & School at Fort Lee, VA (currently located at APG). The current Ordnance Center & School at APG is sitting in the middle of the campus intended to house CECOM. APG cannot begin to implement the CECOM move until the Ordnance School is moved to Fort Lee.

What is the Army's timeline for completing construction at Fort Lee and moving the Ordnance Center down from Aberdeen?

Answer. The construction at Fort Lee and subsequent movement of the Ordnance Center and School from APG is on track for late 2009.

Question. Has the delay on fiscal year 2007 funding been a major factor impediment in this tightly scheduled move?

Answer. To date, the delay of funding has not been a major factor in the implementation of construction and moves. If funding is not received, the impact to the current timelines could be significant.

PROCUREMENT PRACTICES W/SMALL & DISADVANTAGED BUSINESSES

Question. In recent years DOD had adopted several trends, which taken together, have had an adverse effect on small businesses in general, and small and disadvantaged businesses (SDB's) in specific, impacting their ability to do business with the DOD. These trends include:

—Consolidation of small contracts into very large contracts ("Bundling") so that only very large companies, or teams headed by very large companies, can afford to bid.
—Moving contracts, previously awarded to small companies or 8(a) companies as primes, into one of these bundled contracts, once period of performance is over.
  —8(a) companies either have to become subs to the larger primes
  —8(a) companies are left out entirely.
—Issuing multiple awards for Indefinite Delivery/Indefinite Quantity (ID/IQ)—if small and SDB and 8(a) companies want to play, they are forced to joint other teams, usually headed by larger companies, as subcontractors. Once ID/IQ contracts are won, SDB and 8(a) companies only have license to market, and are not assured of any contracting tasks by their primes.

In view of these trends, please answer the following questions in the context of the impacts on small businesses, Small and Disadvantaged Businesses, and 8(a) businesses:

Describe the Army's practice in consolidating (bundling) since 2001.

Answer. The U.S. Army follows the acquisition planning rules concerning consolidating (bundling) of contract requirements as stipulated in the Federal Acquisition Regulation (FAR), the Defense FAR Supplement, and the Army FAR Supplement. The U.S. Army does not consolidate contract requirements with an estimated total value exceeding $5.5 million unless the acquisition strategy includes: (1) the results of market research; (2) identification of any alternative contracting approaches that involve a lesser degree of consolidation; and (3) a determination by the senior procurement executive that the consolidation is necessary and justified.

Question. Does bundling occur in one functional area more than in others? E.g., Logistics, Financial, Information Technology services, Program management, personnel?

Answer. Procurements can be divided into two broad categories: (1) Services and (2) Supplies & Equipment. Within these categories, procurements can be further identified by Federal Supply Group (FSG). Services include functional areas such as Information Technology, Professional Administrative and Management Support Services, and Logistics Services. Supplies and Equipment include items such as aircraft and airframe structural components, weapons systems components, and vehicular components. During fiscal years 2003 through 2006, Supplies and Equipment involved more bundled contracts than Services. The following illustrates the Aircraft and Airframe Structural Components FSG. This FSG had 22 contracts valued at $374.8 million. Within the Services category, the FSG for Automatic Data Processing and Telecommunications had 23 bundled contracts valued at $3.3 million.

Question. Please identify those contracts that have been consolidated or bundled in this fashion. For each contract listed, provide information to include: name of contract and value of contract; office or command served; type of contract; total amount of contract, and awardee(s); indefinite delivery/indefinite quantity (ID/IQ); and multiple award—if yes, how many? Who were the winners?

Answer. The attached Microsoft Excel spreadsheet contains the requested information. Missing data is not available from existing automated systems. The spreadsheet is tabbed for each of the fiscal years covered (i.e., fiscal year 2003–06). Criteria for selecting this data were: (1) the contract action was coded as a bundled contract and (2) the contract action had a positive dollar value.

U.S. ARMY PROCUREMENT ACTIONS CODED AS BUNDLED

Org Level 1	Org Level 2	FPDS Award PIIN Extended	Type of Contract Pricing Desc	Type of IDC	Contract Bundling	Multiple or Single Award	Contr Name	FPDS–NG CAR Obligated Amt Change	Award Face Val Amt
FISCAL YEAR 2003									
Total Fiscal Year Contract Bundling.								$56,148,858	
SERVICES									
Automatic Data Processing and Telecommunication Services									
ACA	ACA, North Region.	DAAB15–02–D–1002–0001	Fixed Price	Not Applicable	Mission Critical	Unknown	Microsoft Corporation.	$87,924.00	$87,924.00
ACA	ACA, North Region.	DAAB15–02–D–1002–BM01	Fixed Price	Not Applicable	Mission Critical	Unknown	Microsoft Corporation.	$161,580.00	$161,580.00
ACA	ACA, North Region.	DAAB15–02–D–1002–BM02	Fixed Price	Not Applicable	Mission Critical	Unknown	Microsoft Corporation.	$71,300.00	$71,300.00
ACA	ACA, South Region.	DAAB15–02–D–1002–1N01	Fixed Price	Not Applicable	Mission Critical	Unknown	Microsoft Corporation.	$63,074.00	$63,074.00
AMC	CECOM	DAAB15–02–D–1002–ZS01	Fixed Price	Not Applicable	Mission Critical	Unknown	Microsoft Corporation.	$74,300.00	$74,300.00
ATEC	N/A	DAAB15–02–D–1002–0RRS	Fixed Price	Not Applicable	Mission Critical	Unknown	Microsoft Corporation.	$67,964.00	$67,964.00
DCCW	N/A	DAAB15–02–D–1002–F702	Fixed Price	Not Applicable	Mission Critical	Unknown	Microsoft Corporation.	$75,160.00	$75,160.00
USACE	N/A	DAAB15–02–D–1002–ZA01	Fixed Price	Not Applicable	Mission Critical	Unknown	Microsoft Corporation.	$74,083.00	$74,082.84
USACE	NWD	DACW57–03–F–0130	Fixed Price	Not Applicable	Mission Critical	Unknown	Microsoft Corporation.	$56,300.00	$56,300.00
Total								$731,685.00	

Education & Training Services									
ACA	ACA, South Region.	DASW01–00–D–3000–2H07	Labor Hours	Not Applicable	Other	Unknown	Resource Consultants, Inc.	$121,274.00	$121,274.19
Total								$121,274.00	
SUPPLIES & EQUIPMENT									
Aircraft & Airframe Structural Components									
AMC	AMCOM	DAAH23–03–D–0043–0001	Fixed Price	Not Applicable	Mission Critical	Unknown	Sikorsky Aircraft Corporation.	$21,933,692.00	$22,046,500.00
AMC	AMCOM	DAAH23–03–D–0043–0002	Fixed Price	Not Applicable	Mission Critical	Unknown	Sikorsky Aircraft Corporation.	$1,364,499.00	$1,364,499.04
AMC	AMCOM	DAAH23–03–D–0043–0003	Fixed Price	Not Applicable	Mission Critical	Unknown	Sikorsky Aircraft Corporation.	$77,751.00	$77,750.57
AMC	AMCOM	DAAH23–03–D–0043–0004	Fixed Price	Not Applicable	Mission Critical	Unknown	Sikorsky Aircraft Corporation.	$28,962,862.00	$45,192,985.87
AMC	AMCOM	DAAH23–03–D–0043–0005	Fixed Price	Not Applicable	Mission Critical	Unknown	Sikorsky Aircraft Corporation.	$60,690.00	$58,965.23
AMC	AMCOM	DAAH23–03–D–0043–0006	Fixed Price	Not Applicable	Mission Critical	Unknown	Sikorsky Aircraft Corporation.	$208,991.00	$208,991.34
AMC	AMCOM	DAAH23–03–D–0043–0007	Fixed Price	Not Applicable	Mission Critical	Unknown	Sikorsky Aircraft Corporation.	$1,471,356.00	$1,471,356.36
Total								$54,079,841.00	
Communication, Detection, Coherent Radiation Equipment									
AMC	TACOM	DAAE07–99–D–N006–0020	Fixed Price	Not Applicable	Other	Unknown	Honeywell International Inc.	$6,001.00	$4,650.64
Total								$6,001.00	

U.S. ARMY PROCUREMENT ACTIONS CODED AS BUNDLED—Continued

Org Level 1	Org Level 2	FPDS Award PIIN Extended	Type of Contract Pricing Desc	Type of IDC	Contract Bundling	Multiple or Single Award	Contr Name	FPDS–NG CAR Obligated Amt Change	Award Face Val Amt
Hardware and Abrasives									
AMC	AMCOM	DAAH23–00–D–0111–0002	Fixed Price	Not Applicable	Other	Unknown	Alcoa Global Fasteners, Inc.	$37,160.00	$37,160.20
Total								$37,160.00	
Maintenance and Repair Shop Equipment									
AMC	AMCOM	DAAH01–03–C–0037	Fixed Price	Not Applicable	Other	Unknown	Lockheed Martin Corporation.	$299,280.00	$299,280.00
Total								$299,280.00	
Materials Handling Equipment									
AMC	TACOM	DAAE07–02–D–S040–0003	Fixed Price	Not Applicable	Other	Unknown	Grove U S L L C	$77,905.00	$77,905.10
Total								$77,905.00	
Valves									
AMC	TACOM	DAAE07–01–D–S061–0005	Fixed Price	Not Applicable	Other	Unknown	Parker Hannifin Corporation.	$114,104.00	$114,104.00
AMC	TACOM	DAAE07–02–D–S040–0002	Fixed Price	Not Applicable	Other	Unknown	Grove U S L L C	$34,348.00	$34,348.00
Total								$148,452.00	
Vehicular Equipment Components									
AMC	TACOM	DAAE07–99–D–S006–0140	Fixed Price	Not Applicable	Mission Critical	Unknown	Caterpillar Inc	$647,260.00	$645,760.24
Total								$647,260.00	

FISCAL YEAR 2004									
Total Fiscal Year Contract Bundling.	.....	.....	.....	.....	.....	.....	.....	$96,048,732	
SERVICES									
Automatic Data Processing and Telecommunication Services									
ACA	ACA, North Region.	DAAB15–02–D–1002–1V02 ...	Fixed Price ...	Not Applicable ...	Mission Critical ..	Unknown ...	Microsoft Corporation.	$81,924.00	$81,924.00
ACA	ACA, South Region.	DAAB15–02–D–1002–1N02 ...	Fixed Price ...	Not Applicable ...	Mission Critical ..	Unknown ...	Microsoft Corporation.	$67,149.00	$67,149.00
AMC	CECOM	DAAB15–02–D–1002–ZS02 ...	Fixed Price ...	Not Applicable ...	Mission Critical ..	Unknown ...	Microsoft Corporation.	$74,049.00	$74,049.00
AMC	TACOM	DAAB15–02–D–1002–DG01 ...	Fixed Price ...	Not Applicable ...	Mission Critical ..	Unknown ...	Microsoft Corporation.	$55,424.00	$55,424.00
INSCOM	N/A	DAAB15–02–D–1002–YJ01	Fixed Price ...	Not Applicable ...	Mission Critical ..	Unknown ...	Microsoft Corporation.	$253,219.00	$253,219.00
INSCOM	N/A	DAAB15–02–D–1002–YJ02	Fixed Price ...	Not Applicable ...	Mission Critical ..	Unknown ...	Microsoft Corporation.	$48,640.00	$48,640.00
NGB	N/A	DAAB15–02–D–1002–2Y01 ...	Fixed Price ...	Not Applicable ...	Mission Critical ..	Unknown ...	Microsoft Corporation.	$984,696.00	$984,696.00
Total	.....	.....	.....	.....	.....	.....	.....	$1,565,101.00	
Education & Training Services									
ACA	ACA, South Region.	DASW01–00–D–3000–0Q01 ...	Labor ..... Hours	Not Applicable ...	Other	Unknown ...	Resource Consultants, Inc.	$28,135.00	$28,135.20
ACA	ACA, South Region.	DASW01–00–D–3000–2H09 ...	Labor ..... Hours	Not Applicable ...	Other	Unknown ...	Resource Consultants, Inc.	$145,915.00	$145,915.20
Total	.....	.....	.....	.....	.....	.....	.....	$174,050.00	

U.S. ARMY PROCUREMENT ACTIONS CODED AS BUNDLED—Continued

Org Level 1	Org Level 2	FPDS Award PIIN Extended	Type of Contract Pricing Desc	Type of IDC	Contract Bundling	Multiple or Single Award	Contr Name	FPDS–NG CAR Obligated Amt Change	Award Face Val Amt
SUPPLIES & EQUIPMENT									
Aircraft & Airframe Structural Components									
AMC	AMCOM	DAAH23–03–D–0043–0008	Fixed Price	Not Applicable	Mission Critical	Unknown	Sikorsky Aircraft Corporation.	$80,837,530.00	$82,837,529.52
AMC	AMCOM	DAAH23–03–D–0043–0009	Fixed Price	Not Applicable	Mission Critical	Unknown	Sikorsky Aircraft Corporation.	$347,632.00	$347,632.00
AMC	AMCOM	W58RGZ–04–C–0203	Fixed Price	Not Applicable	Other	Unknown	McDonnell Douglas Helicopter C.	$7,000,000.00	$121,545,613.64
AMC	AMCOM	W58RGZ–04–D–0034–0001	Fixed Price	Not Applicable	Other	Unknown	Dyncorp International LLC.	$860,971.00	$860,971.00
Total								$89,046,133.00	
Aircraft Components & Accessories									
AMC	AMCOM	W58RGZ–04–D–0034–0003	Fixed Price	Not Applicable	Other	Unknown	Dyncorp International LLC.	$340,965.00	$17,138,066.22
AMC	AMCOM	W58RGZ–04–D–0034–0004	Fixed Price	Not Applicable	Other	Unknown	Dyncorp International LLC.	$5,494.00	$208,385.80
AMC	AMCOM	W58RGZ–04–D–0034–0005	Fixed Price	Not Applicable	Other	Unknown	Dyncorp International LLC.	$7,014.00	$76,100.83
AMC	AMCOM	W58RGZ–04–D–0227–0001	Fixed Price	Not Applicable	Mission Critical	Unknown	Fenn Manufacturing Co.	$716,950.00	$716,950.00
Total								$1,070,423.00	
Communication, Detection, Coherent Radiation Equipment									
AMC	AMCOM	W58RGZ–04–D–0034–0006	Fixed Price	Not Applicable	Other	Unknown	Dyncorp International LLC.	$6,483.00	$6,483.38

AMC	CECOM	DAAB07–01–D–H806–0188	Fixed Price	Not Applicable	Other	Unknown	Motorola, INC	$87,089.00	$87,089.31
AMC	TACOM	W56HZV–04–C–0642	Fixed Price	Not Applicable	Other	Unknown	Rockwell Collins, Inc.	$387,380.00	$387,380.00
Total								$480,952.00	
Automatic Data Processing Equipment									
NGB	N/A	DABL01–03–D–1008–0193	Fixed Price	Not Applicable	Other	Unknown	Dell Marketing Limited Partnership.	$10,954.00	
Total								$10,954.00	
Guided Missiles									
AMC	AMCOM	W31P4Q–04–C–0024	Fixed Price	Not Applicable	Mission Critical	Unknown	Raytheon Company	$373,576.00	$359,267.00
Total								$373,576.00	
Weapons									
AMC	AMCOM	W31P4Q–04–C–0010	Fixed Price	Not Applicable	Mission Critical	Unknown	Herstal SA	$103,063.00	$111,619.82
AMC	TACOM	DAAE20–03–D–0143–0005	Fixed Price	Not Applicable	Mission Critical	Unknown	F N Manufacturing, Inc.	$3,224,480.00	$3,348,990.00
Total								$3,327,543.00	
FISCAL YEAR 2005									
Total Fiscal Year Contract Bundling.								$347,559,207	
SERVICES									
Automatic Data Processing and Telecommunication Services									
ACA	ACA, North Region.	DAAB15–02–D–1002–1V04	Fixed Price	Not Applicable	Mission Critical	Unknown	Microsoft Corporation.	$85,449.00	$145,499.00

U.S. ARMY PROCUREMENT ACTIONS CODED AS BUNDLED—Continued

Org Level 1	Org Level 2	FPDS Award PIIN Extended	Type of Contract Pricing Desc	Type of IDC	Contract Bundling	Multiple or Single Award	Contr Name	FPDS–NG CAR Obligated Amt Change	Award Face Val Amt
ACA	ACA, North Region.	DAAB15–02–D–1002–G803	Fixed Price	Not Applicable	Mission Critical	Unknown	Microsoft Corporation.	$89,799.00	$89,799.00
ACA	ACA, South Region.	DAAB15–02–D–1002–1E03	Fixed Price	Not Applicable	Mission Critical	Unknown	Microsoft Corporation.	$499,718.00	$499,718.00
Total								$674,966.00	
Professional, Administrative and Management Support									
AMC	AMCOM	W58RGZ–05–C–0020	Fixed Price	Not Applicable	Mission Critical	Unknown	Honeywell International Inc.	$19,358,027.00	$19,358,026.53
AMC	CECOM	DAAB15–02–D–1002–ZS03	Fixed Price	Not Applicable	Mission Critical	Unknown	Microsoft Corporation.	$116,149.00	$116,149.00
Total								$19,474,176.00	
Transportation and Travel and Relocation									
ACA	ACA, PACIFIC	W91QVP–05–A–4501–0009	Fixed Price	Not Applicable	Mission Critical	Unknown	Miscellaneous Foreign Contract.	$3,744.00	
Total								$3,744.00	
SUPPLIES & EQUIPMENT									
Aircraft & Airframe Structural Components									
AMC	AMCOM	DAAH23–03–D–0043–0010	Fixed Price	Not Applicable	Mission Critical	Unknown	Sikorsky Aircraft Corporation.	$52,875,890.00	$53,875,889.59
AMC	AMCOM	DAAH23–03–D–0043–0011	Fixed Price	Not Applicable	Mission Critical	Unknown	Sikorsky Aircraft Corporation.	$51,831,122.00	$52,060,560.01

AMC	AMCOM	W58RGZ–04–D–0034–0011	Fixed Price	Not Applicable	Other	Unknown	Dynacorp International LLC.	$42,951.00	$42,950.77
AMC	AMCOM	W58RGZ–04–D–0034–0012	Fixed Price	Not Applicable	Other	Unknown	Dynacorp International LLC.	$5,657,655.00	$5,657,655.11
AMC	AMCOM	W58RGZ–04–D–0034–0013	Fixed Price	Not Applicable	Other	Unknown	Dynacorp International LLC.	$99,881.00	$99,881.47
AMC	AMCOM	W58RGZ–04–D–0034–0014	Fixed Price	Not Applicable	Other	Unknown	Dynacorp International LLC.	$224,215.00	$224,215.03
AMC	AMCOM	W58RGZ–04–D–0034–0016	Fixed Price Redetermination.	Not Applicable	Other	Unknown	Dynacorp International LLC.	$7,356,393.00	$7,356,393.40
AMC	TACOM	DAAH23–02–G–0008–BR01	Fixed Price	Not Applicable	Mission Critical	Unknown	Bell Helicopter Textron, Inc.	$271,206.00	$271,205.90
Total								$118,359,313.00	
Aircraft Components/ Accessories									
AMC	AMCOM	W58RGZ–04–D–0034–0002	Fixed Price	Not Applicable	Other	Unknown	Dynacorp International LLC.	$679,940.00	$679,940.16
AMC	AMCOM	W58RGZ–04–D–0034–0007	Fixed Price	Not Applicable	Other	Unknown	Dynacorp International LLC.	$2,266.00	$2,265.98
AMC	AMCOM	W58RGZ–04–D–0227–0002	Fixed Price	Not Applicable	Mission Critical	Unknown	Fenn Manufacturing Co.	$7,252.00	$7,252.00
AMC	AMCOM	W58RGZ–04–D–0227–0003	Fixed Price	Not Applicable	Mission Critical	Unknown	Fenn Manufacturing Co.	$1,226,900.00	$1,226,900.00
AMC	AMCOM	W58RGZ–04–D–0227–0004	Fixed Price	Not Applicable	Mission Critical	Unknown	Fenn Manufacturing Co.	$858,830.00	$858,830.00
AMC	AMCOM	W58RGZ–04–D–0227–0005	Fixed Price	Not Applicable	Mission Critical	Unknown	Fenn Manufacturing Co.	$1,319,490.00	$1,319,490.00
AMC	AMCOM	W58RGZ–04–D–0227–0006	Fixed Price	Not Applicable	Mission Critical	Unknown	Fenn Manufacturing Co.	$997,100.00	
AMC	AMCOM	W58RGZ–04–D–0227–0007	Fixed Price	Not Applicable	Mission Critical	Unknown	Fenn Manufacturing Co.	$113,896.00	$113,896.00
AMC	AMCOM	W58RGZ–04–D–0227–0008	Fixed Price	Not Applicable	Mission Critical	Unknown	Fenn Manufacturing Co.	$2,483,124.00	$2,483,124.00
Total								$7,688,798.00	

U.S. ARMY PROCUREMENT ACTIONS CODED AS BUNDLED—Continued

Org Level 1	Org Level 2	FPDS Award PIIN Extended	Type of Contract Pricing Desc	Type of IDC	Contract Bundling	Multiple or Single Award	Contr Name	FPDS–NG CAR Obligated Amt Change	Award Face Val Amt
Ammunition and Explosives									
AMC	TACOM	W56HZV–05–C–0418	Fixed Price	Not Applicable	Other	Unknown	Rockwell Collins, Inc.	$118,495.00	$118,494.70
Total								$118,495.00	
Engine Accessories									
AMC	AMCOM	W58RGZ–04–D–0034–0008	Fixed Price	Not Applicable	Other	Unknown	Dynacorp International LLC.	$2,269.00	$2,269.17
Total								$2,269.00	
Ground Motor Vehicles									
AMC	TACOM	W56HZV–05–G–0005–0001	Fixed Price	Not Applicable	Other	Unknown	B A E Systems Land & Armaments.	$71,500,000.00	$71,500,000.00
AMC	TACOM	W56HZV–05–G–0005–0002	Fixed Price	Not Applicable	Other	Unknown	B A E Systems Land & Armaments.	$78,378,300.00	$78,378,300.00
AMC	TACOM	W56HZV–05–G–0005–0004	Fixed Price	Not Applicable	Other	Unknown	B A E Systems Land & Armaments.	$18,626,266.00	$18,626,266.00
Total								$168,504,566.00	
Guided Missiles									
AMC	AMCOM	W31P4Q–05–C–0314	Fixed Price	Not Applicable	Mission Critical	Unknown	Lockheed Martin Corporation.	$388,421.00	$388,420.89
Total								$388,421.00	

Instruments & Lab Equipment									
AMC	AMCOM	W58RGZ–04–D–0034–0009	Fixed Price	Not Applicable	Other	Unknown	Dynacorp International LLC.	$2,266.00	$2,265.98
AMC	AMCOM	W58RGZ–04–D–0034–0010	Fixed Price	Not Applicable	Other	Unknown	Dynacorp International LLC.	$17,704.00	$22,233.28
Total								$19,970.00	
Vehicular Equipment Components									
AMC	TACOM	SP0750–02–D–9724–BR04	Fixed Price	Not Applicable	Other	Unknown	United Defense LP	$142,669.00	$142,669.46
AMC	TACOM	W56HZV–05–G–0005–0003	Fixed Price	Not Applicable	Other	Unknown	B A E Systems Land & Armaments.	$31,444,479.00	$31,444,479.00
Total								$31,587,148.00	
Weapons									
AMC	TACOM	DAAE20–03–D–0143–0006	Fixed Price	Not Applicable	Mission Critical	Unknown	F N Manufacturing, Inc.	$737,341.00	$737,341.00
Total								$737,341.00	
FISCAL YEAR 2006									
Total Fiscal Year Contract Bundling.								$124,522,201	
SERVICES									
Architect & Engineering Services—Construction.									
ACA	ACA, South Region.	W911SF–06–F–0217	Fixed Price	Not Applicable	Other	Unknown	Herman Miller, Inc	$91,086.00	$91,086.23
ACA	ACA, USACCE	DABN13–03–A–0020–0009	Fixed Price	Not Applicable	Other	Unknown		$1,043.28	$1,043.28
ACA	ACA, USACCE	DABN13–03–A–0020–0010	Fixed Price	Not Applicable	Other	Unknown		$4,014.00	$4,013.56

U.S. ARMY PROCUREMENT ACTIONS CODED AS BUNDLED—Continued

Org Level 1	Org Level 2	FPDS Award PIIN Extended	Type of Contract Pricing Desc	Type of IDC	Contract Bundling	Multiple or Single Award	Contr Name	FPDS–NG CAR Obligated Amt Change	Award Face Val Amt
USACE	LRD	W91237–05–D–0020–0015	Fixed Price	Not Applicable	Other	Unknown	Project Time & Cost Inc.	$16,993.00	$16,992.91
Total								$113,136.28	
Automatic Data Processing and Telecommunications Services									
ACA	ACA, ITEC4	DAAB32–02–A–A021–0930	Fixed Price	Not Applicable	Other	Unknown	Western Wireless Corporation (7897).	$40,017.00	$40,016.76
ACA	ACA, North Region.	DAAB15–02–D–1002–1V05	Fixed Price	Not Applicable	Mission Critical	Unknown	Microsoft Corporation.	$145,499.00	$145,499.00
AMC	AMCOM	DAAB15–02–D–1002–BJ01	Fixed Price	Not Applicable	Mission Critical	Unknown	Microsoft Corporation.	$52,280.00	$52,280.00
AMC	TACOM	DAAB15–01–A–1005–BRV1	Fixed Price	Not Applicable	Other	Unknown	Dell Marketing L P	$43,518.52	$43,518.52
Total								$281,314.52	
Construction Structures/ Facilities									
ACA	ACA, USACCE	DABN13–03–A–0014–0024	Fixed Price	Not Applicable	Other	Unknown		$284.58	$284.58
ACA	ACA, USACCE	DABN13–03–A–0014–0025	Fixed Price	Not Applicable	Other	Unknown		$45.53	$45.53
ACA	ACA, USACCE	DABN13–03–A–0014–0026	Fixed Price	Not Applicable	Other	Unknown		$284.58	$284.58
ACA	ACA, USACCE	DABN13–03–A–0014–0027	Fixed Price	Not Applicable	Other	Unknown		$113.83	$113.83
ACA	ACA, USACCE	DABN13–03–A–0014–0028	Fixed Price	Not Applicable	Other	Unknown		$626.07	$626.07
ACA	ACA, USACCE	W912CM–06–H–0085	Fixed Price	Not Applicable	Other	Unknown	Miscellaneous Foreign Contractors.	$15,000.00	
ACA	ACA, USACCE	W912CM–06–H–0103	Fixed Price	Not Applicable	Other	Unknown	Miscellaneous Foreign Contractors.	$91,747.00	

Total								$108,101.59	
Lease or Rental of Equipment									
ACA	ACA, USACCE	W912PB–04–D–0025–0079	Fixed Price	Not Applicable	Other	Unknown	Toi Toi Sanitaer Systeme GMBH.	$56.00	$55.66
Total								$56.00	
Maint. Repair/Alteration Real Prop									
ACA	ACA, USACCE	W912PF–05–D–0002–0004	Fixed Price	Not Applicable	Other	Unknown	DI Gabbia Adolfo E Figlio SRL.	$621,918.00	$529,721.74
ACA	ACA, USACCE	W912PF–05–D–0002–0005	Fixed Price	Not Applicable	Other	Unknown	DI Gabbia Adolfo E Figlio SRL.	$15,708.59	$13,379.87
USACE	NAD	W912GB–04–D–0030–0047	Fixed Price	Not Applicable	Other	Unknown	SKE GMBH Und Bauunternehmung E.	$405,000.00	$355,792.50
Total								$1,042,626.59	
Natural Resources & Conservation									
NGB	N/A	DAHA92–01–D–0006–WV09	Fixed Price	Not Applicable	Other	Unknown	AMEC Earth & Environmental, In.	$75,000.00	
NGB	N/A	DAHA92–01–D–0006–WV13	Fixed Price	Not Applicable	Other	Unknown	AMEC Earth & Environmental, In.	$60,000.00	
Total								$135,000.00	
Professional, Administrative and Management Support									
USACE	N/A	DACA78–99–D–0003–0058	Cost Plus Fixed Fee.	Not Applicable	Other	Unknown	Brown & Root Services Corporat.	$808,100.00	
Total								$808,100.00	

U.S. ARMY PROCUREMENT ACTIONS CODED AS BUNDLED—Continued

Org Level 1	Org Level 2	FPDS Award PIIN Extended	Type of Contract Pricing Desc	Type of IDC	Contract Bundling	Multiple or Single Award	Contr Name	FPDS–NG CAR Obligated Amt Change	Award Face Val Amt
Education & Training Services									
NGB	N/A	W91151–04–D–0018–9H05	Fixed Price	Not Applicable	Other	Unknown	Lear Siegler Services Incorporated.	$5,000.00	
Total								$5,000.00	
Transportation, Travel and Relocation									
ACA	ACA, North Region.	W911S1–06–A–0009–0007	Fixed Price	Not Applicable	Mission Critical	Unknown	Hospitality Properties Trust.	$177.00	$177.00
ACA	ACA, USACCE	DABN03–03–D–0005–0088	Fixed Price	Not Applicable	Other	Unknown	Auto Joncker GMBH & Co. KG.	$8,954.00	$8,953.90
NGB	N/A	W91SMC–05–A–0017–0018	Fixed Price	Not Applicable	Other	Unknown	Maple Hill Partnership.	$605.00	$604.80
USACE	SWD	W912HQ–04–D–0006–DY13	Fixed Price	Not Applicable	Other	Unknown	The Gallup Organization.	$4,056.00	$4,056.00
Total								$13,792.00	
Utilities & Housekeeping Services									
ACA	ACA, USACCE	DABN13–03–D–0003–0032	Fixed Price	Not Applicable	Other	Unknown	Dale SRL	$3,806.94	$2,696.44
ACA	ACA, USACCE	DAJA61–02–D–0001–L183	Fixed Price	Not Applicable	Other	Unknown	Le Techno Clere SPRL.	$529.31	
ACA	ACA, USACCE	DAJA61–02–D–0001–L190	Fixed Price	Not Applicable	Other	Unknown	Le Techno Clere SPRL.	$560.05	
ACA	ACA, USACCE	W912CM–05–D–0020–UG17	Fixed Price	Not Applicable	Other	Unknown	Noelke GMBH	$20,545.98	
ACA	ACA, USACCE	W912CM–05–D–0020–UG23	Fixed Price	Not Applicable	Other	Unknown	Noelke GMBH	$15,646.81	
ACA	ACA, USACCE	W912CM–05–D–0020–UG24	Fixed Price	Not Applicable	Other	Unknown	Noelke GMBH	$18,783.36	
ACA	ACA, USACCE	W912CM–05–D–0020–UG28	Fixed Price	Not Applicable	Other	Unknown	Noelke GMBH	$2,468.58	
ACA	ACA, USACCE	W912CM–05–D–0020–UG34	Fixed Price	Not Applicable	Other	Unknown	Noelke GMBH	$1,292.54	
ACA	ACA, USACCE	W912CM–05–D–0020–UG38	Fixed Price	Not Applicable	Other	Unknown	Noelke GMBH	$611.38	

ACA	ACA, USACCE	W912PB–06–C–0033	Fixed Price	Not Applicable	Other	Unknown	Nordbayerische Staedtereinigung Altvater GMBH and Company KG.	$399,544.00	$399,544.22
Total								$463,788.95	
SUPPLIES & EQUIPMENT									
Aircraft & Airframe Structural Components									
AMC	AMCOM	DAAH23–03–D–0043–0012	Fixed Price	Not Applicable	Mission Critical	Unknown	Sikorsky Aircraft Corporation.	$98,622,379.00	$98,622,379.40
AMC	AMCOM	DAAH23–03–D–0043–0014	Fixed Price	Not Applicable	Mission Critical	Unknown	Sikorsky Aircraft Corporation.	$5,546,368.00	$5,546,368.01
AMC	AMCOM	W58RGZ–04–D–0034–0017	Fixed Price	Not Applicable	Other	Unknown	Dynacorp International LLC.	$9,124,802.00	$9,124,802.05
Total								$113,293,549.00	
Communication, Detection, and Coherent Radiation Equipment									
NGB	N/A	W912L8–06–F–0086	Fixed Price	Not Applicable	Other	Unknown	Avaya Inc	$5,814.96	$5,814.96
Total								$5,814.96	
Furniture									
ACA	ACA, South Region.	W91247–06–F–0225	Fixed Price	Not Applicable	Other	Unknown	The Hon Company	$140,689.00	$140,688.97
ACA	ACA, South Region.	W9124Q–06–F–4033	Fixed Price	Not Applicable	Other	Unknown	Diebold Incorporated.	$3,811.25	
ACA	ACA, USACCE	W912CM–06–A–6008–0001	Fixed Price	Not Applicable	Other	Unknown	Miscellaneous Foreign Contractors.	$3,878.55	
USACE	SAD	W91278–06–F–0104	Fixed Price	Not Applicable	Other	Unknown	Knoll Inc	$58,306.00	$58,306.01
Total								$206,684.80	

U.S. ARMY PROCUREMENT ACTIONS CODED AS BUNDLED—Continued

Org Level 1	Org Level 2	FPDS Award PIIN Extended	Type of Contract Pricing Desc	Type of IDC	Contract Bundling	Multiple or Single Award	Contr Name	FPDS–NG CAR Obligated Amt Change	Award Face Val Amt
Automatic Data Processing Equipment									
ACA	ACA, ITEC4	DABL01–03–D–1008–E1B8	Fixed Price	Not Applicable	Other	Unknown	Dell Marketing Limited Partnership.	$59,490.00	$59,490.24
ACA	ACA, ITEC4	W91RUS–06–F–0088	Fixed Price	Not Applicable	Other	Unknown	4 Sure.Com Inc	$3,209.00	$3,208.79
ACA	ACA, ITEC4	W91RUS–06–F–0090	Fixed Price	Not Applicable	Other	Unknown	Spirent Federal Systems Inc.	$189,000.00	$189,000.00
ACA	ACA, North Region.	DAAB15–01–A–1005–1GT6	Fixed Price	Not Applicable	Other	Unknown	Dell Marketing L P	$125,221.00	$125,220.50
ACA	ACA, North Region.	DABL01–03–D–1009–0S09	Fixed Price	Not Applicable	Other	Unknown	Hewlett-Packard Company.	$3,104.00	
ACA	ACA, North Region.	W91QF6–06–F–0020	Fixed Price	Not Applicable	Other	Unknown	Dell Marketing Limited Partnership.	$110,624.00	$110,624.40
ACA	ACA, South Region.	DAAB15–01–A–1002–1E29	Fixed Price	Not Applicable	Other	Unknown	CDW Government, Inc.	$81,304.00	$81,304.00
ACA	ACA, South Region.	DABL01–03–D–1008–1E51	Fixed Price	Not Applicable	Other	Unknown	Dell Marketing Limited Partnership.	$84,501.94	$84,501.94
ACA	ACA, South Region.	DABL01–03–D–1008–1E58	Fixed Price	Not Applicable	Other	Unknown	Dell Marketing Limited Partnership.	$117,371.76	$117,371.76
ACA	ACA, South Region.	DABL01–03–D–1008–1E66	Fixed Price	Not Applicable	Other	Unknown	Dell Marketing Limited Partnership.	$41,298.62	$41,298.62
ACA	ACA, South Region.	W911SE–06–F–0293	Fixed Price	Not Applicable	Other	Unknown	GTSI Corporation	$193,739.05	
NGB	N/A	DAAB15–01–A–1005–YX07	Fixed Price	Not Applicable	Other	Unknown	Dell Marketing L P	$51,012.35	
NGB	N/A	W9124X–06–F–0133	Fixed Price	Not Applicable	Other	Unknown	MPC–G, LLC	$92,300.00	
NGB	N/A	W912NS–06–F–0035	Fixed Price	Not Applicable	Other	Unknown	Hewlett-Packard Company.	$16,044.00	
USACE	MVD	W912EQ–06–F–0067	Fixed Price	Not Applicable	Other	Unknown	MPC–G, LLC	$3,480.00	$3,480.00
USACE	POD	W9128A–06–F–0002	Fixed Price	Not Applicable	Other	Unknown	Trimble Navigation Limited.	$7,830.00	$7,830.00
Total								$1,179,529.72	

Instruments & Lab Equipment									
AMC	AMCOM	W58RGZ–06–C–0178	Fixed Price	Not Applicable	Other	Unknown	BAE Systems Incorporated (9942).	$212,485.00	$212,485.00
NGB	N/A	W912L7–06–F–0098	Fixed Price	Not Applicable	Other	Unknown	Olympus Industrial America Inc.	$60,501.00	$60,501.00
Total								$272,986.00	
Office Machines, Text Processing Systems and Visible Record Equipment									
ACA	ACA, ITEC4	W911T8–06–F–0061	Fixed Price	Not Applicable	Other	Unknown	CDW Government Inc.	$17,800.00	$17,800.00
Total								$17,800.00	
Refrigeration, A/C Equipment									
NGB	N/A	W912JF–06–F–0100	Fixed Price	Not Applicable	Other	Unknown	American Hotel Register Company.	$8,433.58	$8,433.58
Total								$8,433.58	
Weapons									
AMC	TACOM	DAAE20–03–D–0143–0007	Fixed Price	Not Applicable	Mission Critical	Unknown	F N Manufacturing, Inc.	$6,566,487.00	$6,566,487.00
Total								$6,566,487.00	

Question. Do your ID/IQ's or large bundled contracts have set asides for small and disadvantaged businesses (SDB's)? If yes,

i. What is the average size of the SDB's (employee's size and revenue) that have received bundled contract awards?

ii. What percentage of business do these small and disadvantaged businesses get from your ID/IQ tasks?

Answer. The U.S. Army uses small business set-asides when the contracting officer is able to determine there is a reasonable expectation that offers will be received from at least two responsible small business concerns and the award will be made at fair market prices. The level of detail of the information requested above (example: average size of the SDB's (number of employees and revenue)) is not available in the Federal Procurement Data System-Next Generation or the U.S. Army contract writing systems.

Question. Does the Army have a Small and Disadvantaged Business Policy?

If yes—please describe how and when this policy is applied to each procurement that the Army conducts—at Acquisition strategy time? At the time of drafting the Statement of work? At the time of the release of the RFP? At the time of contract award?

How to you enforce this policy?

Answer. Yes, the Army does have a small business policy which includes the small and disadvantaged business (SDB) program. It is Army policy to ensure that a fair proportion of the total Army purchases are placed with small businesses and SDB firms at both the prime and subcontract levels. The policy also provides for outreach and counseling to these entities to assist them in understanding how to do business with the Army. At each Army contracting activity, a small business specialist (SBS) is assigned. The SBS is responsible for reviewing requirements early in the procurement cycle, during the acquisition strategy development phase, to determine if the acquisition is suitable for small/SDB participation. As a function of their responsibilities, the SBS will conduct market research to determine if there are two or more small/SDBs capable of performing the requirement. If so, they will recommend that the requirement be set-aside for small/SDB firms as prime contractors. One of the enforcement tools the SBS has is to non-concur if the acquisition strategy is not incompliance with the policy. This required on all acquisitions over $10,000. The SBS is also required to forward their non-concurrence to the Small Business Administration.

Question. Does the Army have a Small and Disadvantaged Business Utilization Advocate (SADBU Advocate)?

Answer. Yes, in accordance with the Small Business Act of 1953 and Public Laws 83–163 and 85–536, the Army has a Director, Small and Disadvantaged Business Utilization (SADBU). The Director, SADBU traditionally reports directly to the Secretary of the Army.

Question. What is the overall role of the SADBU in the Army? Is it an advocacy role? Or an enforcer role? Or a reviewer role? Does each command have a SADBU?

Answer. The Director, SADBU, advises the Secretary of the Army and the Army leadership on small business related matters; spearheads innovative initiatives that contribute to expanding the small business industrial base relevant to the Army mission and priorities; and leverages the use of minorities serving educational institutions in support of Army science and technology programs. Each Army command is required to appoint an Associate Director for Small Business.

Question. What is the SADBU's role in each procurement? Is it substantive? Or advisory?

Answer. The SADBU performs in an advisory capacity on procurement. However, the SADBU role in the procurement process can be very involved as they conduct market research to determine if there are capable small/SDB firms available to perform the stated requirement and reviews the acquisition strategy to ensure that no barriers to small business participation exist.

Question. Can the SADBU redirect procurements to Small and Disadvantaged businesses to include SBA-certified 8(a) businesses?

Answer. When market research shows that there are two or more SDB firms, including SBA-certified 8(a) firms capable of performing the requirement, the SADBU can request that the requirement be set-aside for SDB/8(a) firms.

Question. Does the Army have an 8(a) set-aside program?

Answer. Yes, the Army fully supports the Small Business Administration 8(a) Business Development Program as required by the Business Opportunity Development Reform Act of 1988 [15 U.S.C. 636(j)16(a) § (B)].

Question. How does the Army define an 8(a) set aside program? What disadvantaged group do you include in this program? Do you give preference to a particular disadvantaged group? How is this program run?

Answer. The Army supports fully the 8(a) program as defined by Section 8(a) of the Small Business Act [15 U.S.C. 637 (a)]. The Small Business Administration (SBA) administers the program to assist small disadvantaged business firms compete in the American economy.

The SBA classifies the following ethnic groups as disadvantaged: Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, Subcontinent Asian Americans, and members of other groups designated on a case by case basis by the SBA.

The Army does not give preference to a particular disadvantaged group. However, if SBA has not accepted a requirement into the 8(a) program, an 8(a) firm owned and controlled by an Indian tribe or Native Hawaiian or Alaska Corporation can receive that 8(a) contract directly, at any dollar value without competition.

The Army 8(a) program is managed by a Partnership Agreement (PA) between SBA and the Department of Defense (DOD). The partnership agreement delegates SBA's contractual execution functions to DOD per the requirements of 13 C.F.R. § 124.501. The SBA determines and quantifies the extent to which the 8(a) Business Development Program assist in the development of firms owned and controlled by socially and economically disadvantaged individuals.

Question. Do the 8(a) firms have to compete to get an award? Or do they get directed awards?

Answer. When contracting with certified 8(a) firms the Army is authorized to utilize either the competitive or sole source method of procurement. However, the preferred method is through the competitive acquisition process, especially if the anticipated award price will exceed $5.5 million for manufacturing and $3.5 million for services. Sole source awards made to Native American Tribal-Owned firms and Native Hawaiian or Alaska Corporations are exempt form the dollar thresholds.

Question. How many contracts have been awarded under this program? What is the average value of these set-aside programs?

Answer. Since fiscal year 2001, the Army has awarded over 8,000 contract actions to 8(a) firms.

The total value of contract actions awarded to 8(a) firms over the past six fiscal years, fiscal year 2001-fiscal year 2006 was approximately $15.2 billion at an average of $2.5 billion per year.

Question. Does the Army have a Mentor-Protégé program for 8(a) companies?

How does that work?

How can an 8(a) company take advantaged of the mentor/protégé program?

What do the 8(a) companies get out of it?

What does the Army get out of it?

Answer. The Army supports fully the goals of the DOD Pilot Mentor-Protégé Program (MPP) established under Section 831 of Public Law 101–510, the National Defense Authorization Act for Fiscal Year 1991. The National Defense Authorization Act for Fiscal Year 2005 extended the MPP until September 30, 2010 for approval of new agreements. The Department of Defense delegated approval authority for mentor-protégé agreements to the Services beginning in fiscal year 2004. Certified small disadvantaged business concerns (including 8(a) companies), woman-owned small business concerns, service disabled veteran-owned small business concerns, Indian-owned small business concerns, and Hub Zone certified small business concerns are all eligible to participate as protégés. Currently, 22 8(a) certified companies are participating in Army MPP agreements as protégés.

The MPP program is designed to provide incentives to prime contractors to develop the technical and business capabilities of eligible protégés to increase their participation in both prime contracts and subcontracts. Under the DOD Pilot MPP, the Army is authorized to approve MP agreements for reimbursement of the mentor's costs for mentoring the protégé. Appropriated funds are provided each year for this purpose and the agreement is effectuated and funded by modifying a contract the mentor already has with the Army.

Since the DOD MPP stipulates that it is the sole responsibility of the mentor to select a protégé, an 8(a) company can take advantage of the MPP by partnering with an Army prime contractor who is willing to serve as a mentor and has the ability to mentor the protégé in the business and technical areas for which the protégé needs to increase capabilities to be more competitive in the DOD market. Usually, the mentor is a firm that an 8(a) company already has a business relationship with. The 8(a) companies benefit under the MPP by gaining technology transfer, technical management skills, a long-term relationship with their mentor, enhanced competitiveness in the DOD market, increased subcontracting opportunities, and increased prime contracting opportunities.

The Army goal is to engage industries to shape and expand the industrial base to support the war fighter. To that end, the MPP is a tool that promotes partnerships between 8(a) companies and large prime contractors to achieve that purpose.

Question. A couple of recent Army contracts have changed the NAICS codes (codes are used to identify services or products that can be provided, with defined ceilings in both size and revenue of companies) merely to change the top limit of size of companies—usually to increase the size—so that larger companies can qualify under a small business set aside (in one case the NAICS code was changed so that small companies that have 500 employees can bid, from a prior NAICS code that required small companies to have a maximum of 100 employees).

Is this a prevalent practice in the Army? If so why?

Answer. Changing the NAICS codes merely to change the top limit of the size of companies so that larger companies can qualify under a solicitation set-aside for small business is not a prevalent practice within the Army procurement process. The Army policy as it relates to selecting a NAICS code for a particular requirement is in accordance with the Federal Acquisition Regulation Part 19.1. Specifically, the NAICS code selected for a particular solicitation is normally for a particular product or service whose definition best describes the principal nature of the product or service being acquired and the size standard for the industry accounting for the greatest percentage of the contract price.

Question. What steps does the Army take to ensure that smaller sized companies also have a chance to compete?

Answer. The Director, SADBU participates as a member on the Army Service Strategy Panel to ensure that the small business interest is not over looked. Army Commands' SADBUs regularly conduct outreach to the small business community and to targeted small business groups (e.g. SDB, woman-owned small businesses, service-disabled veteran-owned small businesses etc.). During the acquisition strategy development phase on major procurements, contracting activities often conduct industry briefings specifically targeted at the small business community to determine the feasibility of setting the requirement aside for SB and provide the SB community an opportunity to understand and comment on the requirement. Additionally, in those instances when consolidation of contract requirements is justified and SB participation is limited to subcontracts, the Director SADBU recommends the inclusion of strong SB subcontracting goals as a percent of the total contract value.

Question. Does the Army hold large businesses accountable for meeting their small business goals?

Answer. Yes. Performance against negotiated small and disadvantaged business subcontracting plans is monitored and is included as part of the prime contractor's performance evaluation.

Question. Does the Army require larger companies to have small and disadvantaged (SDB and 8(a)) business goals?

Answer. Yes. The Army supports fully the statutory requirement that government prime contractors must ensure that small business (SB) concerns, small disadvantaged business (SDB) concerns, women-owned small business (WOSB) concerns, historically underutilized business zone small business (HUBZone) concerns, and service-disabled veteran-owned small business (SDVOSB) concerns have the maximum practicable opportunity to participate as subcontractors in contract performance consistent with efficient performance. Public Law 95–507 established the requirement for all Federal prime contractors who were other than small business concerns that receive a prime contract of $500,000 or more ($1 million for construction) to negotiate a subcontracting plan that ensures that small business and SDB concerns are provided maximum practicable opportunity to compete for subcontracting opportunities. The Army adheres to the subcontracting plan requirements.

Additionally, Section 834 of Public Law 101–189 required the Secretary of Defense to establish a test program to determine whether the negotiation and administration of comprehensive small business subcontracting plans on a corporate, division, or plant-wide basis will result in increased opportunities for small and small disadvantaged business concerns under DOD contracts. The test program began on October 1, 1990, and will run through September 30, 2010. Any Army contracts awarded to test participants are covered by the comprehensive small business subcontracting plan and are exempt from the requirement to negotiate an individual subcontracting plan. Currently, the comprehensive subcontracting plans are negotiated and monitored by the Defense Contract Management Agency (DCMA).

Question. How are large businesses held accountable to meeting these goals? How does the Army track these goals? Are there any penalties for not meeting these goals?

Answer. Large businesses are required to submit semi-annual reports regarding subcontract awards.

Prime contractors are required to submit semi-annual reports to the administrative contracting officer that provides the status of their compliance with the approved subcontracting plan. Additionally, the DCMA monitors contract performance for many of the Army contracts.

If the prime contractor does not meet the goals, liquidated damages may be assessed if it can be determined that the prime contractor did not make a good faith effort in administration of the plan. However, the Army has established various methods to enhance subcontracting opportunities including, providing incentives for small business subcontracting through source selection criteria and award fee provisions; continuing to emphasize participation in the Mentor-Protégé program; counseling and encouraging small businesses to participate in subcontracting opportunities; and tracking proposed subcontracting plan goals versus actual accomplishments and taking corrective action where appropriate. Past performance is documented and utilized for future source selection decisions.

Question. Are the penalties enough to ensure that big businesses meet those goals?

Answer. Yes. The goal setting process requires the contractor and the Army to estimate the goal based on circumstances today, for contracts that may last for 5 years or longer. It must allow for the exercise of business judgment by the administrative contracting officer based on actual events that occur throughout the life of the contract to determine if the contractor made a good faith effort even if all goals are not achieved. The most effective penalty is the lower source selection evaluation rating given to a contractor with negative past performance information concerning subcontracting.

Question. Please describe what positive steps the Army is taking or will take to ensure that small and disadvantaged companies and 8(a) companies have a chance to win business with the Army.

Answer. The Director, SADBU participates as a member on the Army Service Strategy Panel to ensure that the small business interest is not over looked. The Army Commands' SADBUs regularly conducts outreach to the small business community and to targeted small business groups (e.g. SDB, woman-owned small businesses, service-disabled veteran-owned small businesses etc). During the acquisition strategy development phase on major procurements, contracting activities often conduct industry briefings specifically targeted at the small business community to determine the feasibility of setting the requirement aside for SB and provide the SB community an opportunity to understand and comment on the requirement. Additionally, in those instances when consolidation of contract requirements is justified and SB participation is limited to subcontracts, the Director SADBU recommends the inclusion of strong SB subcontracting goals as a percent of the total contract value.

RETALIATION AGAINST SOLDIERS FOR WRAMC COMPLAINTS

Question. As you know, soldiers were ignored when they complained to Army commanders about conditions at Walter Reed Army Medical Center. Revelations about deplorable living conditions at Building 18 and bureaucratic nightmares came to light through the press rather than the Army's chain of command. In your response to my question about soldiers being retaliated against for speaking out about problems at Walter Reed and elsewhere, you told me that the Army does not retaliate against soldiers for reporting problems to Army officials. What about soldiers who speak to journalists? Will the Army punish those soldiers?

Answer. The Army does not have a policy against speaking with journalists. Consistent with long-standing Army Public Affairs policies, Soldiers may communicate with the media in an unofficial capacity, and may express personal opinions unless limited by law or regulation. We encourage Soldiers to candidly discuss matters about which they have personal knowledge, if the information is otherwise releasable or not classified.

Recent events at Walter Reed Army Medical Center have revealed that the Army failed to provide adequate care to Soldiers. The Army leadership is fully committed to taking corrective action. Nothing is more critical to our Army today than maintaining the trust of the American people. Equally important is the trust of our Soldiers in our ability to correct problems that have been identified to us. This makes it imperative that leaders at every level take appropriate action to identify problems regarding Soldier care and ensure that corrective actions are taken.

The first step in correcting these problems is to foster an environment in which Soldiers and their Family members are encouraged to bring these issues to the attention of responsible officials. Leaders must ensure that Soldiers are aware of available avenues of reporting. Within the Army, this includes the chain of com-

mand; the Inspector General; hospital ombudsman (if available); and the Wounded Soldier and Family Hotline. Soldiers and Families are not prohibited from reporting issues to other appropriate Federal or State officials. During the course of examining the reported problems, Army investigators may direct witnesses subject to their authority not to discuss their statement or testimony with other persons until the investigation is complete. Such orders may be necessary if investigators are concerned about possible influence upon witnesses yet to be heard, and remain in effect only so long as necessary to protect the integrity of the investigative process.

Question. Since it is absolutely critical that this committee knows about the problems our soldiers face, I want your assurance that soldiers who blow the whistle on such problems will not be retaliated against by the Army.

Answer. The Army adheres strictly to the prohibition, as set forth in 10 USC 1034, against restricting any Soldier's communications with Members of Congress. Further, we will not tolerate or condone reprisal against a Soldier for making or preparing a protected communication to the Committee.

Question. Are there any circumstances in which a service member could be punished for speaking to the press? What are those circumstances and what is the justification for that?

Answer. Because of a need for an effective and disciplined Army, the First Amendment right of speech is not absolute within the military, even when made to journalists. For example, the Uniform Code of Military Justice prohibits contemptuous speech toward certain Government officials in Article 88. Also, Soldiers can be ordered not to discuss classified information or other sensitive information, such as information related to operational security, with journalists. The violation of such an order could be punished under Article 92 of the Code. Similarly, limitations may be placed on Soldiers during the performance of their duties that could impact on their communications with a member of the press. For example, a Soldier who is performing critical or essential duties could be directed to continue to perform those duties rather than meet with a member of the press.

Soldiers may also be directed not to discuss information with others during the course of an investigation or trial. For example, you may recall that the Army directed an investigation of the circumstances surrounding the ambush of then Private Jessica Lynch's convoy, early in the Iraq War. That event was the subject of extensive press interest. To preserve the investigation's credibility and independence, Soldiers involved in the incident were directed not to speak with the press during the pendency of the investigation. As soon as the investigation was completed, this limitation was lifted. In the case at hand, there are two investigations being conducted by the chain of command into the matters surrounding the inadequate administrative services and the facilities maintenance and repair. The appointing official and the investigating officers may deem it appropriate in certain circumstances to direct witnesses subject to their authority not to discuss their statement or testimony with other witnesses or with persons who have no official interest in the proceedings until the investigation is complete. Such orders may be necessary if investigators are concerned of possible influence upon witnesses yet to be heard. Such orders should remain in effect only to the extent required to ensure the integrity of the investigative process.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

NATIONAL GUARD EQUIPMENT AND READINESS

Question. Secretary Geren, I have been informed that operations in Iraq and Afghanistan have intensified equipment shortfalls in the National Guard and Reserves, as well as active forces. Of particular concern with the National Guard is the impact on its ability to sustain readiness through home-station training and to provide a timely response to natural disasters or domestic crisis situations. Can you share with the Committee what the plan is to properly resource Guard and Reserve units in order to ensure readiness for Federal and State missions?

Answer. Equipment pressures in theater (OIF/OEF) are the continued evolution of the threat against our force protection vehicle and individual Soldier solutions. Timely reaction to these threats results in rapidly changing priorities in executing our funding. Even today, emerging solutions to protect Soldiers demand funding changes that will lessen procurement of equipment for Active and Reserve Component (RC) units. The primary impact of these changes will be filling the equipping requirements for non-deployed Soldiers and units, and in their preparation for other potential contingencies. The Army has been filling the original $56 billion in equipping shortfalls that existed at the start of the conflict. With the tremendous support

of Congress, we have filled $47 billion of those shortfalls, leaving $9 billion remaining. However, the experiences of today's warfare necessitate changes in our modernization design, to include structuring the RCs to the same modern design as their active counterparts. To complete this equipping, an additional $43 billion is needed: $24 billion for the Army National Guard, $10 billion for the Army Reserve, and $9 billion for the Active Component support unit modernization. This total of $52 billion in shortfalls ($9 billion original plus $43 billion modernization) is within the current program. An additional $10 billion per year for each year remaining in the program (fiscal year 2009–13) would be needed to complete fielding equipment to all components by fiscal year 2015.

FIRE SCOUT UNMANNED AERIAL VEHICLES (UAVS)

Question. Secretary Geren, Commanders in Operation Iraqi Freedom cite Unmanned Aerial Vehicles (UAVs) as one of their most pressing needs. The Army procured eight Fire Scout UAVs and currently has five of these vehicles at Moss Point, MS with a sixth expected by June and the remaining two to be completed by the end of the year. Essentially, you have operational UAVs sitting in a warehouse and not scheduled to have sensors integrated until 2014. With the pressing need for Intelligence, Surveillance and Reconnaissance to help with force protection and other missions, why would the Army not load available sensors onto these UAVs and allow troops on the ground to benefit from these assets you already own instead of letting them sit in a warehouse until 2014?

Answer. The eight Class IV Unmanned Aerial Systems you reference are pre-production air frames only, not capable of flight yet. The systems are being used to perform integration of Future Combat System (FCS)-specific avionics and computer systems and testing of flight software to meet the FCS requirements. The preliminary design review is July 2008, the critical design review is July 2009 and first flight is November 2010. These dates are synchronized with the overall FCS integrated schedule. Removing these prototypes from the development schedule and retrofitting them with current payloads, communications, and avionics would have a minimal operational impact, but would hamper the FCS integration schedule. Nonetheless, FCS has been working with Northrop Grumman, developer of the Fire Scout, to explore earlier flight opportunities.

SIMULTANEOUS FIELD RADIATION TECHNOLOGY

Question. Secretary Geren, I understand Diversified Technology, a Mississippi based company, has made significant gains in antenna development with the use of Simultaneous Field Radiation Technology. This technology, as I understand it, allows for the replacement of current large antenna with miniaturized antenna while increasing transmitting consistency and range by over 300 percent. Additional benefit is also realized by a measurable advancement in operating power efficiency which improves battery life.

Given current electromagnetic and energy management challenges, would you agree such technology would be attractive to the Army? Would you look into this and let me know when the Army plans to take advantage of this technology?

Answer. This technology appears promising. The U.S. Army Communications Electronics Command (CECOM), Research and Development Center and the Product Manager for Tactical Radio Systems will contact Diversified Technologies for additional information on this antenna in order to evaluate its applicability to the Army.

MEDICAL TECHNOLOGY IN FISCAL YEAR 2008 ARMY BUDGET REQUEST

Question. Secretary Geren, the survival rate for a service member wounded in the Global War on Terrorism is higher than at any point in our history. Medical professionals ranging from military medics to surgeons have performed great work ensuring Soldiers, Sailors, Airmen, and Marines are afforded an exceptional chance at survival from wounds. During the Vietnam conflict, it took an average of 45 days to evacuate wounded soldiers back to the United States for major surgery. In the 1991 Persian Gulf War, evacuation of our wounded to the United States took 10 to 14 days. Today, wounded Soldiers are evacuated back to the United States within 3 days. While we have made substantial strides in medical technologies, I would like to hear how this request works to further improve survivability and care for our service members.

Answer. In fiscal year 2008, the Army budget request includes $46 million for combat casualty care research. This includes research to develop a new paradigm to resuscitate wounded casualties using resuscitation fluids that stops bleeding as well as replacing lost blood volume, neuroprotective drugs to reduce the effects of

penetrating head trauma, freeze dried blood products that can be pushed far forward to our medics, more realistic training aids and simulators to better train our medics, and intensive care, life support equipment that can monitor severely injured patients without human intervention.

Fiscal year 2008 will also mark the first year of a major effort in regenerative medicine. We plan to establish the Armed Forces Institute of Regenerative Medicine which will have the goal of regenerating damaged limbs and faces using the Soldier's own stem cells.

Moreover, advanced development efforts continue to be provided to the Warfighter as part of the Tactical Combat Casualty Care concept implementation and have resulted in demonstrated improvement in Warfighter survivability. These items include the Combat Application Tourniquet (CAT), the Chitosan Hemostatic Dressing, and the Improved First Aid Kit (IFAK) (which includes both the chitosan dressing and CAT). Battlefield oxygen production and resuscitative fluids are continuing areas of concentration for advanced development.

JOINT HIGH SPEED VESSEL (JHSV)

Question. General Schoomaker, the Army's fiscal year 2008 budget requests supports the procurement of the first Joint High Speed Vessel. I understand these vessels are highly flexible, adaptable to a variety of payloads, much faster, and can operate in shallower ports than traditional larger vessels. Would you share with the subcommittee how you plan to use these vessels and how they may assist us in the Global War on Terrorism?

Answer. The Joint High Speed Vessel (JHSV) provides the Joint Force Commander (JFC) with an intra-theater mobility asset that enables rapid, flexible and agile maneuver of intact combat-ready units and transport of sustainment supplies between advance bases, austere and degraded port facilities or offload sites, austere littoral access points, and the sea base. The JHSV will be capable of self-deploying worldwide to the theater of operations. Combatant commands identify high speed intra-theater surface lift as a critical gap in their ability to support the Global War on Terrorism (GWOT), their theater security cooperation program, and current operations.

The GWOT counters a plethora of new asymmetric threats designed to erode, paralyze and marginalize U.S. power. To meet these unconventional challenges, U.S. Joint Forces Command must be prepared to rapidly plan and execute a broad range of joint, small scale contingency operations, while maintaining the capability to prevail in major combat operations. The keys to success in many operations remains the ability to quickly maneuver sufficient forces into critical positions, and to provide sustained logistics support until a decisive victory is achieved. Intra-theater lift will be especially crucial in future conflicts in which enemies may be able to obstruct or deny altogether the use of fixed entry points such as airfields and seaports. Shore infrastructure and support such as cranes, tugs, and other port services will not exist or be available in many of the austere ports where future JFCs will need to operate. Therefore the JHSV's ability to access non-traditional, shallow draft ports will be essential for the delivery of forces and logistics support.

MANNING THE FORCE—RC MOBILIZATIONS

Question. General Schoomaker, last month, Secretary Gates announced a change in Reserve component policy that changes the way reserve component forces are managed in order to support requirements for the Global War on Terrorism. Secretary Gates stated a policy objective for involuntary mobilization of National Guard and Reserve units will remain a ratio of one-year mobilized to five-years demobilized. Does this funding request adequately address the challenges of manning the force to achieve this goal?

Answer. The current funding request does not address any changes in requirements regarding changes of the Department of Defense's (DOD) mobilization policy. Due to the timing of Secretary Gates' policy announcements on involuntary mobilization and submission of the President's fiscal year 2008 budget, we were unable to assess the funding impacts of these changes for inclusion into this funding request. The DOD is in the process of fully assessing these impacts and will make an appropriate determination on how best to handle any changes in funding requirements.

REDUCING THREAT FROM THE AIR/ASE

Question. General Schoomaker, between January 20 and February 21 this year, there were six U.S. military helicopters shot down by enemy fire. In all of 2006, there were five. Based on what you have learned from the recent downed heli-

copters, can you tell us if you believe your change in tactics has reduced this threat from the insurgents? And, is there anything that has been learned to suggest procurement of any specific countermeasures beyond what is in the fiscal year 2008 budget request or the supplemental appropriations request?

Answer. Yes, the change in the tactics, techniques, and procedures we utilize in aviation operations has been successful in minimizing the air defense threat. The Army continues to adapt our tactics, techniques and procedures along with the fielding and developing of the most advanced aircraft survivability systems available. All considerations from current combat operations have been addressed in the current 2008 budget and appropriate supplemental requests. The Army requests your continued support in resourcing these programs to protect our Soldiers engaged in the War on Terror.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

NATIONAL GUARD EQUIPMENT AND READINESS

Question. The GAO reported in January that the Guard equipment inventory is seriously low. Deputy Secretary England assured me that the Guard had the equipment it needed in theater, but I remain concerned about the levels of Guard equipment for missions at home. My home state Guard has the lowest equipment levels of any State, with less than 35 percent of authorized dual-use equipment. What is the Army doing to ensure that our National Guard is equipped for missions at home including Operation Jump Start and responding to Federal disasters like Hurricane Katrina?

Answer. The Active and Reserve Components are vital to the Army's operational strength, and their readiness today is a result of under-funding and increased defense requirements. Army investment accounts were under funded by approximately $100 billion during the decade prior to September 2001, resulting in nearly $56 billion in equipment shortages across the Army at the start of the war. This condition forced the Army to pool equipment from across the force to equip Soldiers deploying into harm's way. As a result of this cross-leveling to deploying forces, non-deployed units in all components have between 40 and 55 percent of their required equipment, and non-deployed Army National Guard units have about 51 percent of their dual-use equipment on-hand.

The Army has identified 10 essential capabilities the Army National Guard (ARNG) must have to conduct the "near full spectrum" and "be prepared" missions identified by Congress. The President's budget, delivered to Congress on February 5, 2007, requests $3.7 billion in fiscal year 2008 equipment funding for the Army National Guard. For fiscal year 2005–13, the Army has budgeted $36.8 billion for the National Guard. In addition, we are distributing $10.6 billion in existing Army equipment to the Guard through the first quarter of fiscal year 2009. This level of investment in the National Guard is historic. These funds will enable the Army to transform units in all components to the same robust designs, and equip the Army National Guard to similar levels of modernization as Active component units. The on-hand Army National Guard equipment will increase to over 70 percent by fiscal year 2015, if the funds are received and executed as planned.

In regard to Operation Jump Start, the Army continues to play a significant role in the Department of Defense's support to the Department of Homeland Security (DHS) in that program. The Army provides personnel, systems, technology and infrastructure as an immediate, short-term measure to allow DHS to implement the Secure Border Initiative. This strategy enables DHS to increase deterrence and border security capabilities in the Border States with Army resources while they train additional border patrol agents for the long-term mission. Support provided for Operation Jump Start includes construction equipment, air and ground based multi-sensors, Stryker units, and ground-based air surveillance radar support, etc. Also, the Army provides training and intelligence analysis support.

The Army is determining what equipment will be provided to the ARNG to meet critical needs identified by The Adjutants General for the 2007 hurricane season. During the 2006 season, the Army fielded 11,000 pieces of equipment to the Guard. The goal is to provide the equipment for hurricane preparedness needs in Texas, Louisiana, Mississippi, Alabama, Florida, Georgia, South Carolina, North Carolina, Hawaii, Puerto Rico, Guam, and the Virgin Islands by June 1, 2007. The ARNG has determined that it will be able to meet equipment shortages in the remaining Atlantic States; however, the Army stands ready to provide equipment and other military assistance to civil authorities as needed.

Question. How much of your fiscal year 2008 request for the National Guard will be used to address equipment shortages for the National Guard's efforts in the United States?

Answer. The President's budget, delivered to Congress on February 5, 2007, requests $3.7 billion in fiscal year 2008 equipment funding for the Army National Guard.

WHITE SANDS MISSILE RANGE

Question. I am proud that New Mexico is home to a top-notch test facility, White Sands Missile Range (WSMR). As you know, WSMR's air space and range facilities are unparalleled, and the range is being used by the Department of Defense for a variety of efforts, including testing and evaluating much Future Combat Systems technology.

What work can we expect the Army Evaluation Task Force to perform at White Sands in fiscal year 2008?

Answer. The Army established the Army Evaluation Task Force (AETF), known previously as the Evaluation Brigade Combat Team, Fort Bliss, Texas, in December 2006, to support test and evaluation of Future Combat Systems (FCS) technologies. For the remainder of 2007, the AETF continues to receive Soldiers and equipment, execute new equipment training, and train as a BCT. Once the AETF is trained and certified on current force systems, the unit begins training on FCS spin-out systems in preparation for FCS test and evaluation activities in 2008.

Specifically, in fiscal year 2008, the AETF will participate in the Integrated Mission Test at the FCS Common Control Node located on White Sands Missile Range (WSMR). The Integrated Mission Test is a core program development test aimed at maturing the common operating system software and systems interfaces as well as exploring core program doctrine. AETF soldiers will train on the common control node computer wireframes and operate them during the test under direction of the test engineers. The AETF will also perform training and operations of systems for the Spin-out 1 Force Development Test and Evaluation, Technical Field Test and Limited User Test in fiscal year 2008. These test events will be conducted in the southern portion of WSMR and northern Fort Bliss in New Mexico. Successful conduct of these Spin-out activities will rely on the test capabilities of WSMR, the training capabilities of Fort Bliss and the combined integration of operations between the installations. Several other FCS program related activities will occur at WSMR in fiscal year 2008 including robotic convoy development testing, intelligent munitions system risk reduction, Non-Line of Sight Launch System and unmanned ground sensor development testing and various sub-system level integrated qualification tests, as well as information assurance development (Army Research Lab at WSMR) and systems analysis (Training and Doctrine Command Analysis Center at WSMR) each of which the AETF may monitor, observe or participate in at various levels.

Question. How will locating the Army Evaluation Task Force at Fort Bliss, TX impact White Sands Missile Range?

Answer. The Army Evaluation Task Force (AETF), Fort Bliss, Texas, will have a positive impact on both Fort Bliss and White Sands Missile Range (WSMR) in terms of regional activities, economics and value to the Army. The AETF will perform and participate in test and training activities at WSMR as a critical element of the research, development, test, and evaluation activities of the Army. White Sands will realize an increase in required soldier support activities and workload associated with the activities of the Future Combat Systems (FCS) and AETF as a result of training and test activities involving WSMR assets, land and air space, instrumentation and expertise. The AETF will require seamless access and operations across the installations thus requiring both WSMR and Fort Bliss to elevate the coordination and cooperation of the past to a high level of activity and integration including garrison support, air space and land space operations, networks and frequency management. Additionally, the AETF will require WSMR to provide the ability to support sustained activities during training and test events occurring in southern WSMR and northern Fort Bliss which may include temporary billeting, ammunition supply, transportation, dining, maintenance, administrative support, and safe access to ranges on each installation. The Army, WSMR, and Fort Bliss see the impacts to the region, specifically WSMR, to be positive in presenting opportunities for the region and providing best value acquisition and Soldier support.

Question. What does the Army need to coordinate work between Fort Bliss and WSMR?

Answer. The Army has begun to establish operations at WSMR and Fort Bliss for the development, test and training of the Future Combat Systems (FCS). Addition-

ally, the Army is basing the 1st Armored Division at Fort Bliss and continues Joint Research, Development, Test, and Evaluation (RDT&E) at White Sands Missile Range (WSMR). Though these installations have worked well together in the past, this overall increase in transformational activities at both WSMR and Fort Bliss will require increasing coordination and cooperation between the installations and the ability to leverage the assets and expertise of both. The Army selected Fort Bliss to host the Army Evaluation Task Force (AETF) for its vast training ranges, Soldier support capabilities and its proximity to the RDT&E activities, instrumentation, and expertise at WSMR. To facilitate the coordination of requirements and operations, the Army established a Program Manager FCS field office, Combined Test Organization field office and FCS Lead Systems Integrator Test field office at WSMR and the Future Force Integration Directorate and Army Evaluation Task Force at Fort Bliss among other existing organizations such as Army Research Lab—Survivability Lethality Analysis Directorate and Training and Doctrine Command Analysis Center WSMR, that will play key roles in the FCS program as well as coordination between the installations.

To date, there has been significant coordination between Fort Bliss and WSMR. Specifically, much work has been accomplished in integrating the Network architectures, establishing integrated air space management and control and garrison support operations for land operations. Recent planning activities have identified the need for billeting, dining, administrative, and maintenance facilities at WSMR in the form of a forward operating base to support AETF Soldiers, testing and training personnel, and One Team Partners operations at WSMR and northern Fort Bliss during test and training events. As this requirement is the result of evolving planning and analysis, it has not been projected within the program or Army budgets and is not achievable within the program schedule and budget cycle.

Additionally, the need for improvements to the main supply and transportation route between Fort Bliss and WSMR has been identified as a concern. The main transportation route between Fort Bliss and WSMR, known as "War Road" is in a state of disrepair. Specifically, the portion of the road on Fort Bliss from Dona Ana Range Camp to the White Sands boundary has numerous potholes, no shoulder and in many areas, the edge of the road is extremely deteriorated. This road is critical to the FCS program and the Army for transporting Soldiers, civilians, and equipment between Fort Bliss and WSMR and from Fort Bliss to the primary training areas on Fort Bliss. As the Army increases FCS activities between Fort Bliss, WSMR, and the 1st Armored Division training activities on Fort Bliss, this road will incur an exponential growth in traffic load and a corresponding degradation in safety.

HIGH ENERGY LASER SYSTEM TEST FACILITY (HELSTF)

Question. The High Energy Laser System Test Facility (HELSTF) has been our pre-eminent laser test facility since the first MIRACL test in 1984. Facilities such as HELSTF ensure our Armed Forces have the most advanced technological advantage possible, yet the budget request for fiscal year 2008 cuts nearly $14 million from HELSTF's budget.

What is the Army doing to ensure HELSTF continues its ability to serve as a cutting-edge test facility so we don't lose unique testing capabilities such as the MIRACL laser?

Answer. HELSTF is an important test facility that will continue to support directed energy tests and evaluation needs of the Department of Defense (DOD). A capability to support solid-state laser development programs will still exist at HELSTF, and will be utilized by the Army. Specifically, a series of tests in support of the Army's High Energy Laser Technology Demonstrator (HEL–TD) are planned in 2008 thru 2013. A recent customer survey revealed that there are no identified test requirements for the Mid-IR Advanced Chemical Laser (MIRACL) or the Sea Lite Beam Director (SLBD), therefore the MIRACL and SLBD will be placed in storage.

HELSTF will continue to support the DOD's need for directed energy test and evaluation by standing up a Solid State Laser (SSL) testbed. The intent of the SSL testbed is to allow a laser weapon system developer to bring lasers to HELSTF at an early point in the weapon system's development program. The SSL testbed will allow investigation of the systems engineering and integration issues associated with weaponizing lasers without having to build a prototype of the complete weapon system. A fixed testbed, based on existing hardware in place at HELSTF, provides a near laboratory environment and allows field-testing of lasers at HELSTF test areas. A transportable testbed, based on the existing ex-THEL hardware, and complemented by transportable diagnostic sensors, data collection, data processing and

range control equipment, is planned to support field-testing of more advanced prototypes. Army funding allows these systems, operated by government technical staff, to continue to support SSL weapon system development programs of the DOD. As with any complex program, there is some risk that if a major component fails, sufficient funds to affect a repair may not be immediately available.

HELSTF will be positioned to support the Army's Counter-Rocket, Mortar, and Artillery (C–RAM) program, the Joint High Power Solid State Laser program, the Army's High Energy Laser Technology Demonstrator in the C–RAM role, and other SSL programs. The present workforce is sized and trained to operate MIRACL and SLBD. This workforce will be released in December 2007.

In the near term, the smaller workforce will reduce the capacity at HELSTF; tests previously conducted in parallel may now have to be sequential, but in time the all-government staff will acquire the training and experience to enable the facility to continue to provide the unique capabilities that HELSTF has traditionally provided to Directed Energy weapon system development efforts of the DOD. The staff will continue to help plan, design, and execute laser test and evaluation. Contract mechanisms are in place to supplement government personnel with contractor support, should the customer-funded workload require this.

Funding does not allow for acquisition of "adaptive optics" for the SSL Testbed. Without these optics to compensate for the effects of the atmosphere on the laser beam the range at which targets can best tested will be reduced. Modernization of other test capabilities to support Directed Energy are ongoing in the DOD Directed Energy Test and Evaluation Capabilities (DETEC) program funded by the Central Test and Evaluation Investment Program. These capabilities are presently focused on providing improved instrumentation to support Directed Energy T&E. The majority of DETEC capabilities will be fielded at HELSTF.

The DOD's Directed Energy test and evaluation needs will continue to be supported by capabilities at HELSTF. It will remain a cutting-edge facility for Directed Energy T&E.

Question. Why, after years of funding HELSTF, has the Army decided to cut the program in fiscal year 2008?

Answer. A recent customer survey revealed that there are no identified test requirements for the Mid-IR Advanced Chemical Laser (MIRACL) or the Sea Lite Beam Director (SLBD), therefore the MIRACL and SLBD will be placed in storage. The funds that previously supported MIRACL and SLBD have been realigned to higher priority Army programs. HELSTF is an important test facility that will continue to support directed energy tests and evaluation needs of the Department of Defense. A capability to support solid-state laser development programs will exist at HELSTF, and be utilized by the Army. Specifically, a series of tests in support of the Army's High Energy Laser Technology Demonstrator are planned in 2008 thru 2013.

RECRUITING AND RETENTION

Question. Like all the members of this committee, I am concerned about the effects of prolonged overseas operations on our recruiting and retention efforts. The men and women of the U.S. Army have been nothing short of spectacular in defending our nation against a range of threats since the attacks of September 11th. They performed with valor as a maneuvering force in both Iraq and Afghanistan and have since then taken on the dangerous mission of operating in a hostile urban environment. I am concerned that the dangers of this latter mission may negatively impact recruiting for the active and reserve/guard components.

Do you believe that enhanced enlistment bonuses, increased recruiters and other incentives for individual soldiers will be enough to overcome current recruiting difficulties for the Army?

Answer. Yes, the Army believes the enhanced enlistment bonuses, increased recruiters and other recruiting incentives (in combination with improvements to our business practices) in conjunction with new Army marketing efforts will be enough to ensure we overcome the recruiting market challenges of fiscal year 2007. The continued support of Congress in funding these efforts in a timely manner and enabling the Army to address new challenges is essential to maintaining the momentum of success we have achieved in recruiting.

Question. Tell us a little about your budget request for recruiting and retention?

Answer. To achieve mandated end strengths, the Army increased the accession and retention missions for all components. The current fiscal year 2008 base budget and supplemental requests reflect the Department's projected requirements by component. To maintain the continued success, the recruiting and retention programs require modest funding growth from fiscal year 2007 anticipated final execution.

The Army will monitor its fiscal year 2008 recruiting results and make internal adjustments as necessary.

QUESTIONS SUBMITTED BY SENATOR MITCH MCCONNELL

FORT KNOX BRIGADE COMBAT TEAM

Question. Please provide a detailed timetable for the fielding, equipping and funding of the brigade combat team that has been assigned to Fort Knox, Kentucky in the 2005 Base Realignment and Closure process.

Answer. The 3rd Brigade, 1st Infantry Division (3/1 ID) is the brigade combat team (BCT) designated for stationing at Fort Knox, Kentucky, and currently exists at Fort Knox as a cadre unit. In order to relieve stress on the force, the Army is accelerating the modular conversion of two BCTs, including 3/1 ID, to April 16, 2007. Due to availability of training support systems and facilities, 3/1 ID will build up at Fort Hood, Texas, to convert to an Infantry BCT and train for full spectrum operations. Modular equipment fielding is scheduled for completion by November 15, 2007, and the unit is currently scheduled for deployment to Operation Iraqi Freedom in fiscal year 2008. The unit will re-station to Fort Knox, Kentucky, after return from Iraq. The current Department of the Army order for 3/1 ID directs the unit to arrive at Fort Knox by September 16, 2009.

Question. Please discuss the assets that Fort Knox, Kentucky has that would make it a favorable location for an additional brigade combat team.

Answer. Fort Knox will be a premier training facility for the Infantry brigade combat team (BCT) to be assigned as a result of the BRAC 2005 legislation. In addition to existing excess facility capacity resulting from the restationing of the Armor Center, Fort Knox has available land for additional construction on the installation. Fort Knox also has adequate Family housing and the installation recently completed an environmental assessment, which allows for rapid stationing actions.

Question. What improvements to Fort Knox would be necessary for the installation to become categorized as a Power Projection Platform?

Answer. The Army defines a Power Projection Platform as "an installation that strategically deploys one or more high priority active component brigades and/or mobilizes high priority reserve component brigades." Construction on a BCT complex at Fort Knox is underway and scheduled to be completed in fiscal year 2009. Once the BCT re-stations to Fort Knox and occupies the complex, the installation could be categorized as a Power Projection Platform.

QUALITY OF CARE

Question. In light of the grave problems uncovered at Walter Reed Army Medical Center, do Ireland Army Community Hospital at Fort Knox and Blanchfield Army Community Hospital at Fort Campbell have sufficient funding to provide a high quality of care for U.S. service men and women?

Answer. Ireland Army Community Hospital and Blanchfield Army Community Hospital have adequate funding to perform their healthcare support missions. As the Army implements lessons learned from Walter Reed Army Medical Center and recommendations from several internal and external review groups, resource requirements at these hospitals may change. As new requirements are identified we will fund them. If the U.S. Army Medical Command determines additional funding is needed to improve our medical support processes, we will request additional funds from the Department of Defense and keep you informed of these requirements.

DAVIS-BACON ACT

Question. It has come to my attention that some operations at military installations are encumbered by the need for compliance with Davis-Bacon. Does Davis-Bacon hinder military readiness in the Army?

Answer. The Davis-Bacon Act is a Federal labor law and the requirement that sets minimum wage rates and other administrative labor compliance requirements that must be paid and followed by construction contractors on military construction work throughout the United States. As such, it does not directly affect military readiness in the Army, but it does add to the overall cost of executing military construction work and adds other administrative burdens on military construction contractors that would not be required on commercial construction projects. Therefore, there is a direct result of higher construction costs for military construction projects as a result of the Davis-Bacon Act, which indirectly reduces the total military construction budgets for new and existing facilities construction.

QUESTIONS SUBMITTED BY SENATOR JUDD GREGG

PATRIOT CONFIGURATION 3

Question. Secretary Geren, regarding the Patriot Configuration 3, my understanding is that the Office of the Secretary of Defense approved the Army's request to include funds in the fiscal year 2007 Supplemental to upgrade the remaining 12 Firing Units of the Patriot fleet to Configuration 3, thereby making every Patriot launcher in the U.S. Army capable of firing the advanced PAC–3 missile. However, OMB removed the Patriot upgrade funds from the Supplemental before sending it to Congress. I further understand that this Patriot Pure Fleet initiative is high on the Army's Unfunded Requirements List.

What is the cost of these upgrades and how would this initiative increase the readiness of, and reduce the deployment burden on, the entire U.S. Army Patriot force?

Answer. The cost to upgrade the remaining three Patriot Configuration 2 (PAC–2) battalions to PAC–3 configuration is $452.2 million. Combatant commanders recognize the shortfalls of PAC–2 and require PAC–3 units to meet their operational plans. Currently 80 percent of PAC–3 capable Patriot battalions are committed. Pure fleeting the Patriot force with PAC–3 will increase the size of the pool of deployers by 23 percent and increase our Nation's strategic flexibility against the Theater ballistic missile threat.

Question. How important is the Army's need to fund the upgrades of these older configuration Patriots in the fiscal year 2007 Supplemental?

Answer. The Army recognized a global missile threat, including threats as part of the ongoing Long War, requiring all of the Patriot battalions in the Army to be PAC–3 configuration. Currently, the Army is accepting some risk in its ability to meet all requirements, to include emerging Global War on Terrorism threats. To minimize strategic risk, meet combatant commander capability-based requirements, and provide a sustainable rotation base for projected global presence missions, Patriot modernization needs to be accomplished as soon as possible.

QUESTIONS SUBMITTED BY SENATOR RICHARD C. SHELBY

UNMANNED AERIAL VEHICLES (UAVS)

Question. General Schoomaker, two years ago the Air Force made a major push to become the Executive Agent over all Department of Defense Unmanned Aerial Vehicles. Eventually, the Executive Agency idea was abandoned and instead the Department of Defense established a joint UAV Center of Excellence as well as several Service-specific UAV Centers of Excellence.

To me, the mere concept of Executive Agency for UAVs is, in itself, problematic. Having an Executive Agent for UAVs carries the inherent risk that the Service designated, in this case the Air Force, would not have the capability to effectively balance and manage both tactical and strategic platforms. In addition, setting up a single authority for all Service UAVs is the unmanned equivalent of establishing an Executive Agent for all manned aircraft—an impossible feat.

Now, however, it is my understanding that the Air Force has recently made another move to try to establish themselves as Executive Agent over UAVs—this time over medium and high altitude UAVs. On March 5, 2007, the Air Force Chief of Staff, General Moseley, issued a memorandum outlining their interest in establishing Executive Agency for medium and high altitude UAVs with the Air Force as the lead agent—effectively giving themselves procurement authority and operational control over any UAV that flies above 3,500 feet.

General Schoomaker, is it your belief that an Executive Agency designation for medium and high altitude UAV's, as well as all UAV's, is unnecessary?

Answer. I do not believe Executive Agency designation is required for UAVs.

As we move jointly forward on UAVs we should listen to the most informed voices, those of the ground commanders who state very clearly that their ability to task and control UAVs is non-negotiable. Consequently, while we all want more efficient and joint operations we shouldn't do so at the loss of combat capability necessary for each of our respective military Services to fight with overwhelming and decisive combat power. Since 2002, the Army has deployed hundreds of UAVs to OIF and OEF accumulating thousands of sorties and hundreds of thousands of flight hours. We've incorporated Unmanned Aircraft Systems (UASs) into every part of our operational environment, from squad through division, showing an unprecedented level of integration and interoperability.

The Army, Navy, USMC, and Special Operations Forces (SOF) during the four years of combat operations in Iraq and Afghanistan, have made manned-unmanned teaming of air to-air, air-to-ground, and ground-to-air operations a reality. Last month, the 25th Infantry Division linked the Warrior-A UAV and Apaches together in a series of four engagements with 24 enemies killed in action. Our Hunter UASs, Apaches, and ground combat commanders are conducting real-time combat operations for Counter IED. We are standardizing the system, personnel, and training tasks to institutionalize inter-military Service cooperation and increasing joint combat capability at an ever increasing rate. We should be working toward a strategy of inclusion rather than exclusion of our UAS capability.

Consolidating virtually all the Services and SOCOM UAS systems within one Service stifles competition, especially in light of the proposal to standardize three systems provided by two vendors. While quantity has a quality of its own, the $15.3 billion being offered by the USAF to saturate the market for strategic and theater UAS support does little for the integrated tactical operations within the division operational environment. The Army, in cooperation with the USMC, Navy, and SOCOM has conducted several successful, fully competed UAS systems acquisitions resulting in DOD 5000 compliant, full rate production decisions. Deciding at such an early state in the evolution of unmanned systems technology to limit the market to two vendors is premature. We need to maintain an industry base where innovation, competition, and economy are fully exploited.

Unmanned systems proficiency is not Service unique. The Army has flown the majority of UAS flight hours in Iraq where many of our enlisted UAS operators are on their 2nd or 3rd combat tour. The USMC and Army have deployed over 4,000 unmanned (air and ground) systems to Iraq and Afghanistan used every day in counter-IED and mobility operations. We are integrating our unmanned air and ground systems toward common user training and interface. The Army, Navy, USMC, and SOF are interchanging our UAS training, logistics, and systems development in each formal program.

The essence of increasing and improving the contribution of our unmanned systems is in the combination of combat capability, tactics, procedures, and training across the manned-unmanned assets available. We are showing the value and validity of this concept today in Iraq to unprecedented situational awareness and kinetic effects. I could not, in good conscience, take these UAS systems out of the hands of our Soldiers, Marines, Sailors, and SOF forces that are using them to engage and defeat the enemy today.

Question. What steps are you taking to ensure that the Army's needs and priorities will be taken into consideration regarding the future development and acquisition of UAVs?

Answer. The U.S. Army continues to adhere to the integrated defense acquisition, technology, & logistics life cycle management framework knowing that effective interaction between the Joint Capabilities Integration and Development System (JCIDS), defense acquisition system, and Planning, Programming, Budgeting, and Execution (PPB&E) are essential. As you are aware, properly documenting needs and capabilities required for the Army and planning & budgeting for these capabilities fully supports the Army in the acquisition/development of our UASs for the future. The key has been in the process prior to Milestone B for a Program of Record (POR) by ensuring Army-endorsed Initial Capability Documents and Capability Development Documents is developed. By appropriately refining capability documents and receiving approval for such from the Joint Requirements Oversight Council, we are ensuring proper validation of our future needs by DOD. With the needs/requirements fully captured through the JCIDS process and our PORs approved, we will continue to develop and improve systems throughout their entire life-cycle, through sustainment, to final disposal. We have proven this since the inception of the RQ–7 Shadow, MQ–5 Hunter, RQ–11 Raven, and those programs currently in System Development and Demonstration—the Extended Range/Multi-Purpose and Firescout Unmanned Aircraft Systems (UAS). Additionally, the Army closely coordinates with the UAS Planning Task Force of OUSD (AT&L). The Army is aware of our tactical requirements/needs and such program in support of our units at the Division and below. Additionally, continuous collaborations as part of the Joint UAS Materiel Review Board, the Army and other Services leverage to inform the DOD on the requirements/needs and current status of systems and components concerning UASs.

ARMY LIFT NEEDS

Question. The Air Force is in the process of purchasing the next generation tanker that will be part of the fleet for the next 50 years. This plane will be as important to the "land forces" as it is to the Air Force because it will be a major provider of

lift, cargo, and medical evacuation. Since this platform will be equipped with defensive systems and can take your troops from home station straight into theater, how important is lift to you, Secretary Geren?

Answer. Several recent DOD and JCS-led intra-theater airlift studies have clearly shown that DOD airlift requirements will only continue to outpace the Air Force's available platforms in future conflicts due to the non-linear and noncontiguous changes to the nature of warfare. The Air Force's acquisition of a next generation tanker that would possess the flexibility to also move personnel, cargo, and medical casualties throughout a theater is extremely important to the Army.

PATRIOT PURE FLEET

Question. Both the Department of Defense and our Combatant Commanders have previously testified that there is a critical need for the PAC–3 missile to protect our troops and coalition partners from weapons of mass destruction. However, more than a third of the planned Patriot force structure, three battalions worth of soldiers, are incapable of using that missile because the ground equipment has not been modified. Secretary Geren, why wasn't the necessary funding provided in the supplemental to modernize the Patriot fleet to use the PAC–3 interceptor missile?

Answer. The Office of the Secretary of Defense approved the Army's request to include funds in the fiscal year 2007 Supplemental to upgrade the remaining 12 Firing Units of the Patriot fleet to Configuration 3, thereby making every Patriot battalion in the U.S. Army capable of firing the advanced PAC–3 missile. However, the Office of Management and Budget did not support the Patriot upgrade funds in the Supplemental before sending it to Congress.

Question. What is the cost of these upgrades and how will this initiative increase the readiness of, and reduce the deployment burden on the entire U.S. Army Patriot force so it can meet the immediate needs of our Combatant Commanders?

Answer. The cost to upgrade the remaining three Patriot Configuration 2 (PAC–2) battalions to PAC–3 configuration is $452.2 million. Combatant commander's recognize the shortfalls of PAC–2 and require PAC–3 units to meet their operational plans. Currently, 80 percent of PAC–3 capable Patriot battalions are committed. Pure fleeting the Patriot force will increase the size of the pool of deployers by 23 percent and increase our Nation's strategic flexibility against the Theater ballistic missile threat.

SUBCOMMITTEE RECESS

Senator INOUYE. We would like to thank you for your testimony this morning and your service to our Nation. The subcommittee will convene on Wednesday, March 21 at 10:30 and at that time, we will hear from the Department of the Air Force. We are now in recess.

[Whereupon, at 12:15 p.m., Wednesday, March 14, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, March 21.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2008

WEDNESDAY, MARCH 21, 2007

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

The subcommittee met at 10:33 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Leahy, Dorgan, Murray, Stevens, Cochran, Domenici, Bond, and Shelby.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE AIR FORCE

OFFICE OF THE SECRETARY

STATEMENT OF HON. MICHAEL W. WYNNE, SECRETARY

STATEMENT OF SENATOR DANIEL K. INOUYE

Senator INOUYE. Today we welcome the Honorable Michael Wynne, Secretary of the Air Force, and General Michael Moseley, the Air Force Chief of Staff.

Gentlemen, the subcommittee thanks you for being here today as we review the budget request for fiscal year 2008.

Your fiscal year 2008 base budget request is $137 billion, a modest increase of $8 billion over the last year.

The subcommittee recognizes the priorities of the Air Force, of fighting and winning the long war on terror, taking good care of the airmen and their families, and beginning a significant effort to recapitalize and modernize the U.S. Air Force.

We also recognize the challenges associated with recapitalizing, while trying to modernize the existing fleet, and maintain readiness at the same time.

With the average age of the fleet being 26 years old, it is imperative to find the correct balance between recapitalization with new inventory, modernization for existing assets, and readiness in order for the Air Force to posture itself for the future.

I'd like to take this opportunity to remind everyone of the great support the Air Force is providing for Operation Noble Eagle (ONE) here, and Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) overseas.

It is easy for the media and my colleagues to focus on the role played by the soldiers and marines on the ground. But, these men on the ground rely heavily on the support provided by airmen.

As a matter of fact, there are 7,700 airmen who are performing what is called "in-lieu of" taskings, where they support the Army in areas where the Army is stressed in their abilities to engage in current operations.

Since the Air Force is becoming more involved in nontraditional taskings, and with the Army and Marine Corps now both increasing end strength, it brings into question the decision to begin a drawdown of Air Force personnel.

It may be time to revisit that issue, since the environment in which the decision was made has significantly changed.

We look forward to working with you to ensure that our Air Force is appropriately resourced to meet each of your tasks, and gentlemen, we sincerely appreciate your service to our Nation, and the dedication and sacrifices made daily by the men and women of the U.S. Air Force. We could not be more grateful for what you do.

And, gentlemen, your full statements will be made part of the record. I'd like to now turn to my co-chairman, Senator Stevens, for his remarks.

STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Thank you, Mr. Chairman. And gentlemen, I apologize for being slightly late. I do thank you for coming back again, and I know we all share the difficult task of trying to balance the competing requirements of modernization, readiness, and improving the quality of life. The demands on all of us for finding some way to meet your needs is great, and we want to work with you to achieve your goals. I thank you very much.

Mr. WYNNE. Thank you very much, Mr. Chairman.

Mr. Chairman and members, thank you for having General Moseley and I here today to testify on behalf of American's airmen. We are extraordinarily grateful for your steadfast support of our Nation's airmen.

OUR NATION'S AIRMEN

Leading the men and women of the United States Air Force is a high honor. They are responsive, whether answering calls for humanitarian relief, providing commanders and combatants real-time intelligence, or striking with lethal and precise effect. We recognize that they set the strategic and the tactical conditions for victory.

They are agile, with the ability to provide America's strategic shield, or to form an air bridge from the continental United States, halfway around the world to southwest Asia—an air bridge our airmen have maintained now for 17 years—or keep steadfast watch in space, and in the skies. We want to retain the image of the Nation's strategic shield and sword, and ask your help to do that.

They are superbly trained to do all sorts of assigned missions. They even superbly perform our assigned ground force mission, although all realize that the adage, "Every airman a rifleman" sacrifices strategic leverage the Nation wants and needs from its airmen. We look for the ground force reset to, perhaps, rectify this.

Given the age of our air and space equipment, there is no doubt that our freedoms are balanced on the courage, skills, and ingenuity of our Total Force airmen. Today, our airmen are incredibly busy, fully engaged in the global war on terror, not just in Iraq and Afghanistan, but around the world. Plus, they have a strategic deterrent mission that they perform every day, out of sight, with over 200,000 dedicated daily to all the combatant commanders.

Our airmen are providing global vigilance through the manned and unmanned aircraft and space systems. For example, Air Force assets and airmen surveil, identify, track, and kill enemies as a part of the joint forces' critical counter improvised explosive devices (IED) mission.

GLOBAL REACH

We are providing global reach. Our C–130s and C–17s execute precision air drop and conventional cargo missions, which are saving countless lives by taking dangerous convoys off the road. And our aero-medical evacuation personnel are giving soldiers, sailors, airmen, and marines the highest survival rate in the history of warfare.

And, we provide global power—directing, conducting or threatening strikes, 24 hours a day, 7 days a week, 365 days a year. For example, our battlefield airmen levy global power through technology like ROVER, the remotely operated video enhanced receiver, which gives a new level of connectivity and situation awareness to the ground commanders by linking users with a laptop computer, with full-motion video sensors on our predator unmanned aerial vehicles, as well as advanced targeting pods on our fighters.

ROVER-equipped users get real-time, full-motion video from these "eyes in the skies." And we are also the only service with a dedicated combat search and rescue force. As airmen, we consider combat search and rescue a moral imperative, to be able to retrieve the airmen we send deep into enemy territory. But these combat search and rescue forces are equally adept at rescuing other services and coalitions' isolated personnel, when required.

OPERATIONS IN CYBERSPACE

As in the other domains, your Air Force is engaged daily in cyberspace. We have established within the 8th Air Force a new cyber-command, to address how we can better train and present our forces to the U.S. Strategic Command, the combatant commanders, and other governmental agencies, to prosecute engagements in these domains. It's these linkages where other services and agencies count on us to own our warfighting domain—and we count on them to own theirs—that makes our military truly interdependent today. So, we owe our ground force and maritime partners the very best in leveraging our air space and cyberspace assets.

Today, we're doing just that—meeting our wartime requirements, but frankly, wear and tear and loss of buying power all translate into risk to our future readiness capacity and capability. Today's emerging threats also threaten our future dominance. Proliferation of advanced technologies and new threats, such as double-digit surface-to-air missiles, nuclear weapons in North Korea, and the re-

cent Chinese antisatellite test that proves space is not a sanctuary, nor are some of the areas that we consider our operating areas. It makes it imperative that we adjust our inventories for this new century.

We are responding by fielding a next-generation long-range strike bomber by 2018, as well as funding new satellites, tankers, fighters, and combat search and rescue helicopters.

RECAPITALIZATION OF AGING AIR AND SPACE INVENTORIES

Last year, I laid out a very difficult strategy to address this most pressing need, recapitalizing our aging air and space inventories. We have started that process, and are remaining inbounds by self-funding to the maximum extent possible. We've self-funded by essentially restructuring our force structure. This has reduced our force size, and reshaped the Total Force on a "mission first" basis, buying fewer, but more capable platforms, and implementing new initiatives to improve our productivity and efficiency.

When I was a young officer, leaving the Air Force in 1973, the average age of our equipment, including our space assets, was 8 years old. Our inventory's age is now triple that, averaging 26 years of age. With this in mind, I've advised our airmen it is their duty, as well as my own, to ensure the airmen of tomorrow are as confident and as capable against the threat as we are today, and so I understand the reductions, and I understand the need.

We can ensure this only by intensively husbanding every resource—people, flying hours, and expenses—and dedicating the freed resources to recapitalization.

I'd like to thank the Congress for its continued help in allowing the Air Force to manage our flying inventory without legislative restrictions, and assisting us in this duty to our future. I want to thank the Congress, also, for its continued help in recapitalizing our space inventory.

We are taking the necessary steps in our fiscal year 2008 budget to ensure uninterrupted, continuous service in communications, early warning, position, navigation and timing, and environmental sensing satellites. We appreciate your support in the development, procurement, and fielding of these critical space capabilities, because our military, and the citizens of this great Nation depend upon their continuous service.

In a minute, General Moseley will introduce five of our amazing airmen, and I won't steal his thunder. But, let me just say, that to keep our Total Force ready, we must care for these airmen and their families.

In the Air Force, our tenet has long been, "We recruit airmen, but we retain families," making quality of life on our bases a very key component of our strategy. We are providing our airmen access to safe, quality, affordable, well-maintained housing, in a community where they chose to live through housing privatization.

In summary, your Air Force is in the fight, and not just in Iraq and Afghanistan, but globally. Your airmen are the Nation's strategic edge. They are expeditionary, highly trained warriors, and with your help, we'll provide them with the necessary training, equipment, and quality of life to keep the Nation's asymmetric ad-

vantage of global vigilance, reach and power. Recapitalizing our aging equipment inventories is the key.

PREPARED STATEMENT

Finally, I want to salute our airmen. They are amazing, they're eager to serve, and mindful of their mission all around the world. I'm very proud to be their Secretary, and look forward to your questions. Thank you, sir.

Senator INOUYE. Thank you very much, Mr. Secretary.

[The statement follows:]

PREPARED STATEMENT OF MICHAEL W. WYNNE

MAINTAINING AMERICA'S EDGE

We are America's airmen. Our mission is to deliver sovereign options for the defense of the United States of America and its global interests—to fly and fight in air, space and cyberspace.

Our Air Force core values of integrity first, service before self and excellence in all we do—embodied in every airman—guide our actions and ensure your Air Force remains committed and ready to deter, dissuade or defeat any adversary anywhere in the world.

As airmen, we are the Nation's premier multi-dimension maneuver force, with the agility, reach, speed, stealth, payload, precision and persistence to achieve global effects. Control of the air, space and cyberspace domains provides the essential bedrock for effective Joint operations—securing freedom to attack and freedom from attack.

In 2005, we revised the Air Force mission statement to include cyberspace. This inclusion of cyberspace reflects our recognition of cross-domain interdependence and emphasizes our nonnegotiable commitment to deliver sovereign options for the United States through not only air and space but also cyberspace.

Our 2007 posture statement articulates the major elements required to fulfill our mission. It reaffirms our commitment to focus our energies on the global war on terror (GWOT); to develop and care for our airmen and their families; and to recapitalize and modernize our aging aircraft, spacecraft, and equipment.

Our top acquisition priorities include: the KC–X tanker; the CSAR–X combat search and rescue helicopter; space communications, space situational awareness and early warning programs; the F35A Joint Strike Fighter (JSF); and Next Generation Long Range Strike—a new bomber.

Our posture statement further reaffirms our commitment to be good stewards of the resources entrusted to us and our resolve to dominate air, space and cyberspace in defense of our Nation now and in the future.

Challenges

America's Air Force faces significant challenges. We have been engaged in combat for 16 years while transforming into a smaller, leaner and more capable force. Fiscal constraints combined with operational challenges and a dynamic international security environment translate into risks we continue to manage and mitigate in order to provide capabilities America needs. The Air Force continues to fight the GWOT and prepares to face and overcome threats and conflicts of the future. In order to remain dominant, we must maintain our air, space and cyberspace power advantages over potential adversaries.

Modern warfare is changing. This is nothing new to America's airmen, whose heritage spans and embraces change and whose culture embodies courage and innovation for America. We are ensuring a lean, lethal, and agile Air Force for America. We are building and posturing our force structure to meet future threats emerging on the dynamic world stage, and we are strengthening the interdependent Joint team.

We face a security environment that poses an array of dynamic challenges and threats. The 2005 Quadrennial Defense Review (QDR) characterized this threat environment and mandated force structure goals for all of DOD. The Air Force and all of the Services must be able to operate and defend against traditional, irregular, disruptive and catastrophic threats. In the future, the Air Force and the entire Joint Team will operate within a strategic environment involving one or more of these challenges. We will prepare to defend against high-end conventional forces, asymmetric threats and irregular forces such as terrorists or insurgents. To mitigate po-

tential for disruptive surprises, we will strive to stay ahead of adversaries' technology efforts. Most importantly, we will protect our homeland from hostile states' and non-state actors' use of weapons of mass destruction (WMD) and attacks in and through cyberspace. The threat array requires that we prepare the Air Force for a broad spectrum of future conflicts. At the same time, several factors have created a difficult and challenging fiscal environment in which to organize, train, and equip for the future.

The 2005 QDR specified a force planning construct to shape the entire DOD force to protect our Nation, its ideals and interests now and in the future. Originally presented in the National Military Strategy (NMS), the force planning construct provides guidance for determining the capacity and capabilities needed to meet both steady State and surge demands for homeland defense, irregular warfare, and conventional campaigns. As a result of the NMS guidance and comprehensive analysis, the QDR determined America's Air Force needs to organize, train and equip 86 "modern combat wings."

Emerging National Security Concerns and Threats

While the GWOT is our immediate priority, America's airmen must also stay ahead of competitors preparing for conventional conflict and attempting to counter the asymmetric advantage our air, space and cyberspace power currently gives our Joint Team. Sustaining U.S. advantages in such conflicts will become increasingly more challenging as advanced air defense, aircraft, WMD, cyber and anti-satellite (ASAT) capabilities proliferate.

Integrated Air Defense Systems (IADS) continue to evolve, placing current generation aircraft at increasing risk. Modern IADS incorporate more data sources, process and pass information faster, and are increasingly mobile. Man-portable air defense systems (MANPADS), shoulder-fired SAMs, also are an increasingly serious threat. Their availability, affordability, and proliferation increases the likelihood of modern MANPADS ending up in the hands of non-state actors, placing U.S. civil and military aircraft at risk around the world.

The lethality and availability of fourth-generation combat aircraft is also increasing, and potential adversaries are already purchasing and fielding these complex and capable weapon systems. Many nations are enhancing the capabilities of their existing fighter and bomber aircraft through use of aerial refueling, signature reduction technology, and cyberspace weapons that inject confusion or mask operations. Ever greater numbers of states are not only acquiring advanced aircraft, but are developing indigenous production capability, increasing the likelihood of proliferation.

Proliferation of WMD to countries and non-state actors remains a significant challenge to U.S. interests and a top priority in the QDR. While nuclear weapons and materials proliferation always pose grave dangers, chemical and biological weapons pose arguably greater detection challenges. Easier and less costly to make than nuclear weapons, chemical and biological weapons are easier to transport, produce and mask from detection because they can be camouflaged as dual-use civilian industrial products. Proliferation may also enable future adversaries, especially terrorist groups, to develop, use, or threaten to use WMD as an asymmetric response to American conventional warfighting dominance, which might otherwise deter them from directly challenging the United States.

Perhaps less obvious, but all the more insidious, is the adversary's use of the cyberspace domain to support and carry out their attacks world-wide and on our shores. The adversary knows that they can contest our use of the electromagnetic spectrum and conduct their war of ideas from a supposed sanctuary in this domain.

Finally, we see challenges to our current advantages in the space domain. Employment of Global Positioning System (GPS) jammers in an attempt to reduce U.S. and coalition air strike precision is an example. While we can currently overcome this threat through a variety of methods, such a challenge presents a warning and a valuable lesson as we posture our air, space and cyberspace forces for the future.

Recent foreign testing of kinetic ASAT weapon capabilities further demonstrates an explicit willingness to challenge, disrupt, or destroy America's space assets and capabilities. This testing also demonstrates a disregard for both American and global concerns over space debris and the damage it may inflict upon any object stationed in or traversing through low Earth orbit.

As technology matures and proliferates, and as access to space becomes available to more countries, organizations and individuals, threats to America's air, space, and cyberspace capabilities will continue to grow and evolve. America's airmen aim to be ready to meet these and all other threats to our Nation.

Irregular Warfare

Our Nation is now in its sixth year waging the GWOT while the Air Force is entering its 17th year of engagement in Southwest Asia. Current conditions portend this to remain a long war. The enemy chooses not to operate as a "uniformed military," but rather uses criminal networks and terror tactics to attack from the shadows. They use indiscriminate violence against combatants and non-combatants alike. They extensively use propaganda to advance their radical ideology of tyranny and hatred. Iraq and Afghanistan are two current fronts in this war, but the struggle extends beyond these vital campaigns. The Air Force and the entire Joint Team must wage this war on a global scale, in multiple locations and domains at simultaneous times, and for a number of years.

We are strengthening our ability to deter and defend against non-state threats and our ability to conduct globally distributed irregular operations of varying duration. We stand ready to conduct a large-scale, long-duration irregular warfare campaign as an integral part of the Joint Team, to include counterinsurgency, security, stability, transition and reconstruction operations.

Adapting to Non-Traditional Roles

Airmen are finding innovative new uses for our current systems while successfully executing irregular warfare operations in Afghanistan and Iraq. Airmen increasingly find themselves engaged in nontraditional roles requiring ingenuity and the use of Joint warfighting technology. Our missions and taskings range from standard close air support and armed reconnaissance to non-traditional taskings like convoy escort, infrastructure protection, provincial reconstruction, and host nation election support.

Still other airmen have stepped in to fill Joint warfighter taskings in stressed skill areas in which other Services are shorthanded. The Air Force currently provides over 7,700 airmen to fulfill these "In-Lieu Of" (ILO) ground force taskings. These airmen fulfill ILO requirements in areas such as detainee operations, convoy operations and protection, explosive ordnance disposal, police training teams, provincial reconstruction teams, military transition teams, civil engineering, security, interrogation, communications, fuels, medical services, logistics, intelligence, and base operating support. The Air Force also fills another 1,200 Joint Individual Augmentee positions. Airmen began fulfilling these requirements in 2003 and will continue to do so through 2007 and beyond—until the ground force component recaptures these missions and our job is done.

Finally, Air Force mission, training, and force structure requirements will necessarily increase correspondingly as Joint ground force, Army and Marine Corps requirements and end strength increase. The full range of Air Force air, space and cyberspace capabilities and personnel are interdependently woven into Joint ground forces operations.

Recognizing there will be an impact of increased ground forces on our budget, we are assessing our programs. We forecast there may be increased requirements in the areas of inter- and intra-theater airlift; command, control, communications, computers, intelligence, surveillance and reconnaissance (C4ISR) capabilities; close air support (CAS); tactical air control party (TACP) personnel; and extended ILO personnel requirements. While the Army and Marine Corps reset and recapitalize, we are following through in every way with our Joint teammates.

Defending Our Homeland

Future threats to our homeland are constantly evolving. They present challenges to the established methods and structures of homeland defense. Development, fielding and proliferation of standoff weapons, such as long-range cruise missiles, provide potential adversaries with offensive capabilities of increasing accuracy and range. In addition, we can expect many of these future weapons to be of relatively small size, presenting an extremely difficult detection and tracking challenge.

As we safeguard the aerial, maritime and cyber approaches to our Nation, the Air Force will continue to play a large role in providing the full spectrum of air sovereignty options, including air defense, missile defense and support to civil authorities for consequence management. Additionally, as illustrated by our response to Hurricane Katrina, the Air Force will surge and contribute to national responses in the event of natural disasters or catastrophic events, supplying airlift, communications, imagery from unmanned aerial vehicles (UAVs) and space assets, and combat search and rescue capabilities.

Cyberspace

America's Air Force is redefining air and space power for the 21st century.

Our current and potential adversaries already operate in cyberspace, exploiting the low entry costs and minimal technological investment needed to inflict serious harm. We cannot allow them to expand their foothold. We seek to deny our adversaries cyberspace sanctuary while ensuring our access and operations in this domain. Our Nation's ability to deliver effects in air, in space, on land, and at sea depends on control of this domain.

Cyberspace dominance goes beyond communications and information technology. It requires superiority across the entire electromagnetic spectrum—DC to daylight—radio waves, micro-waves, infra-red, x-rays, directed energy, and applications we have not even begun to think about—to ensure global command and control, global reach, and global power. We have a well-established capability to operate in cyberspace. We take advantage of physics, technology, and synergies to operate in and through it. Therefore, we are establishing a new cyberspace command to stand alongside Air Force Space Command and Air Combat Command. America's airmen are force providers the President, Combatant Commanders (COCOMs) and the American people can rely on to preserve freedom of access and operations in air, space and cyberspace.

The newly designated Air Force Cyberspace Command will provide combat ready forces trained and equipped to conduct sustained combat operations through the electromagnetic spectrum and fully integrate these with air and space operations. In November 2006, we held a cyberspace summit and, in January 2007, we hosted the first-ever integrated cyber exercise, Cyber Vision 2007, at the U.S. Air Force Warfare Center (USAFWC). This exercise focused on dominating the cyberspace domain in a potential conflict. These events and future integration of cyber aggressor teams into red flag will build upon the significant cyberspace capabilities we already contribute to homeland defense and the Joint fight.

Cyberspace command will leverage, consolidate and integrate unique Air Force cyber capabilities and functions across the spectrum of conflict from peace, to crisis and war: Command and control; electronic warfare; network warfare; and intelligence, surveillance and reconnaissance (ISR). Many Air Force programs, while contributing to air and space power, also directly contribute to our dominance of the cyberspace domain.

Loss of Buying Power

While the Air Force is postured to meet our Nation's near-term requirements, our ability to meet steady state and surge requirements over the long term hinges on our ability to organize, train and equip 86 modern combat wings, as mandated in the QDR. Achieving these goals will be difficult, as we balance fighting the GWOT, maintaining our readiness, maintaining America's air, space and cyberspace advantages, modernizing our equipment and capabilities, and shaping our airmen, organizations and force structure for the future.

Several factors have applied pressure to the Air Force budget: GWOT and operations costs; increasing costs of fuel, utilities, manpower, and health care; increased costs to own, operate and maintain our aging aircraft; unforeseen BRAC costs; and lost savings due to congressional restrictions on retirement and divestment of our least useful legacy aircraft. Although recent congressional support for planned legacy aircraft retirements has aided our divestment strategy, unnecessary restrictions draw critical resources away from our aircraft modernization programs and degrade our efforts to recapitalize our aircraft inventory.

We are meeting our current wartime commitments. We are also operating within the resources entrusted to our service—we are staying in bounds. We are self-financing our modernization and recapitalization efforts to the maximum extent possible though initiatives such as force shaping, Air Force smart operations for the 21st century (AFSO21) and aircraft retirements, while focusing on a "mission first" basis. Furthermore, we are committed to operate, organize, train and equip to meet the projected demands of the future—they are many. The Future Years Defense Plan (FYDP) involves taking acceptable risk in lower priority areas in order to meet future readiness, capability, force structure and national security requirements.

Next Generation Air Force

Our loss of overall buying power means the Air Force must attempt to rebalance our available resources and force structure to achieve force planning construct goals. To reach our 2025 force structure objectives, we will synchronize our investments to maximize their effect.

In 2005, we began divesting significant numbers of our oldest, least capable, and most costly and difficult to maintain aircraft. In 2006, we also initiated a carefully calculated reduction in personnel end strength to match our declining force structure. As investments in research, development, and procurement grow, we will con-

tinue building our force structure towards 86 modern combat wings. Our personnel end strength must concurrently keep pace as we modernize our force structure. These two elements—force structure and personnel end strength—drive our resource requirements.

The Air Force is committed—now and in the future—to not only defend our Nation but also provide good stewardship of the resources entrusted to us. We look forward to working closely with Congress to ensure our force structure and personnel investments are synchronized, and our efforts to posture, recapitalize and modernize America's Air Force fly together in close formation.

Air Force Priorities

As the Air Force strives to defend America's interests within a dynamic strategic environment, we remain committed to our top service priorities, as stated by Air Force leaders and outlined in our vision:

—Fighting and winning the GWOT developing and caring for our airmen and their families recapitalizing and modernizing our aging aircraft and spacecraft inventories

These priorities, together with our enduring core values of integrity, service and excellence, provide America's airmen a steady beacon, guiding how we organize, train and equip in defense of our Nation. Our national strategic requirements, global complexities and threats, and fiscal elements within the overall strategic environment will continue to shape how we execute these priorities. We remain focused on the GWOT, our people, and a modern, capable force.

Your Air Force is dedicated to maintaining, evolving, and expanding America's capabilities in air, space and cyberspace. These capabilities are America's edge—the foundation of America's unparalleled global vigilance, reach and power.

FIGHTING AND WINNING THE GLOBAL WAR ON TERROR

Our Air Force has been engaged in over 16 years of continuous combat in Iraq, currently a central front in the GWOT. In addition to OIF, the Air Force is a critical player on the Joint and coalition team in Operation Enduring Freedom (OEF) in Afghanistan. Airmen also vigilantly defend the skies of our homeland in Operation Noble Eagle (ONE). Our enemies are vile, unrelenting, adaptive and global. They are motivated by extremist ideologies and bent on subjugation and denial of basic freedoms of expression, government and religion. It will ultimately require all elements of national power to defeat them. Militarily, the Air Force remains committed to finding and destroying our Nation's enemies wherever they seek sanctuary, fighting side by side with friendly nations in this struggle against violent extremism.

America's airmen operate on a global scale every day. The full, complete impact of Air Force engagement includes airmen deployed outside of the Continental United States (OCONUS) to contingencies, forward deployed in Europe and the Pacific, and employed from their home stations as they execute global missions. The Air Force has nearly 30,000 airmen deployed in central command conducting theater operations. Similarly, 60,000 Pacific Air Forces and U.S. Air Forces Europe airmen are fully engaged in the full spectrum of dissuasion, deterrence, coalition training, and military-to-military activities.

Furthermore, the inherent qualities of air, space and cyberspace—speed, range, and payload—allow the forward deployed Air Force footprint to be smaller, less vulnerable, and vastly more flexible. Airmen are also fully engaged in the GWOT from their home stations, controlling satellites, standing on alert with intercontinental ballistic missiles (ICBMs), providing intelligence assessments, operating UAVs, and launching airlift, tanker and other aircraft missions essential to Joint operations worldwide. Every day over 200,000 Active, Guard, and Reserve airmen fulfill COCOM missions around the world.

A Day in the Life of America's Airmen

The Air Force delivers global vigilance, global reach and global power for our Nation. America's airmen provide vigilance that is persistent, focused and predictive; reach that is reliable, rapid and agile; and power that is flexible, precise, stealthy and decisive.

A snapshot of current Air Force operations illustrates the myriad ways in which COCOMs employ air, space and cyberspace power to accomplish their missions.

Global Vigilance

Air Force global vigilance capabilities are critical elements of the GWOT, at home and abroad. For instance, the Air Force currently operates and maintains satellites directly serving central command and providing the communications, sensor, and navigation capabilities on which the lives and missions of soldiers, sailors, airmen,

marines and coast guardsmen depend. From bases in the continental United States, our airmen also maintain space situational awareness (SSA) for the region, tracking over 500 daily orbital passes over Baghdad of satellites of all nations.

Theater-based aircraft have become critical elements in the Counter-Improvised Explosive Device (Counter-IED) effort by "scanning and jamming." On a daily basis U–2s, Global Hawk and Predator UAVs, and E–8C Joint Surveillance Target Attack Radar System (Joint STARS) aircraft survey, track, identify—and sometimes destroy—insurgents and safe houses. In fact, the Air Force maintains over 10 24/7 UAV Combat Air Patrols (CAP) in central command, providing persistent ISR and—in the case of Predator—a lethal strike option. In addition to their global responsibilities, stateside Airborne Warning and Control System (AWACS) crews and airplanes fly and stand on alert as part of our homeland defense surveillance requirements.

Global Reach

Air Force airlifters and tankers provide the global reach that underwrites the Joint effort in the GWOT. An air mobility command aircraft departs a runway somewhere on the planet every 90 seconds, 24 hours a day, 365 days a year. On a typical day, the Air Force flies over 250 airlift sorties, moves over 1,000 tons of cargo, and transports nearly 2,500 passengers. In central command, intra-theater airlift aircraft like the C–130 and C–17 have borne heavy loads, taking thousands of convoys off dangerous roads and reducing the threat of IEDs to about 8,500 people each month.

Aeromedical evacuation (AE) has emerged as a critical capability for the Joint Force. In fact, Air Force AE is responsible for the transport and care of over 36,000 patients in the GWOT. Our airmen have achieved a record-setting average patient movement time of 72 hours, a dramatic reduction from the 10–14 days required during the 1991 Persian Gulf War. Such rapid global movement provides U.S. service men and women the highest survival rates in the history of warfare.

Air Force tankers provide global mobility and reach for Air Force aircraft, the Joint Team and coalition forces. While the average tanker is over 40 years old, KC–135s and KC–10s nonetheless fly 30 tanker missions on a typical day in central command and stand on alert to provide additional endurance for our aircraft performing homeland defense missions.

Global Power

At the sharp end of Air Force capabilities, America's airmen deliver global power in the GWOT. Using UAVs, tight air-ground integration, and time sensitive targeting, we have eliminated several high-value terrorist and insurgent targets in Afghanistan, Somalia and Iraq. In a war where intelligence is fleeting, the Air Force has made constant innovations to shorten the time cycle it takes to deliver rapid, precise effects. Fighters originally designed for strike missions are now using their targeting pods as non-traditional ISR sensors over Iraq and Afghanistan, providing a unique extension of both vigilance and power for the Joint Force Commander (JFC). Battlefield airmen serve side by side with our Joint partners on the ground and use live streaming video from predators or targeting pods to orchestrate rapid air and ground attacks on insurgents. The successful June 2006 strike against Al-Qaeda leader Abu Musab al-Zarqawi is only one illustration of how the Active Duty, Air National Guard, and Air Force Reserve Command seamlessly integrate capabilities from around the globe into precise, dislocating, and decisive effect.

Since the beginning of the GWOT, the typical strike mission has evolved from a pre-planned sortie against a fixed target to a flexible, on-call mission profile responsive to a rapidly changing battlefield. In central command, fighters typically fly nearly 80 strike, electronic warfare, or non-traditional ISR sorties each day. Back in the United States, fighters stand guard over our homeland, ready to launch at a moment's notice. Worldwide, Air Force fighters and bombers, coupled with the strength of America's space and cyberspace capabilities, are the tools of reassurance, deterrence and dissuasion. America's airmen are the global, strategic muscle behind U.S. diplomacy, providing a lethal over-the-horizon capability to directly influence events on the ground—whether based in Japan, Guam, or Whiteman AFB, Missouri.

Fostering Joint Interdependence

Air Force dedication to Joint interdependence is illustrated in the GWOT. Around the world, we are committed to providing COCOMs an increased ability to integrate air, space and cyberspace capabilities and gain cross-dimensional synergies in pursuit of National Security Joint Force objectives.

Fifth-Generation Fighters

Currently in production and fully operational at Langley AFB, Virginia, the F–22A is the newest member of the Air and Space Expeditionary Force—our airmen are putting the world's first fifth-generation fighter into action. Its attributes of speed, stealth, maneuverability, advanced sensors and adaptable, integrated avionics will meet our Nation's enduring national security requirement to gain and maintain Joint air dominance, as well as enable precise engagement against a broad range of surface targets.

America's airmen are understandably proud of their contributions to the Joint fight. They have prevented enemy aircraft from inflicting any U.S. ground force casualties for over 50 years. We dedicate our efforts and risk our lives to sustain this record. Production in sufficient numbers of fifth-generation fighters—both the F–22A Raptor and the F–35A Lightning II—remains the best guarantee of homeland air sovereignty and Joint air dominance.

Numbered Air Forces

The Air Force has established component Numbered Air Forces (NAFs) dedicated to supporting each COCOM across the full range of military operations. Each component NAF provides an integrated and technologically advanced command and control capability, adaptable to contingencies across the spectrum of conflict. Over the next several years, we will continue to refine this command and control structure through the development of centralized "reach back" capabilities, integration of Guardsmen and Reservists, and more advanced cyber technologies.

Air and Space Expeditionary Force

The Air and Space Expeditionary Force (AEF) organizational construct is a modern design for the modern world.

Since the end of the Cold War, the Air Force has evolved from a force based at large, permanent United States and overseas bases to an expeditionary force, requiring fewer permanent bases and using an expanded network of temporary forward bases. As we adapted to this new operating environment, we quickly recognized the deployment construct for our force also had to change. Since 1999, we have organized our Air Force combat forces into 10 AEFs that present capability to COCOMs, provide trained and ready forces for emerging threats and contingencies, and help manage high deployment tempo through a stable and predictable rotation schedule. When demand for American air power skyrocketed after 9/11, the Air Force extended the deployment period from 90 to 120 days to accommodate the COCOMs' demands.

We continue to adapt our people and organizational constructs to ensure airmen are highly motivated, exceptionally well trained, and equipped with the right skill sets to present the Joint warfighter with a broad set of capabilities. We realigned the AEF Center under the Air Force Personnel Center at Randolph Air Force Base, Texas, to leverage similar functions and merge permanent authorizations, wartime requirements, and assignments under a single commander. The Air Force is also moving forward with fielding of Contingency Response Groups (CRGs), organized, trained and equipped to provide an initial "Open the Base" capability to COCOMs. The CRG provides a rapid response team to assess the location-specific support requirements necessary to open an expeditionary airfield, as well as provide a rapid projection of America's vigilance, reach and power.

Joint Warfighting Integration

Due to the dynamic demands of the GWOT, airmen fly strike, ISR, combat search and rescue (CSAR), AE, electronic warfare and airlift sorties everyday over Afghanistan and Iraq. They also augment ground forces to provide security and stability in both countries. Airmen are working hand-in-hand with ground and naval forces training and augmenting both Iraqi and Afghan security forces, rebuilding critical infrastructure, and providing medical services to these war-torn countries.

Air Force CSAR helicopters remain on alert in Iraq and Afghanistan, providing commanders with the capability to rescue isolated military and civilian personnel. Air Force CSAR crews answer the moral obligation to safely secure and return any and every member of our Joint team.

The effectiveness CAS provides soldiers and marines is another example of interdependence. Tactical training at the National Training Center provides soldiers and airmen the opportunity to see how they will deploy and fight together on future battlefields. The Army's Stryker Brigade combat teams now in service and the future combat system under development both rely heavily on Air Force strike capabilities to remain effective. Therefore, we are adding 700 TACP airmen to serve with

ground components to ensure the Air Force's timely and precise effects are always available.

Building Global Partnerships

Fighting and winning the GWOT requires commitment, capability, and cooperation from allies and partners around the world. We depend on our international partners to secure their territory, support regional stability, provide base access and overflight rights, and contribute a host of air, space and cyber power capabilities as interoperable coalition partners. As the pace of economic, political and cultural globalization increases, the importance of strong global partnerships—both now and in the future—is abundantly clear.

The Air Force leads the way in developing enduring Air Force-to-Air Force relationships around the world. To strengthen these relationships, we are expanding Red Flag access to our allies and partners. We are also working to establish the Gulf Air Warfare Center as a tactical center of excellence. In addition to integrating coalition partners into our most robust combat training scenarios, we have established the Coalition and Irregular Warfare Center of Excellence to facilitate development of relevant airpower capabilities, capacities, and relationships in partner nations in the GWOT, and to facilitate development of innovative Air Force irregular warfare applications. We are also expanding the 6th Special Operations Squadron to bolster our ability to train foreign air forces and expand our repertoire of non-kinetic capabilities in the GWOT. Furthermore, our aircrews, especially airmen executing global mobility and airlift missions, interact daily with host nation personnel, representatives and citizenry, enhancing America's image of strength, freedom, and hope.

Through the Air Force Security Cooperation Strategy, we continue working with allies and friends to help them attain capabilities that complement our own air, space and cyberspace capabilities. This document uses the OSD Security Cooperation Guidance as a foundation and aligns with COCOM Theater Security Cooperation strategies. This comprehensive, coordinated effort builds capability in potential partner air forces using the six U.S. Air Force distinctive capabilities as driving tenets.

Recent commitments, such as procurement of C–17 airlifters by Australia and the NATO Alliance, and broad international participation in the F–35A Joint Strike Fighter (JSF) program, will further reinforce our current and future interoperability with global partners. Finally, we have infused expeditionary, regional, cultural and linguistic education throughout our training programs at every level. The Air Force executes a global mission. Our approaches to operations, interoperability and training exemplify our global, international perspective.

Air Staff Intelligence Directorate

Intelligence is becoming more critical in today's rapidly changing security environment. Collection, analysis, and timely distribution of information are essential to kinetic and non-kinetic approaches to our Nation's security challenges. Accordingly, we moved Intelligence directly under the Chief of Staff, creating the position of Deputy Chief of Staff for Intelligence (A2) and elevating the position to a three-star billet from its former two-star billet.

Partnership with the National Reconnaissance Office

The Air Force and the National Reconnaissance Office achieved a groundbreaking agreement on June 7, 2006, to share expertise and best practices. The agreement focuses specifically on sharing lessons learned in developing, acquiring, fielding and operating modern space systems. Both organizations recognize the need to enhance their respective capabilities, as well as to work collaboratively to respond to future challenges.

Combat Search and Rescue Realignment

The transfer of the CSAR mission from Air Force Special Operations Command to Air Combat Command provides a clearer presentation of forces to Joint commanders and ensures a direct CSAR link to the Combat Air Forces and the personnel they serve. In addition, the Air Force's Next Generation Combat Search and Rescue aircraft (CSAR–X) will modernize an aging CSAR fleet, provide greatly improved all-weather combat search and rescue worldwide—an essential component of our commitment to the Joint Team and our allies.

Air and Space Operations Centers

In June 2005, we achieved an initial operational capability with our Air and Space Operations Center (AOC) Weapon System and are well on our way to a full operational capability for the entire AOC inventory. The Air Force leads the way

in delivering sovereign options to defend our homeland and our global interests by providing a global command and control (C2) capability to COCOMs, enabling them to orchestrate air, space and cyberspace effects in pursuit of national military objectives. AOCs are the central operational nodes in this capability, and the combined AOC in operation at Al Udeid, Qatar, exemplifies the most advanced and robust AOC system in the Air Force today.

Aeromedical Evacuation

Air Force AE contributes a unique, nationally vital capability to the Joint fight. Air Force AE innovations include use of "designated vs. dedicated" aircraft, "universally-qualified" AE crewmembers, able to fly on any AE-configured aircraft, and the extensive use of critical care air transport teams to transport stabilized patients.

Air Force AE is combat proven. Since late 2001, we have orchestrated the care and transfer of more than 36,000 overseas patients to CONUS facilities. We continue to refine this remarkable capability and the "en route care" system built upon our expeditionary medical system.

Air Force AE is a total force system, and both AE and en route care are built on teamwork, synergy and Joint execution. Technological advances such as the single integrated patient data system, high-flow ventilators, high deck patient loading system, and the Joint patient isolation unit are under development and will further enable safe patient movement regardless of transportation mode.

America's Air Force has provided soldiers, sailors, marines, coast guardsmen and airmen the highest casualty survival rates in the history of warfare. By leveraging AE and en route care, we will continue to improve our ability to save and sustain lives.

Space Capabilities in Joint Operations

The entire Joint force depends on Air Force space-based capabilities to meet not only the needs of military operations, but also the full spectrum of civil, economic, and diplomatic activities. Moreover, rescue and recovery operations in 2005 following Hurricanes Katrina and Rita clearly demonstrated the humanitarian mission utility of space-based communications, positioning and navigation services, and environmental monitoring. America's airmen safeguard the high ground of space and ensure America's unimpeded access to vital space capabilities.

Space Applications in Afghanistan and Iraq

Operations in Iraq and Afghanistan highlight the importance of space-based capabilities to the United States and coalition forces. An example of Air Force response to warfighter needs is the successful deployment of the Satellite Interference Response System (SIRS), a defensive counterspace prototype. It aids in the identification, geolocation and reduction of interference sources for critical satellite communications. SIRS has improved the response time to unknown interference sources within the CENTCOM AOR and reduced friendly interference sources from impacting operations.

Blue Force Tracking capability is another success story. Joint Blue Force Tracking has fundamentally changed ground warfare. The ability to accurately locate friendly forces with GPS timing and positioning information, and then share that information, dramatically improves understanding on the battlefield and reduces the risk of friendly fire. The unprecedented real-time knowledge of friendly force locations renders all operations—especially night and urban operations—less dangerous and more effective.

Joint Space Operations Center

The 14th Air Force Air and Space Operations Center (Space AOC) at Vandenberg AFB, California, serves as the core of the United States Strategic Command (USSTRATCOM) Joint Space Operations Center (JSpOC). The Space AOC/JSpOC is the primary command and control node for integrating the full resources of space-based sensor and command-control systems. The Space AOC/JSpOC proactively reaches forward to COCOMs, ensuring accomplishment of theater and global space objectives, while providing a continually updated space common operating picture for integration into current wartime and peacetime missions.

The Space AOC/JSpOC consists of personnel, facilities, and resources providing long-term strategy development, short-term crisis and contingency planning, real-time execution, space asset reallocation, and space forces assessment. The Space AOC/JSpOC provides tailored space effects to Joint forces worldwide.

The Space AOC/JSpOC maintains SSA through the fusion of intelligence, space- and ground-based sensor readings, and operational indications to allow the United States and allied forces unfettered access to space. The Space AOC/JSpOC also pro-

vides predictive analysis of adversary space activity and supports the protection of National Security Space assets.

Counterspace

Air, space and cyberspace superiority are the foundational elements of Joint success in any action. Counterspace and countercyber technologies and operations provide America with the tools to achieve space and cyber superiority, allowing America freedom of action while denying freedom of action to an adversary or enemy. SSA, Defensive Counterspace (DCS) and Offensive Counterspace (OCS) capabilities comprise the main elements of Air Force counterspace efforts.

SSA provides airmen with detailed knowledge of the space environment, enabling responsive, effective execution of DCS and OCS actions. Enhanced ground-based and new space-based SSA assets would provide the needed information. In the near-term, the Rapid Attack Identification Detection and Reporting System (RAIDRS), along with SIRS, will test detection and geo-location technologies. The Space Based Space Surveillance (SBSS) and Space Fence programs will deliver transformational capabilities to improve responsiveness, surveillance coverage, and small object detection. We expect to field these improved capabilities in the fiscal year 2009 and fiscal year 2013 timeframes, respectively.

Air Force defensive counterspace efforts will protect National Security Space capabilities vital to Joint success. Some defensive strategies comprise technical solutions integrated into satellite designs. We will design other systems specifically to counter adversarial threats. Additionally, our airmen are continuously developing new tactics to mitigate potential threats to our space systems.

Offensive counterspace technologies and operations seek to disrupt, deny or degrade an adversary's ability to leverage space capabilities. The Counter Communications System (CCS) provides COCOMs a method to deny an adversary's access to satellite communications through temporary, reversible and non-destructive means. CCS expands the options available for the COCOM to address the proliferation of advanced space technologies and their availability to potential adversaries.

DEVELOPING AND CARING FOR OUR AIRMEN

Your Air Force today is a seamless total force, with over 690,000 airmen serving on Active Duty, in the Air National Guard (ANG), in the Air Force Reserve Command (AFRC) and as Air Force civilians. While modern equipment, technology and capability are essential to success, your airmen are the bedrock of America's ability to succeed in an era of challenge and uncertainty.

While emphasizing our global expeditionary culture, organization and mission, we remain committed to providing and maintaining the highest possible standards of education, training, health care and installation services for America's airmen.

Force Shaping

When the Air Force began to develop a long-term force structure plan, we started with divestment of legacy aircraft. While we have achieved some success, significant investment gaps remain. Moreover, the costs of personnel continue to rise. Personnel costs have increased 57 percent in the past decade. In early 2006, Program Budget Decision 720 directed additional end strength reductions over the FYDP. As we manage this downsizing, we remain committed to a balanced force. We will increase manning in stressed career fields, and expand opportunities for career development and training. Our goal is a lean, more capable, more lethal Air Force, organized, trained and equipped for our global, expeditionary mission.

To tailor our personnel mix to the new security environment, we authorized implementation of annual Force Shaping Boards (FSBs). The purpose of the fiscal year 2006 FSB was to reduce officer overages by identifying eligible officers for separation, while balancing career fields and officer commissioned year groups. Prior to the board, eligible officers were offered voluntary options to transition to other forms of service in and out of the Air Force. The Air Force also waived most Active Duty Service Commitments (ADSC) to allow officers to separate early. In addition, the Air Force is offering voluntary separation pay to officers in overage career fields, and we will convene a selective early retirement board to identify retirement-eligible officers for early retirement if necessary.

To achieve the required reductions of enlisted airmen, the Air Force instituted a date of separation rollback for personnel with limitations on their assignment or enlistment eligibility. We also offered a limited number of ADSC waivers for eligible members in overage career fields. These initiatives to shape the enlisted force join the tools already in place: Career job reservations, reduction in accessions, and the Non-Commissioned Officer retraining program.

Overall, the Air Force aims for a reduction of over 4,000 officers and 10,000 enlisted members by the end of fiscal year 2007. These reductions are difficult but necessary to ensure the Air Force maintains the right size and mix of forces to meet the fiscal and global challenges of today and tomorrow.

Total Force Integration

A distinguishing hallmark of the Air Force is the ease with which airmen from Active Duty, ANG, and AFRC work together at home and abroad. From the build-up of the ANG after World War II, the first Reserve Associate unit in 1968 and the full integration of Guard and Reserve units into the Air & Space Expeditionary Force in the 1990s, the Air Force has a history of employing airmen from all components in innovative and effective ways.

One of the Air Force's significant commitments to long-term transformation is Total Force Integration (TFI). The Total Force construct seeks to maximize the Air Force's overall Joint combat capability with Active Duty, Air National Guard and Air Force Reserve airmen working together cohesively. TFI is critical to meeting the challenges of competing resource demands, an aging aircraft inventory, and emerging missions.

New and Emerging Missions

As the Air Force transforms to a smaller, more agile and lethal force, we will retain the strengths of the Guard and Reserve and use them in new ways to reflect a changing mission set. Increased integration allows Air Force personnel to capitalize on experience levels inherent in the Guard and Reserve, while building vital relationships necessary to sustain successful combat operations.

Ongoing Total Force initiatives integrate Air Force components into missions critical to future warfighting, and include ISR, UAVs, space and cyberspace operations. Given the ease of employing these capabilities from home station, these missions are ideally suited for the Guard and Reserve. In a time of increasing demand for these capabilities, it only makes sense to use reachback technologies to tap into our Air Reserve Component. Using this approach improves our operational effectiveness, reduces reliance on involuntary mobilization, and provides more stability for our airmen and their civilian employers. It also allows the Air Force to capitalize on the state-of-the-industry advanced skills and best practices residing in the ranks of the ANG and AFRC.

Way Ahead

The Air Force continues to make significant progress on our Total Force initiatives. We have identified 136, secured funding for 98 opportunities and are executing 19. We have established associate units at several locations including F–22As in Virginia and Alaska, C–17s in Hawaii, F–16s in Utah, and C–130s in Wyoming. Additionally, guardsmen are analyzing GWOT intelligence in Kansas, and Reservists are flying operational GWOT UAV missions from Nevada. With over 100 initiatives in the planning phase and many more in the development phase, Total Force Integration is paving the way for a smaller, more capable, more affordable Air Force.

Improving Training Opportunities

Spanning six decades of Air Force history, particularly over the past 16 years, our airmen have proven themselves as the global first responders in times of crisis—taking action anytime, anywhere. The foundation for this well-deserved reputation is the quality and frequency of the training and education we provide. Our Air Force training initiatives continue to evolve, improving our ability to develop and retain the world's best air, space and cyberspace warriors—expeditionary, knowledge-enabled, ethical, and prepared for the interdependent fight.

Air Force Basic Military Training

We changed Air Force Basic Military Training (BMT) curriculum to stress an expeditionary mindset in all phases of training, providing airmen with more expeditionary capability from day one. These changes are the most significant in BMT history. The Air Force basic training experience now mirrors the AEF cycle with a pre-deployment, deployment and reconstitution phases. We emphasize basic war skills and practical application throughout BMT. Beginning first quarter fiscal year 2009, BMT will incorporate 2 additional weeks of instruction—lasting 8.5 weeks total—to provide more opportunities for practical application and field exercises. Finally, we have added "Airman's Time," mentoring sessions in which our veteran instructors share their real world experiences, relate daily training events to warrior and airmanship qualities, and reinforce the core values expected of all airmen.

Space Professional Development

Space capabilities have become vital in the defense of our Nation and the continued growth of the United States and world economies. Developing, fielding, operating, and maintaining the Air Force's broad array of space systems demands a highly trained, expertly managed workforce of space professionals. As we begin to field even more capable and complex systems, the demands on our space professionals will only increase. We have brought these personnel together within the Space Professional Development Program, ensuring our operations, acquisition and support personnel receive the training, education and experience necessary to accomplish our mission in space—now and in the future.

U.S. Air Force Warfare Center

The U.S. Air Force Warfare Center (USAFWC) integrates initiatives across the Air Force. USAFWC sets the standard for executing Joint and coalition air, space and cyberspace operations. The USAFWC provides advanced training designed to ensure our Air Force warfighting capability remains unrivaled. USAFWC provides performance assessment and Joint integrated exercise venues for units from the USAF, USN, USMC and USA—as well as our allies. They provide adversary analysis through a unified and coordinated "Red Force" ready to "combat" the United States' and their coalition partners during all phases of testing, tactics development, training programs, and integrated exercises.

Red Flag

In addition to its original location at Nellis AFB, Nevada, the Air Force now conducts Red Flag exercises in Alaska using Eielson AFB, Elmendorf AFB, and the Pacific Alaska Range Complex. The two exercises are designated Red Flag—Nellis and Red Flag—Alaska, respectively.

Red Flag is expanding aggressor capabilities to provide enhanced training at both locations. The Air Force added an F–15 aggressor unit in Nevada and, starting in October 2007, we will establish an F–16 aggressor squadron at Eielson AFB ready to participate in Red Flag-Alaska exercises in 2008. Aggressor functions have expanded to include air defense, space, and cyber operations. This integrated aggressor force provides all Red Flag exercises with a consistent, world-class training capability. Bolstering the dissimilar combat experience, the Air Force also has taken steps to expand the participation of coalition partners and allies in Red Flag.

Overall, enhanced aggressor operations and common training concepts will increase the quality of Red Flag training, and two locations will increase the quantity of training opportunities. When complete, these changes will make a great program even better—saving lives in the next fight.

Military Personnel Exchange Program

Through the Military Personnel Exchange Program, the Air Force builds, sustains, and expands international relationships that are critical enablers for our Expeditionary Air and Space Force. Long-term success in the GWOT calls for broad international partnership and integration. Expanding our exchange programs to Eastern Europe, the Middle East, and Southeast Asia is critical to the conduct of the GWOT and in building lasting partnerships with our Allies.

Quality of Life

Your Air Force has been at war for nearly 17 consecutive years. These challenging times underscore the importance of properly maintaining the capabilities of the primary weapons in our Air Force arsenal—our airmen. Our focus on their quality of life ensures these vital "weapon systems" remain ready when called upon.

Expeditionary Support

We ensure the best possible facilities and programs at all our expeditionary locations. Our dining facilities are unequalled—currently serving over 36,000 meals daily to deployed forces. We also provide fitness and recreation support to help maintain the health and morale of our airmen. Additionally, our learning resource centers provide the necessary means for distance learning, continued professional development, and connectivity with friends and family.

Our Airman and Family Readiness Program is an aggressive effort to prepare airmen and their families for deployment challenges. Mandatory pre-deployment briefings provide information on personal planning and stressors related to extended duty away from home, while mandatory post-deployment briefings prepare airmen for the dynamics of reuniting with their families.

Language and Cultural Education Opportunities

We are moving beyond traditional Air Force and Joint warfighting skills development. Our educational programs provide increased opportunities for airmen to receive focused cultural and language training, facilitating greater professional interaction, deeper understanding, and more effective operations.

The expanded instruction includes cultural awareness, regional affairs, and foreign language proficiency. All Air Force Academy cadets and Reserve Officer Training Corps (ROTC) nontechnical scholarship cadets will be required to take language courses. Additionally, both Academy and ROTC cadets have increased opportunities for foreign language and area studies degrees and have expanded cultural immersion and foreign exchange programs. Our enlisted basic military training also will provide instruction on cultural sensitivity.

Once in the Air Force, each level of officer and enlisted professional military education (PME) provides additional cultural, regional and foreign language instruction, developing leaders who can articulate United States policy and operate effectively in foreign settings. Furthermore, we will increase developmental educational opportunities for global skills, including overseas professional military education and the Olmstead Scholars Program. We will then vector these airmen into Political-Military Affairs or Regional Affairs Strategist career tracks, maximizing America's return-on-investment.

Housing and Military Construction

Air Force investments in housing underscore our emphasis on developing and caring for airmen. Through Military Construction (MILCON) and housing privatization, we are providing quality homes faster than ever before. Over the next 2 years, the Air Force will renovate or replace more than 4,200 homes through military construction. We are on track to meet our fiscal year 2009 goal of eliminating inadequate housing at overseas locations.

Investment in dormitories continues to provide superior housing to our unaccompanied members. We have over 3,000 dormitory rooms programmed for funding over the next 6 years. Approximately 75 percent of these initiatives rectify inadequate dormitory conditions for permanent party members. Our new "Dorms–4-Airmen" standard is a concept designed to increase camaraderie, social interaction and accountability. The remaining dormitory program modernizes inadequate "pipeline" dormitories that house young enlisted students during their initial technical training.

MILCON is an essential enabler of Air Force missions; however, we are accepting risk in facilities and infrastructure funding in order to bolster our efforts to recapitalize and modernize our aging aircraft and equipment. We have prioritized the most critical requirements to support the Air Force and DOD requirements. Our MILCON strategy supports these priorities by focusing on new mission beddowns, dormitories, fitness centers, childcare centers, and depot transformation.

Joint Basing

The Air Force has a long and successful history of working toward common goals in a Joint environment, without compromising Air Force principles and the well-being of our people. Joint basing initiatives are no exception. We want Joint basing to be a raging success. Therefore, each Joint base should be required to provide an attractive setting to all of its assigned personnel.

To accomplish this end, we advocate the establishment of the highest quality of life standards of individual bases as the Joint base quality of life standards. Joint basing is an opportunity to improve efficiency, quality of life standards and common delivery of installation support services. Joint basing will consider best business practices to ensure enhancement of Joint warfighting capabilities, eliminate duplication, and ultimately achieve synergy for base support services. These actions will optimize Joint use of limited resources and result in more efficient installations from which all Services will project combat power for our Nation.

Through the establishment of the highest level of quality of life standards at each Joint base, our airmen, soldiers, sailors, marines, DOD civilians and their families will benefit from efficient, consistent installation support services. These standards will ensure the Air Force and our sister Services continue to provide all personnel with the level of installation support services they deserve.

As we work with OSD and our sister Services, we will ensure all Joint basing initiatives guard against any interference with the DOD's ability to perform its mission. Joint basing allows us to build closer relationships and forge stronger ties among the Services. We will not only train as we fight, we will live as we fight.

RECAPITALIZING AND MODERNIZING THE FORCE

To meet the needs of our Nation at war and successfully build the 86 modern combat wings necessary to maintain a credible defense posture in the future, we are committed to aggressively recapitalizing and modernizing our inventories of aircraft, space systems, equipment and operational infrastructure. Executing a successful recapitalization plan is a balancing act. We will continue to meet today's operational needs while striving to ensure America and our future airmen inherit an Air Force that is ready, capable and sustainable. We are committed to maintaining air, space and cyberspace advantages and America's unparalleled global vigilance, reach and power—America's Edge.

Comprehensive Plan

Our recapitalization and modernization plan follows an integrated strategy of retirement, procurement, selective Service Life Extension Programs (SLEPs) and modifications—coupled with the broadest, most innovative science and technology program in DOD. We will progressively shed our oldest, most costly, and least capable legacy aircraft, while reinvesting in a smaller—but more capable—expeditionary force, emphasizing global and Joint capabilities. While these strategies will sustain selected legacy systems for near term, we will avoid billions of dollars on further SLEPs by working our stewardship of funds today. It has become far more expensive to continuously extend the life of older aircraft. We are fast approaching the point where it is cheaper to buy new aircraft.

Our plan will allow effective, efficient modernization and replacement of our air superiority, strike, space, ISR, mobility, special operations, and combat support systems. Fully recapitalized, America's Air Force will remain dominant in the conduct of modern, networked, cross-dimensional 21st century warfare.

An Aging Inventory

The Air Force is meeting today's combat requirements—but not without increasing risks and costs. We have an aging and increasingly unfit inventory of aircraft, space systems and equipment. Of our inventory of approximately 6,000 aircraft, a significant number operate under flight restrictions. Many transport aircraft and aerial refueling tankers are more than 40 years old. The average age of the bomber force exceeds 30 years. The fighter force is the oldest it has ever been, at an average age of more than 18 years. Additionally, our airmen operate and maintain many satellites well in excess of their originally designed mission durations. Across every mission, the Air Force is experiencing detrimental effects of high tempo operations and age, including engine and structural fatigue, deterioration, corrosion and increased rates of component failure.

As a result, the Air Force's ability to meet the combat requirements of tomorrow is in question. The increased tempo of current operations delays routine maintenance and we find our systems becoming progressively less effective and more costly to own and operate. Aircraft and equipment modifications currently absorb 20 percent of the Air Force's procurement budget. This is the highest percentage in the history of the Air Force. In fact, 14 percent of our Air Force fleet is either grounded or operating under mission-limiting flight restrictions. Our comprehensive plan for modernization and recapitalization outlines the prudent investments necessary today to avoid the future capability risks and spiraling maintenance and modernization costs we currently experience with our legacy systems.

Inventory Management

Fiscal responsibility is a critical element of our plan. The Air Force is committed to planning and operating within our allocated resources. However, we face fiscal constraints that introduce risk into our efforts to successfully posture America's Air Force for the future. We appreciate congressional language in the 2007 National Defense Authorization Act supporting our efforts to retire older aircraft and manage our inventory of aging equipment. However, remaining legislative restrictions on aircraft retirements remain the biggest obstacle to efficient divestiture of our oldest, least capable, and most costly to maintain platforms and equipment. Keeping these legacy aircraft on the flightline levies additional operations and maintenance costs at the expense of modernization programs and funding. These costs cascade into procurement delays for future platforms and divert resources away from expanded Joint capabilities. We welcome the opportunity to work with Congress to overcome these fiscal challenges, reduce risks to meeting our National Security and Joint requirements, and successfully prepare our Air Force for the future.

Procurement Priorities

We design and structure every Air Force program throughout our diverse, comprehensive recapitalization and modernization plan to meet critical Air Force, Joint, and National requirements. Several programs currently receive our highest attention and represent our top priorities within the plan.

Our top acquisition priorities include: the KC–X tanker; the CSAR–X combat search and rescue helicopter; space communications, space situational awareness and early warning programs; the F–35A Joint Strike Fighter (JSF); and Next Generation Long Range Strike—a new bomber. We will continue to advocate and advance these and many other modern elements of air, space and cyberspace capability. Collectively they will strengthen America's advantages in global vigilance, reach and power for years to come.

Global Vigilance

The Air Force acts as the global eyes and ears of the Joint Team and our Nation. Using a vast array of terrestrial, airborne and spaceborne sensors, we monitor and characterize the Earth's sea, air, space, land, and cyber domains around the clock and around the world. Our command, control, communications and computers (C4) networks link the Joint Team together and speed information to users at the point of action, from commanders in AOCs, to ground units engaged with the enemy, to a pilot dropping a precision-guided munition.

The future vision of all the U.S. military services is information-driven. Success will hinge on America's cyberspace advantages. Air Force assets like Joint STARS, AWACS, Rivet Joint, Global Hawk, Predator and our constellations of satellites, contribute vital networking and C4ISR products and services to every aspect of every Joint operation. Our recapitalization and modernization plan aims to increase dramatically the quantity and quality of C4ISR capabilities, products and services available to the Joint Team and the Nation. Our plan especially focuses on ensuring Air Force space communications, SSA and early warning missions provide uninterrupted continuity of service for America and our allies.

Transformational Satellite Communications System

The Air Force continues to pursue next-generation satellite communications technology with the Transformational Satellite Communications System (TSAT). The TSAT program will employ internet protocol networks, on-board routing and high-bandwidth laser communication relays in space, dramatically increasing warfighter connectivity. TSAT capabilities will enable the realization and success of all DOD and Joint visions of future network-centric operations, such as the Army's Battle Command-on-the-Move and the Navy's Sea Power 21 vision and Fleet FORCEnet/FORCEview concepts. In 2007, we expect the TSAT program to complete system design milestones.

Advanced Extremely High Frequency System

The Advanced Extremely High Frequency (AEHF) satellite communications system reaches assembly integration and test in 2007, preparing for first launch in spring 2008. When deployed, AEHF will provide the secure, survivable, anti-jam communications that MILSTAR currently provides. AEHF will, however, also provide greater bandwidth, larger throughput, faster dissemination, and better service quality to the United States and Allied users.

Wideband Global SATCOM System

In 2007, the Air Force will take the first major step in the modernization of its satellite communications architecture with launch of the first satellite in the Wideband Global Satellite Communications (SATCOM) System (WGS), a program formerly known as Wideband Gapfiller Satellite. A single WGS satellite has more communications capacity than the entire Defense Satellite Communications System it replaces, enabling direct broadcast of digital multimedia, high-bandwidth imagery and digital video information directly from global and theater sites to deployed warfighters.

Terminal Programs

Air- and ground-based satellite communications terminals provide warfighters with critical links to America's space assets from anywhere in the world. Our terminal modernization programs are maintaining pace with the high performance satellites they support. Through programs like the Family of Advanced Beyond Line of Sight Terminals (FAB–T) and the Ground Multi-band Terminal, the Air Force will transform its air- and ground-based space capabilities with terminals that consolidate logistics support, provide increased communications throughput, and ensure seamless command and control.

Space Based Missile Warning Capabilities

The Air Force is America's only provider of space-based missile warning. Providing a robust missile warning capability to the Nation through enhanced space-based ISR systems remains a priority in 2007. We expect to launch the final Defense Support Program launch (DSP–23) in spring 2007, continuing 36 years of the DSP constellation's outstanding service.

The Space Based Infrared System (SBIRS) represents the next generation of Early Warning satellites. The first SIBRS Highly Elliptical Orbit (HEO) payload is currently deployed on-orbit and undergoing operational testing. The HEO–2 payload has been delivered for integration. Launch of the SBIRS Geosynchronous Earth Orbit (GEO)-1 satellite is scheduled for late 2008. Once fielded, SBIRS will provide a transformational leap in capability over our current DSP system.

Space Radar

Space Radar (SR), another key transformational space-based ISR program, will have the ability to look into denied areas and to cue additional sensors, such as those on Predator and Global Hawk. The SR will provide COCOMs unprecedented surface wide-area surveillance capabilities, updating its AOR coverage report several times per hour. SR will characterize objects and activities of interest for target development in conjunction with other assets to meet critical Joint warfighter requirements. In 2007, the program will focus on building engineering development hardware while emphasizing risk reduction, integration, and systems engineering.

National Polar-orbiting Operational Environmental Satellite System

The National Polar-orbiting Operational Environmental Satellite System (NPOESS) is a tri-agency program sponsored by DOD, the Department of Commerce, and NASA. NPOESS will support DOD forces worldwide as well as homeland security agencies. The system will provide assured, timely and high-quality environmental data to our warfighters for weather forecasting, mission planning and weapons employment. NPOESS environmental data will also enhance our domestic preparedness when dealing with natural disasters.

Rapid Attack Identification Detection and Reporting System

Meeting the requirement to assist in the protection of our space assets, the Rapid Attack Identification Detection and Reporting System (RAIDRS) will provide a capability to detect and locate satellite communications interference using fixed and deployable ground systems. A fully operational RAIDRS Spiral 1 will be delivered in fiscal year 2008 and provide detection and location of SATCOM interference. Future developments will automate data analysis and fusion, as well as provide decision support tools for near-real-time actions.

Global Hawk

The RQ–4A Global Hawk is a high altitude, long endurance UAV providing the Joint warfighter with persistent vigilance and observation of targets in day, night and adverse weather. Global Hawk entered development in 2001 after completing a successful advanced concept technology demonstration. We plan to develop and field the aircraft in blocks of increasing capability, allowing accelerated delivery to the warfighter, while the system evolves and expands to its full potential.

We have already employed block 10, the first of four production variants, in support of GWOT. It provides an effective, persistent imagery capability using synthetic aperture radar (SAR) and electro-optical/infrared (EO/IR) sensors. The larger Block 20 aircraft, which will begin development test in early 2007, will provide 50 percent more payload capacity carrying enhanced SAR and EO/IR sensors for even clearer images at greater ranges.

In 2012, Block 30 will field a more versatile, multi-intelligence capability by integrating Block 20 imagery sensors with a robust signals intelligence (SIGINT) suite. The fourth Global Hawk variant, Block 40, will be available for operations in 2011. It will carry a single payload—a Multi-Platform Radar Technology Insertion Program sensor—to provide the warfighter a highly advanced radar imagery and moving target indicator capability. Global Hawk has demonstrated its combat value in GWOT and the Air Force will continue to mature and enhance its capabilities in the coming years.

MQ–1 Predator

Leading the way in armed reconnaissance, the Air Force is currently flying MQ–1 Predator missions 24 hours a day, 7 days a week. The MQ–1 Predator is a medium-altitude, multi-role, long endurance UAV, providing persistent ISR and strike capabilities to COCOMs. Predator aircraft are able to transmit live, full motion dig-

ital video to ground-based and airborne targeting teams equipped with the Remote Operations Video Enhanced Receiver (ROVER) system.

The Predator is operational, and by 2010, we will expand its capability from 10 to 21 total CAPs to meet increased COCOM and warfighter demands. We also plan to incorporate target location accuracy improvements to rapidly provide targeting data for GPS-guided munitions.

Total Force airmen in Nevada and California control Predator aircraft operating in numerous locations around the world, including Iraq and Afghanistan. By 2010, this capability will spread to Air National Guard units in Arizona, North Dakota and Texas. The Predator has transformed the way we fight, providing persistent ISR, reliable target acquisition and lethal strike capability for COCOMs and our Joint warfighters.

RC–135 Rivet Joint

The RC–135 Rivet Joint continues its four decades of success in providing SIGINT capabilities across the full spectrum of Joint operations and national information needs. Most missions directly support OEF and OIF tactical operations, adding to Rivet Joint's outstanding record of accomplishment and continuous presence in CENTCOM since 1990.

In addition to mission equipment upgrades, we have completed re-engining and cockpit modernization, keeping the force viable until 2040. In 2007, the Air Force will procure Rivet Joint 17, a GWOT acquisition for additional medium-altitude SIGINT capacity.

Rivet Joint has become the cornerstone of an airborne targeting modernization effort known as Net-Centric Collaborative Targeting. Rivet Joint has demonstrated the capability to horizontally integrate C4ISR assets across the entire Joint Force and dramatically improve target location accuracy, timeliness and identification.

Joint Surveillance Target Attack Radar System

The E–8C Joint Surveillance Target Attack Radar System (Joint STARS) is an airborne battle management, command and control, intelligence, surveillance, and reconnaissance platform. Its primary mission is to provide theater ground and air commanders with surface moving target indications (SMTI) and tailored surveillance in support of operations and targeting. Joint STARS has been a significant contributor to U.S. Air Force fighting effectiveness in Operations Desert Storm, Joint Endeavor, Allied Force, OEF, and OIF. Continuing modifications and enhancements will sustain Joint STARS viability beyond 2034.

E–3 Airborne Warning and Control System

The E–3 Airborne Warning and Control System (AWACS) is the premier airborne command and control platform in the DOD and a key element of all airborne operations. AWACS supports decentralized execution of the Joint air component missions and provides theater commanders with the ability to find, fix, track and target airborne or maritime threats, and to detect, locate and identify radars. AWACS has been the key airborne asset in all operations since its fielding in 1983. Our ongoing modernization of the platform will position AWACS to remain a viable airborne command and control platform beyond 2035.

Air and Space Operations Center

The Air and Space Operations Center (AOC) weapon system is the Combined/Joint Force Air Component Commander's (C/JFACC's) tool for employing air, space and cyberspace power. The AOC enables decision-makers to focus and synchronize our air, space and cyber superiority, global attack, precision engagement, information superiority, and rapid global mobility capabilities across the full range of military operations in multiple, geographically separated arenas.

The AOC weapon system, with its Theater Battle Management Core System (TBMCS), has evolved significantly since its designation as a weapon system in 2001. We used the Al Udeid Combined AOC model to establish the AOC Weapon System Block 10.1 baseline. Creating this baseline enabled us to standardize our development, procurement and presentation of C2 capabilities to Joint and combined commanders worldwide. Increment 10.1 standardizes configuration among the five deployed FALCONER systems, providing operators with greater and faster access to air battle management information. The program team efforts continue to generate greater system performance for warfighters, with major improvements planned for delivery over the next 2 years.

The Air Force has committed to continue evolving and modernizing our AOC weapon system through the FYDP, building toward a fully operational, cross-dimensional C2 enterprise by fiscal year 2014.

Battle Control System—Fixed

The Battle Control System—Fixed (BCS–F) system is a cooperative program with Canada. The system provides air defense and surveillance capability for the entire North American continent. BCSF supports ONE and serves as the Air Force's homeland defense battle management, command, and control system. The BCS–F system integrates data from multiple radar sensors providing tactical communications and data link capabilities with other military and civil systems responsible for air surveillance, air defense and control of sovereign U.S. air space.

Battle Control System—Mobile

The Battle Control System—Mobile (BCS–M) is the next generation of Low Density/High Demand (LD/HD) ground-based tactical C2 nodes supporting the warfighter with theater air defense, airspace management, aircraft identification, wide-area surveillance and tactical data link management. These are the same missions the current legacy system, the Control and Reporting Center, performs in support of OIF, OEF, and ONE, as well as homeland defense activities such as counterdrug operations and special security events.

Air Force Distributed Common Ground System

The Air Force Distributed Common Ground System (AF–DCGS) is the Air Force's premier ISR Tasking, Collection, Processing, Exploitation and Dissemination (TCPED) weapon system. From reach back locations, AF–DCGS operators collect raw sensor data from the Global Hawk, Predator, and other platforms around the world, turn it into decision-quality intelligence in near-real-time, and send it directly to those in need at the Joint Task Force level and below. Its proven capabilities in sharing and correlating multi-source SIGINT, imagery intelligence, and signature intelligence data will be enhanced with the fielding of the AF–DCGS Block 10.2, which is leading the way in DOD's net-centric ISR enterprise transformation.

Global Reach

America's airmen provide not only the long legs and heavy lifting for Joint warfighters' rapid global mobility, but also the long arms for global strike and high endurance for global persistence and presence. On a daily basis, Air Force mobility forces support all DOD branches as well as other government agency operations all over the world. Increased demand and decreased availability underscore the critical need for tanker recapitalization and investment to ensure the long-term viability of this national capability. Without prudent, timely investment, our national defense, global vigilance, reach, presence and power are put in serious peril.

Tanker Recapitalization

Aerial refueling capability is essential to the expeditionary nature of America's armed forces. Aerial refueling serves as a Joint force multiplier, providing American and coalition air forces with increased range, persistence, and endurance. We are committed to maintaining an inventory of tankers that guarantees the projection of U.S. combat power.

For the past 50 years, the Air Force's primary tanker platform has been the KC–135, and it has served with distinction. However, we are carrying great risk operating this aircraft beyond expected service life. Some of the oldest models already operate well beyond the point of cost-effective repair. Tanker recapitalization is not a new idea. In 1999, a thorough GAO report presaged the declining operational utility of our aging tankers and underscored the need for immediate investments in recapitalization. Given the increased operational requirements of the GWOT, procurement of a new tanker aircraft—the KC–X—has become both an operational necessity and the most fiscally prudent option to maintain America's global presence and expeditionary capabilities.

The KC–X is our number one procurement priority. KC–X tankers will provide increased aircraft availability, more adaptable technology, and greater overall capability than the current inventory of KC–135E and KC–135R tankers they will replace. Enhancements in every aspect of aircraft operation will provide the Joint warfighter with more flexible employment options. It is imperative we begin a program of smart, steady reinvestment in a new tanker—coupled with measured, timely retirements of the oldest, least capable tankers. Recapitalizing our tankers will ensure the viability of the vital national capability they provide.

Intra-Theater Airlift

The Air Force has a two-pronged approach to modernize America's intra-theater airlift capabilities. First, we are striving to replace our oldest aircraft with a mixture of new C–130Js and Joint Cargo Aircraft (JCA). The JCA offers the potential for additional solutions to the Air Force's intra-theater airlift recapitalization strat-

egy. JCA will provide a modern mobility platform suited to accessing an array of demanding and remote worldwide locations, including short, unimproved and austere airfields.

Second, we will standardize remaining C–130s via the C–130 Avionics Modernization Program (AMP) and center-wing box replacement programs. C–130 modernization extends operational lifetime, reduces operation and sustainment costs, and increases the combat effectiveness of our intra-theater airlift capability.

For decades, C–130s have been the workhorses for intra-theater airlift during numerous contingencies. Additionally, the C–17 has done a superb job augmenting the C–130s in the intra-theater airlift role. Similarly, the new C–130Js, which are far more capable than legacy C–130s, have proved their worth supporting GWOT and humanitarian operations since December 2004.

Inter-Theater Airlift

The C–17 continues its outstanding support for Joint operations across the spectrum of conflict. During the past year, C–17s flew over 44,000 sorties, bringing the total number of OEF and OIF missions to over 123,000. Additionally, the C–17 flew 900 humanitarian and disaster relief sorties following Hurricanes Katrina, Rita and Wilma, as well as the Southeast Asian tsunami, Pakistani earthquake, and the Lebanon non-combatant evacuation operations. Given this high operational tempo, the Air Force appreciates congressional action to procure additional C–17s to sustain a fleet of 190.

During 2006, the Air Force's other heavy lifter, the C–5 Galaxy, flew 5,500 sorties in support of the GWOT. Since September 11, 2001, C–5 have flown over 50,000 sorties in support of the Joint warfighter and provided humanitarian aid around the world. To keep the C–5 mission capable and maximize capability, the Air Force is continuing the C–5 Avionics Modernization Program (AMP) and the Reliability Enhancement and Re-engining Program (RERP). The AMP and RERP efforts ensure compliance with emerging airspace requirements, upgrade aircraft propulsion, and improve over 70 other unreliable C–5 systems, enabling this large airlifter to remain viable through 2040.

Together, the C–17 and C–5 weapons systems provide complementary capabilities and are critical to meeting our U.S. inter-theater airlift requirements today and in the future—for the entire Joint force.

Space Launch Operations

The Air Force continues to fulfill its role as the guardian of the world's premier gateways to space and America's vital national space launch capabilities. Space launch is another element of Air Force space capability that is vital to American global military, political and economic success.

With 14 operational launch successes, the Evolved Expendable Launch Vehicle (EELV) program provides assured access to space in support of operational requirements. In fiscal year 2007, we expect to continue building upon our DOD launch successes with seven EELV and three Delta II launches.

Launch and Test Range System

The Eastern and Western Ranges, located at Cape Canaveral Air Force Station, Florida and Vandenberg AFB, California, respectively, comprise the Launch and Test Range System (LTRS). The LTRS, part of the DOD's Major Range and Test Facility Base (MRTFB) infrastructure, provides tracking, telemetry, communications, command and control to support the testing of ballistic missiles, precision weapons, national missile defense and advanced aeronautical systems. The LTRS also provides the vital infrastructure necessary to support manned and unmanned space launches for DOD, national, civil and commercial space missions. We will continue LRTS modernization and further reinforce our capabilities to ensure space launch safety and mission success.

Global Power

The U.S. Air Force provides the Joint Team a historically unprecedented ability to deliver a precise, tailored effects whenever, and wherever and however needed—kinetic and non-kinetic, lethal and nonlethal, at the speed of sound and at the speed of light. It is an integrated cross-dimensional capability that rests on our ability to control air, space and cyber. We exploit these domains to hold at risk any target on the surface of the Earth. As we continue to transform this capability, we will focus on expanding our effectiveness in multiple dimensions. We will continue to refine our abilities to deliver lethal and non-lethal effects at the time and place of our choosing, shortening the sensor-to-shooter "kill chain."

Combat Search and Rescue

Uniquely within DOD the Air Force organizes, trains and equips dedicated forces for Combat Search and Rescue (CSAR) mission. Air Force CSAR crews fulfill our absolute moral imperative to safely secure and return all of our airmen and any member of our Joint Team.

We are recapitalizing this vital combat capability with the CSAR–X aircraft. This effort represents one of our top Air Force acquisition priorities. These modern aircraft will enable COCOMs to recover isolated Joint or coalition personnel engaged across the spectrum of military operations as well as perform non-combatant evacuation and disaster relief operations. CSAR–X aircraft will relieve the high OPSTEMPO strain placed on the current LD/HD inventory of HH–60G Pave Hawk helicopters, and they will present COCOMs with key combat and non-combat mission options.

This new aircraft will dramatically improve Air Force CSAR mission capabilities. It will provide our personnel recovery forces with an aircraft that is quickly deployable and capable of operations from austere locations. It will operate day or night, during adverse weather conditions, and in all environments including nuclear, biological and chemical conditions. On-board defensive capabilities will permit the CSAR–X aircraft to operate in an increased threat environment, and in-flight refueling will provide an airborne alert capability and extend its combat mission range.

These increased capabilities are crucial to meeting current and future Joint operational needs, while providing greater capability to Air Force CSAR forces, "that others may live."

F–35A Lightning II

The F–35A Lightning II JSF is a fifth-generation multi-role strike fighter aircraft optimized for air-to-ground attack. The F–35A is the Conventional Take-off and Landing (CTOL) variant, and it will recapitalize F–117, F–16 and A–10 combat capabilities. The F–35A will complement the capabilities of the F–22A. Like the Raptor, the F–35A reaps the benefits of decades of advanced research, development and field experience.

The F–35A will provide affordable precision engagement and global attack capabilities for the Air Force, Navy, Marines, and our international partners. In 2006, the JSF program delivered the first CTOL variant test aircraft and completed its first flight on December 15, 2006.

Next Generation Long Range Strike

Range and payload are the soul of an Air Force. These elements form the foundation of strategic military deterrence. The LRS mission, a primary reason the Air Force became a separate Service in 1947, continues as a vital and unique Air Force contribution to national defense. The Air Force has a three-phased strategy to help ensure the United States meets its enduring LRS capability requirements. Phase one includes near-term maintenance and modernization of current bombers and air-to surface weapons.

By 2018 and in accordance with QDR goals, phase two will deliver a new LRS bomber incorporating highly advanced technologies. This next generation bomber will combine speed, stealth, payload, and improved avionics/sensors suites. This new bomber will bring America's bomber forces up to the same high standard we are setting with our F–22A and F–35A fifth-generation fighters. It will ensure our bomber force will continue to be effective in meeting COCOMs' global needs across the full range of military operations. The analysis of alternatives will be complete in the spring of 2007.

In phase three, the Air Force plans to field a revolutionary LRS capability in the 2035 time frame using an advanced system-of-systems approach. We expect technology maturation to yield advancements in several areas, including hypersonic propulsion, advanced materials and non-kinetic weapons.

F–22A Raptor

The F–22A Raptor is the Air Force's primary air superiority fighter, providing unmatched capabilities for operational access, homeland defense, cruise missile defense and force protection for the Joint Team. The F–22A's combination of speed, stealth, maneuverability and integrated avionics gives this remarkable aircraft the ability to penetrate denied, anti-access environments. The F–22A's unparalleled ability to find, fix, track, and target enemy air- and surface-based threats ensures air dominance and freedom of maneuver for all Joint forces. In addition, the F–22A is the only airborne system in the U.S. military that can conduct network-centric warfare

and provide ISR capability from inside adversary battlespace in the opening moments of any contingency.

Until the F–22A became operational in 2005, America's Air Force had not fielded a new fighter since the 1970s. Today, combat-capable Raptors are in full-rate production on the world's only fifth-generation fighter production line. As of January 1, 2007, 84 aircraft have been delivered, including 44 combat coded aircraft, and another 25 are in production. The first operational F–22A unit declared initial operational capability at Langley AFB, Virginia in December 2005. The second operational F–22A unit will pick up the AEF rotation in May 2007. Meanwhile, the third operational unit is standing up at Elmendorf AFB, Alaska with a projected AEF rotation of May 2008. We will also station a fourth unit at Elmendorf, followed by fifth and sixth units at Holloman AFB, New Mexico and the seventh unit at Hickam AFB, Hawaii.

The F–22A flew its first operational mission in support of ONE in January 2006, participated in the Alaskan Northern Edge exercise in July 2006, and is preparing for upcoming AEF deployments.

MQ–9 Reaper

Similar to its smaller MQ–1 Predator sibling, the MQ–9 Reaper is a medium-altitude, multi-role, long endurance UAV that will provide persistent ISR and improved strike capabilities to COCOMs. MQ–9 incorporates MQ–1 operational design improvements, a larger airframe, battle-proven sensors, full motion digital video, Rover connectivity and expanded munitions capability.

Initial mission capability will begin at Nellis AFB Nevada, with future expansion to New York ANG. In 2007, we expect to continue rigorous MQ–9 development and demonstration, as well as operational employment with pre-production aircraft to meet urgent Joint warfighter needs.

The MQ–9, like the MQ–1, will also incorporate target location accuracy improvements to support GPS-guided munitions. Ultimately, the MQ–9 will provide theater commanders with expanded employment options in a vastly improved hunter-killer UAV, incorporating a larger payload, automatic cueing, and self-contained capabilities to strike time sensitive and hard targets.

CV–22 Osprey

The Air Force will procure 50 CV–22s, with an initial operational capability scheduled for fiscal year 2009. The CV–22 is a V–22 tilt-rotor aircraft designed to meet a U.S. Special Operations Command (USSOCOM) requirement for long-range infiltration, exfiltration, and re-supply of Special Operations Forces. The CV–22's advanced systems include terrain following/terrain avoidance radar, integrated RF countermeasures, directional infrared countermeasures, the multi-mission advanced tactical terminal, and additional fuel tanks and tactical communications gear.

Global Positioning System

The Global Positioning System (GPS) constellation serves as a global utility for precision navigation and timing. GPS is yet another Air Force mission that has become vital to American military and global economic activity. As with all elements of the Air Force space mission, we are dedicated to ensuring uninterrupted continuity of GPS services.

GPS modernization continues in 2007 with additional launches of GPS IIR–M satellites. The GPS IIR–M satellites will provide a new military signal more resistant to jamming and a new civil signal for improved position accuracy for civil, commercial, and recreational GPS users. The follow-on system, GPS IIF, will provide IIR–M capabilities plus an additional civil signal for aviation safety-of-flight services. The development of the next-generation GPS–III will further enhance navigation and precision-engagement capabilities and improve resistance to jamming, as well as add a third civil signal compatible with the European Galileo System.

Counter Communications System

As part of the broader counterspace mission, the ground-based, theater-deployable CCS provides COCOMs with a non-destructive, reversible capability to deny space-based communication services to our adversaries. CCS enhances our capability to ensure air, space and cyberspace superiority for the Nation.

We plan to procure three additional operational CCS and one training system. This comprises the full complement of systems for two space control squadrons. We will continue block upgrades to the CCS to enhance our offensive counterspace capabilities and begin pre-acquisition work for the next generation CCS.

Intercontinental Ballistic Missiles

America's ICBM force remains the foundation of our Nation's nuclear deterrent capability. Modernization programs are crucial to the Minuteman ICBM, which, when initially deployed in the 1960s, were designed to last 10 years. Service life extension programs are underway to ensure the Minuteman III remains mission capable through 2020. These programs replace obsolete, failing, and environmentally unsound materials, while maintaining missile reliability, survivability, security and sustainability. These efforts are critical to sustaining the ICBM force and are vital to America's nuclear deterrent posture.

Operationally Responsive Space

The Air Force intends to continue its demonstration, acquisition, and deployment of an effective Operationally Responsive Space (ORS) capability in support of the DOD's focus on meeting the urgent needs of the COCOM.

ORS includes the ability to launch, activate and employ low-cost, militarily useful satellites to provide surge capability, reconstitute damaged or incapacitated satellites, or provide timely availability of tailored or new capabilities. ORS capabilities can lead to long-term benefits by advancing technology, improving space acquisitions, enhancing the skills of the technical workforce, and broadening the space industrial base.

Space Development and Test Wing

In 2006, the Air Force established the Space Development and Test Wing (SDTW), headquartered at Kirtland AFB, New Mexico, to focus on the development and testing of orbital assets with the goal of encouraging innovation in the space mission area.

One of the wing's responsibilities is ORS. Working with other services and agencies, it will perform concept development, design, manufacturing, and operation of small satellites, as well as other activities required to support the fielding of ORS capabilities. As capabilities are developed and fielded, the wing will directly interface with user organizations responsible for employing ORS capabilities in Joint and coalition operations.

During fiscal year 2007, we will develop a plan further refining ORS. This plan will fully define ORS roles and missions, along with the organization and reporting structure. In addition, we plan to develop specific acquisition policies, implementation schedules, funding, and personnel requirements to support deployment of ORS capabilities.

Science and Technology

True to our history over the past century of powered flight, the Air Force continues to maintain the most complex, diverse and ambitious Science and Technology (S&T) portfolio of all the Services. History clearly demonstrates the broad benefits to America of our S&T efforts, in terms of military power, industrial capability, economic growth, educational richness, cultural wealth, and national prestige. Examples include aerospace technology and propulsion, materials science, advanced computing and communications, atmospheric science, remote sensing and satellite navigation. What has been good for the Air Force has been great for America. We are committed to building upon this heritage.

The Air Force S&T program develops, demonstrates and tests technologies and advanced warfighting capabilities against the spectrum of 21st century threats. As we continue to adapt to a volatile and uncertain world, today's focused investment in our S&T program will strive to produce the future warfighting capabilities needed to ensure America's continued technological pre-eminence and military flexibility. Additionally, Air Force S&T organizations work closely with the other Services, Defense Agencies, Intelligence Community, and other Federal agencies, such as the National Aeronautics and Space Administration, as well as partner nations. Through these partnerships, we leverage efforts, share information, and advance state-of-the-art technologies.

The Air Force S&T program provides the foundation for future Joint warfighting capabilities, focusing on dominance of the air, space and cyberspace domains for America.

Improving Energy Efficiency

The Air Force is taking the lead in reducing the DOD's dependence on foreign oil. As the DOD's leading consumer of jet fuel, we are currently engaged in evaluating alternative fuels and engine technologies leading to greater fuel efficiency. Air Force efforts focus on high-efficiency aerodynamic concepts, advanced gas turbines and variable cycle engines providing higher performance and greater efficiency.

As a part of this effort, the Air Force is performing flight tests on a B–52 using a blend of MILSPEC JP–8 fuel and a synthetic fuel derived from natural gas. We plan to continue airworthiness certification testing of synthetic fuel.

Cyber Technology

Fulfilling its role as a leader in the information age, the Air Force is exploring technologies and concepts of operations within the cyberspace domain. Air Force cyberspace initiatives will provide tools for offensive and defensive cyberspace operations as well as bolster our information assurance capabilities. The Air Force is investing in technology concepts to ensure reliable, operational links between individuals and systems—in addition to machine-to-machine interfaces—to ensure cyberspace dominance, information delivery, situational awareness, and rich connectivity across the Joint Team.

Small Satellites

The Air Force is pursuing development of small satellite technologies, including modular buses with "plug-n-play" payloads, along with the development of low-cost launch systems. We aim to provide a greater range of responsive space applications for the tactical warfighter. Small satellite technology demonstrations have achieved lighter payloads and reduced development and integration timelines. Additionally, these achievements serve to mitigate technology risks for larger, more complex satellite programs in development. Small satellites with operationally responsive payloads could potentially provide either specifically tailored, stand-alone capabilities, or rapid augmentation capability for a satellite or constellation of satellites that suffer failure or attack.

Directed Energy

Directed energy weapons will profoundly transform how we fly, fight, and defend ourselves, and we are integrating them into our broader cyber operations effort. As lasers and radio frequency weapons find applications in the battlespace, their ability to operate at the speed of light will change both offensive and defensive capabilities and tactics. New designs and technology may be necessary to offer adequate protection for our people and capabilities.

Weapons in development include the Airborne Laser (ABL), a large aircraft carrying the high energy laser for missile defense. Additionally, the Active Denial System has demonstrated the viability for a long-range, non-lethal, anti-personnel weapon.

These systems benefit from many years of technology development. Revolutionary technologies continue to be developed. These include versatile high power solid-state lasers; devices for aircraft self-protection; higher power active denial components for airborne applications; relay mirrors to extend the range of systems like ABL; and high power microwave devices to disable electronics covertly without affecting structures or people.

Hypersonics

The Air Force is a world leader in the development of practical hypersonic air-breathing propulsion. Hypersonic research, relating to flight speeds greater than five times the speed of sound, offers dramatically reduced time-to-target for conventional weapons and, in the future, may provide "airplane-like" on-demand access to space. Our effort involving supersonic-combustion-ramjets (Scramjets)—specifically our planned flight tests of the X–51 Scramjet Engine Demonstrator—highlights our commitment to maintaining America's leading role in this field.

We also expect advanced hypersonic munitions technologies to improve penetration capabilities and decrease collateral damage. These characteristics will allow us to expand our target attack ability, particularly in urban environments and against time critical, hardened, and buried targets.

Composites

Air Force S&T is exploring advancements in composite structures and manufacturing technologies for lightweight unconventional aircraft shapes. Example applications include short take-off and landing capabilities, high-lift aircraft wing systems, integrated propulsion inlet/diffuser geometries, and integrated flight control surfaces. We expect these efforts to shorten development times for next generation aircraft with lighter, stronger airframes offering far greater mission utility than legacy aircraft.

Simultaneously, we are addressing sustainment of composite structures, in order to ensure future aircraft built with these materials will be readily maintainable and serviceable.

Nanotechnology

Investment in nanotechnologies could provide stronger and lighter air vehicle structures including potential applications in unmanned vehicles. Other nano-materials show promise as high-performance water-repellant coatings. These coatings may protect Air Force systems against corrosion and chemical/biological contaminants, providing significant savings in maintenance costs and extending the lifetime of aircraft and other military equipment.

DELIVERING EXCELLENCE

Fighting the GWOT, developing and caring for our airmen and their families, and recapitalizing and modernizing the Air Force all require substantial national resources.

Throughout 2006, the Air Force embarked on several forward-leaning initiatives to improve our organization, efficiency, agility and lethality. We are committed to good stewardship of America's resources, while strengthening America's current and future air, space and cyberspace capabilities.

The Air Force is making strides in a range of activities and through multiple, overlapping initiatives to improve what the QDR refers to as "reshaping the defense enterprise." The Air Force is moving toward financial transparency and reinforcing our culture of efficiency and process improvement through the AFSO21 initiative. We are also transforming our approach to infrastructure and maintenance, executing an aggressive energy strategy, and reforming our acquisition practices—emphasizing a "Back to Basics" approach to space acquisitions, in particular.

All of these efforts will lead to greater efficiency, lower operating costs, and greater availability of resources for recapitalization and modernization of critical Air Force capabilities. In short, our airmen are striving to provide an even higher return on America's national security investments.

Air Force Smart Operations for the 21st Century

To meet the challenges of this environment and the road ahead, we have embarked on an Air Force-wide effort embracing efficiency and process improvement. AFSO21 applies many concepts developed and proven in industry—Lean, Business Process Reengineering, Six Sigma, and Theory of Constraints methodologies. We expect significant savings from this initiative.

The AFSO21 vision is to increase combat capability by integrating process improvement into the culture of all of the Active Duty, Air National Guard and Reserve airmen, as well as our civilians and contractors. All airmen must understand their role in improving daily processes. AFSO21 identifies and eliminates activities, actions and policies that do not contribute to efficient and effective operations.

We seek several outcomes from AFSO21. First, we want all airmen to be fully aware of the importance of their work—how they contribute directly to the Air Force mission and national defense. Second, we will strive to improve safety and maintain quality of life for all Air Force personnel. Third, we push to decrease process cycle times, thereby increasing our ability to respond to rapidly changing demands. Fourth, we aim to cut costs and free up funds for modernization. Finally, we seek to eliminate waste.

Process changes have occurred at every level of the Air Force, resulting in significant savings. We have more work to do, but institutionalizing AFSO21 concepts into daily operations allows us to meet the enormous challenges of the next decade and ultimately sustain and modernize the world's premier air, space and cyberspace force.

Business Transformation

The Air Force vision of business transformation creates rapid and predictive operational support and leads to greater situational awareness for commanders. Our high-level business transformation goals include improving warfighter effectiveness through fast, flexible, agile, horizontally integrated processes and systems; establishing a culture of continuous process improvement; achieving efficiencies allowing us to return resources for the recapitalization of aging weapons systems and infrastructure; and creating an acquisition process unparalleled in the Federal Government.

National Defense Authorization Act Certification and Portfolio Management

The Air Force fully leverages DOD enterprise transition planning and DOD-mandated certification reviews. We ensure business systems development supports the effects and capabilities articulated in the agile combat support concept of operations. These certification reviews have resulted in the shutdown and elimination of hun-

dreds of legacy systems and allowed us to redirect additional resources to critical warfighting requirements.

Transparency

The Air Force is accelerating efforts to deliver authoritative information to decision-makers at all levels, improving information availability and quality, realizing warfighter cross-service information requirements, and implementing DOD-wide information priorities. We will achieve transparency by using correct information at all echelons—trustworthy, traceable, auditable, and valuable. We will support cross-domain or cross-mission efforts by defining architecture and information standards necessary for easy discovery, use and reuse of data.

Clean Audit Quick Look

Warfighters perform their missions with increasingly limited resources and manpower. Decision-makers at every level need the best information when allocating these scarce resources. To achieve greater levels of information fidelity, the Air Force is committed to improving transparency in its business processes, to include financial management. A clean audit opinion defines a major objective of this commitment. Financial transparency requires the Air Force to have processes and procedures in place ensuring data is accurately collected at the source, flows efficiently through to reporting systems and analytical tools, and is error-free.

The Air Force Information Reliability and Integration (AFIR&I) plan is our road map toward financial transparency. It is a key component of the DOD Financial Improvement and Audit Readiness (FIAR) Plan aimed at improving DOD financial health. The AFIR&I Action Plan reinforces our ongoing commitment to ensuring the absolute highest level of stewardship of our Nation's investments in the Air Force.

Energy Conservation

We are pursuing an aggressive energy strategy and are committed to meeting and surpassing the energy goals mandated by the Energy Policy Act of 2005 (EPAct 05) and other national policies. We successfully reduced our energy consumption in accordance with past legislation and continue to use a variety of programs aimed at reducing our use of fossil fuels and controlling cost growth. Our vision creates a culture where airmen make energy considerations in all their actions. We aim to implement our vision with solutions that include alternate sources of domestic energy as well as an aggressive drive for greater efficiency in our facilities and vehicles.

The Air Force remains the largest renewable energy purchaser in the United States. Our commitment to install 18 megawatts of solar photovoltaic energy at Nellis AFB is one example of our pursuit of on-base renewable power generation. Currently 37 bases meet some portion of their base-wide electrical requirements from commercial sources of wind, solar, geothermal or biomass. We have several projects planned, in design, or under construction to expand this capability. With our combined purchase and production strategy, the Air Force is poised to surpass the renewable goals set by the Energy Policy Act.

The Air Force applies sustainable development concepts in the planning, design, construction and operation of facilities using the Leadership in Energy and Environmental Design (LEED) certification process. Our long-term goal is to ensure 100 percent of eligible new facilities are LEED certifiable by fiscal year 2009. This complements our use of facilities construction and infrastructure improvement programs designed to create cost effective energy efficiencies in new and existing facilities.

We have also taken an aggressive stance on replacing our existing general-purpose vehicles with low speed vehicles (LSVs) without adversely affecting peacetime or wartime mission requirements. This measure will reduce vehicle acquisition cost, fuel expenditures and ozone-depleting exhaust emissions and free up funds for use in other critical areas. Our goal is to replace 30 percent of general-purpose vehicles with LSVs by fiscal year 2010. Coupled with the goal to replace 100 percent our general-purpose vehicles with alternative fuel vehicles, the Air Force is taking the lead in the use of alternative energy technologies.

Acquisition Excellence

The Air Force continues its goal of streamlining the acquisition process to providing efficient and responsive services to the warfighter. A number of completed and ongoing projects have contributed to the improvement of acquisition, and fiscal year 2008 promises more progress.

We have revitalized the acquisition strategy panel, providing a systematic and disciplined approach to develop an effective acquisition program roadmap. The newly developed Air Force Review Board process provides a structured and repeatable system that aids decision-making on critical aspects of selected acquisition pro-

grams. We have also streamlined periodic review processes by combining several independent reviews into a single event, saving preparation and travel time.

In 2006, the Defense Acquisition Performance Assessment (DAPA) made a number of recommendations for improving the acquisition system. The Air Force is in the process of evaluating and implementing key recommendations of the DAPA report. For example, the Air Force is exploring the concept of Time Certain Development (TCD) as the next step in evolutionary acquisition. TCD involves structuring a program to deliver its initial capability to the warfighter at an explicitly specified (and much shorter) interval. Such a policy helps improve the responsiveness of the acquisition system and keeps our warfighting capabilities aligned to current threat conditions.

To enhance the credibility of the acquisition system, the Air Force is strengthening its efforts to analyze risks prior to initiation and execution of a program. The Air Force is prototyping the probability of program success model, a framework for identifying and reporting risk issues that threaten a developer's ability to deliver on time and budget. Use of this model has the potential to highlight risk areas requiring the program manager's attention.

The Air Force is improving the source selection process, ensuring appropriate use of incentives, assessing current contracting organizational alignments, and implementing strategic sourcing strategies. We are committed to providing support of contingencies and to the warfighter by acquiring commodities and services by the most effective means possible. We continue to maintain the majority of the deployed contingency contracting assets in the Iraq/Afghanistan AOR, and we remain dedicated to supporting the COCOMs through Joint and Air Force taskings.

Space Acquisition

The Air Force is committed to revitalizing and restructuring its overall space acquisition strategy. We will build upon our heritage of providing unmatched space capabilities to meet national, COCOM, and Joint force objectives by developing and executing more deliberate plans focused on cost and schedule containment.

The Air Force "Back to Basics" initiative is part of our plan to improve space acquisitions. The initiative promotes a renewed emphasis on management techniques and engineering practices that lead to better definition of requirements as well as deliberate acquisition strategy planning. Clear and achievable requirements, appropriate resources, disciplined systems engineering, and effective management are the basic elements—the foundation upon which successful acquisition depends.

The "Back to Basics" initiative promotes a block approach strategy focused on delivering capability through value-added increments. This concept is consistent with current policy specifying "evolutionary acquisition as the preferred strategy" for DOD acquisition. Specific capability increments are based on a balance of capability, delivery timeline, technology maturity, risk, and budget. Well-defined increments reduce many of the instabilities plaguing our past efforts. We will deliberately apportion cost, schedule, and technical risk across these increments to meet the primary objective—delivering combat capability on a predictable timeline and at a predictable cost.

In 2006, the Air Force restructured two major programs to comply with the "Back to Basics" strategy initiative. We have restructured the GPS III and TSAT programs to reduce risk and define executable block strategies. We expect these changes to deliver warfighting capabilities in the least amount of time.

In 2007, the Air Force will expand the implementation of its "Back to Basics" initiative by deliberately and establishing block development strategies for a greater number of programs within the Air Force space portfolio. We will continue our conscientious efforts to stabilize requirements, funding, and workforce within program blocks. This strategy will place increased emphasis on cost estimating, systems engineering, and risk management to provide capability to our warfighters.

Small Business Programs

The Air Force employs over 129 small business professionals across the country. They strengthen our Nation's industrial base through their advocacy for the small business community. They also identify future procurement opportunities for small businesses and refer these companies to potential Air Force customers. We surpassed our small business goals for the third consecutive year across all Air Force primary small business programs. Small business prime contract awards, in both dollars awarded and percentage of total procurement, increased in every category. We awarded a record $8 billion in Air Force contracts to small businesses, accounting for 16.9 percent of all awarded contract dollars. Additionally, we awarded $86 million to Historically Black Colleges and Universities (HBCU) and other minority

institutions, accounting for 9.1 percent of all awarded contract and grant dollars to institutions of higher education.

Operations and Maintenance Facility Projects

The Air Force will continue to prioritize investments in facilities and infrastructure critical to mission operations. Maintenance and repair of runways, weapons system facilities, utility systems, and training facilities represent the Air Force's top projects. We will invest O&M funds to maximize the economic life and value of this critical infrastructure, minimizing mission disruptions. The Air Force continues to face significant challenges in preserving an aging inventory of utility systems, airfield pavements, and essential support facilities.

Depot Maintenance Transformation

Throughout Air Force history, our depots have been vital to success. Our commitment to retain technically relevant depot-level maintenance and repair capability will ensure sustainment of the world's dominant air, space and cyberspace capabilities beyond the next decade. We programmed investments in depot infrastructure, equipment, and personnel throughout fiscal year 2004-fiscal year 2009 in order to implement the Air Force depot maintenance strategy and master plan. The Air Force strategy benchmarks industry standards to improve depot maintenance infrastructure, implement re-engineering initiatives, and transform depot processes to maintain "world-class" status.

Repair Enterprise

As an expeditionary air, space and cyberspace force, we challenged our logisticians to develop agile combat support concepts that enhance our current and future warfighting capabilities. Repair Enterprise (RE21) is a lean logistics initiative and an integral part of the Global Logistics Support Center (GLSC) concept of providing global logistics support to the Air Force. RE21 leverages global visibility of all repair assets, centralized funds management, strategic sourcing, and partnerships with industry to provide the Air Force highly technical logistical support. The main RE21 goal is to establish an enterprise-wide single repair network supporting the entire Air Force supply chain and to optimize support to the warfighter through the GLSC.

MINDING THE FUTURE

September 18, 2007, will mark the 60th anniversary of the creation of our independent United States Air Force. This year, we commemorate this anniversary of our proud service—a service born of revolutionary ideas, forged in combat, and proven through decades of progress and achievement. The mission of the Air Force remains to fly, fight and win—in, through and from air, space and cyberspace.

While remembering our history and reaffirming our commitments to the current fight, we are ever mindful of the need for investment in future capabilities. We will remain focused on our top priorities: Fighting and winning the GWOT; developing and caring for our airmen; and recapitalizing and modernizing the Force. Meeting these priorities has become more challenging in light of current fiscal constraints. Nonetheless, we will move forward, striving to maintain the global vigilance, reach and power advantages America has come to expect. Our allies respect us, and our enemies fear us.

The Air Force has faced challenging times in its past and is meeting the stress of today's operating environment. It is our heritage and mission to fly, fight and win. Our legacy inspires us. Our mission propels us. Our core values guide us. We have inherited and will build upon a rich heritage—a heritage shaped through the ingenuity, courage and resolve of great airmen who preceded us. Our proud heritage, focused priorities, and enduring core values will serve to guide our actions and reaffirm our commitments today, over the next 60 years, and beyond.

Senator INOUYE. Now may I call upon General Moseley.

STATEMENT OF GENERAL T. MICHAEL MOSELEY, CHIEF OF STAFF

General MOSELEY. Mr. Chairman, distinguished members of the subcommittee and staff, thank you all for your continued support for your airmen, your Air Force and the joint team out there today, defending this country—soldiers, sailors, airmen, marines, coast guardsmen altogether.

OUTSTANDING AIRMEN

Sir, if you'd allow me, instead of an oral statement, I'd like to introduce five great Americans that wear the uniform of the United States Air Force. I'd ask them to stand up as I introduce them.

Let me start with Lieutenant Colonel Marty McBride. He is currently the 81st Fighter Squadron Commander in Spangdahlem Air Base, Germany. He's a graduate of Texas A&M University, he's a weapons officer, graduate of the Fighter Weapons School. He's recently returned from Afghanistan where he led a Total Force—Guard, Reserve and Active—group of airmen through 24 hours a day, 7 days a week combat operations from May through September 2006. His squadron flew over 2,000 missions, 7,000 combat hours. He accomplished over 520 troops-in-contact close air support missions. His squadron delivered 102,000 rounds of 30 millimeter and delivered over 300 bombs against hostiles, in support of activities in Afghanistan.

Next, Major Toby Doran, he's currently Chief of Tactics at Headquarters Air Force Space Command. He's a graduate of Oregon State University, and he was prior enlisted as an airborne cryptologic linguist. He served in that capacity aboard our rivet joint aircraft, for Operations Desert Shield, Desert Storm, and Provide Comfort. He's most recently returned from Al Anbar Province, where he served alongside or embedded in the First Marine Expeditionary Force Forward from February to July 2006, and where he was responsible for ensuring seamless connectivity from our space assets and our other airborne assets, to provide accurate targeting and navigation for the marines' activity in western Iraq.

Next is Captain Andi McElvaine. She's a graduate of Syracuse University, she's also a weapons officer, graduate of the Weapons School, B–52 combat pilot. She's been an aircraft commander, a unit deployment manager out of Barksdale Air Force Base, Louisiana, and she's a weapons and tactics officer now at Minot Air Force Base in North Dakota. She was deployed multiple times on combat deployments, and on force presence deployments, in the Arabian Gulf, or Operation Southern Watch, two times for Operation Enduring Freedom, two times to Anderson Air Force Base on Guam as part of U.S. Pacific Command's continual bomber presence in the western Pacific.

Next, is Tech Sergeant Jason Marfell. Mr. Chairman and subcommittee members, as a fighter pilot and an aviator, this is the guy that we have a moral and ethical obligation to, because he is a pararescueman, he is a PJ. If you dismount from your airplane, this is the guy that will come get you, 24 hours a day, 7 days a week, day or night, anywhere on the surface of the Earth. He's in the 38th Rescue Squadron at Moody Air Force Base, Georgia. He's the noncommissioned officer in charge of standardization and evaluation. He entered the Air Force in February 1993, and he's been a PJ since September 1995. He's earned two Sikorsky Awards for skill and courage during two actual life-saving missions. During one of those, he flew 200 nautical miles out to save a Russian sailor who was having abdominal problems. He saved, also, an Icelandic fisherman who suffered abdominal traumas out over the water.

He's also won the U.S. Air Forces in Europe Pitsenbarger Award for performing the top life-saving rescue of the year. He's also deployed multiple times for a wide range of contingency and combat ops: Operation Southern Watch, Operation Northern Watch, Operation Enduring Freedom. Three times he's deployed to the gulf coast for space shuttle transoceanic landing activities, he's deployed to Southern Africa for Operation Atlas Response, he's deployed to provide humanitarian disaster relief after flooding in Mozambique and in South Africa in February 2000. Sir, this is the guy who will come get you. That's why combat search and rescue for us is the number two procurement priority; to make sure he has a platform that he can dismount from.

Last is Staff Sergeant Christine Chavez. She's a refueling boom operator, she's at McConnell Air Force Base, Kansas in the refueling wing. She entered the Air Force in 2001. Out of Airmen Leadership School she graduated as a top graduate with the Levitow Award. Other assignments include flight supervisor, refueling instructor at McConnell, in-flight refueling systems operator at McConnell. She's had numerous combat deployments also—Operation Southern Watch, Operation Enduring Freedom, Operation Iraqi Freedom. She's operated out of Diego Garcia; Sheikh Isa, Bahrain; Al Udeid, Qatar; and Al Dhafra, the U.A.E. She's got about 1,000 hours of combat flying time, and 163 combat missions. Sir, this is a face on why the tanker is the number one priority for us, so we can be able to transfer fuel to be able to maintain the Air Force's asymmetric advantage in global reach, global ISR, and global strike.

So, Mr. Chairman, and distinguished members of the subcommittee and staff, what a pleasure and an honor it is to serve alongside these people, and thank you for letting me introduce them to you this morning.

Senator INOUYE. On behalf of the subcommittee, I'd like to thank you ladies and gentlemen for service to our Nation. For your courage, your patriotism. Without you, our Nation would not have survived. Thank you very much.

Senator Stevens.

Senator STEVENS. I join you, Mr. Chairman in commending the Secretary and the General, and also in welcoming these fine representatives of the Air Force here today. I do congratulate you all, and thank you for what you do.

CHALLENGES OF MAINTAINING AIRCRAFT INVENTORY

Secretary Wynne, what do you think the challenges are now for maintaining our inventory, given some of the legislative provisions about retirement of aircraft? It seems to me that you're at the juncture now that if we don't make the right decisions, the Air Force is going to go downhill. Do you share that opinion?

Mr. WYNNE. Sir, it does concern me. What really concerns me here as we present this opportunity for you is the minimal rate of replacement that we're doing—and in every one of our product areas, it is a minimal rate. If you remember back in the 1960s when we replaced tankers, or even when we bought bombers, they were at a rate approaching 50, 60 even sometimes 100 a year. Now, we replace things at a rate of 12 or 14 a year. This, really, is why

everybody's now enthusiastic about stretching out, service life-extending, or in fact, pursuing re-engine work on some of our aircraft.

On the MC–130s, for example, we still have to inspect the wings, because we're afraid they'll crack and fall off. So, every 70 hours, we perform a 24–36 hour inspection. Sir, I would offer to you that the replacement rate of C–130s is probably inadequate, because we still have this kind of a problem.

When I mentioned in my oral testimony that we rely on these superb airmen to maintain these older aircraft, I go back and think, in March 1937 is when we took delivery in our units of the first B–17. It is now 70 years later from when we took them. Some of the aircraft that we're refurbishing now are forecast to be in our inventory for 70 years, and I would say, we have never had airplanes, frankly, as old as those, and so we're into what I call "geriatric maintenance" and the attendant difficulties that comes with that.

Right now, we've had an incident where Argentina refused to have C–5s land in their territory, because the last time we landed C–5s there, they all broke and they could not leave. So, they have now refused us. And, sir, this is really a slap in the face to America's Air Force. There is no one else that provides strategic lift for us, or for our allies.

Our F–15s are now on flight restrictions. The flight restrictions are such that we have airplanes that, essentially, are like Indy racers where we restrict their racing speed to 100 miles per hour during training knowing full well they race at 180 miles an hour. I think that training needs to be improved.

We have, right now, U–2s where the wire bundles are beginning to arc, and we have pinhole leaks in the fuel tank. Those of you who have ever experienced very old cars recognize pinhole leaks are very difficult to find. In the U–2 it is only the pilot, the fuel tank, a sensor, and the engine, so there isn't anything else in the U–2. As a pilot in a space suit, if somebody told me that my airplane had a tendency to arc and have those small, but persistent, fuel leaks, it would bother me.

So, I'm now talking about ISR, I'm talking about refuelers, I'm talking about strategic lift, I'm talking about our tactical fighters, and I'm talking about our tactical life. Sir, that is about the extent of our inventory, and in every one of them, I would love—as you know—to have an increased rate of replacement. Most of my problems are, in fact, because somebody's worried that we won't have the replacement fleet, and, therefore, their people on their bases will go without work. This all has to do with the rate of replacement.

RESTRICTIONS ON RETIRING AIRCRAFT

Senator STEVENS. Well, what about the restrictions we've provided in legislation that prevents you from retiring some of those?

Mr. WYNNE. Sir, if we could manage our own fleet, we could then husband those resources, and dedicate them to replacement. We know that we have to work with every individual base to make sure that we can do it, but I would say to you that we cannot continue this way, to husband these old units. At some point in time, having 70- to 75-year-old airplanes is going to catch up to us.

Senator STEVENS. And what about the C–17? We're going to close the C–17 line, don't we need more, rather than closing the line?

Mr. WYNNE. It bothers me greatly to see the C–17 line closed. Husbanding the C–5s have—and asking us to service life extend the C–5s—has added to the burden of our MCS, our Mobility Capability Study, and has made almost certain that we will not get the line extension that we're looking for over the long term.

I would love to have the option in 10 years to have a C–17 available. We may really need it in 10 years, but there will be no line within the 10-year span. I look at the F–22 and we may really need it within 10 years, and right now, we're looking at the potential for line closure in 11 and 12 years. All of these things, I think, add to our burden of strategic risk, and I really greatly appreciate the opportunity to comment on it.

Senator STEVENS. General, we're looking to an increase now in the numbers of people in the Army and the Marine Corps, will your lift be adequate to meet those increased numbers?

General MOSELEY. Senator, that's a great question. We've asked that the Mobility Capability Study that was conducted before 2005 be updated to reflect that growth in the land component. We don't know exactly what that growth will entail yet, because we haven't seen the numbers in the Army or the Marine Corps, but we understand there's a significant growth in the number of regimental or brigade combat teams.

Sir, I don't know what the mobility requirement looks like, but I suspect we're operating at the very minimum levels right now. Not knowing what that growth is, I suspect the strategic airlift inventory should probably go up. But, sir, we don't have those numbers yet.

Senator STEVENS. Mr. Secretary, you mentioned that you're restricting and reducing the growth of your own personnel in order to have funds available in this period right now. Isn't that also going to put a squeeze on you, as we face these increased requirements from the Marine Corps and the Army?

Mr. WYNNE. Yes, sir, I would tell you that, as you heard in the introductions, we have airmen who are directly assigned to ground combat units, whether they are Marine Corps or they are Army. So, we actually have a direct increase when you increase the number of brigade combat teams, or the number of marine divisions.

We also have an indirect increase, because we have logistics support, we have your liaison officers, and we have actual supply missions that go with those missions. These concern us. So, one thing we are doing, is we don't understand the Army's future footprint, we know they're going to get increased by 67,000 over the course of 5 years, we know the marines are going up by about 25,000 over the course of the next few years. So, we're looking at, what is that impact? And we intend to do a reassessment, not during this budget cycle, but to impact the fiscal year 2009, and to assert to the Secretary of Defense and the various Office of Management and Budget (OMB) that maybe we cannot stay with the target we have.

For right now, sir, we don't have enough money to essentially pay for any alteration in this budget we have crafted. And that is a concern to us.

Senator STEVENS. Mr. Chairman, I'd have further questions, but I've taken too much already.

I really am worried about the Air Force in terms of its ability to meet the future needs, both manpower and aircraft, but we'll pursue it later. Thank you.

Senator INOUYE. Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you very much. I'm pleased to join you and Senator Stevens in welcoming our distinguished panel before us today to talk about the budget for the Air Force.

We appreciate the strong leadership you all are providing, and I am particularly impressed with reports that we've had about the performance of Air Force and Air National Guard units in our State. We are pleased to be the host for several training facilities, as well as Air National Guard facilities.

And, we've known about the fact that the C–130s and the C–17s have performed a very important role in the war on terror, and the Iraqi area. Can you tell us whether or not you think this budget request provides the funding that you need to have the resources to fully fund the C–17 requirement, and other needs of the airlift wings in Mississippi?

C–130 AIRCRAFT

Mr. WYNNE. I would say it this way, sir. That, right now our C–130Es are not allowed in theater. We have worn them out. There is one grounded C–130 and four restricted C–130s at Ramstein Air Base, Germany. We do not carry cargo but use the restricted aircraft for aircrew familiarization and proficiency rides. So, in the combat theater, we are performing airlift with C–130Hs.

The C–130Hs are performing magnificently. I will tell you that one of the problems that the Air Force has is that our airmen perform so well that everybody says, "Oh well, the Air Force has performed well again," and can't understand that it is on the backs of those magnificent airmen that it's being performed.

The Special Operations Command has asked for 12 C–130Hs to be transferred to them. We are taking convoys off the road, every day, all of the marine cargo convoys are off the road, and 9,000 airmen and Navy and soldiers are off the roads each month, not having to drive cargo convoys. These are all performed by the C–130Hs and the C–17s that are in place.

We've developed a precision airdrop system that essentially puts a global positioning system (GPS) on a pallet, and can deliver it now within 150 feet, or within one helicopter landing zone of an Army unit. They, actually, revel in this, especially in the high mountains of Afghanistan, where we can drop from 35,000 feet now, to right where they are, and no longer have to—if you will—do a 300-yard march to find their supplies.

This has all put pressure on the airlift and the tactical airlift system. For right now, we are asking in the fiscal year 2007 supplemental for five C–130Js. We also, on the unfunded list, have two C–17s. Through the graciousness of Congress last year, we got 10 C–17s marked in the supplemental. Right now we're concerned to make sure that the C–130Js remain in the supplemental.

When the Office of the Secretary of Defense took its priority list and readjusted it for the growth in soldiers above 21,000, they removed the C–130Js, although we would advise that they are absolutely essential to making sure that the Air Force is going to succeed in this long war.

We see the Air Force being in Iraq for some time to come. And we see maintaining a supply route, and maintaining support to our soldiers as dramatically important, and the C–130Js are going to be that backbone in 5 or 6 years.

General MOSELEY. Senator, could I reinforce——

Senator COCHRAN. General Moseley.

General MOSELEY. The Secretary mentioned the inspection rates on the C–130s in theater. The ones that are broken, even with the center wing boxes that we've got fixed, the attachments to outer wings are still broken.

On the older versions, which are the special operations airplanes we have in theater, every 70 hours—70 to 90 hours—you have to pull the outboard engines, the props, take the skin off the wing—and do an inspection which takes somewhere between 24 and 36 hours. Every 70 to 90 hours of flying time, and you know how much we're flying these special operations airplanes in theater.

So, imagine being the deployed commander forward, and every "*x*" number of days you have to break the airplanes down, pull the engines out of them, the props off of them, and take the skin off of them to check the outer wing, so we don't lose a wing. So, that's the story on the C–130s.

The Hs are great airplanes, but now, to take the troops off the roads and to supply the airfields, we're burning those up at high rates. And so that's why the J is very important to us.

Senator COCHRAN. Thank you very much.

JOINT STRIKE FIGHTER ENGINE

I understand the budget does not propose an alternative engine for the Joint Strike Fighter (JSF). As Congress provided additional funding last year for the alternative engine, I understand funding has been invested in the program, the program is on track—I would like to know what your comments are about your preference, having the benefit of competition for the propulsion system for the Joint Strike Fighter.

Mr. WYNNE. Well, sir, let me start with that. It has been fairly well-known that while I was in AT&L I, in fact, sponsored the second engine, so you have a very poor source, and you have me at somewhat of a disadvantage.

Let me say it this way, though: the Office of the Secretary of Defense's argument revolves around economics. And it revolves around the fact that they don't see a payback for this, for the investment in the second engine, and they have a couple of studies undergoing from RAND, and I think they, the program analysis and evaluation is doing one.

I don't know, because I don't know the length of time this airplane will actually be in service. Many of our models do not contemplate this fighter being in service for 50 years, and yet, I think the F–15 is going to be in service for 50 years, and I think the F–

16 is going to be in service for 50 years. So, I will leave it there. There is something to additional reliability.

Senator COCHRAN. Thank you, Mr. Chairman.

Senator INOUYE. Senator Shelby.

Senator SHELBY. Thank you, Mr. Chairman.

General Moseley, I will direct this first to you. Thank you.

At a time when the Nation is at war with Iraq and Afghanistan, the Air Force is also battling the common enemy that the Secretary mentioned—age.

KC–X PROGRAM

The current fleet of refueling tankers is aging quickly and we cannot, I believe, wait 35 more years to replace them. And, I'm pleased that the Air Force has moved forward with acquiring a new generation of tankers, and I look forward to the award announcement later this year.

But, I believe, General Moseley, that more than just being new, the new tankers should be modern, you know, the modern age. I think you would not replace a car you've been driving the past 35 years with the same one, although it might be new. You would upgrade, you would modernize.

The new tanker, the KC–X needs to meet the challenges that we face today, that the Secretary alluded to. But, it also needs to confront the challenges that we will face 25, 30 years from now.

General Moseley, how will the requirements that the Air Force has set forth through the KC address this need? And, before you answer that, I want to mention that several senior leaders in the Air Force have stated on the record that the next generation tanker must do more than just air refueling, although that is very important. It needs to have greater capabilities with operational features that the current tanker fleet does not have. Certainly—certainly, sir—refueling is important.

Do you also view the airlift transport capability for passengers, cargo and aero-medical evacuation to be important? Would you like to address that?

General MOSELEY. Sir, I would. Thank you for that question.

Senator, you know the tanker, the KC–X Program is our number one procurement priority. Those airplanes that we're flying are 45 years old. As the guy that was blessed to command central command air forces (CENTAF) during Afghanistan and the early phases of Iraq, I don't know what I would have done with a B–17. We would have tried to make it work. But to think about flying a 70- to 80-year-old airplane in combat, is something that an airman is not warmed up to.

Senator SHELBY. Scary, to say the least, isn't it?

General MOSELEY. Sir, there are other options, I believe. And for a Chief of Staff to look at her (Staff Sergeant Chavez), and ask her to fly a 70-, 80-year-old airplane in combat, I'm not sure that's the right thing to be doing. So, this tanker is a big deal for us.

Senator, I think we would all agree that there's nothing that this country does in the sense of global reach, or global mobility that does not include a tanker—whether it's Navy, whether it's Army, marines, or even a coalition setting—to be able to range those dis-

tances and to be able to cover things on the surface of the Earth, requires a jet tanker.

The single point of failure in all of those activities is the jet tanker. I don't know what will break on the KC–135 next, because we're beyond the service life expectations of the designers of the Boeing 707. And so, to be able to move into a competition—and we are so happy that it is open, and we're so happy that we have a pair of teams looking to do exactly what you've described—this will take us to a better airplane.

Senator, I believe the first requirement for the airplane is to be able to transfer fuel, and to be a reliable jet tanker.

Senator SHELBY. Yes, sir.

General MOSELEY. I think alongside that, though, are some inherent opportunities that we have with new technology and new capabilities to do other things. We would always want the airplane to be capable of aero-medical evacuation. We would always want the airplane to be capable of other mission areas, and so your question is a good one. And we welcome that competition, and we welcome those folks coming back and telling us what they've got, so we can look at getting us a new airplane, so she and her successors won't have to fly a 70- or 80-year-old airplane.

EDUCATIONAL OPPORTUNITIES FOR AIRMEN

Senator SHELBY. General, educational opportunities. I know how important educational opportunities are in the recruitment and retention of a high-quality Air Force.

I understand that the current language in the National Defense Authorization Act hinders your ability to offer some of the educational programs that you would like to see at the Air University at Maxwell. What changes would you recommend to this language, and why is it important?

General MOSELEY. Sir, education for the Air Force is the cornerstone of everything we do. And when I say Air Force, I mean Guard, Reserve and Active.

Senator SHELBY. The whole ball of wax.

General MOSELEY. Sir, absolutely.

You understand very well, Maxwell Air Force Base and Air University hold the intellectual throw-weight of the United States Air Force. We don't have separate schools in a variety of locations. Everything we have is at that one base. The Commander of Air University has been on a quest, because I've asked him to increase the capabilities and distance learning, to increase the capabilities so that every enlisted person in the Air Force can have an opportunity for an Associates and Bachelors Degree. Every officer can have an opportunity for Master Degrees, and now Ph.D.s, because we believe that those educational opportunities provide better NCOs and better officers across the board.

Senator, there are some opportunities to make this better, with some proposals on accreditation, and to allow Air University—which is an accredited university—to go a bit further to be able to wrap its arm around the bigger population of the Air Force and do exactly what you're saying. And I would ask you to help us with that.

ACCESS TO CYBERSPACE

Senator SHELBY. Okay, thank you.

And my last question deals with cyberspace command. I was pleased to see last fall that the Air Force stood up a cyberspace command with the mission of providing freedom of access to cyberspace.

Within this command, I'm interested in the work the Air Force is doing in the area of network security. How does both network and application security fit into the construct of the mission of the new cyberspace command, and do you feel as though you have adequate resources to address the threat to our networks and applications and how important is this?

General MOSELEY. Sir, those are all the operative questions. We believe we're just entering this domain and beginning to understand the challenges and the issues relative to jointness, to be able to operate inside the inter-agencies, to be able to operate with authorities under title X, versus the rest of the authorities that perhaps will be needed somewhere down the road.

Sir, we have the 8th Air Force, the mighty 8th, which is now the cyber-command, and we are looking at, sometime soon, moving that into a major command status, the same as Air Mobility Command, or Air Force Space Command, to be able to address these issues.

We're still a bit in the baby steps, all of us, on this—whether it is our brothers that are doing this in the Army or the Navy or the NSC, or the National Security Agency—NSA, I'm sorry—on how to orchestrate this, and how to derive the desired understanding of what's going on in that domain, plus understand the authorities that will be required in the future.

So, this is an interesting challenge, and it goes on at the speed of light, 24 hours a day, 7 days a week. It is a big issue for us.

Senator SHELBY. NSA can be very helpful to you.

General MOSELEY. Very helpful, sir.

Mr. WYNNE. Let me tell you where we are, sir. This is really a two-part issue. First, we found that presentation of forces to Strategic Command is not as clear-cut as with other combatant commands, due to USSTRATCOM's unique functional component construct. Second, as we look to expand our capabilities in cyberspace, we also need to find efficiencies in organizing, training, and equipping those cyber forces that we present to all combatant commanders.

So, the first steps, I asked General Elder, through General Moseley to do is to organize first, and just make sure we understand how those forces get presented, then begin to establish a training regimen to make sure we presented them in the best possible manner. And just as you've asked, I've said, "Okay, now in 2009, let's construct what resources we can do." Now, I will tell you through the benefit of working with the National Security Agency, they have funded a tremendous amount of research for us, and by the way, one of our laboratories up in New York is one of their premier laboratories to supply them this information.

So, right now, we are looking to our agency partners and sometimes our Strategic Command partners, to provide us the resources. But, I think the time will come when we need to scale, we

need to scale because 80 percent of the commerce of America now goes through the Internet. And we need to scale ourselves up to make sure that we are adequate to protect that.

Senator SHELBY. Thank you, Mr. Chairman.

General MOSELEY. And, Senator, we——

Senator SHELBY. Okay.

General MOSELEY [continuing]. We will probably have the major commands stood up to—we're on a path to do that, maybe to announce something about that, by late summer, early fall, to get at what you're talking about with a major command, and a major command staff.

Senator SHELBY. Well, this is imperative for you, is it not?

General MOSELEY. Yes, sir.

Senator SHELBY. Mr. Chairman, thank you.

Senator INOUYE. Thank you.

Senator Dorgan.

RESTRICTIONS ON RETIRING AIRCRAFT

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

Let me say I've enjoyed working with both of you, I think you do an excellent job, give us straight talk when we need it, and I appreciate that.

I do understand that you might chafe at the fact that Congress tells you you have to keep certain airplanes. I understand that, fully. I might say, some of the airplanes you've described today, the 117, C–5s, 130Es all have replacements, and some are flying with restrictions.

One difference is the B–52. The B–52 bomber has no replacement at this point, the earliest we might have one is 2018, it's more likely to be 2025, and it's flying under no restrictions.

And, I just want to mention to you, I know both of you would expect me to, the B–52 is an older airplane, that's true, but we're funding the F–22 to kick down the door, and the B–52 is your least cost bomb truck. It flies at less cost than any other bomber in the fleet. You used over 80 of them in the initial 30 days of the Iraq combat, in order to forward-deploy 42, you had to use 80 B–52s. You obviously couldn't do that if we accept your recommendation to go from 94 down to 56 B–52s.

Now, the authorizing committee told you that you could remove 18 attrition reserves, which would take us down to 76 B–52s, but even before you do that, you have to provide a study to the Congress. Some of us think that study will show there is a bomber gap, if you boneyard those additional reserve airplanes.

But my hope is that we will not take the bomb truck out there that's the least cost. Incidentally, in Iraq, during this initial phase, the B–52 dropped nearly 30 percent of the ordnance, with only 3 percent of the sorties. It has the longest reach, the greatest loiter time, at the least cost. And, you're telling us you want to go to 56 bombers in the President's budget, I do not understand that.

I'm not asking you a question, because I've asked you those questions in meetings, many, many, many times. But what I—let me go to something else that I wanted to ask you about. I hope you will consider that, however. I just think that's a—and Congress,

the House of Representatives has addressed this, the Senate has previously addressed it, as well.

Let me ask you a question that I asked General Schoomaker, the Chief of Staff of the Army. You know, I was—when I came to Congress a long, long time ago, I joined the Defense Reform Caucus that former Senator Gary Hart was involved in, and we were talking about duplication of things in the various services, every service wants to do exactly the same thing. And so, you duplicate all of this spending.

UNMANNED AERIAL VEHICLES

I asked General Schoomaker about why the Department of the Army wants to buy a bunch of unmanned aerial vehicles (UAVs) to fly at 20,000 feet over the battlefield. My understanding is that the Air Force wants to buy 241 medium and high-altitude unmanned aerial vehicles, the Army wants to spend $1.2 billion to buy 108 extended-range UAVs. So, the Army wants to fly its own Air Force up there in unmanned aerial vehicles at 20,000, 25,000 feet, and I said, "Why would you want to duplicate?" I understand why you might want to do it at low-level, over the battlefield, that's a different issue, 2,000 feet, some UAV, but at 20,000 feet?

General Moseley, let me ask you about this. I understand that you have done some writing and thinking about this, but tell me about it. Because, it seems to me to be duplication with respect to the Warrior that the Army wants to build, and the Predator that the Air Force is building.

General MOSELEY. Senator, first can I respond to the bomber. We solicit the subcommittee's help and partnership on building that new bomber. We have a little over $4 billion in sustainment of the existing bombers, and we have a program in work for the next generation bomber, with a proposed initial operational capability (IOC) of 2018. And so we will be looking for the subcommittee's oversight, and the subcommittee's help and partnership to be able to field that bomber. So, this bomber pilot (Captain McElvaine) won't have to be flying an 80-year-old airplane in combat, either. That's why the bomber's in our top five procurement priorities, is to be able to do exactly what you've said.

Sir, the UAVs—I do have some experience in this—and General Schoomaker and I are dear friends, in fact, we're neighbors, we live on the same street, and we've had this talk.

My desire is to be able to meet requirements, whether they are Army requirements, Marine Corps, Navy, Special Operations, or other Government agency requirements, and to be able to do this with a standardized set of languages, ground stations, understanding of bandwidth, and to be able to avoid duplication, while meeting the requirements. The requirements, to me, not only as a guy who was able to command central command air forces in two campaigns—in which we used these UAVs extensively—but also to look to the future and how we meet an almost insatiable appetite for these things.

Right now, in theater, there are over 1,000 UAVs. A variety of systems—all good—all operated by well-meaning people. But, the ability to capitalize on billions of dollars of future investment, and to avoid duplication, has been my concern all along. We've worked

this hard, we've stood up the Centers of Excellence to look at this, and they have been very helpful. They've worked tactics, techniques, procedures, and they've been very helpful.

But down the road, these airplanes are going to begin to cost real money. The Air Force has $13 billion in this program, and we're looking to build close to 200 systems. My fear is we will hit a wall, and we will have a crisis in duplication of effort, and acquisition and money—which we don't have a lot of—and we will have issues with command and control, and we will have issues with meeting global requirements.

Senator, right now, your Air Force attempts to meet the requirements for all combatant commanders in this area. Right now, everything we've got is deployed into U.S. Central Command's area of responsibility (AOR) and the requirements just in the special operations world alone, have gone from four combat air patrols (CAPs) to over 30, in the period of a couple of years.

So, my desire is to be able to look at this from the top down, understanding the requirements and meeting those requirements, and see if there's not some way to reduce duplication and streamline this thing, because it is a big capability for all of us, and a joint capability.

Senator DORGAN. Well, General, and Mr. Secretary, I'm just—I'm concerned about duplication, we have limited resources for nearly unlimited wants. People have talked about the need to recapitalize and so on, but if we've got two services doing essentially the same thing—and in this case, it seems to me the Air Force ought to be the executive agent for medium-level and high-level UAV operations. And I just—I hope we can resolve that. It just, it makes no sense to have a duplication of effort, duplication of development, duplication of research. I understand, perhaps, the Army has used some of the research that has been done, but I still think that that duplication is something we ought to take a hard look at.

Mr. WYNNE. Senator, one of the things that is not widely known is we fly those Predators in high altitudes from places in the United States. We actually are establishing squadrons in California, New Mexico, New York, and Arizona, to essentially fly Predators and Global Hawks from the Conus, so we have reached back into Conus, and all of our operating squadrons are actually forming up here.

I will tell you that our, it's our ability to service them at airfields in the theater, but our tactics, techniques, procedures, and even the design of the flight, all take place here in Conus. It's not well-known.

Senator DORGAN. Mr. Chairman, my time is up, but I want to follow this up, I know Senator Domenici also raised these questions at a previous hearing, and I just think our subcommittee wants to make sure that we're making the right investments, and not duplicating investments on research and development, especially between services.

General MOSELEY. Senator, there are bodies of work out there that are outstanding. There are groups of people out there in industry that do this, that are outstanding. My desire is to harness all of that, and be able to leverage all of the things that industry can bring to bear against this problem, to meet these requirements.

And, if you would allow me, I would ask you to include the letter that I've written into the record, which explains, I think, a lot of this.

Senator DORGAN. Let me ask consent that the letter be a part of the record.

Senator INOUYE. Without objection.

[The information follows:]

Chief of Staff of the Air Force
1670 Air Force Pentagon
Washington, DC 20330–1750

Commander, Air Force Reserve Command
1150 Air Force Pentagon
Washington, DC 20330–1150

Secretary of the Air Force
1670 Air Force Pentagon
Washington, DC 20330–1670

Chief, National Guard Bureau
2500 Army Pentagon
Washington, DC 20310–2500

Director, Air National Guard
1000 Air Force Pentagon
Washington, DC 20330

MEMORANDUM FOR NATIONAL GUARD ADJUTANTS GENERAL AFRC/CV
SUBJECT: Total Force Integration Phase IV Initiatives List

Thank you for your hard work these last several months developing the comprehensive list of Total Force Integration initiatives which are attached. It is more than a list of missions. It represents positive movement toward fundamental Air Force integration of our Regular, Guard and Reserve forces so we can move into the future—together. Your efforts have succeeded in laying the foundations for far-reaching changes that include developing the conceptual framework, securing the necessary resources, and implementing such activities as CONOPS development. SATAFs and other important tasks.

The attached list officially presents the results of your unprecedented, coordinated effort. The 138 initiatives listed are in various stages of development and implementation. We realize there may be changes to this plan; however, it accomplishes our intent to combine the earlier phase lists with the new initiatives into one, all-inclusive list. We believe the key elements for normalizing Total Force Integration concepts are firmly in place—MAJCOM and component coordination is now standard procedure—from conceptualization through execution. We look forward to more outstanding Total Force successes.

Again, we applaud your progress to date and your leadership in effecting these changes.

T. MICHAEL MOSELEY,
General, USAF, Chief of Staff.

JOHN A. BRADLEY,
Lieutenant General, USAF, Commander, Air Force Reserve Command.

CRAIG R. MCKINLEY,
Lieutenant General, USAF, Director, Air National Guard.

MICHAEL W. WYNNE,
Secretary of the Air Force.

H. STEVEN BLUM,
Lieutenant General, USA Chief, National Guard Bureau.

Senator DORGAN. Let me just finally say thanks to the five members of the Air Force you've brought. They are inspiring, and all of us thank them for their service.

Senator INOUYE. Senator Bond.

Senator BOND. Thank you very much, Mr. Chairman and thank you, and welcome, Secretary Wynne, General Moseley, I join with

you in welcoming and commending the five Air Force personnel that you have with you.

The subcommittee wants to help you, but we need your assistance, and you've stated your top priority—your tankers, and General Moseley, we welcome your expression and recognition that competition is essential, a point I'm going to get back to later. No one will argue with the assessment that we need tankers. But, I think what we talked about today indicates that the warfighter needs strategic lift, and the improvement program for the C–5 may invoke Nunn-McCurdy, I understand and the Air Force is reluctant to move forward with the RERP because of the high cost and low return—we're told for a 50-percent increase in cost, the warfighter only gets 10 percent increase in reliability, but you've mentioned that there's authorizing language that prohibits retiring it. It appears that you're going to need more lift, and right now, as has been said, the Boeing long-lead suppliers have been notified to shut down when we're going to need much more airlift.

What do you propose? Do you propose that we eliminate the restriction on retirement?

STRATEGIC AIRLIFT

Mr. WYNNE. Well, sir, we are asking we get more freedom to manage our own inventory. We still see that we will probably need C–5s for some time to come.

Senator BOND. Well, there are many C–5s that are——

Mr. WYNNE. Yes, sir, there are. We would actually appreciate the opportunity to line them up worst to best, and we actually see that there are somewhere between 20 and 30 that may be good candidates for standing down. We think we can work with the folks that have these, and actually backfill them.

We do see that we are at an absolute minimum when it comes to the MCS and the definition of 292. As you know, even on the C–5s, we're restricted from retiring 112, and we crashed one at Dover, so we really only have 111.

So, I would tell you that we are up against it when it comes to strategic lift. On the other hand—and I've told my colleagues within the contracting community—I can't afford to buy at the rate that they are proposing that we consume them. I would dearly love to figure out how to entertain a low rate, because sir, it bothers me that our strategic lift line may go quiet in the time we are looking forward to. I would love to have, in 10 or 15 years, the ability to call on additional C–17s at a moment's notice. I just don't see my way forward to that level.

Senator BOND. Well, Mr. Secretary, I think this is a management question, this is a broader management question. And I have some real concerns about management mistakes that were made before you and General Moseley got there. I think that the—some of these mistakes need to be revisited, number, there's been excessive focus on high technology to meet threats that are years away without having planned and prepared for—it's not a threat, but it's the actual challenge, the war that we're fighting today. And, we you know, we have—we'll have some F–22s for a decade-away threat, but right now, we need airplanes that work in the environment

that we have, to transport the troops, and refuel the planes, that carry the munitions we need.

AIRCRAFT ACQUISITION IN TACTICAL ARENA

The second major problem was that in the tactical arena, the platforms are without competition. One prime contractor owns the Air Force lock, stock, and barrel, and the results are apparent. Because of the single-sourcing of the JSF, which I said at the time was a tremendous mistake and I believe has been demonstrated to be a mistake, you see cost overruns in the F–22, the F–35, and I hope that you will be able to rethink and take a broader management view, a review of where you are, and say, "We have to look at this entire strategy, we have to have competition, we have to be able to meet the needs we face right now, as the hundreds of F–15s and F–16s are going to be retired." How best can you meet that with limited dollars?

Right now, no F–22 is going to be able to fight terrorists and deliver munitions on target, like the F–15 Strike Eagle can. That is a capable, fully affordable, existing aircraft that can be produced. You're going to have to take a look from the beginning, with only, with a number of legacy aircrafts being retired, and the fact that the F–22 has been cut way back—you're going to have to come up with plans on how you husband your resources, focus your threats, not forgetting about the long-term threat. But also recognizing that we've got some short-term threats.

Are you willing to take a broad management review and look at the mistakes that have been made in the past, and try to give us a plan that will go forward? And, I'd like both the Secretary and the General's comments on that.

Mr. WYNNE. I would start with the fact that when we put together the supplemental we were really concerned about how we work on the attrited aircraft. We've lost 50 fighters, and over 130 airplanes since 2001.

In 2003, when we first went down into Baghdad, we only took stealth aircraft with us. We took 117s, and we took the B–2. We need to make sure we have the same kind of capabilities, because the Russians have been selling Tehran a brand new, surface-to-air missile. The North Koreans have taken upon themselves to buy a pretty good integrated air defense system to protect themselves. The Chinese have fortified the entire strait of Taiwan.

Now, I would say that—just like Curtis LeMay, "Peace is our profession." And I would propose to you that I would not like at all to engage. But I would say, when diplomacy fails, you need your Air Force to be at the ready position. And when diplomacy fails, we need to be responsive.

I would say, therefore, we decided that we would submit the F–35, and got criticized in the supplemental, and we did that because fourth generation airplanes are obsolete in the face of modern threats. We are moving to fifth generation. And we know this is hard, but change is hard, and we believe that if we don't do this, we simply won't be responsive to the double-digit surface-to-air missiles, and the improving technologies that the Russians and Chinese are fielding.

I didn't realize I was creating a brand when I said "fifth generation" airplanes—meaning stealth, precision, maneuverability, networked aircraft, and speed—but it turns out that the Russians and the Chinese are now promoting fifth generation airplanes to the Indians and some of their other sales areas. And they're doing this with something that looks largely like a tornado, and then with an extraordinarily capable Sukhoi.

Neither one have the capability of the F–22, or the Joint Strike Fighter, but we're afraid that they do have some capabilities that may exceed some of our aging F–15s and F–16s. So we are, by the way, trying to make sure that we continuously upgrade the F–15 to keep it combat-ready, and the F–16, as well. But as a previous Chief of Naval Operations, Admiral Clark said, "There will probably not be a future war like this war, and this war is not like any war we've ever fought."

General MOSELEY. Senator, thanks for that question. I have some entry-level understanding of the F–15 that's built in your district——

Senator BOND. I know you—I know that very well.

General MOSELEY. Sir, I've only flown her off and on for 30 years. And it is part of my life, and it's part of my son's life, who flies the same airplanes that I flew as a captain.

And so, I would offer to you that that airplane, as much as love it, is not as survivable as we would like it to be. When we look at the job of the Air Force, which is to maintain air dominance in the theater, so our Army and marine and Navy brothers can conduct operations. We will have a number of F–15s for awhile. And we've had, we've had several discussions about what could we do with them to keep them as operable and as survivable as we can to include the helmet-mounted sight, the new weapons systems and the new radar. We're committed to doing that on a number of the F–15Cs, so that the Total Force, Guard, and Active, can continue to fly those airplanes in the missions that are suitable.

But, Senator, I'll tell you, there's a world out there that is increasing exponentially in technology and lethality, whether it is surface-to-air missiles, whether it is early warning radars, or whether it is air-to-air systems to include missiles, infrared search and track systems, or radars. We have to stay ahead of that if we are to maintain the air dominance for the theater, so that the Army, Navy, and the Marine Corps can operate. That's our challenge.

Do we need 1,000 plus F–22s? No, sir. We just need enough to maintain the dominance in the theaters that we're tasked to do.

The F–15E is a wonderful airplane, and we have her now deployed to Bagram because of the small diameter bomb, and the range and payload that the E can carry, which is the best-ranged, best-capable fighter of its class in any service in any country. That's why we have them at Bagram now, to be able to do this business in the spring and summer of this year. In fact, that's a squadron out of Mountain Home, Idaho, that's up there right now.

So, sir, our challenge is to be able to match this budget, and to be able to match this top line, and to do all of the things that the country's asked us to do, and still be the best Air Force in the world. That's the challenge, and the stretch that we've got.

Senator BOND. Certainly, the underlying theme—which I subscribe to—is the American aerospace industry, at large, is shrinking. And, it does concern me about where do we go in the future for competition and for production? And that does concern me, and we are, in fact, periodically, trying to conduct a survey to try to determine just what will we do? Frankly, the introduction of the next-generation bomber is one of those energies that is energizing the engineering functions from St. Louis to Los Angeles, and we appreciate the support that this subcommittee gives, because we think that that is, perhaps, a real opportunity that shouldn't be denied.

Senator BOND. Well, we certainly want to support that mission, but I hope you recognize that the failure for competition was one of the major failures, and I will have further discussions later. Thank you, Mr. Chairman.

Senator INOUYE. Senator Domenici.

MISSIONS AT HOLLOMAN AIR FORCE BASE, NEW MEXICO

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

I think this hearing certainly is not going to solve the total problem that we're discussing here today. There are very big decisions that have to be made about what happens to the American Air Force in this area during the next 2 to 10 years, and it's certainly going to be something very different than what we thought we had in mind when we started here. And the Department is pretty quick to tell us that when they meet with us and talk about what the problems are.

We have, for instance, Holloman Air Force Base in New Mexico that has some amazing assets, including airspace and nearby training capabilities. And your budget process proposes retiring the remaining Holloman F–117s in fiscal year 2008, but I understand that a transition plan is in place to bring F–22s to the base. I'm excited about working with the Air Force on this transition, and I have a few questions about it.

My first question is what is the total amount that the Air Force needs for the F–22 beddown at Holloman, and when will those funds be budgeted for? General?

General MOSELEY. Sir, if you'll let us take that for the record, we'll get you our current assessments of the beddown and the transition from the 117 to the F–22.

Senator DOMENICI. I think it's important, not just for me, but I think——

General MOSELEY. Yes, sir. If you would let us take that for the record, and we'll get you those numbers, and the schedule.

[The information follows:]

F–22 BEDDOWN AT HOLLOMAN AFB

The Air Force will beddown forty F–22As (36 Primary Assigned Aircraft) at Holloman Air Force Base, New Mexico between the first quarter of fiscal year 2009 and the first quarter of fiscal year 2011 with a total estimated renovation and military construction bill of $40 million. In fiscal year 2006, Holloman Air Force Base, New Mexico executed $10.8 million on renovation projects. The fiscal year 2008 President's Budget Request lays out a further $26.625 million for planning and design and military construction projects spanning fiscal year 2008 through fiscal year 2010. The remaining $2.5 million of the $40 million total is one project (squadron operations building) which is currently unfunded. However, the Air Force will fund for this project internally.

[In millions of dollars]

	Amount
Fiscal year 2006: Operations and Maintenance—Various	10.8
The specific fiscal year 2008 President's Budget request projects are:	
Fiscal year 2008: Planning and Design	2.450
Fiscal year 2009:	
Aerospace Ground Equipment Maintenance and Storage Facility	2.600
Jet Engine Intermediate Maintenance Facility	2.125
Aircraft Maintenance Unit Facility	1.000
Simulator Facility	3.100
Low Observable/Composite Repair Facility	11.850
Fiscal year 2010:	
Conventional Munitions Shop	1.000
Precision Guided Munitions Facility	2.500
Unfunded: Squadron Operations Building; only project unfunded	2.500
Total	39.925

Senator DOMENICI. I appreciate it.

I've also heard about differences in the number of authorized jobs at Holloman, and I'd like that too, if you could produce those for us, too, and for the record, not just for me.

General MOSELEY. Right.

Senator DOMENICI. But, for the record, it would be helpful. Could you do that?

General MOSELEY. Yes.

[The information follows:]

F–22 BEDDOWN AT HOLLOMAN AFB

Two hundred and seventy four (274) positions will be lost as Holloman Air Force Base transitions from F–117s to F–22s. An additional 221 positions will be lost due to other actions affecting Holloman Air Force Base. These numbers do not include contractor positions.

MISSIONS AT CANNON AIR FORCE BASE, NEW MEXICO

Senator DOMENICI. As you know, Cannon Air Force Base was placed in an enclave status, which turned out to be a very good thing. It's almost like we planned it. Enclave means we're not going to close it, and we're not going to keep it open, but we're going to keep it right here to see what it's needed for. It turned out that clearly, it was going to be needed, and is needed, and you're in the process of developing it as a new military air base that will not be related, as in the past, to a F–16 Fighter Wing, but rather this will be one that will be related, in a different way, to a Air Force Special Operations Command Wing, and you're in the process of evaluating how to put that together, is that correct?

General MOSELEY. That's correct, sir.

The BRAC Commission directed the 27th Fighter Wing be disestablished and we are proposing to stand up the 16th Wing by end of the summer at Cannon, and be the second of our main operating bases, the western location for our Air Force Special Operations Command, which may include fixed-wing, and UAVs, and a variety of other things that we can use those ranges in New Mexico for.

Senator DOMENICI. Seems like that, all of a sudden fell right there where you need it, and now you will use it. And that seems to me to be a pretty exciting situation for the Air Force of the future.

I have a couple of additional questions, I will submit them, we've been here long enough for this Senator.

General MOSELEY. Senator, if you'll allow us to include those Milcon requests, and infrastructure issues for Cannon, also, we will include those in the record, with the amount of money and the time.

[The information follows:]

MILITARY CONSTRUCTION FOR CANNON AFB, NEW MEXICO

The following is a list of military construction infrastructure projects programmed for Cannon Air Force Base, New Mexico.

[In millions of dollars]

Fiscal year	Project Title	Projected Cost
2008	Add/Alter Hangar 109 for C–130	1.7
2010	Consolidated Communications Facility	15.0
2011	96-Person Dormitory	7.5
2011	Child Development Center	7.8
2011	Add/Alter Waste Water Treatment Plant	5.0
2012	96-Person Dormitory	7.5
2012	Library Education Center	8.0
2012	96-Person Dormitory	7.5
2012	Library Education Center	8.0
2013	Add/Alter Fitness Center	5.0

Senator DOMENICI. Well, I would like to say to the fellow Senators that the base that is going to become a Special Operations base, that's already decided, and they know what planes are going there. The problem they have is that, clearly they're going to need some additional infrastructure on the base, to make it what it is going to turn out to be. They don't have those requirements ready yet, but they're working diligently on them, on three or four levels of military involvement, and the statement just made is merely saying, could they submit for the record, what those needs are? I think it's imperative that we get that Milcon, I know it's in the neighborhood of $75 million over a couple of years, which will then make Cannon, they say, a total Special Ops base, the likes of which we have nothing like in the western United States. I think for the record, you were prepared to say that that's a very good asset for the Air Force, is that correct, General?

General MOSELEY. Absolutely, sir. The proposed action gives us an east coast base in Florida, and it gives us a west coast, or western base in New Mexico. For 1 million reasons, it's a good idea to have a base like that that we can rehearse with the Army, with the Special Operations Command, we can operate on the ranges there, and there's just a variety of things that makes that a good idea.

Senator DOMENICI. Thank you very much.

Thank you, Mr. Chairman.

I look forward to your reports, General.

Senator INOUYE. Senator Murray.

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

36TH RESCUE FLIGHT AT FAIRCHILD AIR FORCE BASE, WASHINGTON

Mr. Secretary, Fairchild Air Force Base, in my home State of Washington is home to the 36th Rescue Flight. They support the 336th Training Group in the Air Force Survival School there.

According to the news reports, each year those helicopters evacuate an average of three injured Survival School students, and they help locate about 90 students who become lost during their survival training. And on top of that, the 36th Rescue Flight Civilian Search and Rescue Operations has saved more than 600 lives during search and rescue missions in Idaho, Oregon, Montana, and Washington State, because of the extraordinary crew members and their unmatched capabilities.

I am very concerned—the President's budget does not include funding for this 36th Rescue Flight. If that budget is adopted, Fairchild is going to lose those four helicopters and crews, and the surrounding States are going to lose a very critical ability to respond to emergencies in the event of a natural disaster. It is a big concern out in my State and the surrounding States, and I wanted to ask you. What is your rationale for not funding the 36th Rescue Flight?

Mr. WYNNE. I know that we had spent over 2 million hours trying to assemble this budget, and I had the sense that Air Education and Training Command—where these helicopters were actually routed through, because that's who owns the escape and evasion training area—probably took an additional risk that maybe we need to mitigate.

We took another look, a hard look at what those helicopters do, they are UH–1Ns, and we are looking at that, and wondering whether or not that is really our Air Force contribution to, not just the Fairchild Air Force Base area, but to the surrounding terrain.

We may have, in that area, taken a little bit too much risk. And so, we're thinking about, where do we go and scrape the money from, frankly, to reconstitute that force? Does it have to be four? Probably, because they are not new helicopters. And we'd love to get, when you have four, you can at least count on getting one or two off, so that's kind of one of the things we are taking a hard look at. Thank you for bringing it to our attention.

Senator MURRAY. So you agree that it's important for the Survival School, I assume?

Mr. WYNNE. We certainly agree that there's a need there. We're, I think the rationale right now, is whether we need all four, or whether we need a few, and that's going to be an operational consideration. But, it seems to me we have a mission, and we have a real need. And it's bigger than the Air Force mission, which I don't think really hit home.

Senator MURRAY. Okay. So, would you support restoring that funding?

Mr. WYNNE. Ma'am, I don't know where I'd get the money right now. But I'm going to look hard.

Senator MURRAY. Okay, well, I think it's really critical, Mr. Chairman. That is a very important function, both for the Survival School as well as the region, and its loss to our region would be immense. So, we want to hear from you how we can restore that funding, and how——

Mr. WYNNE. Yes, ma'am.

Senator MURRAY [continuing]. This subcommittee can work with you to do that.

Mr. WYNNE. We appreciate your bringing it up.

Senator MURRAY. I've also—I know you've been asked about tankers a couple of times this morning, and you know, those are extremely critical. I heard you say they're your number one procurement, many of them 45 years or older, and that they need to be procured.

Your new RFP for the KC–X specifies nine performance parameters, and we all, I think, agree the men and women of the Air Force deserve the best tanker. I wanted to ask you, with the delay in the KC–X RFP release, are you confident the Air Force can execute the entire KC–X fiscal year 2008 budget request of $314 million?

Mr. WYNNE. Yes, ma'am. As we currently said, and primarily because both of the competitors are offering commercial-style airplanes, we think that they probably have a set of inventory that is going to essentially absorb that money—that they would essentially accelerate their response to us, which we really appreciate. They know we've been stretched out. They know that it's our number one priority. I don't think we'll have a problem spending that money.

Senator MURRAY. When are the proposals due back? And when will the contract be awarded for those?

Mr. WYNNE. We're looking for the proposals to come back, I think, in early April, and we're looking for the contract to be awarded by year-end.

Senator MURRAY. By the end of this year?

Mr. WYNNE. Yes, ma'am.

Senator MURRAY. And, will you confirm for me that the Air Force will select a new tanker, based on an open and transparent acquisition process?

Mr. WYNNE. Yes, ma'am.

Senator MURRAY. Okay, I appreciate it very much.

One other question, Mr. Chairman.

RESERVE COMPONENT EQUIPMENT AND TRAINING

I wanted to ask you, because I'm really concerned about the long and frequent deployments and the effect they're having on our service members, including those in the Air Force Reserve and the Air National Guard. I think we all agree that they deserve the best equipment and training, and I wanted to know if the Air Force has a solution for providing the Air National Guard members equipment to train with at home when their aircraft is being kept in Iraq?

Mr. WYNNE. Ma'am that has to do with, again, with how much budget do you have, and how many airplanes can you dedicate simply to training, when you know they are dedicated to warfare?

The National Guard airplanes are the C–130Hs. We've offered them backfills of C–130Es and we fully understand why they would rather have their Hs back. We will tell you that we have a proposal in the supplemental to try to buy some C–130Js and we recognize that we think we need some C–130s downstream.

I would say this, though, about the National Guard, throughout, and the Reserve. We even have some Puerto Rican National Guardsman, this is the very first time they ever deployed in their history, and they came over and were serving in Bagram in a C–130 squadron.

They operated magnificently, they operated right together—you could not tell that it was a Guardsman or a Reservist or an Active Duty person. I can tell you that their training, they are top drawer, and the Air Force counts on them. And we have maintained a consistent rating throughout the Active, Reserve, and National Guard force structure.

We are worried about the readiness of all of our troops together, and we recognize that even as we push forward into the joint cargo aircraft, we know we have some great people out there, and we are worried about their training.

Senator MURRAY. General?

General MOSELEY. Senator, if you would allow us, we've just signed out our phase four of our total force initiatives that includes Guard and Reserve, and we've sent that out to the Adjutants General over the signatures of the Secretary, myself, General Blum, General Bradley, and General McKinley. If you will allow me to put that in the record, I think that'll give you a good idea of where we're headed with the Guard.

[The information follows:]

PHASE FOUR TOTAL FORCE INITIATIVE

Attached is the Total Force Integration Phase IV Initiatives list signed by Secretary of the Air Force Michael W. Wynne; Chief of Staff of the Air Force General Moseley, the Commander of the Air Force Reserve, Lieutenant General Bradley; the Chief of the National Guard Bureau, Lieutenant General Blum, and the Director of the Air National Guard, Lieutenant General McKinley.

General MOSELEY. But, ma'am, you know by watching us, we don't do anything without our Guard and Reserve. We have large percentages of our major activities that are mixed inside the Guard and Reserve. We don't hold Guard or Reserve units in any different readiness. All of the money that we fund these units with—in fact, over this budget cycle, the Active units are funded less than the Guard and Reserve units. And if you would like, I'll share those numbers with you.

Senator MURRAY. If you could share them with the subcommittee in writing, that would be good.

[The information follows:]

ACTIVE, GUARD, AND RESERVE FUNDING

Senator Murray, this chart breaks out our Total Force fiscal year 2008 funding levels in a number of critical areas (depot programmed equipment maintenance, contractor logistics support, flying hours, base operating support, and operation and maintenance facility sustainment) by Active Duty and Reserve Component. We worked corporately together as a Total Force team to ensure funding equity across these areas. In some instances, notice the active Air Force is actually requesting a lower percentage of funding relative to its total requirements. This was purposefully done to ensure fiscal fairness among the Active Air Force, the Air National Guard, and the Air Force Reserve Command.

[Dollars in millions]

	Active	Guard	Reserve
DPEM:			
Funded	$2,696	$588	$400
Requirement	$3,676	$799	$490
Funding Levels (percent)	73	74	81
CLS:			
Funded	$3,761	NA	NA
Requirement	$5,002	NA	NA
Funding Levels (percent)	75		
FH:			
10 percent Buyback	$516	$159	$88
BOS:			
Funded	$780	$4	$47
Requirement	$1,179	$6	$44
Funding Levels (percent)	66	75	108
Sustainment:			
Funded	$1,890	$202	$58
Requirement	$2,071	$212	$62
Funding Levels (percent)	91	95	94

General MOSELEY. One of the key fundamental strengths of your Air Force is that we're a seamless Air Force with Guard, Reserve, and Active. In fact, the Commander at Kirkuk right now in Northern Iraq—the officer that commands that entire base—is from Senator Bond's unit at St. Louis. He and his senior NCO, she is the Command Senior Master Sergeant—they are all Missouri Guardsmen.

In my time as Commander of U.S. Central Command Air Forces, I had over 100 Guard and Reserve folks in key command positions at big bases. So, this notion of a seamless, Total Force, it is one of the fundamental beliefs of this Air Force. And so, if you would allow me to share this with you, I think it shows the overall notions of how we are looking to make this relationship even better.

Senator MURRAY. Okay, I appreciate that. I appreciate your attention to that, and I hope we can put that in the record, Mr. Chairman.

Senator INOUYE. Senator Leahy. You finished?

Senator LEAHY. Thank you, Mr. Chairman.

General Moseley, last week you wrote a letter to the Commission on the National Guard and Reserve. Mr. Chairman, I'd ask consent that that letter be inserted in the record.

Senator INOUYE. Without objection.

[The information follows:]

DEPARTMENT OF THE AIR FORCE,
OFFICE OF THE CHIEF OF STAFF,
Washington, DC, March 15, 2007.

The Honorable ARNOLD L. PUNARO,
Chairman, Commission on the National Guard and Reserves, 2521 S. Clark Street, Suite 650, Arlington, VA 22202.

DEAR MR. CHAIRMAN: Thank you for the recent opportunity to testify before your Commission on one of the most momentous and potentially transformational issues of the day. I appreciate your readiness to discuss the Commission's interim report and options to better organize, train and equip America's military forces. With the nation engaged in a global war, I believe it is especially critical to pursue new avenues to properly integrate the Guard, Reserves, and Active Duty Air Force into a seamless, Total Force.

I wholeheartedly agree that the structure for the Reserve and National Guard is outdated and has not kept pace with the organizational changes mandated by the Goldwater Nichols Defense Reorganization Act of 1986. Our reserve components

have moved from a Cold War strategic reserve posture to active support of ongoing operational missions. They also provide the additional capacity to meet surge requirements and to support wartime and contingency operations across the board. Whether in response to combat tasking or natural disasters at home, there is nothing the Air Force does that isn't accomplished by the Total Force. Yet, while the United States Air Force has served as the model for seamless Total Force integration for decades, even our most successful of templates could be better positioned to address contemporary requirements. Our military responses to recent domestic natural disasters highlighted these seams dramatically.

Therefore, I propose your Commission investigate options that would more closely align the Air National Guard and Army National Guard with their respective Military Departments, parallel to the Reserves' alignment but with a differing mission set. Such realignment would be more consistent with how the Air Force and Army currently organize, train, equip, and present our forces to the combatant commanders. It would help the Departments address these two inherent components' issues holistically, as part of the Total Air Force or Army. And it would also better facilitate the Military Departments' identification, mentoring, and preparation of Air and Army National Guardsmen for positions of greater responsibility and authority.

I would also propose the Commission investigate options to give our Governors both an Air and an Army Adjutant General, who would partner to create a true joint headquarters for the Governors. This new organizational construct would serve the individual Governors better in time of crisis by providing true joint competencies and expertise for their state headquarters. Concurrently, it would also facilitate the identification, training and career development of a larger pool of joint Total Force officers from which many additional, higher-ranking positions could be filled. In exploring this option, I also propose the Commission consider the Air Guard and Air Reserve each being led by a four-star general, giving both officers the status of an Air Force Major Command (MAJCOM) commander.

I have committed my tenure to making the Total Air Force even more capable of coping with the warfighting, disaster relief and homeland security challenges of the 21st Century. We're working to create command relationships that are responsive, flexible and meet state and national needs seamlessly. We're now in the last of four phases of the most encompassing transformation of Total Force partnering opportunities in the history of the Department of Defense, a change geared toward fielding true, Total Force air, space and cyberspace capabilities across the entire range of operations. We plan to field up to twelve Total Force squadrons of unmanned aerial vehicles (UAVs) in California, Nevada, Arizona, New Mexico, Texas, North Dakota, and New York. We have already begun partnering Air National Guard, Air Force Reserve and Active Airmen to man new F–22A Raptor units in Virginia and Alaska, and plan to follow suit in New Mexico and Hawaii. I've also looked to leverage the outstanding initiatives of the Vermont ANG in the "City Basing" work at Burlington and the South Carolina ANG's "reverse associate" work at McEntire, which are paying great dividends.

I'm pleased with the opportunity to capitalize on the experience and maturity of the Missouri ANG through creative partnering with the 509th Bomb Wing at Whiteman AFB and their B–2 bomber mission. And I'm proud to announce creation of an additional association between a new ANG security forces squadron (SFS) and an existing active duty SFS at Minot AFB, North Dakota—an association that over the next two years will help relieve one of our most stressed career fields. Finally, as we work the next set of Total Force beddowns of our new jet aerial tanked (KC–X), new Combat Search and Rescue helicopter (CSAR–X), new stealth fighter (F–35A/Joint Strike Fighter), and the Joint Cargo Aircraft (JCA), as well as the continued beddown options for C–17 and C–130J airlifters, there is an ever wider set of opportunities that will evolve over the coming years.

I wish you and the Commission all the best in your important endeavors. Thank you once again for the opportunity to share my views with you.

Very respectfully,

T. MICHAEL MOSELEY,
General, USAF, Chief of Staff.

DUAL MISSION OF THE AIR NATIONAL GUARD

Senator LEAHY. And you seemed to be greatly uncomfortable with unique dual mission with the Air National Guard, and somehow want to take over control of it. Do you think it would be a good idea if the Air National Guard be organizationally revamped to mirror the Air Force Reserve, have the States have two units, Gen-

eral, one lead the Air Guard, one lead the Army Guard. That the Director of the Air National Guard be a four-star general, irrespective of the rank and position of the Chief of the National Guard Bureau.

Now, I mention this just because none of these proposals will go anywhere up here. Both Republicans and Democrats are opposed to the, effectively demolish the National Guard, the Air National Guard as we know it. Eviscerate the close relationship between the States and local communities, and completely undermine the National Guard Bureau, which is legally tasked with coordinating National Guard activities, and the reason I find it interesting, is the Air National Guard is doing a stellar job carrying out missions both at home and abroad. They're carrying out a significant proportion of the mission—Air Guard is—in Afghanistan, Iraq, they are ready to react immediately to emergencies at home, I know that for a very significant time after 9/11 they cover flown over New York City, were F–16s out of my home State of Vermont, out of Burlington, Vermont, from the Guard, and of course they are an essential tie between the Air Force and local communities, which has many times made life easier, not more difficult for the Secretary. So, why do you want to end this?

General MOSELEY. Sir, just the opposite. Let me tell you from my testimony at the Commission on the National Guard and Reserves that it was obvious to me that there were folks discussing things that would fundamentally alter the ability of the Air National Guard to do business. The problems it appeared the Commission was attempting to wrestle with had nothing to do with the Air National Guard.

My testimony to the Commission was, whatever it is you're attempting to fix, don't break my Air National Guard and my relationship with my Guard. Because this is fundamental to the Air Force that this is a seamless relationship.

I also said that I have——

Senator LEAHY. But it breaks it if you go into—it's certainly going to break it in the States and the communities if you break it into, in effect, two separate Guards.

General MOSELEY. Sir, let me come to that, if you would. There's another part of this that I'm concerned about. The notion of being a member of the Joint Chiefs of Staff, I'm still not supportive of that. The notion of promotion to four star, I'm okay with that, as long as there's a provision that the Director of the National Guard would then be rotational. There was no mention of that in the testimony.

My experience in this area is that if Steve Blum is made a four star, and he would be an ideal candidate, because he's a quality officer, where in the legislation would it say that this is rotational between the Army Guard and the Air National Guard? Nowhere in there was that discussion.

Senator LEAHY. Suppose it was?

General MOSELEY. I would be happier, sir.

The notion of being able to prepare people for command—if you had a chance to look at my testimony, I also said that I have no problem with the Guardsmen commanding things as big as Northern Command. In fact, I'm the only Chief, I believe, that said that.

Senator LEAHY. Well, you know that Senator Bond, who was here earlier, he and I are co-chairs of the National Guard Caucus, and we try to keep this as devoid of politics as possible. We sent you a letter.

General MOSELEY. Yes, sir.

Senator LEAHY. And I ask that a copy of the letter be inserted in the record, but we raise some concerns about your proposal.

General MOSELEY. Sir, my concern is, don't break it———

Senator LEAHY. I know you'll be responding to that letter.

General MOSELEY. Yes, sir. But I would offer in this setting, my real concern is don't break my Air National Guard. As we attempt to fix other problems, the Air National Guard is not broken. And so, the notion of being able to prepare people for command—and I'm on record by saying I have no issues with this, and I have actually put people in command of big operations—there has to be a path to prepare for command.

The Air National Guard side, I'm happy with. And I would like to make that better. That's why I proposed a bit of a revolutionary notion that a Governor have a joint headquarters, and that a Governor have the ability to grow people inside the State, and that the Air National Guard and Reserve, which is lost sometimes in these discussions, has the same opportunity.

And, so my proposal for the Air Guardsman and the Air Reservist to be an equal four star, I'm okay with that. In fact, that's why I said it. Because I believe my Air Guard, and my Air Reserve are key pieces of what I do as the Chief of Staff of the Air Force, and I value that relationship.

Senator LEAHY. You say "your" Air Guard, and it's sort of all of our Air Guard, isn't it?

General MOSELEY. Well, sir, I can say that as the Chief of Staff of the Air Force, because I'm the senior airman. And I view these guys as airmen, they're brothers.

Senator LEAHY. I view them as a major asset of all of ours, of the United States.

Now, let me ask you this, then. If you want to make it something that can improve, can grow, use your terms, why won't the Air Force expand the community basic initiative? That sends active duty persons on a train and fight alongside Guard personnel at stand-along Guard bases. I say this, because again, using the experience with the 158th Fighter Wing in Burlington, Vermont, it's worked out very well, as a superb national AP story talked about how well this has done, and I ask that that be made part of the record, Mr. Chairman.

Senator INOUYE. Without objection.

[The information follows:]

[From the Boston Globe, March 18, 2007]

ACTIVE DUTY AIR FORCE LEARNING FROM VERMONT GUARD MEMBERS

(By Wilson Ring, Associated Press Writer)

SOUTH BURLINGTON, Vt.—When Airman 1st Class Cabe Feller joined the Air Force two years ago, he was hoping to see the world beyond his farm town. He didn't expect one of his first stops to be Vermont.

Now, during his working hours, Feller, 20, of Herscher, Ill., is learning the intricacies of maintaining F–16 fighter jets. He's getting plenty of one-on-one tutoring

about the airplanes from Vermont Air National Guard technicians, some of whom have worked on the planes for longer than he's been alive.

During his off hours, Feller has learned to snowboard. He's been exposed for the first time in his life to what he sees as the ethnically diverse communities of Bosnians, Vietnamese and Sudanese who live in the Burlington area.

"The set-up here is fantastic," said Feller, an active duty airman taking part in a first-of-its-kind program that sends a small number of active duty Air Force personnel on a three-year rotations to the Vermont Air National Guard base at the Burlington International Airport.

The program is known as "community basing" and is designed to help the active duty Air Force work closely with the Air National Guard.

"It takes advantage of the years of experience that the guardsmen have in training our young airmen while at the same time it exposes our young airmen to the guard operations," said Air Force Col. Michael Vidal, commander of the 20th Maintenance Group at Shaw Air Force Base in Sumter, S.C., the active duty parent of the service members in Vermont.

There are similar programs under way at another base in South Carolina and one in Utah, Vidal said.

The program was conceived by Vermont Guard Maj. Gen. William Etter, who was just appointed to the staff of the chief of the National Guard Bureau in Washington. And it was promoted by U.S. Sen. Patrick Leahy, the co-chairman of the Senate's National Guard Caucus.

Leahy saw the program as a way to help the Air Force and to help ensure the Vermont National Guard remained important enough to the Air Force that the South Burlington base wouldn't be targeted for closing.

"It has helped cement the ties between the Air National Guard and the active Air Force," Leahy said. "It can and should be a model now for the entire Air Force. I'd like to see the program expanded aggressively in Vermont and across the Air Guard."

Last month, Leahy wrote a letter to Air Force Secretary Michael Wynne and Air Force Chief of Staff Gen. T. Michael Moseley, saying the Air Force had not followed through with an effective program.

"We are not surprised but we are disappointed," said the letter signed by Leahy and co-chair Sen. Christopher Bond, R-Mo.

Working with the Air Guard doesn't exempt active duty personnel in Vermont from overseas missions. Feller spent about six weeks in Iraq last year with the Vermont Guard's 158th Fighter Wing, and he's due to return again later this year.

Currently, there are 14 active duty Air Force personnel at the South Burlington base. Two are pilots, the rest are maintenance technicians, the majority young people new to the Air Force on their first tours after they completed technical training.

Vermont Guard Lt. Col. T.J. Jackman, who oversees the maintenance of the Vermont Guard's 15 aircraft, said when the airmen arrived there was some concern the active duty airmen wouldn't fit in with the guardsmen. But the two groups have blended well.

"We're all Green Mountain Boys," Jackman said, using the unit nickname that grew out of Vermont's Revolutionary War militia led by Ethan Allen.

Air Force Master Sgt. Roger Harms, 35, originally from Clinton, Mo., is the noncommissioned officer in charge of the young airmen.

He and his wife like living in an area where crime is low and schools are good.

"It's a real good place to raise a family," Harms said.

For some of the young airmen, the quiet life of Vermont isn't fast enough and the military opportunities too few, everything from the lack of low-priced military theaters to being able to work on a broader range of equipment than are available in Vermont.

Feller has been working on his own toward a bachelor's degree so he can qualify for officer training and, eventually, pilot training.

"The family atmosphere here is awesome," Feller said.

The airmen in Vermont are due to leave in the fall of 2008.

Senator LEAHY. It shows that members of the Active Air Force get a super training and living opportunity, while the Guard gets a chance to working closer with the Active Force, and you cite that in the letter we just discussed, but why can't you find 100 to 200 people in all of the Air Force to expand this program in Burlington? They seem to be setting up, basically the model that could be used throughout the country. Why can't we find a way to find a way to

do it in Burlington right? Why can't we find a way to expand it around the country?

General MOSELEY. Sir, I will tell you, without being flippant, you're singing my song. I'm the guy that bought——

Senator LEAHY. Good, then when will we expect those 100 to 200——

General MOSELEY. Sir, I asked that question this morning. The test was successful, the people loved what they did, the experience was useful. We're doing the same thing at McEntire in South Carolina, we've looked for opportunities to do this. As we look at the drawdown of 40,000 people, and we look at the global tasking, and we look at over 20,000 of us that have been tasked to do "in-lieu of" tasking, as we look at the youngsters that we would want to put in that unit, we're looking hard to find the people to capitalize on the test, which was very successful.

I like this, and I like what this has done, and I'm committed to do this.

Senator LEAHY. When?

General MOSELEY. Sir, as soon as we can find the people.

Senator LEAHY. Ballpark?

General MOSELEY. Sir, let me get back with you. I've asked the major commanders to find the people. Of course, they have to be fighter folks, they have to be——

Senator LEAHY. Please get back to me on it.

General MOSELEY. I will do that, sir.

Senator LEAHY. I'm easy to be found.

General MOSELEY. This is a good thing.

Senator LEAHY. I have a listed home phone number, I always have had, a listed office number, feel free. We can, otherwise, I'm worried that we won't have any of these bases, especially the Northeast or the Midwest if we don't do this. It seems easier to get bases in warm climates, sometimes it's good to train where you have all kinds of weather.

General MOSELEY. Sir, the benefit of the unit in your State is it has been very aggressive in reaching out for this community basing, and it has worked—the test worked, the relationship worked, the outcome worked, the challenge for us now, is to be able to spread the "in-lieu of" tasking and all of the other missions we have, and find those people of that grade structure, to be able to get them there, and keep them there.

Senator LEAHY. Well, please work with me. I'm not saying this just out of parochial. As I've told our Guard, both Army and Air Guard, I'll go to bat for them if I feel they're doing something really well, I won't otherwise. I think they are doing very well. General Dube, who is our Adjutant General is an Air Force, handles both Air Force and the Army Guard very, very well. And, I know that there has been enormous effort from the civilian community to make this community base work, as the AP story points out, a lot of the people who were assigned there like it and especially when some of them were interviewed, I think, the day after we had had something like 3 feet of snow—which, in Vermont sometimes slows up—we sometimes open a half hour late on things with 3 feet of snow. Not the Air Guard, they're—they fly no matter what it is. I've often thought that if, any terrorist organization could learn

how to make it snow 3 inches in Washington, DC, they could close our Government forever. And we'd have to shift it to Alaska and Vermont where anything under 10 inches is a dusting, and once you get above 3 feet, you've got some logistical hurdles to clean out parking lots, but other than that, just keep on going.

General MOSELEY. Sir——

Senator LEAHY. Mr. Secretary, that was an unnecessary aside on my part, but I just thought I'd throw it in.

Mr. WYNNE. Sir, I'm familiar with Burlington, and lived in Detroit for a long time.

Senator LEAHY. Well, you know what it's like in Detroit when it comes across the water and the snow hits, you know what it's like.

General MOSELEY. Sir, the other part of this that's lost, even in the AP report, is the community opened up and effectively adopted these folks, and so these folks now have surrogate moms and dads and brothers and sisters in a community that we can benefit from the Guard's outreach in those communities, and we can learn a whole lot more. So, this is a good thing.

Senator LEAHY. Our Guard is very well-appreciated in our State. I'll tell you two very brief vignettes in this.

During my campaign for re-election a couple of years ago, there was a concert, a lot of supporters come to it, I would guess that the large majority of people probably if polled disagreed with us being in Iraq, but here's what happened.

My wife was on the Guard support team, family support team, had suggested we give 150 tickets out to families of Guard members who were overseas, either in Iraq or Afghanistan. The performer announced that these Guard families were in the theater. The result was a longstanding ovation for them by the people there. I just, I cannot think of a time in Vermont that anybody—certainly myself included—has ever gotten a standing ovation like that.

The other was, as I told the Guard up there, about 3 weeks after 9/11, I got a call, my office in Burlington from someone who said, "Do you remember that letter I wrote complaining about the noise of the F–16s taking off at the Burlington Airport, I wrote it to you in August?" And somebody said, "Yes, we have that right here, and Senator's going to answer," they said, "No, no, no, no, please destroy the letter. I think they sound pretty darn good."

Thank you, Mr. Chairman.

Senator INOUYE. Thank you very much.

Gentlemen, I just have a few questions.

One of the best-kept secrets, I believe, is the age of our fleet. We talk about it in this room in the subcommittee, but I doubt if fellow Americans realize that we have World War II aircraft, you know, active fleet, that our average age is 24 years old, and I heard the stunning news, Mr. Secretary that Brazil is now prohibiting the landing of C–5s?

Mr. WYNNE. Argentina.

Senator INOUYE. Argentina.

Mr. WYNNE. And we're refused overflight rights into our diplomatic Embassy and landing rights. This was on the presidential South American mission.

Senator INOUYE. That being the case, I would anticipate that both of you are seriously, seriously considering a bomber replacement for our fleet.

Mr. WYNNE. Yes, sir. You're right on.

Senator INOUYE. And what the subcommittee would like to know would be the qualities and the characteristics of the new aircraft? What the time schedule is? What are the costs involved? I would anticipate just R&D exceeding $50 billion or so. And what, how much a copy? I don't expect you to give us the answer here, but I think this subcommittee should be prepared to sit down with you and assist you in this venture, because I still feel the scars of the B–2 challenge. Those were difficult times. And so, if you could share that information with us, it would be extremely helpful.

I note that in your budget request, you have decreased the flying hour time by 10 percent. I'm not an airman, but I know that our men and women need training, know how to handle the gadgets that are on the planes—what risks are you taking by reducing the time?

AIR FORCE BUDGET PRIORITIES

General MOSELEY. Sir, the challenge is, as we spent the 2.2 million man-hours balancing this budget, as we forwarded it to the Office of the Secretary of Defense, which became the President's budget, in there we had to take some risks to protect the investment accounts in our people, our personnel accounts. We took some risk in the infrastructure, and we took some risk in O&M, and that's where the 10 percent of the flying hours are.

But, I'll tell you, as the Service Chief, I'm less comfortable with additional risk in the flying hours. We're a country at war, we're an Air Force at war. We have to train, we have to generate sorties, and we have to fly. At about 7.5 percent reduction in flying hours, we're still at low risk, but the difference—as you get closer to 10 percent, I'm becoming increasingly uncomfortable with that, and I've asked our operators and our programmers to look at ways to give me the money and put it back, so I can restore those flying hours.

There's only so many things you can do in a simulator before you have to fly. And, I'm sounding like an antique fighter pilot here, but there's just certain things you have to do airborne. And so the simulator/flying mix, I think we're at about the right balance on that, and I'm not willing to go much further. And so, I'm asking to find the money to put it back to restore the flying hours.

Senator INOUYE. How much money would you need?

General MOSELEY. Sir, I can—it's a rough order, if you'll let me take that for the record, I'll get that back to you quickly.

Senator INOUYE. Because I'd like to share that with the subcommittee.

[The information follows:]

FLYING HOURS

The cost to buy back the 10 percent flying hour reduction in fiscal year 2008 is $763 million.

General MOSELEY. Yes, sir. Thank you, Mr. Chairman.

Senator INOUYE. Because, the last thing that we want to do is to put our men and women who are going in harm's way at risk, unnecessarily.

ADDITIONAL COMMITTEE QUESTIONS

Well, I have many questions which I'd like to submit to you for your responses. But, I'd like to thank you very much for your presence here, and your candid responses. I'd also like to commend and congratulate and thank the five great airmen and women, we appreciate your service very much. I salute you.

Senator STEVENS. Mr. Chairman, can we arrange to take a photo with those people, please?

Senator INOUYE. Oh, love to. Can we?

General MOSELEY. Absolutely, you bet, sir.

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

QUESTIONS SUBMITTED TO HON. MICHAEL W. WYNNE

QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUYE

END STRENGTH

Question. Secretary Wynne, the Air Force is in the process of reducing its end strength by 40,000 airmen. Has a recent Department of Defense decision to add 92,000 Army and Marine Corps troops led the Air Force to rethink these reductions? If you determine that additional Air Force personnel are required, how would you address this within the constraints of the fiscal year 2008 budget request?

Answer. The Air Force has been engaged in combat for the past 16 years while transforming into a smaller, leaner and more capable force. This transformation was highlighted in the fiscal year 2007 President's budget request, where the Air Force reduced 40,000 full time equivalent Active Duty, Guard, Reserve and Civilian positions to help pay for one of the Service's top priorities, the recapitalization and modernization of its aging aircraft and spacecraft inventories.

The reason the Air Force reduced manpower in the fiscal year 2007 President's budget request was insufficient budget to execute the entire spectrum of Air Force taskings and still bring in a balanced program. Rather than assume risk in our recapitalization accounts, which we have perilously put at risk for many years, we shifted risk to the personnel accounts. While painful, these reductions provided a catalyst for significant positive transformational changes to the way we meet mission challenges.

The Air Force is clearly linked to Joint ground force operations, so a plus up of Army and Marine forces will require an increase in Air Force capabilities to support it. For example, Air Mobility units are intrinsically tied to supporting the Army and Marines with logistical reach to go and be supplied anywhere in the world. This support goes beyond aircrews and aircraft, to include maintainers, logisticians, and supply technicians to name a few. Additionally, weather teams, tactical air control, and other forces are imbedded with or closely tied with the ground forces, so there will be an increased demand in these career fields.

The 2006 Quadrennial Defense Review called for an Air Force comprised of 86 modern combat wings to fulfill its role in the 1–4–2–1 strategic plan. The fiscal year 2007 President's budget request, in which the Air Force was compelled to take the 40,000 full-time equivalent reduction to preserve essential modernization and recapitalization efforts, was well into development and already finalized at the time the QDR Report was released. Knowing what we know today, the Air Force clearly needs additional dollars and end strength to halt manpower reductions and remain at the projected fiscal year 2008 level of near 330,000 and to ensure that added risk in manpower is to resource essential future bomber, Intelligence, Surveillance, and Reconnaissance, combat airmen, and other emerging joint war fighting capabilities is minimized.

STRATEGIC LIFT

Question. Secretary Wynne, there is some uncertainty about the Department's strategic lift plans. The C–5 reliability and re-engining program has reported a Nunn-McCurdy cost overrun, while the fiscal year 2008 budget request funds to begin shutting down the C–17 Globemaster production line. At the same time, both the Army and the Marine Corps are planning significant increases in end strength. What action is the Air Force taking to define requirements, assess risk, and refine or develop its strategic lift strategy?

Answer. The Air Force is taking a hard look at its C–5 inventory, specifically the economic and operational feasibility of modernizing this aging fleet. Study is ongoing to evaluate the impacts and benefits associated with recapitalization and modernization decisions. In order to maintain the minimum sized fleet of strategic airlifters as defined by the 2005 Mobility Capabilities Study (292 aircraft) and the 2007 National Defense Authorization Act mandate (299 aircraft), any reduction in the current fleet size would result in a need for procurement of additional aircraft. Increases in land forces are currently under review and may impact strategic lift requirements. Toward this end, the Air Staff and the lead major command, Air Mobility Command, are working together to analyze the associated current and future total strategic lift requirements.

Question. Secretary Wynne, do I have your assurance that the Air Force will consult with the Senate as you work through the strategic lift issues?

Answer. We are committed to an open and transparent process to ensure America has the assets it needs to protect itself and its allies. Strategic lift is an Air Force core competency that projects global reach and we are keeping Congress fully informed of our progress in determining the right mix of strategic lift assets to fulfill that mission.

C–40 AIRCRAFT

Question. Secretary Wynne, the fiscal year 2008 budget includes $48.6 million to purchase two C–40 aircraft that are currently leased by the Air National Guard at Andrews Air Force Base. The aircraft were leased for a six-year term in 2002 and it expires in 2009, at which time the Air Force plans to purchase the aircraft. What is the total projected Air Force inventory and basing plan for C–40 aircraft?

Answer. The program of record calls for a total inventory of ten C–40 aircraft. The basing plan for C–40 aircraft is as follows:

—Andrews AFB MD—5;
—Scott AFB IL—3;
—Hickam AFB HI—1; and
—Ramstein AB GE—1.

Question. Is the purchase after lease plan for the two C–40 aircraft at Andrews the best alternative for the Air Force from a cost perspective? Was it part of the original contract?

Answer. Purchase is the best cost and operational alternative when the six-year lease term expires. The option to purchase the aircraft at the negotiated residual value of $24 million each is part of the original lease contract.

Question. Does the Air Force plan to retire the C–9s and procure more C–40s for the unit at Scott Air Force Base? If so, when will those purchases occur?

Answer. The fiscal year 2008 President's budget funds the C–9C through fiscal year 2011. The program of record retires the C–9Cs at the end of fiscal year 2011. The fiscal year 2008 President's budget does not include funding to procure additional C–40s for the unit at Scott Air Force Base, IL.

SATELLITE ACQUISITION

Question. Mr. Secretary, the Air Force has yet to demonstrate that it has schedule, costs, and quality under control when building satellite systems. When systems seem on the verge of recovering from years of challenges, DOD reduces the number of satellites and begins a new more high tech satellite as a replacement system to a system that hasn't launched yet. In this environment, how can the Air Force bring stability to space programs and the industrial base?

Answer. To stabilize its space programs the Air Force is implementing a Block Approach wherever practical. This approach is based on delivering capability through discrete value-added increments and is consistent with current Department of Defense policy that specifies "evolutionary acquisition as the preferred strategy" for its acquisition. Each capability increment balances capability, budget, schedule, and technology maturity. The use of a Block Approach will enable a constant, ongoing rhythm of design, build, launch, and operations that will ultimately reduce

the acquisition cycle time, foster stability in the industrial base and workforce, and allow the Air Force to field better systems over time, all while increasing confidence in our production schedule and cost. Ultimately, the warfighter should receive a rhythm of needed, timely, affordable capability.

JOINT STRIKE FIGHTER

Question. Secretary Wynne, the fiscal year 2008 budget includes funding to procure six conventional take-off and landing Joint Strike Fighters. The Defense Acquisition Board is scheduled to meet next month to review the program and approve the low-rate initial production of aircraft. Would you bring us up to date on the status of this program?

Answer. The F–35 program is in the 6th year of a 12 year development program. The F–35 program is on track for Low Rate Initial Production (LRIP) I contract award. The Program Executive Officer for F–35 briefed the Defense Acquisition Board on April 11, 2007 to garner approval for full-award of two Conventional Take Off and Landing (CTOL) aircraft and long-lead item purchase for six CTOLs in LRIP II. The F135 Pratt and Whitney engine has completed over 7,300 hours of testing on 12 engines and continues to meet performance parameters. The F–35 AA–1 (first CTOL aircraft) has flown nine times for 8.9 hours as of March 26, 2007 powered by an F135 engine. This aircraft is validating design, manufacturing, test processes and vehicle performance. Eleven additional developmental aircraft are being built. All eight partner countries signed the Production, Sustainment, and Follow-on Development Memorandum of Understanding.

Question. Secretary Wynne, last year, the Congress directed the Department to conduct an analysis of the potential savings and costs for developing two engine sources for the Joint Strike Fighter to enable competition. The study is due this month. In the interim, the Department is required to continue funding the alternative engine development program. The Air Force has not complied with that direction. Could you give us the Air Force views on this program?

Answer. Congress appropriated an additional $340 million in fiscal year 2007 to continue development of the F136 Engine. The Department is continuing the development of the F136 engine in fiscal year 2007 as directed by Congress. In accordance with the fiscal year 2007 John Warner National Defense Authorization Act, three studies were conducted by the Government Accountability Office, the Institute for Defense Analysis, and the Cost Analysis Improvement Group to re-examine the procurement and lifecycle cost impacts of terminating the alternate engine program. Initial out-briefs were given to Congress on March 22, 2007. Final reports are being written and should be finished by June 2007. The Air Force stands by the Department of Defense's decision to cancel F136 development due to acceptable risk and constrained budgets, but sees the potential benefit of a second engine source if funding were available. The Department of Defense is awaiting the final reports of the studies that are re-evaluating the costs and benefits of an alternate engine.

JOINT CARGO AIRCRAFT

Question. Secretary Wynne, the Joint Cargo Aircraft is viewed by some as a key program needed to supply ground troops who are deployed to areas that cannot be served by larger aircraft. Is the Air Force committed to purchasing whichever version of the Joint Cargo Aircraft that wins the source selection scheduled for this summer?

Answer. The Army and Air Force Vice Chiefs signed an agreement in June 2006 documenting our commitment to the program and outlining each Service's roles and responsibilities. The Joint Cargo Aircraft would be added to the Air Force's intra-theater airlift and Homeland Security missions.

Question. Secretary Wynne, has the Air Force determined how many Joint Cargo Aircraft it requires? Are these requirements changing in light of the proposed growth of the Army and Marine Corps?

Answer. The Air Force has not determined how many Joint Cargo Aircraft (JCA) it requires. The Air Force will know its requirements by the time the JCA Defense Acquisition Board meets on May 30, 2007. The JCA requirements are not currently expected to change in light of the proposed growth of the Army and Marine Corps.

JOINT STRIKE FIGHTER

Question. What funding amount would be required in fiscal year 2008 to continue the alternative engine project for the Joint Strike Fighter?

Answer. Continued development of the F136 engine would require approximately $500 million in fiscal year 2008. The Air Force portion of that cost would be approximately $250 million.

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

C–5 FLEET

Question. Mr. Secretary, I sent you a letter last week relaying extreme concern about statements attributed to U.S. Department of Air Force (USAF) officials about retiring some or all of the C–5A Aircraft. I look forward to your response and possibly meeting with you sometime in the near future about this matter.

Mr. Secretary, I am advised that the USAF Program of Record supports modernization of the entire C–5 fleet. Likewise, I understand that the 2006 Quadrennial Defense Review and the 2005 Mobility Capabilities Study validated the requirement and support modernization of the entire C–5 fleet. Further, the President's fiscal year 2008 budget request for the Air Force supports C–5 aircraft modernization through the Avionics Modernization and the Reliability Enhancement and Re-Engining Programs.

With all of these official milestone C–5 modernization decisions in place, what has changed and why is the Air Force publicly discussing the retirement of C–5As at this time, conflicting with its own studies and analysis?

Answer. C–5 modernization, specifically the Reliability and Re-Engining Program (RERP), is facing increasing cost pressures bringing into question the cost effectiveness of the program for a fleet of 111 aircraft. It is also my desire to continue the recapitalization of Air Force aircraft. Additionally, the C–5A fleet is showing some significant metal corrosion and stress cracking adding to the investment required to maintain viability of this fleet. The average age of the current Air Force fleet is 26 years per aircraft. The C–5A portion of the fleet is, on average, over 35 years old. Continuing the retirement of legacy aircraft facilitates the equipping of an Air Force able to maintain the required airlift capability for combatant commanders in both peacetime and contingency operations.

Question. Is this the official position of the Air Force on the matter? If so, what criteria is the Air Force using to determine "worst performing" aircraft?

Answer. The Air Force official position is that I would like the ability, with the Chief of Staff of the Air Force, to manage the Air Force fleet without congressional restriction and mandate. Air Force professionals are the best educated and equipped to make force structure decisions with regard to air and space power. With that being said, we are exploring every option to find the most effective and fiscally responsible answer to meet the strategic airlift needs of the Air Force of today and tomorrow.

If the decision is made to retire some number of C–5A aircraft, the Air Force would use mission capable rate, maintenance man-hour/flying hour, cumulative flight hours, total outstanding structural repair and modification costs, total landings, and next programmed depot maintenance input dates as factors to stratify the fleet.

Question. Under what timeline is the Air Force planning to act and to inform Congress and the impacted bases of such retirements?

Answer. There is no current plan to retire specific aircraft or from specific bases. The proper fleet mix of strategic airlift aircraft is currently under review. Current legislation does not allow the Air Force to retire any C–5 aircraft until the Operational Test and Evaluation report of the C–5A aircraft, currently in flight test, is delivered. The report will not deliver until fiscal year 2010, 2 full years after the shutdown of the C–17 production line has begun. If relieved of legislative restrictions, the Air Force would be able to effectively manage the mix of various aircraft fleets. Preliminary options under review include replacing retiring strategic airlift aircraft with new C–17s or backfilling with newer C–5Bs from within the Air Force. No new units are anticipated. Likewise, closures of existing units are not planned. The Air Force will be open and transparent with regard to basing plans.

Question. Are any of the C–5As that are scheduled to arrive at the 167th Airlift Wing over the next two years among the worst performers noted by the Air Force Chief of Staff?

Answer. The Air Force has not determined which specific C–5A aircraft will go to Martinsburg, West Virginia. The Air Force must conduct further analysis to finalize the specific aircraft involved and when they will be available for transfer to the 167th Airlift Wing.

Question. Is it true that the Air Force's Fleet Viability Board found the C–5A fleet to be healthy and with decades of service life remaining? Is it also true that the C–5s have about 70 percent service life remaining and can serve through 2040?

Answer. The Fleet Viability Board found the C–5A fleet could be kept viable at least until 2029 (25 years from 2004 assessment) with the addition of the Avionics Modernization Program and Reliability Enhancement and Re-engine Program modi-

fications. In addition, the Board projected the C–5A will likely need an avionics upgrade on the scale of today's Avionics Modernization Program around fiscal year 2020 to deal with technology obsolescence and future operational requirements. According to testing and analyses, from a structural fatigue standpoint, it is true the C–5A has at least a 70 percent service life remaining. The Board has not performed any further analysis projecting beyond 2029.

Question. Is it true that during IRAQI FREEDOM operations, the C–5 flew 23 percent of the missions and delivered nearly 47 percent of the cargo; carried 63 percent more cargo per mission than the C–17; and delivered more cargo than any other aircraft?

Answer. The following mission data collected by Air Mobility Command shows the most current figures:

—The C–5 flew 16 percent of the missions (C–17 flew 29.8 percent).

—The C–5 delivered 25.3 percent of the cargo (C–17 delivered 36.4 percent).

—The C–5 carried 25 percent more cargo per mission than the C–17 (Average of 50 short tons per mission for C–5; 38 short tons per mission for C–17).

—The C–5 ranked third in delivered cargo amongst aircraft types (#1. Commercial: 427,769 short tons, #2. C–17: 433,421 short tons, #3. C–5: 301,202 short tons).

Excluding commercial aircraft from the analysis, and only counting military aircraft, the percentages are:

—The C–5 flew 26.4 percent of the missions (C–17 flew 50.5 percent).

—The C–5 delivered 39.5 percent of the cargo (C–17 delivered 56.8 percent).

—The C–5 carried 25 percent more cargo per mission than the C–17 (Average of 50 short tons per mission for C–5; 38 short tons per mission for C–17).

—The C–5 ranked second in delivered cargo amongst aircraft types (#1. C–17: 433,421 short tons, #2. C–5: 301,202 short tons).

OPERATION IRAQI FREEDOM DEPLOY/SUSTAINMENT/REDEPLOY TOTALS

	Missions	Sorties	Pax	STons	Offloads	Flying Hours	Percent Missions	Percent Sorties	Percent STons	STons/Mission
Aircraft Type										
C–5	6,016	32,277	156,526	301,202	13,395	172,481	15.6	19.6	25.3	50.07
C–17	11,514	54,056	232,812	433,421	25,044	216,697	29.8	32.8	36.4	37.64
C–130	1,440	7,432	6,002	2,253	779	36,811	3.7	4.5	0.2	1.56
C–141	1,426	8,317	33,356	16,780	3,553	40,042	3.7	5.1	1.4	11.77
Commercial	15,856	56,084	2,127,858	427,769	24,649	299,686	41.0	34.1	35.9	26.98
KC–10	521	2,283	10,403	7,699	1,115	13,609	1.3	1.4	0.6	14.78
KC–135	1,690	3,560	16,986	1,491	1,477	27,939	4.4	2.2	0.1	0.88
OTHER	185	567	185	2	60	912	0.5	0.3	0.0	0.01
Total	38,648	164,576	2,584,128	1,190,617	70,072	808,177	.....	.....	.....	.....
Excluding Commercial										
C–5	6,016	32,277	156,526	301,202	13,395	172,481	26.4	29.8	39.5	50.07
C–17	11,514	54,056	232,812	433,421	25,044	216,697	50.5	49.8	56.8	37.64
C–130	1,440	7,432	6,002	2,253	779	36,811	6.3	6.9	0.3	1.56
C–141	1,426	8,317	33,356	16,780	3,553	40,042	6.3	7.7	2.2	11.77
KC–10	521	2,283	10,403	7,699	1,115	13,609	2.3	2.1	1.0	14.78
KC–135	1,690	3,560	16,986	1,491	1,477	27,939	7.4	3.3	0.2	0.88
OTHER	185	567	185	2	60	912	0.8	0.5	0.0	0.01
Total	22,792	108,492	456,270	762,848	45,423	508,491	.....	.....	.....	.....

Question. Please explain why a modernized fleet of 111 C–5s and 190 C–17s, a ratio that has been validated by the U.S. Air Force and other military organizations and studies, is now no longer an adequate solution to meet the nation's strategic airlift requirements.

Answer. The current programs of record and the resulting 301 strategic airlift aircraft meet current and projected requirements at the "bare minimum" of acceptable risk. The question at hand is the future viability of the Air Force strategic airlift fleet. As the C–5A fleet continues to age beyond an average of 35 years, the increased investment required to modernize and replace portions of the airframe facing stress cracks and corrosion makes this the opportune time to shape the future fleet.

Question. Are there other aircraft in the U.S. inventory, beyond the C–5, that are capable of moving 100 percent of the Department of Defense airlift requirements?

Answer. The Air Transportability Test Loading Agency (ATTLA) is the Department of Defense agency responsible for the approval of airlift cargo. The C–5 is the only aircraft capable of moving 100 percent of the ATTLA approved items. Air Mobility Command identified seven critical, time-sensitive items or National Security Sensitive items that are only airlifted via the C–5. This being said, a robust, modernized C–5 fleet is a force multiplier, carrying roughly twice the palletized payload of a C–17. This enables the C–17 fleet to fully exploit its unique multi-role, aeromedical, airdrop, special-operations and austere airfield capabilities (short/unimproved airfields, direct delivery). The programmed strategic airlift fleet, when fully mobilized and augmented by the Civil Reserve Airlift Fleet, provides sufficient airlift capability to support U.S. strategic and operational objectives during large-scale deployments, while concurrently supporting other high priority operations and sustainment of forward deployed forces.

Question. Mr. Secretary, let me state for the record that I would be very opposed to efforts to prematurely retire C–5A aircraft with out a firm commitment from the Air Force that C–5B aircraft will alternatively be assigned to the 167th Airlift Wing in Martinsburg, West Virginia. We need to ensure that the significant military construction investment that has been made at the Martinsburg Air National Guard Base in recent years will be fully realized by the U.S. military and the U.S. taxpayers. I look forward to your response to my letter of March 14, 2007, and to these questions for the record.

Mr. Secretary, I also understand that at the same hearing, the Air Force Chief of Staff made comments about the extensive maintenance requirements associated with the C–5 aircraft. As you are aware, the Air Force is launching a new regionalized approach to standardizing and reducing the time of Isochronal (ISO) Inspections for C–5 Aircraft. In fact, the 167th Airlift Wing at the Martinsburg Air National Guard Base has recently been selected as one of three regional sites that will conduct these inspections. ISO inspections are conducted on C–5 aircraft every 420 days in accordance with Air Force regulations, and include hundreds of inspections covering the airframe, propulsion, and all systems of the C–5 aircraft. Under regionalized ISOs on the 420 day schedule, inspections will only require 15 days per inspection, rather than the current forty-day endeavor.

Do you believe that this new streamlined process developed by the Air Force, which will be in place next year, will help with the C–5 reliability issues that have been raised by the Air Force?

Answer. The primary benefit of regionalized Isochronal Inspections will be increased aircraft availability through reduced inspection and repair time, but it would not address the reliability issues plaguing the C–5A.

Question. Mr Secretary, I have also heard that the Air Force is concerned about possible cost overruns associated with the Reliability Enhancement and Re-Engining Program (RERP) for the C–5 fleet, which is leading the Air Force to consider the premature retirement of C–5A aircraft. In reviewing the planned modification schedules for RERP, it appears that the Air Force has stretched this program out to the point where the Air Force itself has contributed much to the overall program cost growth that is currently under discussion.

Is it possible that the Air Force's desire to slow down the program drives inefficiencies, which drives up costs? What would it take to accelerate the C–5 RERP program and create greater efficiencies in production? Does the C–5 RERP pay for itself and generate substantial additional savings over the projected service life of this aircraft?

Answer. The Air Force does not desire to slow down C–5 RERP. Rather, the delays and "stretch" to the RERP schedule are due primarily to upward cost pressures for RERP production associated with GE engines, Goodrich pylons and Lockheed Martin touch labor. A detailed Air Force cost estimating effort is underway (projected to be complete by July 2007) that will determine the extent of the cost

growth and result in a service cost position for the C–5 RERP. Given a constrained program budget across the Future Years Defense Program (FYDP), any RERP production cost growth will translate into reductions to the planned annual kit quantities and delays to the RERP schedule and projected completion dates.

To keep RERP on its previous schedule (and limit the inefficiencies due to reduced production quantities), it would likely take significant RERP funding increases across the FYDP and beyond. The exact amount will not be known until the ongoing cost estimating effort is completed in July 2007. Adding significant funding within the FYDP above what has been previously programmed for RERP will be extremely challenging given the current fiscally constrained environment.

Ongoing evaluation of C–5 RERP has brought previous estimates of cost savings into question. The assumptions that led to predictions of substantial cost savings through 2040 did not account for the recently identified cost pressures associated with engines, pylons, and touch labor. Analysis of overall RERP cost savings is part of the cost estimating effort projected to complete in July 2007.

Question. What is the interpretation of the Air Force of Section 132 of the fiscal year 2004 National Defense Authorization Act that precludes the retirement of any number of C–5As that would bring the total C–5A/B/C fleet below 112 aircraft until an operational evaluation and assessment was performed on a RERPed-modified C5A?

Answer. The language of Section 132, fiscal year 2004 Defense Authorization Act, Limitation on Retiring C–5 Aircraft, provides: "The Air Force may not proceed with a decision to retire C–5A aircraft from the active Air Force inventory that will reduce the active C–5 fleet below 112 aircraft until two conditions are satisfied: (1) the Air Force has modified a C–5A aircraft to the RERP configuration as planned under the program as of May 1, 2003, and (2) the DOD Director of Operational Test and Evaluation conducts an operational evaluation of the RERPed aircraft and provides an operational assessment to the Secretary of Defense and Congressional Defense Committees."

The operational evaluation referred to above requires an evaluation conducted during operational testing and evaluation of the RERPed aircraft that addresses the performance of the aircraft concerning reliability, maintainability, and availability with respect to critical operational issues. The operational assessment referred to above is a operational assessment of the C–5 RERP program to determine the overall strengths and weaknesses of the program to improve performance of the RERPed C–5 aircraft relative to requirements and specifications in effect May, 1, 2003, for reliability, maintainability, and availability of the RERPed C–5 aircraft.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

FISCAL YEAR 2008 UNFUNDED REQUEST FOR C–17S

Question. In its Fiscal Year 2008 Unfunded Priorities List, the Air Force requests funding for 2 additional C–17s. How was this number determined? Did this determination include a consideration of potential requirement emitting from a 92,000 increase in troop endstrength? Did this determination include a consideration of a potential requirement emitting from the Army's Combat System.

Answer. The Air Force determined that 2 additional C–17 aircraft above the programmed 190 are required to meet Backup Aircraft Inventory (BAI) and GWOT overfly requirements. The planned 180 C–17 aircraft fleet was assessed to be deficient by 7 BAI aircraft and 5 aircraft short due to higher than planned utilization supporting the GWOT. The 10 aircraft added by Congress in fiscal year 2007 solved the BAI deficiency and some of the GWOT overfly requirements. Two additional aircraft are needed to meet the GWOT deficiency. The decision to identify two C–17 aircraft on the fiscal year 2008 unfunded priorities list did not consider emerging requirements such as the increased Army and Marine Corps endstrength or the Army's Future Combat System.

C–17

Question. In its fiscal year 2008 budget request, the Air Force once again requests funding to terminate the C–17 program. If the C–17 line were to close down, how do you anticipate the Air Force would respond if the official strategic airlift requirements moved beyond 299 or in the case of the C–17, 180? If the C–17 program was terminated, are there other military transport aircraft currently manufactured in the United States that could be used to address an increase in the strategic airlift requirement?

Answer. In the event the strategic airlift requirement increases, the Air Force would need to address this requirement with existing civilian airlift production lines, procure non-U.S. airlift platforms, or procure other existing military aircraft (e.g., C–130J).

STRATEGIC AIRLIFT REQUIREMENTS

Question. In my view, the future drivers of airlift include the continuing Global War on Terrorism, the return of forces from forward deployed locations to the United States, 92,000 additional soldiers and Marines and the planned increase of six Brigade Combat Teams and 33 Multifunctional brigades in the Army. All of these future drivers point to the need for more lift to deploy and sustain them.

When do you anticipate the Air Force will receive direction regarding an updated airlift requirement based on a troop endstrength of 92,000? What steps must be completed before the Air Force can inform Congress of an updated airlift requirements based on increased military endstrength?

Answer. Please let me address these as two separate questions. The Air Force Chief of Staff has directed Air Mobility Command to make an initial assessment and provide him with preliminary results by June 2007. Official direction regarding an updated airlift requirement based on a troop end strength increase of 92,000 should emerge during an updated mobility study that is scheduled to begin in the Spring of 2008. At that time, overall deployment and employment requirements will be set and the airlift requirements to support those demands can be assessed.

In answer to your second question, the employment timeline for new units created as a result of increased military end strength must be determined before an updated airlift requirement can be developed.

Question. Outside any requirements emitting from an increase in Army and Marine endstrength, what other factors do you anticipate will have a strong influence on strategic airlift requirements over the next decade?

Answer. The Army's Future Force Capstone Concept outlines the requirement for operational maneuver from strategic distances, Intra-theater operational maneuver, and distributed maneuver support and sustainment of brigade combat teams equipped with Future Combat Systems and Stryker class vehicles. Based on this outline, it can be concluded that this future Army maneuver scheme will have a strong influence on strategic airlift requirements over the next decade.

MOBILITY CAPABILITIES STUDY

Question. There has been tremendous criticism within the Congress regarding the recommendations in the Mobility Capabilities Study (MCS). Moreover, the Government Accountability Office (GAO) has questioned many of the assumptions of the MCS.

Outside of the findings of the MCS, what evidence do you have that 180 C–17s will be sufficient to meet our military's future airlift requirements?

Answer. There are no current studies outside of the Mobility Capabilities Study upon which to base an assessment of the military's future airlift requirements.

Question. When will the Air Force complete the comprehensive Mobility Requirements Study required by the fiscal year 2007 John Warner National Defense Authorization Act?

Answer. The fiscal year 2007 John Warner National Defense Authorization Act required the Secretary of Defense to determine Department of Defense mobility requirements and submit a report on those requirements to the congressional defense committees. The Air Force, while not responsible for completing this report, has coordinated on a draft of the required report. The status of the report's completion rests with the Defense Department staff.

Question. Was the 180 requirement number in the MCS a "static" figure, or did it come within a broader range of recommended airlift? If it came within a range, what was that range?

Answer. The 180 number, mentioned in the Mobility Capability Study, refers to the C–17 component of the then-current program of 292 strategic airlift aircraft, which was judged adequate to support the National Military Strategy (NMS) with acceptable risk. (The remaining 112 aircraft in the 292-aircraft program consisted of C–5s.) While 292 strategic airlift aircraft support the capability required to meet the NMS with acceptable operational risk, the MCS did discuss a range of strategic airlift aircraft. The 292 number reflects the lower end of that range. The upper end of the range was stated as 383 strategic airlift aircraft. The greater number yields reduced operational risk in some areas, along with generally improved flexibility.

QUESTIONS SUBMITTED BY SENATOR BARBARA A. MIKULSKI

MP–RTIP

Question. The Air Force put a funding request in the fiscal year 2008 GWOT Supplemental and in the Unfunded Priorities List for the large MP–RTIP; however, OSD and the Air Force are taking steps to terminate the large MP–RTIP prior to Congress having an opportunity to make a decision on continuing the large MP–RTIP. What is OSD and the Air Force's plan to protect the large radar's technology until the Congress has made a decision?

Answer. SECAF–OSD and the Air Force are working closely to preserve the options for the MP–RTIP technology, but are also working hard to keep the costs down during the current fiscal year. The Air Force, in coordination with OSD, has taken initial steps in starting to ramp down the large MP–RTIP radar development based on the fiscal year 2008 submission and are working the overall impacts to the fiscal year 2008 funding elimination on the E–10 program. The timing of congressional activities for the fiscal year 2008 budget is being factored into the planning currently being done and final direction on fiscal year 2007 activities has not been given by OSD to the Air Force.

E–10 PROGRAM

Question. In the fiscal year 2008 budget the Air Force stopped development of the E–10 program including the development of the large radar. What happened to the operational requirement for the program?

Answer. The operational requirement for the program has not changed because of the cancelling of the E–10 program. The Air Force is mitigating what the Multi Platform—Radar Technology Insertion Program (MP–RTIP) Wide Area Surveillance (WAS) radar would have provided by procuring three additional Global Hawk (GH) Block 40 for a total of 15 GH Block 40s. The GH Block 40 will provide a ground moving target indicator and synthetic aperture radar imaging, but with reduced coverage area compared to the E–10. The cruise missile defense capability the E–10 was bringing to the warfighter will be an unfilled capability gap.

On December 13, 2006, the Office of the Secretary of Defense directed "United States Strategic Command (USSTRATCOM) and USD (AT&L), in coordination with the Services, to lead a study to assess the likely effectiveness of the United States air and cruise missile defense architecture and systems in fiscal year 2015." Additionally, USSTRATCOM will leverage the results completed on the Sensor Weapon Pairing Task Force Study and the ongoing integrated Air and Missile Evaluation of Alternatives to provide more complete coverage for air and missile defense. If warranted, USSTRATCOM will provide recommendations for suggested improvement in capabilities and present the results by August 15, 2007 to the Deputy Secretary of Defense.

MP–RTIP

Question. Do you believe the large radar is still needed for force protection, including against cruise missiles? If not, what has changes? If so, how are you meeting the operational requirement?

Answer. Yes, the Air Force still believes the large radar is needed for force protection including the capability to defend against cruise missiles. Component commanders still have a valid requirement to see low-observable low-altitude activities, today and in the future. With the exception of cruise missile defense, Joint STARS is providing ground moving target indicator (GMTI) and synthetic aperture radar (SAR) for the warfighter. The capability the Global Hawk Block 40 will bring adds to the GMTI and SAR range/coverage beyond Joint STARS' capability. For cruise missile defense, there will be a capability gap that will not be met and the Department is accepting the risk based on fiscal constraints.

Question. Have you considered moving the mission to the Joint STARS aircraft by installing the new radar on the fleet of the already operational aircraft?

Answer. Yes, the Air Force has assessed the value to migrate the Cruise Missile Defense mission to Joint STARS. However, in light of budget considerations, the ongoing Air and Cruise Missile Defense architecture study, and the assessed Cruise Missile Defense capability with MP–RTIP on Joint STARS, it was not deemed critical to replace the Joint STARS radar at this time. However, if a decision were made to replace the Joint STARS radar, it would be replaced with the MP–RTIP.

Question. Since you are re-engining Joint STARS, why haven't you transferred the MP–RTIP radar to the Joint STARS platform? You placed the MP–RTIP in your top 20 programs in the Unfunded Requirements List. What platform were you planning on using to flight test the radar since you terminated the E–10 program?

Answer. Re-enginging Joint STARS was needed to allow that aircraft to better perform its mission and meet operational requirements. While the re-engine effort provides for a more capable platform, replacing the current radar system on Joint STARS is unaffordable at this time.

If funding were made available, the unfunded priority list request for MP–RTIP would continue the Wide Area Surveillance large radar variant for an additional year of development headed towards a flight test program. Additional funding would be required to reach a flight test.

Question. In the GWOT Supplemental, you requested funding for upgrading the backend of Joint STAS to handle MP–RTIP data, and you requested funding for further development of the large MP–RTIP; however, you requested funding for the E–10. If you already cancelled the E–10, why didn't you request this additional funding to move the radar to Joint STARS, instead of continuing on the E–10?

Answer. The fiscal year 2008 President's budget request included funding to complete the development and flight testing of the MP–RTIP variant for Global Hawk Block 40, not to continue the E–10 program itself. This activity is on schedule to be operational in 2011. We evaluated transitioning the MP–RTIP technology to Joint STARS. However, the GWOT funding requested to address the diminishing manufacturing sources related to the Joint STARS mission equipment is only a small fraction of the funding required to transition the MP–RTIP to Joint STARS. The notion of keeping the large radar technology alive and potentially putting it on the Joint STARS in the future is why it was placed on the Air Force's unfunded priority list as the number 15 priority.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

JOINT CARGO AIRCRAFT

Question. Secretary Wynne, I understand the Air Force is working in conjunction with the Army on the development of the Joint Cargo Aircraft. And I have been informed that the Air Force requirements for this aircraft are being developed and should be defined by the fiscal year for future procurement starting in fiscal year 2010. I commend the Army and Air Force for working together to meet requirements while saving resources.

Could you provide us with the current status of this program?

Answer. The Army and Air Force are on track to complete the documentation required to support a Milestone C decision for low rate initial production in May 2007. Additionally, the source selection evaluations are nearing completion. We expect the winner to be announced very shortly after a successful Milestone C decision.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

F–22 BEDDOWN

Question. As you know, Holloman Air Force Base has some amazing assets to offer the Air Force, including air space and nearby training capabilities at White Sands Missile Range. Your budget proposes retiring the remaining Holloman F–117s in fiscal year 2008, but I understand that a transition plan is in place to bring F–22s to the base. I am excited about working with the Air Force on this transition have a few questions about it.

What total amount does the Air Force need for the F–22 beddown at Holloman, and when will those funds be budgeted for?

Answer. The Air Force needs a total of $40 million in renovation and Military Construction projects for F–22A beddown at Holloman, Air Force Base, NM. In fiscal year 2006, Holloman executed $10.8 million on renovation projects. The fiscal year 2008 President's budget request lays out a further $26.625 million for Planning and Design and Military Construction projects spanning fiscal years 2008 through 2010. The remaining $2.5 million of the $40 million total is one project (squadron operations building) which is currently unfunded. The Air Force will reallocate funding internally to fund this project.

Question. I've heard about differences in the number of authorized jobs at Holloman as a result of this transition, but what will the end difference be between the number of actual jobs at Holloman now and after the F–22s are fully operational?

Answer. Two-hundred and seventy-four positions will be lost as a result of the transition from F–117s to F–22s. An additional 221 positions will leave due to all

other actions impacting Holloman Air Force Base. These numbers do not include any changes to the contractor workforce.

NEW MISSIONS FOR HOLLOMAN AIR FORCE BASE, NEW MEXICO

Question. Is the Air Force looking at other missions that could benefit from Holloman's air space and other assets, including working with other Services on joint missions?

Answer. Yes, the Air Force is working closely with the Army to expand the use of White Sands Missile Range (WSMR)—Holloman airspace for future F–22 training. This training will be integrated with existing Joint Air and Missile Defense training of PATRIOT crews and multi-Service command and control staffs. The Air Force plans to conduct extensive supersonic training and will fly defensive missions in support of multi-Service air-ground operations as well as air-to-air missions in support of unilateral and joint training events. In the future, the Air Force will also be looking to leverage Special Operations Force forces stationed at Cannon Air Force Base for conventional-special operations forces integration training in the WSMR–Holloman training complex.

46TH TEST WING

Question. What is in the budget for the 46th Test Wing, including the Central Inertial Guidance Test Facility at Holloman?

Answer. The following table represents the current budget picture for the 46th Test Wing at Holloman Air Force Base, NM:

[In thousands of dollars]

Fiscal year 2008	46 Test Wing Total	46 Test Group [1]	CIGTF [2]
Institutional and Military Personnel Funding	259,605	36,091	8,969
Base Operations Support	394	394	100
Facility Sustainment, Restoration & Modernization	4,588	1,588	200
Military Construction	9,100	.....	.....
Improvement & Modernization	23,844	4,079	1,289
Total	297,531	42,152	10,558

[1] Values in the 3rd and 4th columns are broken out of the 2nd column.
[2] Values in the 4th column are broken out of the 3rd column.

NEW MISSIONS FOR CANNON AFB

Question. As you know, Cannon Air Force Base was placed in enclave status as a result of the 2005 BRAC process, and the Department of Defense was instructed to seek a new mission for Cannon. Last June, the Department decided Cannon will be home to a new Air Force Special Operations Command wing. I look forward to working with the Air Force and Special Operations Command on this new mission and making this transition go as smooth as possible. From an Air Force perspective, how is the transition process going thus far?

Answer. In accordance with BRAC 2005, F–16s began departing Cannon Air Force Base in January 2007 with all F–16 aircraft reassigned by the end of March 2008. Cannon Air Force Base will stand up the 16th Special Operations Wing as the new mission in October 2007, with the 73rd Special Operations Squadron as the first flying organization. This transition is proceeding on the programmed timeline.

SPECIAL OPERATIONS ASSETS FOR CANNON AFB

Question. What is the time-line for moving F–16s from Cannon and bringing Special Operations assets to Cannon?

Answer. All F–16s will depart Cannon Air Force Base, New Mexico by the 2nd quarter of fiscal year 2008 as follows:

—Fiscal year 2007/3—last jet leaves from 523rd Fighter Squadron, F–16 Block 30.
—Fiscal year 2007/4—last jet leaves from 524th Fighter Squadron, F–16 Block 40.
—Fiscal year 2008/2—last jet leaves from 522nd Fighter Squadron, F–16 Block 50.

Cannon Air Force Base will transfer from Air Combat Command to Air Force Special Operations Command (AFSOC) effective October 2007. The AFSOC Detachment 1 has been established and pending completion of the ongoing environmental impact statement, AFSOC will move the 73rd Special Operations Squadron to Cannon Air

Force Base in October 2007. The remaining forces will flow to Cannon Air Force Base between fiscal years 2008 and 2010.

MILITARY CONSTRUCTION FOR CANNON AFB

Question. What MILCON projects will the Air Force build at Cannon as a result of this new mission, and when will these projects be completed?

Answer. Below is a list of Air Force Military Construction infrastructure projects programmed to support the new mission at Cannon Air Force Base, NM. These projects will typically be completed within two years of being authorized and appropriated.

[In millions of dollars]

Fiscal year	Project Title	Projected Cost
08	Add/Alter Hangar 109 for C–130	$1.7
10	Consolidated Communications Facility	15.0
11	96-Person Dormitory	7.5
11	Child Development Center	7.8
11	Add/Alter Waste Water Treatment Plant	5.0
12	96-Person Dormitory	7.5
12	Library Education Center	8.0
12	96-Person Dormitory	7.5
12	Library Education Center	8.0
13	Add/Alter Fitness Center	5.0

BRAC FUNDS FOR TRANSITION OF AFRL TO KIRTLAND

Question. New Mexico has a third Air Force base that is well known for much of its work. Among other things, Kirtland Air Force Base is home to the Nuclear Weapons Center, 58th Special Operations Wing, and two Air Force Research Laboratories. How much has the Air Force budgeted for in BRAC funds to transition AFRL's Space Weather work to Kirtland?

Answer. Under Base Realignment and Closure recommendation number 187, the Air Force Research Laboratory Battlespace Environment Space Vehicles Division at Hanscom Air Force Base, MA, which includes the space weather satellite programs, is scheduled to move to Kirtland Air Force Base, NM. The Air Force BRAC program budgeted a total of $57.4 million—$11.9 million to relocate personnel and equipment from Hanscom AFB, $42.7 million for construction of a new lab at Kirtland AFB, and $2.8 million for related expenses at Kirtland Air Force Base.

PARARESCUE/COMBAT RESCUE TRAINING CENTER

Question. Last year the Senate included $11.4 million in its MILCON bill for a new pararescue/combat rescue training center at Kirtland because attendance at the school is increasing dramatically as a result of the Global War on Terror. Can you tell us a little about the school's needs?

Answer. Combat Search and Rescue (CSAR) is an important Air Force core competency. Our CSAR forces have been in a low density/high demand (LD/HD) situation since Operations DESERT SHIELD/DESERT STORM and this has been exacerbated by the Global War on Terrorism. To fix this we have made CSAR–X and our Guardian Angel force, which includes our Pararescue Airmen (PJ) and Combat Rescue Officers (CRO), high priorities. In addition to CSAR–X, Air Combat Command is growing 143 additional PJs and CROs over the Future Years Defense Program. This will result in removing these valuable forces from LD/HD status. At Kirtland Air Force Base this requires us to increase the capacity to produce PJs and CROs from 113 to 174 annually. This is going to take additional facilities (a rescue and recovery training center, a logistics building, and a surgical lab), instructors, equipment, as well as the expansion of contracts for paramedic and military freefall training.

Description	Type	Fiscal year—			Remarks
		2007	2008	2009	
Equipment	O&M	$365,000			Outfit additional 32-man class
5th class TDY Augmentation Costs	O&M	128,000	$128,000		
ARC Man days to support 5th class	O&M	(1)	(1)		1,260 man days p/yr for seven ARC augmentees
Paramedic Contract	O&M		2,600,000	$3,500,000	Interim until fiscal year 2010 POM cycle
Navy MFF Contract	O&M		1,000,000	1,500,000	Interim until fiscal year 2010 POM cycle
Total O&M		500,000	3,700,000	5,000,000	
PJ RRTC Design	MILCON	1,100,000			
PJ RRTC Build	MILCON		11,400,000		
PJ Logistics	MILCON		3,700,000		
PJ Surgical Laboratory	MILCON			4,700,000	

JOINT TRAINING AND TESTING INITIATIVES

Question. Clearly New Mexico offers a number of assets of critical importance to the Department of Defense, and I'm pleased the Department is taking advantage of those assets by locating F–22s at Holloman, Special Operations Forces at Cannon, research and space work at Kirtland, and a variety of test and evaluation work at White Sands Missile Range. Additionally, Fort Bliss often does work in New Mexico, either on its own land or on WSMR land. What are you doing to coordinate joint training and testing initiatives among these groups?

Answer. The Air Force coordinates joint training and testing whenever possible. For instance, the Defense Planning Guidance established the Joint National Training Capability (JNTC) in 2002. JNTC's mission is to provide dynamic, capabilities-based training for the Department of Defense in support of national security requirements across the full spectrum of service, joint, interagency, intergovernmental, and multinational operations. Fort Bliss, TX based Patriot missiles/crews have routinely participated in air centric exercises like RED FLAG–NELLIS. These same Patriot missile battalions participated in a variety of virtual, distributed exercises through the Distributed Mission Operations Center (DMOC) facility at Kirtland AFB, NM. Army Air and Missile Defense units have become habitual training partners at our RED FLAG–NELLIS and BLUE FLAG staff training exercises. Air Force JNTC funds pay for the sustainment costs for the scenario generation server at the DMOC, which provides rapid generation of scenarios for exercises and mission rehearsal for personnel from all Services and the U.S. Special Operations Command. Additionally, shared opportunities for joint test and training in Western Texas and Southern New Mexico are actively being explored. As a matter of fact, Mr. Manclark (Director of Air Force Test and Evaluation) tentatively plans to visit the region in May of this year for that purpose.

ARMY AND AIR FORCE COORDINATION

Question. Will you work with the Secretary of the Army to ensure that the Army's and the Air Force's work on New Mexico and Texas are coordinated and cooperative whenever possible?

Answer. Yes. The routine participation of the Fort Bliss, TX Army Patriot missile battalions is an example of Army and Air Force cooperation. Through the facilities of the Distributed Mission Operations Center facility at Kirtland Air Force Base, NM, the Army and Air Force conduct a variety of joint, live and virtual exercises and is indicative of the integration we seek. Air Force RED FLAG, VIRTUAL FLAG, and BLUE FLAG exercises also provide a robust event schedule for joint live, virtual, and constructive unit and staff training opportunities. We will continue to conduct such cooperate training whenever possible.

JOINT ARMY AND AIR FORCE TRAINING

Question. Have you ever considered doing joint Air Force/Army Red Team/Blue Team exercises using the diverse groups at New Mexico and West Texas military facilities?

Answer. Yes, Air Force considered using New Mexico/West Texas military facilities to meet Red Team/Blue Team training requirements between the Army and the Air Force. The primary west coast Red Team/Blue Team exercise venues are the Army's National Training Center at Fort Irwin, CA and the Air Force at Nellis Air Force Base, NV. The east coast venue is the Army's Joint Readiness Training Center at Fort Polk, LA and the Air Force at Barksdale Air Force Base, LA and Little Rock Air Force Base, AR. Additionally, the Army/Air Force routinely conduct Red Team/Blue Team staff exercises at the Battle Command Training Program at Fort Leavenworth, KS and BLUE FLAG at Hurlburt Air Force Base, FL. Fort Bliss provides both Red and Blue air defense participation in joint training exercises, primarily RED FLAG–NELLIS and VIRTUAL FLAG, as well as to numerous Joint Forces Command sponsored joint exercises/events. The Air Force will continue to explore new ways to further integrate and connect the other Services' diverse war fighters who require this type training. New Mexico's Distributed Mission Operations Center at Kirtland AFB will remain the hub for connecting not only Air Force but also other Service participants to joint training exercises/events.

150TH FIGHTER WING F–16S

Question. The 150th Fighter Wing at Kirtland Air Force Base has a proud heritage as part of the Air National Guard. The 150th used to fly Block 40 F–16s, but gave them to the Active Duty force to assist in meeting mission priorities. Now the 150th flies Block 30 F–16s, which are at risk as a result of BRAC. What is the Air

Force doing to develop a new mission for the Air National Guard at Kirtland Air Force Base?

Answer. The 150th Fighter Wing have made great contributions to the national defense. They have volunteered to participate in numerous Air Expeditionary Force deployments to support wartime taskings. As a result of the Base Realignment and Closure 2006 decisions, the 150th Fighter Wing increased from a 15 Primary Aircraft Authorized Block 30 F–16 unit to an 18 PAA Block 30 F–16 unit. As the Air Force moves from older generation aircraft to fifth generation aircraft, the Air Reserve Component will be a full participant. The current Air Force aircraft roadmap has reserve units receiving low time fourth generation fighters and fifth generation fighters to keep the units relevant and ready to participate in the Air Expeditionary Force.

Question. Has the Air Force considered giving Block 40 or 50 F–16s to the 150th to enable them to continue providing their outstanding service to New Mexico and the United States?

Answer. The current Air Force aircraft roadmap has a modernization plan for Air Reserve Component units to recapitalize legacy airframes and migrate to fifth generation aircraft. The 150th will be considered for new platforms and/or missions as part of the Air Force roadmap.

NEW MISSIONS AT CANNON AND HOLLOMAN AFBS

Question. Can you tell us about the potential Air National Guard work with the new missions at Cannon and Holloman?

Answer. The Air Force Total Force Integration (TFI) initiative forms a classic associate F–22 unit with the New Mexico Air National Guard and the 49th Fighter Wing at Holloman Air Force Base, New Mexico. This association will begin in fiscal year 2008 with the first aircraft arriving during fiscal year 2009. The Air National Guard and the Air Force continue to explore other TFI initiatives to maximize efficiencies and increase combat capability.

QUESTIONS SUBMITTED TO GENERAL T. MICHAEL MOSELEY

QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUYE

AIR FORCE EXECUTIVE AGENCY FOR UNMANNED AERIAL VEHICLES

Question. General Moseley, have the other Services expressed opinions on the Air Force serving as executive agent for unmanned aerial vehicles? What have been the major comments or critiques?

Answer. We have received no formal correspondence; however, we are aware of many concerns, expressed primarily by Army representatives. The Deputy Secretary of Defense received a letter dated March 22, 2007 from the Alabama Congressional Delegation which expresses their "serious concerns" and which, we believe, sum up the Army issues.

Their concerns center on the delineation of UAV missions as "tactical" (Army) and "strategic" (Air Force) and presumed derivative capabilities, such as aircraft size (thus expense), flight profiles, response times; and, ultimately, competencies, concluding that the Air Force ". . . has little expertise in tactical UAVs . . ." and designating it as Executive Agent would be "counterintuitive."

They also state the Army conducts nearly 80 percent of the current UAV operations with less than 20 percent of the DOD budget.

The following facts diminish these concerns:

—The Air Force is currently flying 75 percent of the medium-altitude UAV sorties and 100 percent of the high-altitude UAV sorties.
  —In 2006, the Army flew 93 percent of the 70,000 low-altitude UAV hours or about 65,000 hours.
  —In 2006, the Air Force flew 75 percent of the 80,000 medium-altitude UAV hours or about 60,000 hours, and 100 percent of the 3,500 high-altitude UAV hours.
—It is of the utmost importance to understand that the delineation of UAVs as "tactical" or "strategic" is to misunderstand the attributes of airpower.
  —Aircraft are not inherently strategic or tactical—how aircraft are used will determine whether they achieve strategic or tactical effects.
  —As airpower doctrine evolved along with advances in technology, the Air Force came to understand that it is limiting to consign an extremely flexible system to a limited mission set: A B–52 can do close air support, an F–16 can do strategic attack.

—Because of their persistence, range, sensor flexibility, and responsiveness, UAVs defy categorization regarding the effects they have the potential to achieve.
—A Global Hawk can support a "tactical" commander or a special ops team in a remote location while fulfilling requirements for "strategic" imaging of 40,000 square miles, over the rest of its 40-hour mission,
—A Predator, during one 24-hour mission, can support missions at all levels of war.
—A Shadow UAV can support a mission of strategic scope and importance.

The Air Force is committed to maximizing the effectiveness of UAVs to support the Joint warfighter and minimizing wasted resources on inefficient or redundant UAV acquisition.

Question. General Moseley, I understand that you recently sent a memorandum to the Deputy Secretary of Defense and the senior military leadership recommending that the Air Force assume an "executive agent" role for medium and high-altitude unmanned aerial vehicles. What problems are occurring due to the current decentralized approach and how does having an executive agent help solve them?

Answer. One problem lies in the current decentralized control of Intelligence, Surveillance, and Reconnaissance (ISR) assets in the theater—particularly the aircraft operating in the very crowded airspace above 3,500 feet, that the Services, notably the Army, term "organic." This organic assignment or "ownership" of critically needed ISR aircraft by individual units severely limits otherwise very flexible aircraft from responding quickly to changing battlefield situations across the entire theater. All ISR assets are in constant demand; yet, under decentralized control, one unit's "organic" ISR UAVs may be idle when they could be supporting another unit's mission. This concept is not only wasteful and inefficient, but is contrary to DOD Directive 5100.1, Functions of the DOD and Its Major Components, which assigns the Air Force, as a primary function to ". . . provide forces for . . . tactical air reconnaissance." This approach is also in conflict with established Joint Doctrine.

The existing role of the Air Force in conducting warfare from the air, through space, and in cyberspace—as well as the assigned missions of the Air Force—make assignment of Executive Agent to the Air Force for medium- and high-altitude UAVs the right decision for acquiring, integrating UAVs to achieve optimal joint warfighting effects, and interdependency among the Services.

Recognizing that UAVs must be treated like any other aircraft from an operational and acquisition perspective is key:
—Aviation is a core competency of the Air Force.
—From their beginning, the Air Force has treated UAVs as aircraft and integrated them as full participants in joint air operations.
—The Air Force knows how to optimize utility of aircraft to achieve jointness, efficiency, and warfighting effectiveness.

The benefits of the Chief of Staff's proposal to mid- and high-altitude UAVs fall in three major categories:
—Achieving efficiencies in acquisition.
—Enhanced interoperability by directing common, synchronized architectures, data links, radios, etc.
—Increasing warfighting effectiveness in designing an optimal medium-/high-altitude UAV concept of operations.

Achieving efficiencies in acquisition.—The Department of Defense (DOD) could save considerable resources in the current Future Years Defense Program with an integrated approach to the acquisition of medium- and high-altitude UAVs:
—Combining the MQ–1 Predator, MQ–1C Warrior, RQ–4 Global Hawk, BAMS (whether the Navy's Mariner or a maritime Global Hawk variant), and MQ–9 Reaper programs could achieve significant savings through purchase economies of scale, production efficiencies, and integrated priorities.
  —Army MQ–1C Warrior fiscal year 2008 President's budget request is $312 million in Research, Development, Testing, and Evaluation (RDT&E) and $1,231 million in production.
  —Navy BAMS fiscal year 2008 President's budget request is $2,318 million RDT&E and $743 million in production.
—DOD has to pay twice for duplicative cost categories if separate contracts are maintained for the MQ–1 Predator and MQ–1C Warrior programs, as well as RQ–4 Global Hawk and BAMS.
—The Air Force can leverage its core competencies to streamline medium- and high-altitude UAV acquisition, programming, and operational concepts to minimize or eliminate most of these inefficiencies.
—The Air Force is rapidly fielding as much Predator, Global Hawk, and Reaper capability as possible.

—The Air Force's fiscal year 2007 budget submission reprogrammed $2.3 billion to nearly double UAV coverage by accelerating Predator acquisitions.

—The Air Force's fiscal year 2008 budget includes nearly $13 billion to buy 241 UAVs—a 265 percent increase in UAVs and ground support equipment over the previous baseline to equip 12 Total Force Predator squadrons (battalion equivalents) and better meet warfighter needs.

—By April 2007, the Air Force will have fielded a total of 12 Predator UAV Combat Air Patrols.

—By 2010, the Air Force will field a total of 21 Predator Combat Air Patrols.

Enhanced interoperability by directing common, synchronized architectures, data links, radios, etc.—The Executive Agent (EA) could be empowered to ensure all DOD medium- and high-altitude UAVs operating above the coordination altitude are equipped with standardized/interoperable equipment (transponders, radios, etc.).

—The Air Force has extensive, relevant experience as a DOD EA. The Air Force is already the EA for Space and Common Data Link. These activities are directly applicable to supporting the infrastructures and architectures required for UAV employment.

—The Air Force can leverage its extensive investments in developing medium- and high-altitude UAVs and appropriate architectures. Unique Service solutions waste valuable resources through duplication of effort; stove-piped collection, processing, and dissemination architectures; unsynchronized command and control; and unnecessary competition for bandwidth and spectrum.

Increasing warfighting effectiveness in designing an optimal medium/high-altitude UAV concept of operations.—A joint theater ISR strategy can best be achieved through mission responsiveness, and command and control architectures directed by the commander responsible to the Joint Force Commander for that purpose—the Combined/Joint Force Air Component Commander (C/JFACC).

—Some critics tend to confuse a sufficiency problem for a lack of responsiveness. There will remain insufficient UAV capacity to satisfy every desire for the information those UAVs provide. Accordingly, optimal efficiency is gained by prioritizing UAV allocation based on Joint Force Commander (JFC) guidance to task them where they are needed most.

—Per Joint Publication 2.0, Doctrine for Intelligence Support to Joint Operations, "Because intelligence needs will always exceed intelligence capabilities, prioritization of efforts and ISR resource allocation are vital aspects of intelligence planning." This argues for "centralized control and decentralized execution" to optimize ISR assets with respect to the JFC's highest priorities. It argues against organically assigning medium/high altitude UAVs to units that will preclude their benefit to the entire theater joint fight.

—All operational Air Force Predators are currently operating in the U.S. Central Command. The appropriate theater/Joint Task Force (JTF) commanders (Army Generals) allocate those—not the Air Force. If the Army has a problem with allocation, it has an issue with the Army theater/JTF Commanders.

—DOD needs joint solutions that support the JFC; ensuring information dissemination across an entire theater of operations is a key enabler. Each Service operates UAVs with their own limited architectures that only provide products to a specified number of users. On the other hand, the Air Force architecture provides information to all joint users including the individual soldier through the use of ROVER. It is critical to joint warfighting effectiveness that DOD field systems with interoperable architectures that provide information to all joint users.

—The Air Force has an established reachback, distributed architecture that leverages the total force in order to deliver capability to the warfighter. Through using our mature Distributed Common Ground System coupled with our reachback technologies for operating medium- and high-altitude UAVs, we reduce the forward deployed footprint and expedite responsiveness to crisis or contingency.

—Predator is a very responsive system which can deliver effects from tactical to strategic. In many instances, a tactical commander is given direct command and control of the asset. Predator's long loiter time provides a tactical commander an entire kill chain (from find/fix to strike and bomb damage assessment) with no breaks in coverage.

—A key element of CFACC-control of medium- and high-altitude UAVs is the ability to rapidly re-task and respond across the Area of Responsibility to meet emerging shifts in the JFC's priorities.

—The 3,500 foot delineation in the CSAF EA proposal is used to introduce a nominal demarcation of UAV activities between UAVs organic to small unit command and control, and C/JFACC command and control. EA will provide the con-

cept of operations for UAVs operating above the coordination altitude to ensure effective airspace control, area air defense, and optimal employment of those systems for the joint force commander.

—In terms of airspace control and coordination, the Army recognizes the growing issue with the proliferation of UAVs. Per the Joint Airspace Command and Control Joint Feasibility Study sponsored by the Army (November 2006), "An ever increasing proliferation of multi-role unmanned systems which are difficult to track and have no eyes' to support onboard deconfliction are competing for airspace traditionally occupied by manned aircraft are adding to the joint airspace command and control challenge. This results in sub-optimized use of airspace. Inability to rapidly deconflict and provide airspace clearance has resulted in the failure to engage attacking forces or insurgents, permitting them to leave the area unscathed with weapons to be used again on United States, Coalition and civilian targets."

—Per DOD Directive 5100.1, Functions of DOD and its Major Components, November 21, 2003: The Air Force is directed to "organize, train and equip and provide forces for CAS and . . . tactical air reconnaissance . . . "

E–10 MULTI-SENSOR COMMAND AND CONTROL AIRCRAFT (MC2A)

Question. General Moseley, in the fiscal year 2008 budget submission, the Air Force has cancelled the E–10 aircraft program. However, funds are still requested for the Multi-Platform radar program. What are the termination costs associated with this decision? How much funding is required to complete the radar development?

Answer. The funds associated with Multi-Platform Radar Technology Insertion Program (MP–RTIP) in the fiscal year 2008 President's budget request are for the continued development and testing of the Global Hawk MP–RTIP variant, which was unaffected by the cancellation of the E–10 program. No additional funds have been requested to pay for the cancellation decision. The cancellation costs associated with the E–10 program are anticipated to come from the remaining fiscal year 2007 funding. However, the final cost estimates for cancellation will not be complete until after contractual discussions with the prime contractor and direction from the Office of the Secretary of Defense for Acquisition, Technology, and Logistics.

In addition to the President's budget for Global Hawk MP–RTIP Development, a total of approximately $410 million between fiscal years 2008 to 2011 is required to complete the radar development for the MP–RTIP Wide Area Surveillance (WAS) large variant associated with the E–10 program. This funding, however, does not include the funding necessary to complete a technology development program for a weapon system platform, including integration into a wide body test bed and a flight demonstration of the WAS capability.

ROLE OF THE AIR FORCE IN GWOT

Question. General Moseley, as I said in my opening statement, Iraq and Afghanistan are seen by the public as Army and Marine Corps operations. Please explain the Air Force's current role in supporting operations in the Global War on Terror. What sort of vital roles are the Air Force undertaking?

Answer. The Air Force is fully engaged 24/7 with our sister services in the Global War on Terror, executing full spectrum missions to achieve Coalition objectives. Beyond our traditional roles of airlift and Close Air Support (CAS), current Air Force missions range from Airmen performing non-traditional convoy security operations to Air Force Joint Tactical Air Controllers embedded in Army and Marine units calling in satellite-guided airstikes on enemy positions. Roughly 21,000 In-Lieu-Of Airmen are currently doing, have done, or are preparing to do, jobs typically done by Soldiers and Marines. We continue to maintain our steady state rotation of 23,000 Airmen into U.S. Central Command (USCENTCOM) supporting Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF) from 56 locations located within the USCENTCOM Area of Responsibility. Additionally, another 191,000 Airmen provide global strategic support to USCENTCOM and all of the Combatant Commanders in roles such as mobility, mid-air refueling, homeland defense, space operations (including global positioning satellites), weather, secure communications, persistent C4ISR, and so forth.

Since 2001, the Air Force has flown 430,000 combat sorties in support of OIF and OEF representing 82 percent of coalition sorties in OIF and 78 percent of coalition sorties in OEF. Additionally, our Total Force construct of Active Duty, Air National Guard and Air Force Reserve has flown over 47,000 Operation Noble Eagle sorties from home stations in the United States in support of GWOT homeland defense.

Since 2003, just in support of OIF, we've airlifted over 455,000 personnel, roughly equivalent to moving the entire population of Kansas City, Missouri by air; 763,000 short-tons of goods; and completed over 18,000 aeromedical evacuation missions back to the United States.

In the past, to resupply troops on the ground in OEF, we could only generate the accuracy to airdrop supplies in an area one mile wide by half mile wide, while the aircrew put itself and the survival of the aircraft at risk. Through precision airdrop methods such as the Joint Precision Airdrop System (JPADS), we now airdrop ammo and critical supplies to troops engaged in firefights with the enemy, with the cargo delivered to an area the size of a football field, and from an altitude where the aircraft can operate with an increased margin of safety.

Since 2001, in support of Army, Marine, Air Force and Coalition personnel on the ground, the Air Force has employed 20,000 precision guided munitions, and expended 675,289 rounds of ammunition against enemy targets, supporting troops in contact with the enemy with on-call CAS. The average response to a call for support to bombs on target is measured in scant minutes. The combined efforts of the Coalition, Army and Air Force working as a team were able to rapidly find, fix, and kill Al Zarqawi, Al Qaeda's top operative in Iraq with airpower.

AGING AIRCRAFT

Question. General Moseley, this Subcommittee recognizes the challenges of finding the right balance between recapitalization, purchasing new aircraft, and modernization of existing aircraft. How do you determine tradeoffs between meeting today's needs while at the same time ensuring the Air Force is prepared to face potential threats in the future?

Answer. As the Service Chief you are counting on me to organize, train and equip the United States Air Force to be able to fly, fight and win our Nation's wars as a member of the Joint Warfighting team. The U.S. Air Force has been engaged in combat for over 16 consecutive years. The U.S. Air Force is doing everything in its power to become more effective and efficient while simultaneously preparing for the long-term. Unfortunately, despite our best efforts, we have declining readiness and our recapitalization rates are up to 50 years. Our 50 year recapitalization rate is like planning to use P–51s in Vietnam or F–86s in Iraq. To meet the needs of our Nation at war now and in the future, we must build an Air Force fully capable of executing its mission in air, space and cyberspace as outlined in the fully recapitalized and modernized planning force. We have been making tradeoffs every year through the iterative budgeting process, which is ultimately focused on pushing resources to the warfighter. To ensure America and our future Airmen inherit an Air Force that is ready, capable and sustainable with acceptable risk is problematic without additional resources and tough strategic choices by the Nation. I look forward to detailing these concerns and Air Force plans to reverse these trends in the coming weeks.

COMBAT SEARCH AND RESCUE HELICOPTER

Question. General Moseley, you have consistently stated that a replacement for the Pave Hawk combat search and rescue helicopter is a top priority for the Air Force. Last month, GAO upheld a protest against the Air Force's selection. What is the current status of the protest, and when do you expect a resolution of the issue?

Answer. In its March 29, 2007 decision, the GAO denied all of the additional arguments raised by Sikorsky and Lockheed Martin Systems Integration, "finding that none furnished an additional basis for sustaining the protests." In response to the GAO's recommendation in their February 26, 2007 decision, the Air Force intends to amend the Request for Proposals to clarify its intent with respect to the evaluation of operations and support costs, reopen discussions with offerors, and request revised proposals. If the evaluation of the revised proposals results in a change to the CSAR–X Best Value Source Selection decision, the Air Force will make any necessary changes in the contract award decision.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

C–17

Question. I understand that the C–17 is performing remarkably well in Iraq and Afghanistan as a medivac, personnel, and cargo transport. Could you describe the intra-theater utilization rate of the C–17 in support of contingency operations since September 2001? Assuming these rates remain consistent over the next several

years, what affect do you believe attrition could have on the Air Force's projected strategic airlift requirements?

Answer. Please let me address these as two separate questions. Due to C–130 fleet limitations, C–17s are utilized to augment intra-theater operations. This method of employment—Theater Direct Delivery (TDD)—utilizes approximately 12 C–17s (and a smaller number of other aircraft) to sustain passenger and cargo movement in theater for the warfighter. In addition to extra lift capacity, these C–17s have two inherent advantages: First, the number of C–130s required in theater is reduced by roughly one-third and second, this has prevented 35,977 trucks and 15,380 buses from being exposed to potential insurgent attack. This course of action has provided much success but it has come at an increased "cost" to our C–17 fleet.

While aircraft status, as well as all other maintenance indicators for intra-theater C–17 utilization usage, was not tracked until June 2005, we've determined this method of employment has created additional operational stresses to the C–17 fleet. Although not solely attributable to TDD missions, across the Air Force, hourly use rates have decreased from 2003 to present but the number of annual sorties has more than doubled from 2001 to 2006 (22,392 to 52,135). We are flying more sorties of shorter duration (fitting the profile of the TDD mission) which creates more stress to the system (i.e. cycles on the engines, landing gear, and flight controls). A quantifiable example of the operational stress to the C–17 is found in the upper wing skin which is almost two times the baseline usage. The increased damage is driven by take offs and landings and landing fuel weights higher than design assumptions. This existed prior to OEF, but OEF/OIF has exacerbated the issue.

In answer to your second question, from 2001–2006, the C–17 fleet has over flown its service life by over 159,000 hours. The overfly can be attributed to the GWOT and the lack of proper Basic Aircraft Inventory resulting in additional aircraft wear and tear. Congress added 10 additional C–17s to the established 180 purchase, of which 7 will be used to correct the shortfall and 3 will go towards recovering the wear and tear caused by GWOT. An additional 2 C–17s are required to recover the remaining capability lost due to wear and tear caused by GWOT for a total of 12 additional C–17s.

Question. As you know, General Handy—the U.S. TRANSCOM Combatant Commander until mid-2005—repeatedly and publicly stated that a minimum of 42 additional C–17s (past the 180) were necessary to meet the Air Force's mobility needs. Outside the findings of the Mobility Capabilities Study (MCS)—a study that many believe fails to consider a number of critical factors related to airlift requirements post-9/11—what evidence do you have that 180 C–17s will be sufficient to meet our military's future airlift requirements?

Answer. The C–17 has been supporting Global War on Terror inter-theater and intra-theater airlift missions. There are no current inter-theater specific studies outside of the Mobility Capabilities Study upon which to base an assessment that 180 C–17s will be sufficient for the military's future airlift requirements. The C–17 will be evaluated as part of the Intra-theater Lift Capabilities Study to determine the preferred mix of capabilities needed to accomplish Intra-theater lift. Additionally, the MCS identified a range of strategic airlift aircraft of 292–383. With the current fleet of 111 C–5s and 190 C–17s (164 of 190 C–17s have been delivered) the Air Force will have 301 strategic airlifters.

Question. Based on what you know today—considering the recent changes in operational requirements and airlift missions—are you able to confidently tell the Committee that the Mobility Capabilities Study (MCS) projections will adequately meet our military's lift requirements for the so-called "long war"?

Answer. The Mobility Capability Study (MCS), as reported in 2005, set a baseline for mobility forces to meet the demands of the National Military Strategy. The MCS, by design, was constructed as a "warm" database from which further study could be accomplished as factors and/or conditions changed. Some of that additional study is ongoing. What we have seen is that we are using our mobility aircraft at greater rates than envisioned in the MCS. As such, the Air Force has requested additional assets in both our supplemental and unfunded requirements list to offset this increased usage rate. In the way ahead, the Air Force is committed to recapitalizating of the airlift fleet. The MCS substantiated the need to continue airlift recapitalization in order to meet the capability demands on the inventory. Hence, our efforts to offset increased utilization, modernize the C–5, recapitalize the C–130, and explore options for a future Joint Cargo Aircraft (JCA) are very consistent with the MCS and necessary to meet the demands of the long war. Ongoing study of the JCA requirements, as well as the progress of the C–5 modernization program, will no doubt shape the requisite choices to maintain our airlift capability. Further, we are assessing the impact of changes to our ground forces. The 92,000 increase in the Army and Marine forces could eventually require our lift assets to support a larger,

more diverse force in the field. In the near term we do not see a major change in support to the rotational forces. However, understanding the size, composition, and mission sets of our future ground force is something we must consider in planning. We look to the Army and the Marines to assess their programmed growth and changes in operational planning, and then identify requirements so that we can quickly refocus our lift capabilities to meet the emergent demands. We are meeting the demands of the long war but recapitalization is a mandate we must stay ahead of or we will fall below the capabilities required. Your continued support of future ground force requirements is key to posture our forces correctly in the future.

Question. The Mobility Capabilities Study (MCS) validated a program of record to procure 180 C–17s. However, the MCS assumed that 112 of the older C–5 transports would remain in the fleet, due to Congressional restrictions barring the retirement of those aircraft. If the Congress eased the retirement restrictions placed on the 111 C–5s, how might you manage the strategic fleet differently?

Answer. Without congressional restrictions, we, the Air Force senior leadership would be empowered to manage the fleet in the most effective manner. The Secretary and I feel it is our responsibility to recapitalize an Air Force fleet that averages 26 years old per aircraft. The average C–5A is over 35 years old. We, as Air Force leaders, are obligated to build an Air Force today, capable of meeting the challenges of tomorrow. We are investigating every option in order to identify and procure the most effective strategic airlift mix.

Question. What if the C–5 modernization program is unsuccessful and you've already proceeded with closing the C–17 line? What would the Air Force do at that point? Doesn't it make more sense to preserve the C–17 line until you can unequivocally confirm that upgrading the C–5 is a viable option? Are you concerned about the cost increases in the C–5 modernization program? If so, when do you plan to inform Congress of any cost "breaches" in the program?

Answer. The Air Force continues to evaluate all options as to how to meet strategic airlift requirements with the most suitable airlift asset. Significant cost growth of the C–5 Reliability Enhancement and Re-Engining Program (RERP), combined with the costs associated with the shut-down of the current C–17 line and the potential start-up of a new aircraft line may indicate the need to re-evaluate the business case of using RERP on older C–5As versus the efficiencies and long-term benefits of procuring additional C–17s.

A detailed Air Force cost estimating effort is underway (projected to be complete in July 2007) that will determine the cost position for the C–5 RERP. The Air Force will notify Congress if an actual cost breach is identified.

Question. If you retire some C–5s, how many C–5As would you retire? How many C–5Bs?

Answer. We are investigating every option in order to identify the most effective strategic airlift mix. Preliminary options being evaluated include retiring approximately 30 C–5A aircraft. There are currently no plans to retire C–5Bs.

Question. Would the Air Force work with Congress to implement a transition plan to replace any retired C–5s?

Answer. There is currently no plan to retire specific aircraft from specific bases. The proper fleet mix of strategic airlift aircraft is currently under review. Current legislation does not allow the Air Force to retire any C–5 aircraft until the Operational Test and Evaluation report of the C–5A aircraft, currently in flight test, is completed. The report will not be completed until fiscal year 2010, two full years after the shutdown of the C–17 production line has begun. If relieved of legislative restrictions, the Air Force would be able to manage effectively the fleet mix of various aircraft fleets. The options under review include replacing the strategic airlift aircraft identified for retirement with new C–17s or backfilling with newer C–5Bs from within the Air Force. No new units are anticipated and no closures of existing units are planned.

MOBILITY CAPABILITIES STUDY

Question. It is my understanding that the Air Force has at least 5 ongoing studies—following up from the MCS—looking at the issue of future airlift requirements. Can you provide an overview of each study related to airlift that the Air Force is currently working on? Do you anticipate that any of these studies will provide guidance on future airlift requirements? When do you anticipate you will complete each study and when will they become available to Congress?

Answer. The Mobility Capabilities Study 2006 (MCS–06) is the follow-on to the original MCS completed in 2005. The Air Force is a participant in MCS–06, which is actually a Department of Defense and Joint Staff led effort that includes the following three sub-studies:

Intra Theater Lift Capabilities Study

Purpose—Determine the preferred mix of capabilities needed to accomplish intra theater lift to support the defense strategy.

DOD Sponsor/OPR—JS J4, OSD PA&E.

Suspense—Complete, awaiting OSD release.

Global Responsiveness: Prepositioning

Purpose—Facilitate development of an integrated Department-wide prepositioning strategy that supports U.S. strategic objectives in the context of the evolving global defense posture.

DOD Sponsor/OPR—OSD PA&E.

Suspense—Estimated completion Summer 2007.

Tanker Operations

Purpose—Add to the body of knowledge regarding air refueling. Direct outgrowth of the original MCS that identified tanker mission sharing and alternate mission concepts for additional study.

DOD Sponsor/OPR—JS J8, OSD PA&E.

Suspense—Complete, awaiting final General Officer Steering Group review.

In addition to the MCS–06 studies, the Air Force is also participating in two Joint-led efforts involving airlift issues and related to discussion in the MCS:

Joint Intra Theater Distribution Assessment

Purpose—Assess tactical distribution capabilities and shortfalls from air and sea points of debarkation to the lowest distribution point ("the last tactical mile").

DOD Sponsor/OPR—JCS J4.

Suspense—Estimated completion Summer 2007 for Major Combat Operations-1 analysis.

Joint Future Theater Airlift Capabilities Analysis

Purpose—Analyze future Joint Force theater airlift requirements in light of distribution processes, examining non-material and material solutions for the 2015–2024 timeframe.

DOD Sponsor/OPR—U.S. Transportation Command.

Suspense—Estimated completion Spring 2007.

Although each of these studies will contribute to the discussion on future airlift force structure requirements, none of them alone will provide a comprehensive answer.

Actual study completion dates and determination on the availability of these studies to Congress resides with the Department of Defense and the Joint Staff.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

CIVIL AIR PATROL

Question. General Moseley, I noticed the fiscal year 2008 Operations & Maintenance budget proposed for the Civil Air Patrol is less than what was funded for fiscal year 2007. The Civil Air Patrol performs a wide variety of mission ranging from supporting disaster relief to playing the role of hostile forces during training exercises. Can you tell the subcommittee how the Civil Air Patrol will maintain the same level of effort in fiscal year 2008 as they do today with the proposed budget reduction?

Answer. The Air Force truly appreciates the contributions the Civil Air Patrol makes to our Nation and our Air Force. These professionals contribute to the defense support of civil authorities and the non-combat programs and missions of the Air Force. However, as with all members of the Air Force team, the Civil Air Patrol operates in a constrained budget environment. Due to fiscal constraints, the Air Force reduced the Operations and Training budget request for the Civil Air Patrol by 4.2 percent or $1.05 million. This reduction is in line with reductions we have made across the entire Air Force. To prepare for these potential reductions the Civil Air Patrol has streamlined its headquarters staff and reduced personnel by 25 percent. Additionally, the Civil Air Patrol is prepared to transition wing administrators, who are corporate employees, to part-time, if further costs savings are required. These actions should allow the Civil Air Patrol to continue to conduct its missions in the excellent manner which we have all come to expect.

With that said, Congress might consider a measure that would mitigate the impact of these cuts. The Congress could remove language in the DOD appropriations bill (Section 8025, paragraph (b)) that prevents the Secretary from seeking reim-

bursement for counter-drug missions in support of Federal, State and local government agencies.

AESA RADAR

Question. It is my understanding that starting in 2010 the Air Force will be procuring Active Electronically Scanned Array (AESA) radar systems for a number of your F–15E's. I understand this type of radar is presently being used on a number of other fighter aircraft as well and significantly enhances the radar capability of these aircraft and helps our pilots detect and engage enemy threats.

I have been informed there is some effort underway to also upgrade the radar systems for Air National Guard F–15s with this system. General Moseley, can you elaborate on the importance of the AESA radar system and can you tell us about the need for such systems, to conclude the Air National Guard F–15 fleet?

Answer. The Air National Guard (ANG) does not possess F–15E Strike Eagles and cannot speak for that program. For the F–15C, the APG–63 (V3) AESA radar is an Air Force Total Force effort, initially led by the ANG, through recent Congressional adds. The Air Force has now programmed follow-on funds for their F–15Cs in the Future Years Defense Program.

The ANG needs the AESA for the F–15C fleet for reliability, maintainability, and enhanced capability. The APG–63 (V)3 AESA radar will replace the current ANG F–15 APG–63(V)0 mechanically scanned radar that is increasingly more difficult to maintain due to parts obsolescence and diminishing manufacturer support. The APG–63 (V)3 offers greatly enhanced capability required by the combatant commanders for both deployed and homeland operations. Leveraging the use of a stationary radar antenna covered with an array of over one thousand transmitter-receiver modules, the (V)3 AESA combines added signal power and performs greatly enhanced detection, tracking, communication, and jamming functions in multiple directions simultaneously. AESA provides significant increases in precision to detect, track, and eliminate multiple threats faster and with greater efficiency than the current mechanically scanned radars. In the traditional air superiority mission areas, the ANG F–15C's primary advantage in air-to-air combat needs to dominate the beyond-visual-range arena, detecting both current and future generation airborne threats and retaining the first shot, first kill capability vital for mission effectiveness. For the Air Sovereignty Alert mission, the F–15Cs need a greatly enhanced capability to detect challenging targets (small aircraft, cruise missile defense, asymmetric threats, etc.) in a very dense air traffic area normally found around the major airports in the United States. With the current funding, the first delivery of the APG–63 (V)3 for the ANG F–15Cs is scheduled for mid 2009.

HOME STATION SIMULATORS FOR ANG

Question. General Moseley, we appreciate the Air Force's continued contributions to homeland defense and to supporting operation in Iraq and Afghanistan. Particularly noteworthy is the statement contained in the Air National Guard's 2007 posture statement that the Air National Guard fulfills 34 percent of Air Force missions with 7 percent of the budget. Combined with a recruiting shortfall last month, Air National Guardsmen are contributing significantly to this joint fight. Despite these heroic efforts, challenges to sustain adequate training at home station continue to exist mainly due to equipment shortages. Does the Air Force's fiscal year 2008 budget request adequately funding to make full use of simulations to augment limitations in home station training programs for the Air National Guard?

Answer. A 10 percent reduction in flying hours can be somewhat mitigated by increased use of simulators for training purposes. However, the reality is that the Air National Guard has very few simulators at its flying wing installations. The Air National Guard plans to fully utilize simulators at home station where available. Travel and other related costs necessary for wings without simulators will be an "out-of-hide" execution year bill in an already challenging budget environment. The 2008 budget request does not specify funding to cover the added expense to the Air National Guard home station straining resulting from the 10 percent reduction in flying hours.

SUBCOMMITTEE RECESS

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

[Whereupon, at 12:10 p.m., Wednesday, March 21, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2008

WEDNESDAY, MARCH 28, 2007

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

The subcommittee met at 10:28 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Stevens, and Cochran.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE NAVY

OFFICE OF THE SECRETARY

STATEMENT OF HON. DONALD C. WINTER, SECRETARY OF THE NAVY

STATEMENT OF SENATOR DANIEL K. INOUYE

Senator INOUYE. This morning the subcommittee meets to receive testimony on the fiscal year 2008 budget request for the Navy and Marine Corps. And, on behalf of the subcommittee, I welcome today's witnesses, the Secretary of the Navy, the Honorable Donald Winter, the Chief of Naval Operations, Admiral Michael Mullen, and the Commandant of the Marine Corps, General James Conway.

The 2008 budget request for the Navy and Marine Corps includes $139.8 billion in baseline funds, which is an increase of 10 percent over this year's budget, and an additional $19.7 billion in emergency funding for the costs of the wars in Iraq and Afghanistan.

Despite this proposed increase in the baseline budget, the Navy and Marine Corps each face key challenges in fighting the war on terrorism and preparing for the threats that are expected to face our country in the future.

The Navy's well underway on a number of programs to modernize its fleets of ships and aircraft, while programs such as the Joint Strike Fighter (JSF) and the littoral combat ship have key roles in preparing the Navy for new and emerging threats. Critics have raised many questions about whether this complex program is proceeding on track. I'm certain our witnesses today will be able to inform the subcommittee about the status of the efforts on each of these programs.

In the case of the Marine Corps, the President has proposed an increased end strength in the Marine Corps by 27,000 over the

next 5 years in order to relieve some of the strain caused by deployments to Iraq and Afghanistan. The subcommittee's interested to hear what is needed to recruit and to train these additional marines. Equally as important, we must know what other steps are being taken to reduce the strain of sailors and marines, many of whom—having served multiple tours on the front lines in the global war on terrorism (GWOT)—so that we can retain the experienced force that is needed.

While the subcommittee today will examine the difficult issues before the Navy and the Marine Corps, we cannot overlook the extraordinary work performed by sailors and marines who have volunteered to serve our country. I know I speak for every member of this subcommittee when I say that we are committed to looking out for them in every way possible.

And, once again, I thank the witnesses for their testimony this morning. And, their full statements will be included in the record.

And, now if I may, I'd like to turn to the co-chairman of the subcommittee for any opening remarks he may wish to make.

STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Thank you very much, Mr. Chairman, Secretary Winter, Admiral Mullen, and Commandant Conway. I welcome you back and enjoy the opportunity to visit with you concerning this hearing.

The demand for funding far surpasses the amounts that we have available, so this is going to be a very important hearing. I do hope we can meet the pressing needs of the Navy and the Marine Corps. It's going to be difficult, but we do appreciate your coming, once again, thank you very much.

PREPARED STATEMENT OF SENATOR THAD COCHRAN

Senate Cochran has submitted a statement that he would like placed in the record.

[The statement follows:]

PREPARED STATEMENT OF SENATOR THAD COCHRAN

Mr. Chairman, I am pleased to join you in welcoming Secretary Winter, Admiral Mullen, and General Conway to our subcommittee.

This has been a challenging year for our military forces. We appreciate the role the Navy and Marine Corps play in protecting the United States in the global war on terrorism. The all-volunteer active and reserve forces and their families have performed with a high degree of professional distinction, and our Nation is thankful for their service.

We are aware of the importance of the need for appropriate levels of funding to ensure that the men and women in uniform have the equipment and training they need to succeed and to return home safely. Monday, we began floor consideration of the bill making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes. During your testimony, I would like you to provide this subcommittee with an indication of what you judge to be the latest date those emergency appropriations must be available to the Navy and Marine Corps.

SUMMARY STATEMENT OF DONALD C. WINTER

Senator INOUYE. Mr. Secretary.

Mr. WINTER. Chairman Inouye, Senator Stevens, thank you for the opportunity to appear before this subcommittee. Today I am

joined by Admiral Mullen and General Conway, two outstanding leaders whose dedication to the Navy and Marine Corps is apparent to all who have had the pleasure of working with them. Each of us has prepared a statement for the record, and we appreciate the inclusion of that statement in the record of this hearing.

These documents outline, in detail, this Department's priorities, the strategic thinking behind them, and the funding requests that are necessary to support them. Our priorities presented in the fiscal year 2008 budget and the global war on terror requests, encompass both long-term and short-term requirements.

The short-term imperatives include supporting marines and sailors in the field, funding the urgent requirements, such as the Mine Resistant Ambush Protected Vehicle Program, and making up for the losses of vehicles, equipment, and aircraft that have been incurred in combat operations. At the same time, we must provide for the critical needs of the Navy and Marine Corps of the future. To that end, the Department of the Navy is pursuing an unprecedented modernization program across the full spectrum of our weapons platforms in both the Navy and the Marine Corps. This drive to transform the force is necessary and vital to our national security.

The current transformation entails a shift from blue water-centered fleet to one with greater brown and green water capabilities. This shift in focus reflects a greater demand for expeditionary capability, a capability that will allow us to operate in the littorals. The broad transformation now underway includes a new generation of ships, submarines, and aircraft with programs in development, production, or already in operation with the fleet.

Some of the Department's new programs have encountered significant challenges. The Navy's Littoral Combat Ship Program and the Marine Corps' Expeditionary Fighting Vehicle Program are both innovative weapon platforms incorporating new technologies. We are working on solving the problems that have arisen so that we can deliver vitally needed capabilities to our warfighters. Both of these programs represent the kind of capabilities that the future Navy and Marine Corps will need to fight and win the wars of tomorrow. Faced with a dangerous, uncertain world with terrorist enemies, states that actively support or condone them, and rising powers with intentions and capabilities that lack transparency, we have no choice, but to improve our own capabilities.

Mr. Chairman, the Department of the Navy's fiscal year 2008 budget request is critical to both the short-term and long-term national security of the United States.

PREPARED STATEMENT

Thank you for your continued support for our efforts to meet our constitutional obligations to provide for the common defense of the American people. I look forward to answering your questions. Thank you very much.

Senator INOUYE. Thank you very much, Mr. Secretary.

[The statement follows:]

PREPARED STATEMENT OF HON. DONALD C. WINTER

INTRODUCTION

Mr. Chairman, Mr. Ranking Member, and members of the committee, it is an honor to appear before you representing the brave men and women of the United States Navy and the United States Marine Corps—active, reserve, and civilian over 800,000 strong.

Over the past year, I have had many opportunities to meet with sailors and marines who are stationed both within the continental United States and abroad. I have traveled three times to the Central Command Area of Responsibility including Iraq. During my visits I have had countless conversations with our young sailors and marines. I am continually amazed at how dedicated and committed they are to carrying out their duties—without question, without complaint. Our sailors and marines recognize the significance of their mission. They remain determined to win the current war and are committed to defending our Nation against future threats. They are the very best and they deserve the very best from their leadership in the Pentagon and on Capitol Hill.

Today, I am here to present the Department of the Navy's plan to support our sailors and marines in their mission to fight the global war on terror and to defend our Nation against future challenges. I believe the President's Fiscal Year 2008 Budget request for the Navy and Marine Corps provides them what they need and I ask that you support this request—submitted to Congress on February 5, 2007.

The Department of the Navy's budget signifies a vital investment in our Navy and Marine Corps. In its totality, this budget represents $160 billion in requested funding for fiscal year 2008, including the estimated costs of the global war on terror.[1]

These funds are essential in enabling the Department of the Navy to maintain current readiness, sustain the operational tempo in the global war on terror, support the quality of life of our sailors, marines and their families, while preparing for a future of uncertainty. Our priorities for fiscal year 2008 are simply stated: We will fight the global war on terror by investing in the present needs of our Navy and Marine Corps, while we prepare for future challenges by investing in our people, facilities, and capabilities.

The development of this budget has not been easy—tough decisions have been made and continue to be made throughout the Department to balance risk and to be responsible stewards of the tax dollars entrusted to us. Yet, we believe that this budget is appropriately structured and is a necessary investment to successfully meet both our present and future challenges.

The difficulty of preparing for future challenges has been striking the proper balance between building capabilities to support traditional and irregular warfare demands while transforming a blue water Navy into one that can operate, fight and win in blue, green, and brown waters, and expanding the lethality and reach of the Marine Corps.

Justification of every program is important for Congress to understand the Department's intent and rationale, and we will do so. For the sake of brevity in this statement I will not go into detail on each program. Instead, I will call attention to areas crucial to our budget submission and I ask that the "Highlights of the Department of the Navy's Fiscal Year 2008 Budget" book be submitted for the record as part of my statement.

INVESTING IN THE PRESENT

Fighting the Global War on Terror

As we come before you today, I do not have to remind you that we are a Nation in our sixth-year of a long, irregular, and global war. Your naval forces—sailors, marines and civilians—are engaged at home and around the world today in a full spectrum of operations in support of this war. They have answered the call to defend the Nation and they are carrying out their duties superbly. Yet while focusing on the present needs of the global war on terror, we must also keep a keen eye on an ever evolving strategic environment around the globe. The pace of change in today's world is very rapid. We have witnessed events—such as North Korea's nuclear test last October and China's test of an anti-satellite weapon this past January—that can change our strategic calculations overnight. Even as these changes occur, our sailors and marines continue to stand guard across the world.

As I speak to you today, there are over 50,000 sailors and marines serving in the Central Command Area of Responsibility (AOR). Of those, over 21,000 marines and

[1] "Highlights of the Department of the Navy's Fiscal Year 2008 Budget", p. 1–15.

12,000 sailors are serving on the ground in Iraq and Afghanistan. It also includes over 8,000 sailors deployed as Individual Augmentees (IA) and 4,500 performing "in-lieu-of" missions often serving in non-traditional capacities but adding to the warfighting capability of our military forces with their expertise. Additionally, over 700 sailors and marines are in the Horn of Africa. Finally, on any given day, approximately 30 percent of our ships and submarines and over 45,000 of our sailors are deployed worldwide serving in, on, or over the world's oceans.

We are also key players in executing the President's new strategy in Iraq. The strategy requires increased coalition military and civilian resources to include an additional two battalions of marines to strengthen control of the Al Anbar Province. Approximately 4,000 additional sailors and marines will be part of this effort.

This ongoing pace of operations in fighting the global war on terror has had a financial impact on the Department of the Navy. Approximately 40–50 percent of the fleet continues to be at sea. This, coupled with the increased deployment of marines across the globe, has placed a strain on our resources. The 2008 GWOT request represents a critical investment in providing the adequate resources necessary to prosecute and win the global war on terror. The Department of the Navy is seeking approximately $20 billion to directly support prosecution of the global war on terror and to reset the force.

SAFEGUARDING OUR FORCES IN HARMS WAY

Before we deploy our brave men and women in harm's way we must do everything in our power to invest in their protection. Therefore, we are investing in measures to counter and protect our men and women from Improvised Explosive Devices (IED) with such platforms as the Mine Resistant Ambush Protected (MRAP) Vehicle. We are transitioning to a newly designed Modular Tactical Vest (MTV) and are committed to providing the best head protection to our warfighters. We are also investing in measures I am personally involved with seeking improved acquisition processes which will accelerate fielding of these new technologies.

Unavoidably, with war comes the tragedy of loss of life and injury to our young men and women. We are committed to providing the best medical care on and off the battlefield. The treatment of patients has been greatly enhanced by improvements in medical capabilities at the personal, unit and organizational levels—yet we must never be satisfied with where we are. We will continue to seek advancements in medical care. Care for our wounded does not end at the field hospital. We continue to aggressively monitor post-deployment mental health screenings as well as, suicides, domestic violence, and divorce rates and to assure the quality long-term physical and psychological welfare of our sailors and marines.

RESETTING THE FORCE

While we endeavor to provide what is needed, we also recognize that war is a costly business, and this one is no different. Our sailors and marines will always do what it takes, but there is a significant price—not only in their personal sacrifices—but also in the financial cost of operations and on the equipment that we provide them. We must continue to invest in the present needs of our warfighters.

The ongoing intense combat operations and high operational tempo have had a significant impact on the quality, operability, and service life of Navy and Marine Corps equipment—it is imperative that we support our brave men and women by replacing our rapidly aging equipment. In many cases it makes no sense to replace aging legacy equipment with more of the same. In the case where it makes smart financial or operational sense, we are purchasing next generation equipment and platforms to replace combat losses. Resetting the Navy and Marine Corps is essential, and we are investing significant resources to restore our combat capability and readiness. The fiscal year 2008 GWOT request includes $3.8 billion—$2.1 billion for the Navy, $1.7 billion for the Marine Corps—toward reset requirements. These funds will refurbish or replace equipment damaged or lost during combat operations and restore the capability and readiness of the Navy and Marine Corps for future threats and operations. It should be noted that the reset requirement is dynamic and changes as conditions change.[2]

INVESTING IN THE FUTURE

As we fight the global war on terrorism, we cannot forget that the security challenges of the 21st century are complex and varied. They range from the irregular, asymmetric threats of terrorists, and rogue states, to the sophisticated military tech-

[2] "Highlights of the Department of the Navy's Fiscal Year 2008 Budget", p. 2–10.

nology of future peer competitors. The Department has also been called upon to conduct disaster relief and humanitarian assistance missions—often being the first to respond to natural disasters around the world as in the case of the 2005 Indian Ocean tsunami, the earthquake in Pakistan and Hurricane Katrina in the Gulf Coast. Naval forces are uniquely balanced to address these diverse strategic challenges with the capability and capacity to rapidly project power anywhere in the world. We must continue to invest in this capability. We cannot allow ourselves to be fixated on one threat alone.

Preparing for an uncertain future demands that the seas of the world remain safe for all nations. The Department of the Navy strongly supports U.S. accession to the Law of the Sea Convention. Joining the Convention, with the declarations and understandings reflected in Executive Report 108–10 (Senate Foreign Relations Committee), will enable the United States to exercise a leadership role in the future development of oceans law and policy. As a non-party, the United States does not have access to the Convention's formal processes in which over 150 nations participate in influencing future law of the sea developments, and is therefore less able to promote and protect our security and commercial interests. Additionally, by providing legal certainty and stability for the world's largest maneuver space, the Convention furthers a core goal of our National Security Strategy to promote the rule of law around the world.

This is also a time of unprecedented change in the Department of the Navy. We are executing a major transformation of the force at the same time that we are executing an array of operations in the global war on terror. This transformation is about people as much as it is about equipment.

Investing in our People

The development and retention of quality people are vital to our continued success. America's naval forces are combat-ready due to the dedication and motivation of individual sailors, marines, civilians, and their families. The Department is committed to taking care of them by sustaining our quality of service/quality of life programs, including training, compensation, and promotion opportunities, health care, housing, and reasonable operational and personnel tempo. The cost of manpower is the single greatest factor in the fiscal year 2008 budget, but it is money well spent. We must continue to recruit, retain, and provide for our sailors and marines.

Recruiting and Retention

We continue to invest in programs to recruit the right people, retain the right people, and achieve targeted attrition. The fiscal year 2008 budget requests a 3-percent raise in military base pay. This investment along with increased enlistment and reenlistment bonuses, is necessary if we are to continue to man our forces with the highest levels of ability and character. These citizens are in high demand everywhere; since we ask so much of them, we owe them proper compensation. The Navy and Marine Corps are currently meeting recruiting and retention goals for most ratings and designators in the active and reserve components. In fiscal year 2006, Navy achieved 100 percent of its overall active component enlisted recruiting goal and the Marine Corps also achieved over 100 percent of its accession goal.

Navy and Marine Corps End-Strength

To avoid an adverse toll on our sailors, marines, and their families, and to prevent a decrease in readiness, the Secretary of Defense established a 1:2 deployment-to-dwell ratio goal for all active component forces. Our goal for the Marine Corps is to achieve that 1:2 deployment-to-dwell ratio for active component units and 1:5 for reserve units. Currently, the deployment length for marine units in Iraq is 7 months.

While our recruiting remains at impressive levels, it is important to focus on sizing the Department to achieve its overall objectives. As we develop and build more efficient and automated ships, aircraft, and combat systems, personnel reductions are inevitable; yet the skill level and specialization requirements increase. The Navy has reduced its end strength by approximately 40,000 over the last 5 years, and as we look ahead to more capable ships entering service in the next few years, we anticipate a stabilization of that trend at an end-strength of about 320,000–325,000.

For the Marine Corps the proposed increase to our active component end strength to 202,000 marines, by 2011, is an investment in reducing the strain on the individual marines and the institution of the Marine Corps while ensuring the Marine Corps can provide trained forces in support of other contingencies. Our first task will be to build three new infantry battalions and their supporting structure—approximately 4,000 marines. We will then systematically build the additional units and individuals on a schedule of approximately 5,000 marines per year.

National Security Personnel System

It is important to note that while a considerable investment is taking place in the uniformed workforce, we are also placing emphasis on creating a proficient civilian workforce, whose pay and promotions are performance-based. Deployment of the National Security Personnel System began in fiscal year 2006 and continued through fiscal year 2007. A significant portion, over 50,000 employees, are scheduled to transition at the start of fiscal year 2008.

Safety

Fundamental to taking care of our sailors, marines and DON civilian employees is establishing a culture and environment where safety is an intrinsic and critical component of all decisionmaking, both on and off-duty. Safety directly affects the readiness of our fighting forces and significant mishap reductions remains a key department-wide objective in fiscal year 2008. We are refining our concept of Operational Risk Management (ORM), which calls for assessing risks prior to an evolution and then implementing mitigating actions during the evolution, to ensure it is more widely accepted and employed by our younger sailors and marines when making decisions off duty. We have placed great emphasis on reducing Private Motor Vehicle (PMV) mishap rates through new policy changes we believe will help reduce needless PMV-related injuries and fatalities. Other safety initiatives are aimed at the reduction of aviation mishaps and improving safety in the workplace.

Investing in Our Facilities

Essential to recruiting and retaining the right people is maintaining their quality of life and service. The Department of the Navy continues to invest in our sailors and marines by sustaining our quality of life/quality of service programs and by ensuring quality housing and facilities in which to live, work and train. We are developing global infrastructure plans to analyze bottom line facility requirements. The Department of the Navy has been aggressively eliminating excess facilities and is on track to its footprint of 23.9 million square feet by 2013.

Military Construction

The fiscal year 2008 budget invests over $2.1 billion toward 64 military construction projects for our active Navy and Marine Corps and 10 projects for our reserve forces.

Base Realignment and Closure

The fiscal year 2008 budget continues to fund BRAC initiatives. We are requesting $733.7 million in the fiscal year 2008 budget submission to continue implementation of the 2005 BRAC Commission recommendations. The fiscal year 2008 request invests in construction (including planning and design), operational movements at key closure and realignment locations, and the necessary environmental studies at receiving locations to fulfill National Environmental Policy Act requirements.

Carrier Homeporting

Consistent with the 2006 Quadrennial Defense Review, the Navy plans to adjust its force posture to base at least six "operationally available" carriers in the Pacific while maintaining the flexibility to respond to threats around the world.[3] The Navy will achieve the six Pacific carrier posture in fiscal year 2010 when the U.S.S. *Carl Vinson* (CVN 70) is homeported to the Pacific.

Realignment of our Forces in the Western Pacific

As part of the Defense Policy Review Initiative (DPRI), a change in the United States-Japan alliance to the security environment, the United States and the Government of Japan (GOJ) signed an agreement for the relocation of some marines from Okinawa to Guam. This realignment requires a commitment to investment in our Western Pacific area of operations. The fiscal year 2008 budget invests $28 million for planning and continuation of the environmental impact analysis.

Investment in Capabilities

To meet the demands of the global war on terror and the uncertain threats of the future, the Department of the Navy must also invest in new generation capabilities and to transform the force. We must continue an acquisition program which seeks to build a fleet that is both affordable and meets the national security challenges of the 21st century. It must cover all facets of the surface, sub-surface, and aviation requirements. We must also invest in our expeditionary forces providing them with

[3] "2006, Quadrennial Defense Review", p. 47.

the capabilities to remain always ready and always capable of forcible entry. Our fiscal year 2008 baseline budget invests almost $46 billion for procurement programs.

As we invest in our naval force it is critical that we pursue a program of stable transformation. The core products that the Navy and Marine Corps buy face a significant time constraint—we go into battle with assets that are built many years in advance; and a stable transformation can only be achieved if the Department of the Navy, in conjunction with Congress, follow a long-term path of program stability.

Building a Fleet for the Future

We have initiated an aggressive investment strategy to build an affordable 313-ship fleet tailored to support the National Defense Strategy and the 2006 Quadrennial Defense Review. The Department plans to procure seven ships[4] in fiscal year 2008 for the United States Navy, and we are serving as the executive agent for one Joint High-Speed Vessel for the United States Army—an investment of over $14.2 billion toward ship building and conversion.[5] As required by Congress, the Department of the Navy recently submitted its 30-year shipbuilding plan which reinforces the 313-ship fleet introduced last year.[6] The fiscal year 2008 30-year shipbuilding plan, unchanged from the fiscal year 2007 plan, represents the Departments commitment to creating programs of stability and predictability which in turn minimizes disruption in shipbuilding and creates efficiency and effectiveness in our industrial base.

The fiscal year 2008 budget continues investment in the shift to next generation warships. The surface ships and submarines which make up the fleet of the future will be more capable than ever to respond to enhanced threats across the globe. Several critical shipbuilding programs in support of the 30-year shipbuilding plan include:

—The lead ship of the CVN 21 Program—*Gerald R. Ford* (CVN78) with expected delivery in 2015—will replace U.S.S. *Enterprise* (CVN65). Program funding is requested over 2 years with 40 percent, approximately $2.7 billion, in fiscal year 2008 and the remaining 60 percent in fiscal year 2009.

—The DDG1000 program, formerly known as the DDX, is the next generation of multi-mission surface combatants. Under the dual lead ship strategy, a lead ship will be constructed at both Northrop Grumman Ship Systems and General Dynamics Bath Iron Works. Contracts for detail design were awarded to the shipbuilders in August 2006. Construction contracts of the dual lead ships are expected to be awarded in fiscal year 2007. The fiscal year 2008 budget provides the second increment of funding, approximately $2.8 billion, required to complete the 2 fiscal year 2007 lead ships.

—The Littoral Combat Ship (LCS) will be a fast, agile and networked surface combatant with capabilities optimized to assure naval and joint force access into contested littoral regions. The Navy has awarded contracts for construction of the first four LCS sea frames. LCS 1 was launched in September 2006. The Navy intends to continue with a plan to procure a reduced number of ships in fiscal 2008 and 2009 within existing budget resources. LCS is needed now to fill critical, urgent warfighting requirements gaps that exist today. Operational experience and analyses indicate that potential adversaries will employ asymmetric capabilities to deny United States and allied forces access in critical coastal regions to include strategic choke points and vital economic sea lanes.

—In the past year the second and third *Virginia* Class fast attack submarines joined the fleet. Construction of the *Virginia* Class continues to be performed under a teaming arrangement between General Dynamics Electric Boat Corporation and Northrop Grumman Newport News Shipbuilding. Six *Virginia* Class submarines are under construction. The fiscal year 2008 budget invests approximately $1.8 billion in the tenth *Virginia* Class submarine and is the fifth of five *Virginia* class submarines covered under a multiyear procurement contract.

A number of congressional authorities are necessary in order to maintain the stability of the 30-year shipbuilding plan. Key to achieving cost reductions in our *Virginia* Class program is the ability to enter into multiyear ship contracts. We are asking Congress to continue multiyear procurement authority for *Virginia* Class Submarines. As we modernize our carrier force to the new *Gerald R. Ford* Class (CVN78), we will drop below our carrier requirement by one ship during a 2 year

[4] "Highlights of the Department of the Navy's Fiscal Year 2008 Budget", p. 3–5.
[5] "Highlights of the Department of the Navy's Fiscal Year 2008 Budget", p. 1–15.
[6] DON 30-year Shipbuilding Plan, submitted to Congress on February 5, 2007.

period. Through adjustments to refueling availabilities and by carefully managing our *Nimitz* Class service life, we will be able to mitigate the impact of this drop in the short term and long term. We are asking Congress to authorize a temporary waiver of the carrier requirement from 11 to 10 ships.

Enhancing Expeditionary Warfare Capabilities

The 2006 Quadrennial Defense Review describes the reorientation of joint ground forces from dependence on large, permanent overseas garrisons toward expeditionary operations. This includes a focus on greater capability to conduct irregular warfare. Naval forces are inherently prepared for this role through our ability to project power ashore. Amphibious warships and MAGTF capability are essential to the Navy-Marine Corps ability to conduct forcible entry. The Department of the Navy will invest in several key procurement programs to enhance our expeditionary warfare capability.

—The *San Antonio* (LPD 17) Class of amphibious warfare ships represents the Department of the Navy's commitment to a modern expeditionary power projection fleet. The rapid off-load capability of the *San Antonio* Class will enable our naval force to operate across the spectrum of warfare. The fiscal year 2008 budget invests $1.4 billion to fully fund the construction of the ninth ship in the *San Antonio* Class.

—The Marine Expeditionary Fighting Vehicle (EFV) is the Marine Corps' largest ground combat system acquisition program. It will replace the aging assault amphibious vehicle that has been in service since 1972. The fiscal year 2008 budget invests $288 million from the Research, Development, Test and Evaluation account toward EFV development to ensure that EFV meets all requirements for performance and reliability before entering into production.

—The Mine Resistant Ambush Protected (MRAP) Vehicle is playing an increased role in protecting our sailors and marines in harm's way. MRAPs are employed to protect against the three primary kill mechanisms of mines and improvised explosive devices—fragmentation, blast overpressure, and acceleration. These vehicles provide the best available protection against improvised explosive devices. The fiscal year 2008 GWOT request procures over 255 MRAP vehicles for the Navy and Marine Corps team. We continue to assess this need as is necessary.

Recapitalizing Aviation Capacity

The Department of the Navy requires a robust aviation capacity including attack, utility, and lift capabilities. The Department is in the midst of an extensive, long-term consolidation and recapitalization of all aircraft in the naval inventory in order to develop the optimum balance between requirements and usage. We are increasing our investment in our aviation programs. In fiscal year 2008 we plan to procure 188 aircraft for the Navy and Marine Corps team.[7] Particularly critical programs include the Joint Strike Fighter (JSF), the F/A–18E/F Super Hornet, the EA–18G Growler, the P–8A Multi-Mission Maritime Aircraft (MMA), the MV–22, and helicopter programs. The Department also serves as the executive agent for the modernization of the fleet of presidential helicopters which will be replaced by the VH–71.

—The Joint Strike Fighter (JSF) (STOVL, CV, CTOL) is the next-generation strike fighter weapons system designed to counter the threats of 2010 and beyond. Low rate initial production (LRIP) long lead funding for initial Conventional Take-off and Landing (CTOL) aircraft was awarded in March 2006. A significant upcoming milestone for JSF is the Defense Acquisition Board in spring 2007 for approval of LRIP 1 full funding and LRIP 2 long lead contract awards.

—The F/A–18E/F Super Hornet is the Navy's multi-mission strike fighter. Currently in its eighth year of full production, 65 percent of the total procurement objective has been delivered (298/460). The fiscal year 2008 budget requests funding for 24 F/A–18E/F Super Hornets. An additional 12 F/A–18E/F Super Hornets are requested in the fiscal year 2008 GWOT request to bridge the projected shortfalls due to excessive operational use which will shorten ESL.

—The EA–18G Growler is the Navy's replacement for the legacy EA–6B and will assume the role for airborne electronic attack. First flight for the Growler occurred in August 2006. EA–18G aircraft are being procured as part of the F/A–18E/F Multi-Year Procurement II contract. The fiscal year 2008 budget invests $1.3 billion which procures 18 E/A–18G aircraft.

—The P8A MMA replaces the Navy's P–3C Orion and fills Combatant Commander requirements for long endurance naval aircraft in fulfillment of many

[7] "Highlights of the Department of the Navy's Fiscal Year 2008 Budget", p. 3–15.

missions in major combat operations, GWOT and homeland defense. The program, now in detailed design phase, will achieve initial operational capability in fiscal year 2013—initial production buys will begin in fiscal year 2010.

—The MV–22 Osprey Tilt Rotor aircraft will supplement and replace the CH–46 with enhanced mission capabilities. The CH–46E is over 40 years old, with limited lift and mission capabilities to support the Marine Air-Ground Task Force (MAGTF) and the GWOT. MV–22 initial operational capability is scheduled for fall 2007 with a continued transition of two CH–46E squadrons per year thereafter. The fiscal year 2008 budget includes a request for 21 MV–22 aircraft.

—Helicopters continue to provide essential lift capability to the Navy and Marine Corps. Critical to this capability are the MH–60R/S and the UH–1 programs. The MH–60R will replace the aging SH–60B and SH–60F helicopters with the primary mission of undersea and surface warfare. The MH–60S will support the CSG and ESG combat logistics, search and rescue, vertical replenishment, antisurface warfare, airborne mine countermeasures, combat search and rescue, and naval special warfare mission area. The fiscal year 2008 budget invests in 27 MH–60R and 18 MH–60S helicopters. The UH–1 continues to fulfill the Marine Corps utility helicopter missions. The fiscal year 2008 budget supports the UH–1Y new build strategy and procures 20 UH–1Y helicopters.

Research and Development

As we look to transform our force with new generation platforms, we must also actively seek out new innovations and niche technology. Our fiscal year 2008 budget continues investment in the research and development, Science and Technology (S&T), and the Research, Development, Test, & Evaluation (RDT&E) management support accounts. In fiscal year 2008, the RDT&E account decreases by over 8 percent, reflecting technology maturation and the transition to production of programs previously in RDT&E. Funding for Science and Technology (S&T) is kept relatively constant to enhance capabilities for the naval forces of today, tomorrow, and the future. To maximize our return on S&T funding, we have developed a newly integrated naval S&T strategic plan focused on areas where the Department of the Navy needs to be a world leader and an early adopter of technologies. RDT&E accounts also support the transition of technologies and the development of critical new weapon systems. Critical shipbuilding programs include CVN 21, SSN 774 *Virginia* Class Submarine, DDG 1000, LCS, LPD 17, T–AKE, and Joint High Speed Vessel. Critical manned aviation programs include the F–35, VH–71, P–8A, CH–53K, E2D, and EA–18G. As a final part of the RDT&E account, our test and evaluation communities are ensuring that technologies will perform as required in the field.

Cultivating a Stable Acquisition Environment

While our investment strategy is forward leaning—so must our procurement process be. It is clear that we must better define our programs early in the acquisition process. A key emphasis must be to properly incentivize contractors to bid in a responsible manner and then to diligently execute to the accepted proposal. I intend to focus a significant part of my remaining time as Secretary of the Navy in getting this right. This year we are focusing our efforts to take on the challenges of revising and reinstituting our policy on contractor performance assessment, controlling cost growth and reducing program volatility, and building rapid acquisition processes. We have established acquisition guidelines concerning urgent warfighting needs, addressing schedule priority, source selection criteria and contract performance. Specific acquisition policies emphasize rapid deployment capability, rapid acquisition processing, controlling cost growth, and contractor performance assessments. An acquisition reengineering effort addressing an open systems business model, accountability and portfolio assessment, human capital planning, and program formulation and capability planning has been initiated. These four threads are aimed at making the acquisition process more responsive and delivering the agreed upon warfighting capability within the agreed upon cost and schedule.

In addition to acquisition reform, we are investing in methods to increase efficiency and maximize the return on our investments. Though still maturing, the Navy is developing the Navy Enterprise Framework which will better leverage the value streams consisting of people, dollars, and materiel needed to deliver warfighting readiness to Navy Component and Combatant Commanders. The Department is also seeking to use "best practices" of the private sector through the deployment of Lean Six-Sigma (LSS). LSS is being implemented throughout the Department to increase quality of work life, safety levels, speed of decisions and transactions, and to decrease total cost of ownership. The vision is to create a critical

mass of leaders and personnel who routinely apply LSS methodologies for continuous process improvement.

The Department will continue to seek ways to transform the way we do business resulting in improved efficiency, better decision-making, and an organizational culture that is performance-based.

CONCLUSION

Investing in our present needs and fighting the global war on terror are on the forefront of our priorities—but we must not forget that the world is an ever evolving environment. We must be prepared to respond to emerging threats of an uncertain future. To accomplish these goals we must continue to invest in our national defense.

Thanks to the continuous support of the Congress our naval forces are superior to all others. But developing and maintaining capable naval forces requires our Nation to take a long-term view. It requires time, constant strategic planning, and significant commitment of resources to develop and maintain the world's premier naval force. Together, we have made tough decisions and I believe that this budget submission is adequately structured to support the needs of the United States Navy and the United States Marine Corps.

Only through the collaborative efforts of the Congress and the Department of the Navy and with the support of the American people can we provide the Nation the naval force it needs to fight the global war on terror and prepare for the challenges of the future.

Thank you.

Senator INOUYE. May I now recognize Chief of Naval Operations, Admiral Mullen.

STATEMENT OF ADMIRAL MICHAEL G. MULLEN, CHIEF OF NAVAL OPERATIONS

Admiral MULLEN. Chairman Inouye, Senator Stevens, other distinguished members of the subcommittee. Thank you for your continued support of our men and women in uniform, and for the opportunity to appear before you today.

I'm honored to join Secretary Winter and General Conway, representing the longest lasting inner-service relationship in our Nation's military history, the Navy-Marine Corps team. As the Secretary said, we are a nation at war—a maritime nation I might point out—fighting an elusive and adaptive enemy, bent on using terror and irregular tactics, to spread hatred and fear across the globe.

At the same time, we are confronted by potentially hostile nation-states determined to develop and use sophisticated weapons systems. Your Navy is ready to meet these challenges. Sir, 2006 was a busy year. We met the demands of combatant commanders for well-trained, combat-ready forces around the world, deterring aggression and combating terrorism while providing international disaster relief to Pakistan and to the Philippines. Revisiting the tsunami-ravaged Southeast Asia with humanitarian relief on board hospital ship *Mercy*. Successfully evacuating over 14,000 American citizens safely from Lebanon and demonstrating our surge capability and partner building capacity in exercises Valiant Shield and RIMPAC.

In addition to that, we monitored missile launches on the Korean peninsula with our aegis destroyers, sent a message of hope and resolve by the *George Washington* strike group in partnership of the Americas, and developed closer military-to-military relationships with the navies of China, India, and Russia.

Some of our finest warfare officers command PRTs in Afghanistan, and Navy admirals commanded the joint task forces Horn of

Africa and at Guantanamo Bay. We also strengthened our homeland security through partnership with our Coast Guard. Nearly 100 of your ships and submarines are at sea today and more than 60,000 sailors are forward deployed. Fully one-half of these men and women serve in the CENTCOM AOR and almost one-half of that number are on the ground in combat support roles. They are performing magnificently, each and every one.

I had the opportunity to visit with many of them over the holidays in the Arabian Gulf, Iraq, Afghanistan, Bahrain, and the Horn of Africa. I can tell you they are focused, well trained, and well led. They are proud of what they are doing, still proud of the difference they know they are making.

But, we have work, we have to work hard to sustain this readiness. Though we continue to meet or exceed almost all of our recruiting and retention goals, I remain concerned about certain shortfalls among our expeditionary forces. SEALS, explosive ordinance disposal personnel, our naval construction force, medical corps, and our naval intelligence community. Additionally, I am starting to see, for the first time in years, a drop in our first-term retention and I'm watching this very closely.

As I testified to the House Armed Services Committee last month, the accelerated wear and tear on systems and equipment in a harsh physical environment requires immediate attention, especially on combat construction equipment for our Seabees and older models of our expeditionary aircraft, the P–3, the EP–3, and the EA–6B Prowlers. The sound investments we made to improve fleet capabilities have paid off. We must now continue to reenergize our procurement accounts to maintain those capabilities in the future.

Our fiscal year 2008 budget request helps us do that, calling for the construction of seven new ships as well as the addition of 188 new operational aircraft to the inventory, nearly 40 more than we ordered last year. As you know, we submitted a shipbuilding plan to Congress last year that would produce a fleet of 313 ships by 2020, a fleet sized and balanced to meet the challenges we face at the maximum acceptable risk. That plan, submitted with this budget, has not changed—still centered on 11 and eventually 12 aircraft carriers, 48 submarines, and 88 surface combatants—which include 88 cruisers and destroyers and up to 55 littoral combat ships. It will provide the Nation more options and more flexibility than ever before, particularly in core warfighting areas like mine and undersea warfare and antiballistic missile defense.

I appreciate the support we've received from this subcommittee in developing this plan and building this fleet. We continue to evaluate, as we must, the impact of global developments, global developments that we had on the plan's original risk assumptions. I assure you I remain committed to a stable shipbuilding program and to pursuing, with our partners in industry, OSD and here on the Hill, the efficiencies required to make it affordable.

Three things have definitely not changed, Mr. Chairman. My priorities to sustain combat readiness, build a fleet for the future, and develop 21st century leaders. I know the role our Navy must play in helping win the war on terror, while providing a powerful deterrent and remaining a vital element of this Nation's strategic re-

serve. I know well our requirement to support those we send into harm's way with the very best medical care, top-notch housing, and installations, and a strong commitment to their professional growth.

The 2008 budget we've submitted is not without risk. While other services have seen their top lines increase since 9/11, the Navy has experienced a $7 billion decrease in buying power over the last 4 years. Our 2008 budget represents the maximum risk we believe we can accept in four key areas; manpower, readiness—both ashore and afloat—our procurement accounts, and our reset.

When our ground forces return from Iraq and Afghanistan, our Nation will increasingly depend on the core expeditionary capabilities of our Navy and Marine Corps team. It is what we have done for over 231 years, and what we must continue to deliver to keep our Nation safe and prosperous. I know—and I know you know—that a maritime nation, such as ours, depends in great measure, as it has for more than 230 years, on the flexibility, reach, agility, and lethality of a strong Navy. We are that Navy, Mr. Chairman, and with your continued support we will remain that Navy.

PREPARED STATEMENT

Again, on behalf of your sailors, Navy civilians, and their wonderfully supportive families, I thank you for the opportunity before you and stand ready to answer your questions.

Senator INOUYE. I thank you very much, Admiral, for your reassuring remarks.

[The statement follows:]

PREPARED STATEMENT OF ADMIRAL MICHAEL G. MULLEN

Mr. Chairman, Senator Stevens, and members of the committee, it is an honor to appear before you today representing the brave men and women, sailors and civilians, of the United States Navy. And it is with great pride, tempered by the urgency of war, that I report to you the Navy's readiness to answer all bells for our Nation's security, today and for generations to come. Thank you for your longstanding support.

INTRODUCTION

We are a maritime Nation involved in a long, irregular and global war that extends far beyond Iraq and Afghanistan. The threat we face breeds within failing states and the under-governed spaces of the world and preys upon those weakened by poverty, disease, and hatred. It thrives where there is no rule of law and spreads like a malignancy through cyberspace and the vast maritime commons that serve as connecting tissue in this age of globalization.

We are also confronted by nation-states determined to develop sophisticated weapons systems, including nuclear arms. We cannot allow ourselves to be fixated on one threat alone. Our national security is dependent upon a strong Navy that can keep the sea lanes free, deter aggression, safeguard our sources of energy, protect the interests of our citizens at home and reassure our friends abroad. We must never relinquish overmatching capability and capacity.

While our ground forces are engaged in Iraq and Afghanistan, the Navy—with its ability to deliver two unique attributes day to day—global reach and persistent presence—will continue to support our responsibilities worldwide and provide a powerful deterrence, both in day-to-day operations as well as being a vital element of our Nation's "Strategic Reserve." As we pace the rapidly changing security environment, there is no alternative to a well balanced fleet.

Much has changed in the world since I testified before this committee last year. Iran has been emboldened by the Israel/Shoebill war and continues the overt pursuit of a nuclear production capability. North Korea has test fired long range ballistic missiles and conducted an underground nuclear detonation. China has demonstrated the ability and willingness to conduct out of area diesel submarine oper-

ations and their advanced military and space technology development continues apace. The stated desire for, and apparent pursuit of, weapons of mass destruction (WMD) and advanced delivery systems has increased among terrorist organizations and their state sponsors. And within our own hemisphere, some leaders have become increasingly vocal in their opposition to policies of the United States.

Last Spring I signed the Navy Strategic Plan (NSP) to better align budgetary decisions with future operations and risk assessments. The NSP also laid the foundation for the Naval Operating Concept (NOC), which I co-signed with the Commandant of the Marine Corps in August 2006. The NOC is intended to define the objectives and missions of the Navy-Marine Corps Team and to underscore our warfighting interdependence.

The President's National Strategy for Maritime Security (NSMS) calls for enhanced international cooperation to ensure lawful and timely enforcement actions against maritime threats. During the Cold War, our Navy was guided by a maritime strategy focused on containing and defeating the spread of communism and Soviet domination. It is time to develop a new maritime strategy based on global reach and persistent presence—a strategy that includes core Navy warfighting competencies and deterrence, strategic communication and information operations, shaping and stability operations, emerging and enduring partnerships.

At the International Sea Power Symposium in September 2005, the Chiefs of 49 navies and coast guards, among 72 countries represented, discussed a new vision of sea power in the 21st century. That vision of sea power encourages international partnerships for maritime security and awareness, consisting of vessels and capabilities from partner nations around the world—nations with a shared stake in international commerce, security and freedom of the seas: the "1,000 Ship Navy."

This year the U.S. Navy and Coast Guard have joined maritime forces around the world interested in participating in global maritime partnerships—a proverbial "1,000 Ship Navy." Membership in this "global fleet" is not proscriptive and has no legal or encumbering ties. It is envisioned to be a free form force of maritime partners who see the promise of sea power to unite, rather than to divide: Collective security on the oceans highways through a global maritime network.

UNITED STATES NAVY'S VISION

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

PRIORITIES

In last year's testimony, I identified three priorities addressed by our fiscal year 2007 budget. We have made progress in all three and our fiscal year 2008 budget reaffirms our commitment to these priorities. We seek your assistance as we move forward, placing particular emphasis on strengthening our core warfighting capabilities and increasing our own military capacity as well as that of our partners. Our three priorities remain:

—*Sustain Combat Readiness.*—With the right combat capabilities—speed, agility, persistence, and dominance—for the right cost.

—*Build a Fleet for the Future.*—Balanced, rotational, forward deployed and surge capable—the proper size and mix of capabilities to empower our enduring and emerging partners, deter our adversaries, and defeat our enemies.

—*Develop 21st Century leaders.*—Inherent in a strategy which, through a transformed manpower, personnel, training and education organization, better competes for the talent our country produces and creates the conditions in which the full potential of every man and woman serving our Navy can be achieved.

SUSTAIN COMBAT READINESS

Fiscal Year 2006 in Review

The Navy answered all bells in 2006. We met the demands of Combatant Commanders for well-trained, combat-ready forces—deterring aggression while conducting Operation Enduring Freedom, Operation Iraqi Freedom, international dis-

aster relief, and humanitarian missions. We successfully evacuated over 14,000 American citizens safely from Lebanon and demonstrated our resolve, capability and partner building capacity in Exercises Valiant Shield, RIMPAC, and Partnership of the Americas.

Over 10,000 Navy individual augmentees continued to make significant contributions around the world in all manner of joint and coalition billets, particularly in the CENTCOM area of responsibility. We continued to provide vital direct and indirect combat support to the Marine Corps through a variety of blue in support of green programs, and we supported homeland defense initiatives with the U.S. Coast Guard, including the development of a Maritime Domain Awareness Concept of Operations (CONOPS) and the establishment of three Sector Command Center-Joint, interagency harbor operations centers.

Last year the Navy also made progress toward improving our core warfighting competencies: anti-submarine warfare, mine warfare, and ballistic missile defense. As the missile tests on the Korean Peninsula and the out of area deployment of a Chinese diesel submarine remind us, we must ensure we sustain our overmatching capability and capacity in these, and other, core warfighting mission areas.

Current Readiness

I recently returned from a trip to Iraq, Afghanistan, Djibouti, Bahrain, and ships at sea in the Arabian Gulf. I visited with sailors conducting special operations and combat support in Iraq, flying combat sorties in support of OEF and OIF, providing security protection for oil platforms, conducting civil affairs missions in Afghanistan, participating in Theater Security Cooperation activities in Horn of Africa, and standing watches onboard U.S.S. *Dwight D. Eisenhower*, U.S.S. *Anzio*, and U.S.S. *Boxer*—reassuring our allies in the region while providing a formidable deterrent to Iran.

Our Navy's readiness is superb and our sailors are performing at exceptional levels at sea and ashore. The men and women of your Navy are on watch around the world, around the clock.

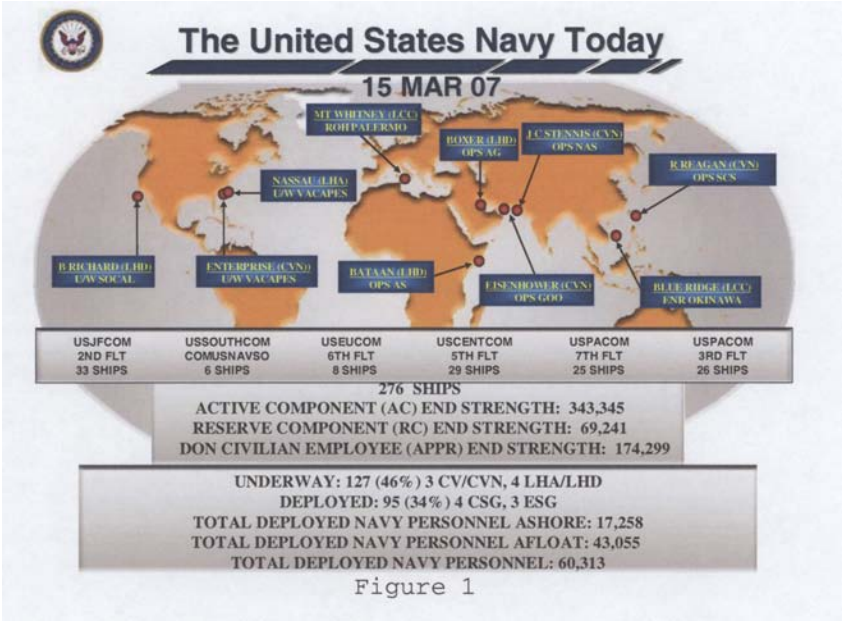


Figure 1

On 15 March 2007 we had 95 ships on deployment (34 percent of the fleet) and 127 ships underway (46 percent of the fleet) in every theater of operation; this included 3 aircraft carriers, and 4 big deck amphibious ships (LHA/LHD), and approximately 25 submarines (Figure 1).

That same day, 2,744 active and reserve Seabees, and 4,896 of our active and reserve medical corps were serving overseas, many in combat support roles. Additionally, 817 members of the Navy Special Warfare community were deployed overseas

(of 3,616 deployable), as were 247 Explosive Ordnance Disposal personnel (with 105 surge-available to deploy), and 744 Naval Coastal Warfare/Expeditionary Security Force personnel (of 2,640 deployable). Earlier this month, 167 sailors from the Navy's first, newly established Riverine Squadron arrived in Iraq to provide area security at the Haditha Dam.

Worldwide, on March 15, 2007, there were 60,313 of our sailors deployed ashore and afloat worldwide, conducting strategic deterrence; intelligence, surveillance and reconnaissance; anti-submarine warfare training, ballistic missile defense, mine counter warfare, counter piracy and counter-drug patrols, theater security cooperation activities, and humanitarian assistance. On that day there were 31,120 sailors serving in the CENTCOM AOR, 13,007 of whom, were on the ground building roads and schools, offering combat care and medical assistance to our fleet marines, providing timely intelligence support to Special Operations, and contributing to the myriad combat support and reconstruction missions ongoing in that region. No less vital are the sailors and civilians—the total Navy—who serve the shore-based infrastructure that underpins our fleet worldwide.

Perhaps the greatest enabler of our current, and continuous, readiness has been the ongoing development of the Fleet Response Plan (FRP). FRP is an evolving, deliberate process to ensure increased and continuous availability of trained, ready Navy forces capable of a surge response forward on short notice. FRP does not change training requirements, operational capabilities or the amount of maintenance. Rather, it delivers enhanced surge capability while providing rotationally deployed forces to fulfill global force commitments.

Another key enabler of our fleet readiness is family readiness. "Family readiness" means sailors' families are prepared for the absence of their loved one. The Navy strives to reduce the uncertainty and apprehension experienced by our Navy families in these stressful times, while strengthening the programs and resources available to support them.

Without the support of our families—and, without supporting them in return—we cannot hope to sustain combat readiness. We owe our sailors and their families the very best quality of life we can offer. This includes top-notch housing and installations, the best health care we can provide, and a strong commitment to child care.

Requirements to Sustain Combat Readiness

As we adapt to asymmetric threats and the challenges of irregular warfare, we cannot lose sight of Navy's core warfighting competencies. We must continue to improve performance in anti-submarine and mine warfare, anti-surface warfare, anti-air warfare, strike warfare, ballistic missile defense, and other core maritime supremacy missions. We will continue to mature our Fleet Response Plan (FRP) and strengthen Fleet and Family Readiness—to ensure combat ready, surge-capable forces are available to meet any contingency. Natural disasters abroad and hurricanes here at home taught us valuable lessons. We need to extend the FRP philosophy of "continuous readiness" to our shore commands, our people, and to our families.

To sustain our combat readiness, we seek congressional support in the following areas:

—*Anti-submarine Warfare.*—Submarines with improving stealth and attack capability—particularly modern diesel attack submarines—are proliferating worldwide at an alarming rate. Locating these relatively inexpensive but extremely quiet boats presents our Navy with a formidable challenge. Navy is pursuing a distributed and netted approach to ASW. Some of the key ASW programs we must continue to develop and field as quickly as possible include: the Deployable Distributed Autonomous system (DADS); the Reliable Acoustic Path Vertical Line Array (RAPVLA); the Surface Ship Torpedo Defense System (SSTD); the Aircraft Carrier Periscope Detection Radar (CVNPDR); and, the High Altitude ASW Weapon Concept (HAAWC).

—*SONAR Restrictions.*—ASW is a very complex and challenging warfighting competency in which to achieve and sustain the required level of expertise. Therefore every opportunity we have to gain and maintain proficiency at the ship/unit level, and every opportunity we have to integrate units in complex scenarios is crucial to our readiness. Unfortunately, our ability to train in the same manner in which we fight is under attack in public forums, including the courts. Thus far, we have seen little scientific basis for the claims lodged against the Navy. However, these allegations present the potential for severe restrictions on our continued ability to train effectively, as we saw in RIMPAC 2006 wherein we lost 3 days of valuable ASW training with active sonar because of a court restraining order. Navy is currently executing a comprehensive plan of action to cover all our at-sea training areas with environmental compliance documents by

the end of 2009. We are committed to maintaining an open dialogue, continuing to advance our scientific understanding of the impacts of sonar on marine mammals, and complying with the relevant statutes. We have consistently made this clear as an organization in our debate on this issue. Maintaining proficiency in ASW is a daily challenge, and while our long-term compliance documents are being developed, we cannot afford to stop training. We owe it to our sailors to ensure they receive the training they need to fight and win.

The Marine Mammal Protection Act (MMPA) requires permits for activities that may affect marine mammals. This includes military activities, including certain Navy activities at sea. The National Defense Authorization Act of 2004 included a provision that authorizes the Secretary of Defense to grant exemptions to the MMPA for certain military activities critical to our national defense. On January 23, 2007, the Deputy Secretary of Defense granted Navy a National Defense Exemption (NDE) for 2 years covering mid-frequency active (MFA) sonar activities for major exercises and in major operating areas, as well as the use of Improved Explosive Echo Ranging sonobuoys (IEER). The NDE will help Navy continue to conduct the sonar training necessary for our national defense while protecting marine mammals through established mitigation measures.

—*Naval Expeditionary Combat Command.*—NECC is developing into a true force of choice in phase zero (pre-conflict) and phase V (reconstruction) operations, and as a vital part of our Nation's long war against terrorism. Included in the Naval Expeditionary Combat Command today are 30,363 Active and Reserve component sailors including 15,339 in the Naval Construction Force, 6,557 in Naval Coastal Warfare, 3,607 in the Navy Expeditionary Logistics Force, 2,482 in Explosive Ordnance Disposal, 712 in the Riverine Force, 591 in the Navy Expeditionary Guard Battalion, 441 in Visit Board Search and Seizure/Intel, 431 in the Maritime Civil Affairs Group, 85 in Combat Camera, 68 in the Expeditionary Combat Readiness Center, and 50 in the Expeditionary Training Group. All new forces—Riverine, Expeditionary Training Group, Maritime Civil Affairs and Maritime Expeditionary Security Force—will meet full IOC objectives in fiscal year 2007. Riverine will deploy its first squadron to Iraq this month to provide area security at Haditha dam and interdiction operations on the Euphrates River. Your continued support of our Riverine capability and capacity is vital. Our second Riverine squadron was established on February 2, 2007 and our third squadron will be stood up this June.

—*Sea Basing.*—It would be difficult to consider any future expeditionary missions without recognizing the need for a sea base from which to stage Joint Forcible Entry Operations, Theater Security Cooperation, and humanitarian assistance activities. Sea basing provides operational maneuver and assured access to the Joint Force while significantly reducing our footprint ashore and minimizing the permissions required to operate from host nations. These are operational characteristics that will prove increasingly vital in the post-OIF/OEF political-military security environment. Navy is exploring innovative operational concepts combining sea basing with adaptive force packaging that will further support national security policy and the Combatant Commanders' objectives worldwide. Our 30 year shipbuilding plan provides for sea basing that covers the spectrum of warfare from Joint Forcible Entry to persistent and cooperative Theater Security Cooperation.

—*Ballistic Missile Defense.*—Missile tests on the Korean Peninsula and by Iran, along with the proliferation of ballistic missile technology underscores the growing need for a robust, sea-borne ballistic missile defense system. Last year, the Navy made further progress on our Aegis Ballistic Missile Defense (BMD), the sea based component of the Missile Defense Agency's (MDA) Ballistic Missile Defense System (BMDS). It enables surface combatants to support ground-based sensors and provides a capability to intercept short and medium range ballistic missiles with ship-based interceptors (SM–3). The Sea-Based Terminal Program will provide the ability to engage Short Range Ballistic Missiles (SRBMs) with modified SM–2 BLk IV missiles from Aegis BMD capable ships.

—*Depot Level Maintenance.*—Ship and aviation depot level maintenance is critical to enable the continuing readiness of our warfighting capabilities. Support of our O&MN accounts will ensure we don't defer critical maintenance.

—*U.S.S. George Washington.*—The U.S.S. *George Washington* will relieve U.S.S. *Kitty Hawk* as our forward deployed Naval forces CVN in Japan in fiscal year 2008. This transition, vital to our security interests in the Asian Pacific region, needs to be fully funded.

—*Fleet and Family Readiness.*—The Navy is addressing fleet and family readiness in many critical areas, four of which are: minimizing financial risk and predatory lending; improving crisis management and response procedures; enhancing

child care programs and centers; and, improving ombudsman programs. We also continue to work with those families struggling to recover from the devastation of Hurricanes Katrina and Rita.

—*Steaming Days.*—The fiscal year 2008 budget provides funds necessary to support 48 underway days per quarter of the active operational tempo (OPTEMPO) for deployed forces and 22 underway days per quarter for non-deployed forces (primarily used for training). Our fiscal year 2008 baseline budget estimates also include reductions to peacetime OPTEMPO levels. The fiscal year 2008 budget supports the "6+1" surge readiness level from our Carrier Strike Groups. As in fiscal year 2006 and fiscal year 2007, it is anticipated that operational requirements will continue to exceed peacetime levels in fiscal year 2008.

IBUILD A FLEET FOR THE FUTURE

Fiscal Year 2006 in Review

In 2005 the Navy conducted extensive analysis to determine the minimum required force structure needed to meet the security demands of the 21st century with an acceptable level of risk. In February 2006, the Navy unveiled a new 30-year shipbuilding plan that will provide a Battle Force of approximately 313 ships by 2020 with more capacity and capability than was ever dreamed when our fleet was much larger in size. Stabilizing this plan, which remained essentially unchanged in our 2007 submission, is intended to provide the shipbuilding industry with sufficient predictability to maintain critical skills and to make business decisions that increase efficiency and productivity in order to meet the Navy's projected shipbuilding requirements.

Last year we began to see our future fleet taking shape. We currently have 38 ships under contract for construction, and in fiscal year 2006 ships that had been designed a few short years ago rolled down the ways. We christened the first *Freedom* Class Littoral Combat Ship, amphibious assault ship *Makin Island*, amphibious transport dock ship *Green Bay*, guided missile destroyers *Gridley* and *Sampson*, nuclear fast attack submarine *Hawaii*, auxiliary dry cargo ships *Alan Shepard* and *Sacagawea*, and the aircraft carrier *George HW Bush*. We commissioned the amphibious nuclear attack submarine Texas and the guided missile destroyer *Farragut*. We also rolled out the first EA–18G Growler.

In fiscal year 2006, the increased wartime OPTEMPO of Operations Iraqi Freedom, Enduring Freedom and the global war on terror continued to wear down Navy's aging, "legacy" aircraft. Expeditionary aircraft utilization has dramatically increased, particularly for EA–6B airborne electronic attack aircraft, MH–60 multimission helicopters, P–3 maritime patrol aircraft, EP–3 electronic surveillance aircraft, and F/A–18 C/D attack aircraft, thus shortening the expected service life (ESL) of these aging airframes.

Improving our own capacity was only part of the Navy's focus in fiscal year 2006. We also pursued the broadest possible approach to strengthening maritime security through partnerships. This included closer cooperation with the U.S. Coast Guard and our other interagency partners, international organizations, non-governmental agencies, commercial shippers, and maritime nations great and small.

Perhaps the most tangible application of Navy's global reach and persistent presence in building partner capacity was last year's 5 month deployment of the hospital ship *Mercy* in the summer of 2006 to the tsunami-affected areas in South and Southeast Asia. Working with embarked military medical personnel from Canada, Australia, Singapore, India and Malaysia as well as representatives from 11 non-governmental organizations, *Mercy*'s accomplishments ashore and afloat included: 60,081 patients seen, 131,511 total services provided; 1,083 surgeries; 19,375 immunizations; 20,134 optometry evaluations, 16,141 glasses distributed; 9,373 dental extractions; 236 biomedical equipment repairs, 254 people trained; 59 major and 177 minor medical systems restored to 100 percent operational capacity; and, 6,201 host nation students trained.

In an August 2006 public opinion survey, conducted by Terror Free Tomorrow, Indonesians and Bangladeshis overwhelmingly indicated their support of this humanitarian mission. In Indonesia, 85 percent of those aware of *Mercy*'s visit had a favorable opinion, and in Bangladesh this figure was 95 percent. Further, 87 percent of those polled in Bangladesh stated that *Mercy*'s activities made their overall view of the United States more positive. These polling results provide some indication of the power of partnerships.

Current Force

By the end of fiscal year 2007 we will have stopped the free fall of our Navy and our fleet's net size will have grown from a low of 274 ships in March 2007 to 279, including five newly commissioned ships.

Navy is in the process of evaluating the impact global developments have had on our risk assumptions, and ultimately whether or not this will affect the build rate of our future Battle Force. Whatever the outcome of this evaluation, we will work closely with our partners in industry to control requirements costs and provide the industrial base the stability it needs to become more productive.

Future platforms and combat systems must be designed and built with the knowledge that we plan to continually upgrade them over their lifetime. An open architecture approach to software acquisition and development of integrated weapons systems is a critical part of this business model. Free and open competition in which the best idea wins is the goal.

The fiscal year 2008 President's budget submission provides for procuring seven new ships in fiscal year 2008 and 67 new ships over the FYDP (fiscal year 2008–2013). To facilitate the stability required to achieve reduced costs in this constrained industrial sector, no changes in ship acquisitions were made in fiscal year 2008 from PB07 to PB08. The Navy has a long-range vision to reduce types and models of ships, to maximize reuse of ship designs and components, and to employ a business model that encourages the use of open architecture and mission systems modularity.

The next major challenge in building a fleet for the future is to deliver a long range aviation procurement plan. Much work has been done analyzing joint warfighting capabilities and capacity based on threat and risk assessments driven by Defense Planning Guidance. Consideration has also been given to affordability, industrial capacity and production times associated with next generation aviation warfare. The Navy will work to deliver a stable aviation build plan that transforms and balances aviation capabilities with respect to conventional and irregular warfare, reduces excess capacity, and achieves technological superiority through cost-wise investments in recapitalization, sustainment and modernization programs.

PB08 procures 188 aircraft in fiscal year 2008 and 1,295 aircraft across the FYDP (fiscal year 2008–2013), reduces average aircraft age from 74 percent to 50 percent of expected service life, and concentrates on resourcing critical maritime and joint effects. The plan is structured to support required economic order quantity investments and facilitate Multi-Year Procurement (MYP) contracts.

We must include the vital contribution that can be made in securing the global commons by our partners with common interests. The President's National Strategy for Maritime Security states, that, "The safety and economic security of the United States depends upon the secure use of the world's oceans." It further notes that, "maritime security is best achieved by blending public and private maritime security activities on a global scale into an integrated effort that addresses all maritime threats."

I believe an international "1,000 ship Navy," offers a real opportunity to increase partner nation capabilities while reducing transnational crime, WMD proliferation, terrorism, and human trafficking. Regional maritime security partnerships are already taking shape worldwide that support this ideal, some with and some without direct U.S. Navy involvement. The self-organizing evacuation of non-combatants from Lebanon during the Israeli-Hezbollah war, in which 170 ships from 17 countries came together, accomplished their mission, and dispersed is often cited as a good example of how such partnerships might work.

Critical to increasing partner capacity in the war on terror, as well as building strong global maritime partnerships (the "1,000 ship Navy") that promote maritime security, is the Building Global Partnerships Act of 2007, being submitted to Congress by the Department of Defense as a top legislative priority. The BGP Act will significantly improve our ability to help friendly nations develop capabilities to better govern and defend their territorial waters and the global maritime commons, denying access to terrorists and criminal organizations. We encourage your support for this vital legislation that will further enable support for the "1,000 ship Navy" concept.

Sea power in this century cannot be harnessed by a single nation acting alone. If we are to build a fleet for the future capable of keeping pace with globalization, we must leverage the capacity of our partners with common interests. The positive potential of sea power and freedom of the seas can only be achieved through a collective and cooperative approach focused on international rule of law and freedom of the maritime commons.

Requirements to Build a Fleet for the Future

We have worked hard with Congress and industry to start to create stability in our shipbuilding plans and industrial base. We must continue to fund and build a balanced, effective Battle Force of about 313 ships—the minimum force required to guarantee the long-term strength and viability of U.S. naval air and sea power with acceptable risk. We recognize the need to control requirements, maintain program stability, curb costs, and monitor best business practices. We need support for sustained funding of our shipbuilding account—consistent with the 30-year plan—that is critical to provide our partners in industry the stability they need to curb cost growth and sustain our vital shipbuilding industrial base.

To build a fleet for the future and strong partnerships, we seek congressional support in the following areas:

—*11 Carrier Force.*—The 30 year shipbuilding plan recognizes that as a result of the retirement of U.S.S. *Enterprise* in fiscal year 2013, the number of aircraft carriers will drop to 10 for a period of approximately 30 months, until the U.S.S. *Gerald Ford* enters active service. Legislative relief is required from the Fiscal Year 2007 National Defense Authorization Act requiring a carrier force of 11. In developing the 30 year shipbuilding plan, Navy conducted extensive analysis that concluded the temporary drop to a carrier force of 10 from fiscal year 2013 through fiscal year 2015 is an acceptable, though moderate, risk. A carrier force of 11 is recognized as minimum risk over the long run.

—*Littoral Combat Ship.*—The Littoral Combat Ship program remains of critical importance to our Navy. Current cost estimates exceed established thresholds for detail design and construction of LCS 1, the lead Lockheed Martin hull. This recent cost growth has provided an opportunity to reinforce the Navy's commitment to providing warfighting capability through affordability. The Navy is executing a pause in the construction of LCS 3, the second Lockheed Martin hull, to conduct a thorough review of the program, and to examine both internal and external factors relating to the acquisition and contracting processes, practices, and oversight and the related impact on cost. The Navy remains committed to bringing Littoral Combat Ship capability into the fleet quickly and by means of an acquisition strategy that is executable, affordable, and in the best interests of the Navy.

—*Virginia Class Multi-Year Procurement (MYP).*—Navy is seeking multi-year procurement authority in fiscal year 2008 for *Virginia* Class submarine contracts beginning with the fiscal year 2009 ship. Continued MYP authority will help maintain a stable SCN profile and greatly aid in *Virginia* Class cost reduction initiatives. In order to support our long-term submarine force structure of 48 boats, Navy plans to increase the build rate of this class to two/year beginning in fiscal year 2012.

—*Split Funding for Zumwalt Class DDG.*—The support of Congress for last year's split funding request was greatly appreciated. This year Navy requests the second half of split year funding for dual lead ships of the *Zumwalt* Class destroyer to maximize competitive efficiencies and focus design efforts. Split funding will also lend stability to the shipbuilding industrial base. This funding strategy supports the current budget structure, enhances future competitive opportunities, and limits liability for appropriations in future years.

—*Joint Strike Fighter.*—The F–35 Joint Strike Fighter remains the cornerstone of Navy's continuing superiority in air warfare. Although risk associated with the recent 2 year slide in the carrier variant of the F–35 will be mitigated by an increased buy of F/A–18E,F variants, there should be no doubt that JSF is a much more capable aircraft. I encourage your continued strong support of this program to guard against further delays in production.

—*Legacy Expeditionary Aircraft Replacement.*—As our aging, legacy aircraft reach the end of the service lives, funding for follow-on programs becomes critical. Among these programs are the P–8A multi-mission maritime aircraft, the F/A 18–E/F and JSF, the EA–18G airborne electronic attack aircraft, the V–22 tilt-rotor aircraft, and the MH–60R/S and CH–53K helicopters. Navy's RDT&E program is also vital to this effort.

—*Research and Development.*—To achieve the speed of war Navy is pursuing Innovative Naval Prototypes (INPs)—revolutionary "game changers" for future naval warfare. These initiatives have resulted in the development of an electromagnetic rail-gun prototype; new concepts for persistent, netted, littoral anti-submarine warfare; technologies to enable sea-basing; and the naval tactical utilization of space.

—*Public Shipyard Loading.*—As we work with industry on shipbuilding cost reduction, we must ensure legislation and policy support best business practices and efficiencies. Apportioning work based upon funding quotas to drive work-

loading in public naval shipyards potentially diverts efficiency opportunities away from the private sector. Public yards provide vital services for nuclear propulsion and submarine work, and these critical competencies must be maintained. However, our first priorities in shipyard loading should be quality, efficiency, and cost savings. We seek your assistance in removing restrictions on our work-loading flexibility.

—*Shore Installations and BRAC V.*—In addition to our ships and airplanes, another critical piece of force structure is our shore infrastructure, to include installations, piers and support facilities, training ranges, schoolhouses, hospitals, and housing. Supporting a "Surge Navy" demands we create an infrastructure that leverages advanced technology, sound investment and intelligent sustainment for the fleet, for our sailors and their families. The Navy's Ashore Vision 2030 is our roadmap for transforming the Navy shore infrastructure over the next 25 years; it is aligned with the congressionally-mandated Base Realignment and Closure (BRAC) process.

The Continuing Resolution (CR) voted into Public Law in February 2007, decreased Department of Defense BRAC V funding from $5.6 billion request to $2.5 billion. Without supplemental funding to remedy the $3.1 billion reduction this law made in the DOD BRAC request, Navy's BRAC V funding will essentially be cut from $675 million to $291 million—a 57 percent reduction. This would devastate a program entering the critical stages of execution. This reduction would also delay, or in some cases negate, our ability to harvest savings and reap funds from land sales and transfers. Should this shortfall be remedied through fiscal year 2007 Emergency Supplemental Appropriations funding, Navy would do its best to minimize the impact of this delay through prompt execution of funds.

—*MHC Transfers.*—Legislative authority for planned ship transfers are an important aspect of inter-operability with the navies of our allies. These transfers also contribute to the 1,000 ship Navy vision by building partner nation capacity, while reducing the taxpayer costs of maintaining or disposing of decommissioned ships. Navy seeks authority to transfer coastal mine hunting ships (MHCs) to Lithuania and Turkey. Limited in speed and endurance, the MHCs were designed as non-deploying assets. With no sweep capability and without redundant engineering and combat systems equipment, they are constrained in their ability to conduct mine clearance operations. For the MHCs to provide utility in a homeland defense role, they would have to be strategically distributed across the United States which would drain limited fiscal and manpower resources and hamper the Navy's ability to field a responsive and capable MCM force. These ships are scheduled for decommissioning in fiscal year 2008 and if authority is timely, they can be "hot transferred" which is less expensive for both the United States and the recipient.

—*United Nations Law of the Sea Convention.*—To interact more effectively with our maritime partners, it is time to ratify the Law of the Sea Convention. Robust operational and navigational rights codified in the Law of the Sea Convention must be preserved for the Navy to continue to maximize its ability to execute the National Strategy for Maritime Security. Accession to the convention is of critical importance to global naval maritime and over flight mobility.

DEVELOP 21ST CENTURY LEADERS

Fiscal Year 2006 in Review

In fiscal year 2006, Navy continued to meet recruiting and retention goals for most ratings and designators in the active and reserve components. We achieved 100 percent of our overall active component enlisted recruiting goal, and our overall enlisted retention goal was exceeded at 104 percent. We met 98 percent of our overall active component officer accession goal and 99 percent of our active officer end strength goal. Navy will continue to remain vigilant in what is proving to be an increasingly difficult recruiting environment.

Fiscal year 2006 was the fifth year of support for the global war on terror. Continued wartime OPTEMPO for Operations OIF and OEF has raised concern for the health and welfare of some parts of our expeditionary force. Medical ratings and designators, Explosive Ordnance Disposal (EOD) personnel, divers, Special Warfare Combat Crewmen (SWCC), and Seals remained recruiting challenges.

Last year, Navy put a great deal of effort into analyzing and addressing the root causes of these recruiting shortfalls. New authorities provided in the Fiscal Year 2007 National Defense Authorization Act, such as increased accession bonuses and college stipends, are expected to help mitigate medical officer recruiting challenges. Increased accession bonuses for Seal/Navy Special Warfare ratings and improved

training techniques to reduce attrition will help us meet future requirements in our global war on terror intensive ratings.

The Expeditionary Combat Readiness Center (ECRC), a command within the NECC, was established in fiscal year 2006 as the single process owner for the deployment of Navy Individual Augmentees (IA) and In-lieu of (ILO) forces, of which the Navy is currently fielding over 10,000 sailors. The ECRC helps organize, process, train, equip, and deploy IAs, providing reach-back support and eventually helping them re-integrate with their parent command. Additionally, all active duty sailors now process through one of four Navy Mobilization Processing Sites (NMPS) which has greatly enhanced consistency in processing between our Active and Reserve components. The ECRC NMPS are helping Navy process IAs while meeting a goal of 60 day advanced notification of deployment.

Central to Navy's ability to sustain overall readiness, particularly in support of the global war on terror through the Individual Augmentee program, was, and is, the near-seamless integration of our Active and Reserve components. Since September 11, 2001, over 42,000 Navy Reservists have been mobilized in support of the global war on terror (GWOT), representing over 80 percent of the total number of sailors deployed on the ground in theater. On any given day, over 20,000 citizen-sailors are on some type of Active Duty (AD) or Inactive Duty (ID) orders at their supported commands meeting global COCOM requirements. This number includes about 5,000 RC sailors mobilized in support of OIF and OEF. Additionally, we maintain the capacity to rapidly increase contingency support with more than 28,000 RC sailors yet to be mobilized.

Navy's Active/Reserve Integration program (ARI) aligns Reserve Component (RC) and Active Component (AC) personnel, training, equipment and policy to achieve unity of command. It leverages both budgetary and administrative efficiencies, as well as ensuring that the full weight of Navy resources and capabilities are under the authority of a single commander. Navy Reservists are aligned and fully integrated into their AC supported commands, and often conduct "flex-drilling," putting multiple drill periods together to provide longer periods of availability when requested. This flexibility enables our Reserve sailors to better balance the schedules and demands of their civilian employers and families while achieving greater technical proficiency, more cohesive units and increased readiness.

The Reserve Component is a critical enabler of the "Sailor for Life" concept that is central to our Strategy for our People. This approach to recruiting, retention, and professional development explores innovative opportunities for career on-ramps and off-ramps, providing fluidity between the active and reserve components. Last year, Navy continued to actively pursue incentives that will develop a more adaptable, better educated, and more highly skilled workforce while encouraging sailors to serve longer and more productively.

Based on national demographic trends and the pace of globalization, it is clear we must build a more diverse Navy. According to the U.S. Census Bureau, by 2030 African Americans will comprise approximately 14 percent of the population nationally, Hispanics 20 percent, and Asians/Pacific Islanders/other 10 percent. Our officer corps currently consists of 81 percent non-minority and our enlisted ranks are approximately 52 percent non-minority. To ensure we have the best people, from the widest talent pool available, we must do a better job of recruiting and retaining our Nation's young minority students.

Current Status of Our Sailors and Civilians

Perhaps no where else in our Navy is the pace of change more profoundly felt than in our manpower, personnel and training enterprise. It is here that the dynamics of globalization, cultural diversity, advancing technologies, generational differences, changes in the labor market, and declining numbers of hard science degrees among America's youth combine to make recruiting and retention more challenging than ever.

Currently, only three in ten high school graduates meet the minimum criteria for military service, including academic/mental, physical, and social/legal requirements. With all four armed services, a great number of colleges and universities, as well as corporate America seeking talented and qualified high school graduates, competition is stiff.

If we are to pace the security challenges of this century, our sailors and civilian workforce must evolve with our weapons systems. We must recruit today the young men and women who will be leading the fleet tomorrow. This will be a more specialized, technically capable, better educated, more culturally diverse and aware Navy than we have today. And it will be smaller.

Unfortunately, the old model of recruiting and detailing in which we focused on simply filling specific requirements, is no longer sufficient. Today, and in the future,

as we reduce the size of our force to align it with increasingly sophisticated systems in a complex security environment, we must strive to fit the right person to match the requirements. And as we eliminate excess infrastructure ashore and increase our global outreach and persistent presence forward, the ratio of sea to shore billets will become more balanced. In order to make the right fit for each individual sailor, we must be mindful of providing geographic stability, satisfying work, personal and professional development, and, to the degree possible, predictability in their future assignments.

Admittedly, we could adapt more easily to the rapidly changing security environment if we could focus on a specific enemy or choose between effectiveness in irregular warfare or major combat operations—between asymmetric or conventional threats. Unfortunately, we cannot choose; we must prepare for both.

Nor can we make it the responsibility of each sailor to individually sort out priorities or determine how to accommodate the greater breadth of learning and the depth of experience the future requires. Rather, we must adjust our personnel strategies to account for the dynamic nature of the demands on our people while assuring a predictable availability of current capability and future capacity suitable to the needs of the Joint Force and the Nation.

As we develop and build more efficient and automated ships, planes, and combat systems, personnel reductions are inevitable, and as crew sizes decrease, the skill level and specialization requirements increase. The Navy has reduced its active end strength by some 35,000 sailors over the last 4 years. In 2003 our active component consisted of 375,700 sailors; at the end of fiscal year 2007 we will have 340,700; and, by the end of fiscal year 2008 we will have 328,400. As we look ahead to the smaller, more capable ships entering service in the FYDP, we anticipate a stabilization of that trend at an active end-strength between 320,000 and 325,000. We are also trimming our Reserve component which will have gone from a total of 87,800 in 2003 to a total of 71,300 at the end of fiscal year 2007 and 67,800 by the end of fiscal year 2008. But these reductions are more about shaping the right force, than simply trimming its size. Our priority, then, is to recruit some 45,000 active sailors with the right mix of diversity, education, and skill sets necessary to serve our fleet in 2009 and beyond.

The Strategy for our People provides the framework through which we will size, shape and stabilize the Navy Total Force. The execution of Navy's overarching Strategy for Our People focuses on six goals: capability driven management; a competency based workforce; an effective total force; increased diversity; being competitive in the marketplace; and, being agile and cost efficient. The achievement of these goals depends on our ability to execute our programs of record. This strategy will satisfy future joint warfighting needs by attracting, retaining, and better educating sailors and civilians capable of adapting and responding to mission needs anytime, anyplace, anywhere. [Figure 2]

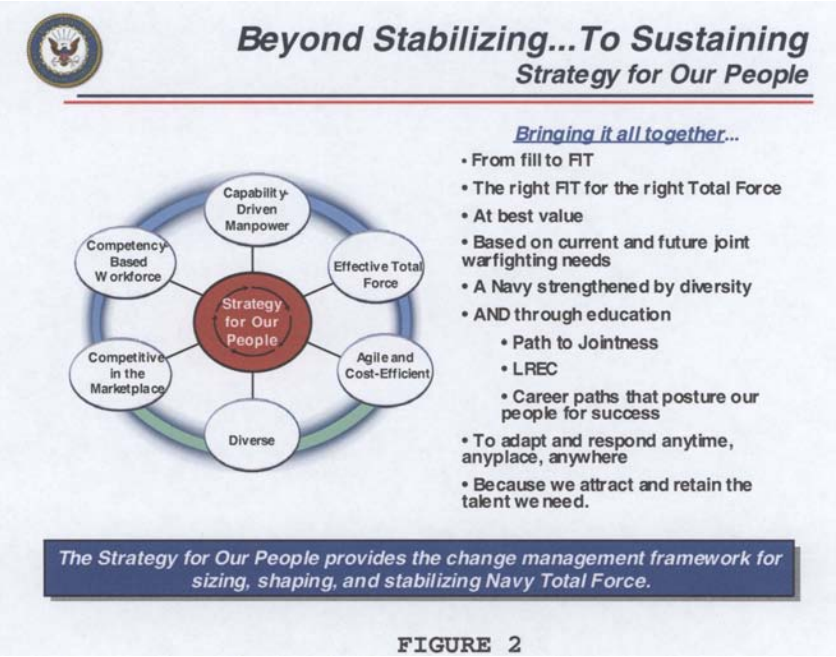


FIGURE 2

Capability Driven Manpower.—Warfighting missions and operations have become more complex and uncertain. Navy work and workforce requirements are constantly shifting and evolving with changes in required operational, political and strategic capabilities. Basing manpower requirements on current and projected warfighting needs will ensure we meet today's operational requirements while continuously updating and balancing the workforce as needs change.

A Competency Based Workforce.—The Force Planning Concept suggests the joint force must develop unique capabilities that fall outside the realm of conventional warfighting. This means an expansion of the Navy workforce requirements beyond traditional roles (e.g. Maritime Civil Affairs Group). Developing the workforce based on competencies allows the Navy to continuously evaluate critical skills and create a workforce well-matched to the needs of the warfighters. A competency-based workforce also enables the Navy to determine where there is workforce commonality (or exclusivity) across a range of military operations so efficiencies can be realized.

An Effective Total Force.—A constrained fiscal environment and workforce reductions demand our focus on applying the best resources to jobs as creatively as necessary. Viewing workforce components as one integrated team of sailors and civilians provides flexibility and reduces risk while better meeting warfighting needs. Leveraging the strength of the Total Force provides maximum flexibility in applying the right skill-set to a requirement in the most cost-efficient manner.

Diversity.—The changing demographics of the American population and the diversity of our missions in the world demand Navy take proactive steps to ensure it has access to the full range of the Nation's talent. Leveraging the strength of the Nation's diversity creates an environment of excellence and continuous improvement, in which artificial barriers to achievement are removed and the contributions of all participants are valued.

Being Competitive in the Marketplace.—The Navy is faced with recruiting and retention challenges in an era of increased military operations, a strong civilian economy, and a decreasing propensity for military service. To remain competitive with the other services, academic institutions, and corporate America the Navy must revise and update its personnel policies and programs so it is attractive to the desired talent base and successfully competes with the private sector for the best talent.

Being Agile and Cost Efficient.—Expanding capability-driven workforce requirements and fiscal constraints require the Navy to deliver a more capable, versatile force. Agility means swiftly developing and implementing strategies, policies and

processes to proactively meet evolving needs and challenges while focusing on the skills and abilities most in demand right now. Cost-efficient means we do this economically and without fiscal waste.

Education is another area that will be treated as a strategic investment in our future. Our education strategy must reflect the technological basis of our core warfighting skills, the interdependence of joint and combined operations, the complexity of decision-making, and the sophisticated regional knowledge and grasp of political-military issues expected of Navy leaders. The objective of the education strategy is to enhance overall performance excellence in current and future joint operations and operations support by addressing the individual needs of those who are currently serving as well as the future force.

Requirements to Develop 21st Century Leaders

The challenges we face in shaping the force are considerable. We must deliver on the Strategy for our People.

To develop 21st century leaders, we seek congressional support in the following areas:

—*Combat Casualty Care.*—The objective of Navy's combat casualty care is to maximize the continuum of quality care with lifesaving interventions as close to the battle space as possible and with no decrease in quality of service during rehabilitation and recuperation. On the battlefield this includes forward surgical access and capabilities that have resulted in dramatically improved survival rates; diagnosis of mild/moderate traumatic brain injury/closed-head injury; improved patient care during transport; and, careful monitoring of mental health surveys administered during and after deployment to combat areas. After leaving the combat area, there is a 99.2 percent survival rate once an injured sailor reaches a Navy medical treatment facility. Navy supports the Secretary's ongoing review of Walter Reed Army Medical Center and the National Naval Medical Center at Bethesda and is currently and separately evaluating, through our Inspector General, the material condition and quality of service at each of our Navy medical treatment facilities.

Our highest priority is to win the global war on terror. Second only to this is our determination to take care of those wounded in this fight and their families.

—*Health Care Cost Control.*—The Navy is committed to ensuring our sailors and their families receive top quality health care throughout the continuum of service. By 2009 our Navy will not only be smaller, it will be leaner. Health care costs continue to rise at a rate disproportionate to inflation. DOD TRICARE costs have more than doubled in 5 years from $19 billion in fiscal year 2001 to $38 billion in fiscal year 2006, and analysts project these costs could reach $64 billion by 2015—more than 12 percent of DOD's anticipated budget (versus 8 percent today). Yet this problem extends beyond our active duty, or even our reserve, health care costs. One of the significant drivers of this increased cost is the TRICARE for Life program developed for the 2001 National Defense Authorization Act.

We could not have anticipated the growing number of retirees and their dependents, not yet Medicare eligible, who have chosen or have been driven to switch from private/commercial health care plans to TRICARE in order to better cope with rising health care costs. Despite greatly increased utilization rates, TRICARE premiums have not changed with inflation since the program began in 1995, so that total beneficiary cost shares have declined substantially—27 percent of total benefit cost in 1995 while 12 percent in 2005. In fact, from fiscal year 2008 to fiscal year 2013, Navy's accrual costs for future retirees alone are expected to increase by $4 billion (a 16 percent increase) despite a flattened and stabilized end strength over that same period of time.

There is no longer any tolerance for inefficiencies in our manpower system and very little flexibility in our MPN account. This has a carry-over effect by further pressurizing our procurement accounts. We again urge Congress to implement the initiatives and administrative actions that will restore appropriate cost sharing relationships between beneficiaries and the Department of Defense.

—*DOPMA Relief.*—While Navy end strength is reduced and stabilizes across the FYDP, the demand continues to increase for experienced officers to fill joint requirements, core mission areas and jobs related to the war on terror. Navy is already operating at or near control grade limits imposed by title 10, resulting in billet-grade suppression. Navy currently suppresses 106 captain, 279 commander, and 199 lieutenant commander billets at a lower pay grade (a total of 584 control grade billets). If title 10 limits were increased by 5 percent, Navy would be authorized to grow 131 captains, 304 commanders, and 478 lieutenant

commanders. Funding to current control-grade requirements would give Navy the authority to grow 25 captains, 25 commanders, and 279 lieutenant commanders as future control-grade requirements emerge. This legislation is critical to Navy's ability to carry out the National Military Strategy.

—*Special Pay and Incentives.*—Navy will continue to seek funding for special pay, recruitment and retention bonus to maintain the right balance of skills and workforce.

—*Sailor for Life.*—Navy requires assistance in providing sufficient flexibility in transitioning between our active and reserve components as we pursue our sailor for life initiatives.

—*Path to Jointness.*—The Navy is committed to pursuing a path to jointness—developing joint leaders both in the officer and senior enlisted communities. We are pursuing initiatives that will: establish the professional military education (PME) requirements for the ranks of E–1 through 0–8 across our active and reserve components; ensure that PME graduates are closely tracked and assigned to billets that exploit their education and accelerate their development as joint leaders; assess policy effectiveness by tracking the number and percentages of PME graduates assigned to career enhancing billets, and require 100 percent fill of Navy resident student billets at all Joint, Service and foreign war colleges.

—*Tuition Assistance.*—The Navy is committed to supporting its sailors who choose education as a path to personal and professional development. The Navy provides 100 percent reimbursement up to $250 and $50 per semester hour for up to 16 credit hours. This is an increase from previous policy which only allowed reimbursement up to 12 credit hours. Tuition assistance is capped by DOD at $4,500 per person per fiscal year.

—*National Security Personnel System (NSPS).*—NSPS is a new personnel system that will create new civil service rules for the 750,000 Defense Department civilian workers. It strengthens our ability to accomplish the mission in an ever-changing national security environment. NSPS accelerates efforts to create a total force (active-duty military personnel, civilian personnel, Reserve, Guard, and contractors), operating as one cohesive unit, with each performing the work most suitable to their skills and the Department's priorities. The Department of the Navy needs a human resource system that appropriately recognizes and rewards employees' performance and the contributions they make to the mission. NSPS gives us better tools to attract and retain good employees.

Department of the Navy deployment of the remaining portions of NSPS continues. Pay and performance provisions have so far been deployed to approximately 4,000 employees and another 16,000 will be done by Spring, 2007. Further deployment of non-enjoined portions of the law will continue. Specifically, the pay, performance, recruiting, workforce shaping and other provisions of this new personnel system will be enacted throughout 2007–2008.

CONCLUSION

Our Navy is truly a bargain, costing the taxpayers less than 1 percent of the GDP. Though we are increasingly stretched, the Navy is in great shape and our people are remarkable. But as we strive to sustain combat readiness, build a fleet for the future and develop 21st century leaders we cannot allow ourselves to take this for granted. We must be mindful of the need to maintain a strong Navy now, with our ground forces stretched thin in Iraq and Afghanistan, but also after they return home.

Our Nation depends upon a strong Navy with the global reach and persistent presence needed to provide deterrence, access, and assurance, while delivering lethal warfighting capacity whenever and wherever it is needed. Our Navy is fighting the global war on terror while at the same time providing a strategic reserve worldwide for the President and our Unified and Combatant Commanders. As we assess the risks associated with the dynamic security challenges that face us, we must ensure we have the Battle Force, the people, and the combat readiness we need to win our Nation's wars.

We have put the rudder over, and I believe we have the course about right. Simply reacting to change is no longer an acceptable course of action if our Navy is to successfully wage asymmetric warfare and simultaneously deter regional and transnational threats: Two challenges, one fleet. Our Nation's security and prosperity depend upon keeping our shores safe and the world's maritime highways open and free.

ANNEX I.—PROGRAMS AND INITIATIVES TO ACHIEVE CNO PRIORITIES

SUSTAIN COMBAT READINESS

Programs and practices of particular interest include (listed in order of fiscal year 2008 dollar value):

Mobile User Objective System (MUOS)

MUOS is the next generation Ultra High Frequency (UHF) narrowband satellite communications (SATCOM) system, replacing UHF Follow-On (UFO). MUOS supports communications-on-the-move to small and less stable platforms (handhelds, aircraft, missiles, UAVs, remote sensors) in stressed environments (foliage, urban environment, high sea state). UHF SATCOM provides critical command and control connectivity and is the essential common denominator for all forces. $828 million in fiscal year 2008 keeps MUOS funded to meet all threshold requirements and is on track to meet an Initial Operational Capability (IOC) in 2010.

NIMITZ-Class Refueling Complex Overhaul (RCOH)

RCOH subjects *Nimitz*-class aircraft carriers to comprehensive modernization upgrades, maintenance work, and nuclear refueling to extend the service life of a *Nimitz*-class carrier out to approximately 50 years, about 20 years longer than its originally planned service life. Execution of RCOH is required to maintain an 11 aircraft carrier force and provide naval tactical air with an overmatch capability against any potential adversary. A notional RCOH consists of 3.2 million man-days and a 36-month execution period conducted at Northrop Grumman Newport News, Virginia facilities. While U.S.S. *Carl Vinson* (CVN 70) completes RCOH in fiscal year 2008–2009, the fiscal year 2008 Ship Construction-Navy (SCN) funding of $297 million primarily supports the advance funding and sequencing of follow-on overhauls for CVNs 71–73.

COBRA JUDY Replacement (CJR)

$133 million in CJR funds the acquisition of a single ship-based radar suite for world-wide technical data collection against ballistic missiles in flight. This unit will replace the current *Cobra Judy*/USNS *Observation Island*, which is due to leave service in 2012. Upon achieving initial operating capability, Navy will transfer the CJR to the U.S. Air Force for operation and maintenance. The CJR program has entered production stage.

Cooperative Engagement Capability (CEC)

CEC is an advanced sensor netting system enabling real-time exchange of fire-control quality data between Battle Force units. CEC provides the integrated, precision air defense picture required to counter the increased agility, speed, maneuverability, and advanced design of cruise missiles, manned aircraft; and in the future, tactical ballistic missiles. Funding requested for fiscal year 2008 is $123 million.

CEC's acquisition strategy implements open architecture based hardware with rehosted existing software. A critical element is the P3I hardware that reduces cost, weight, cooling, and power requirements. The Integrated Architecture Behavior Model (IABM) will be implemented as a host combat system software upgrade replacing the cooperative engagement processor functionality enabling joint interoperability with common track management across the services.

Distributed Common Ground/Surface Systems (DCGS)

DCGS–N is the Navy's Intelligence, Surveillance, Reconnaissance, and Targeting (ISR&T) system. Funded at $107 million in fiscal year 2008, DCGS–N will support the new Maritime Headquarters/Maritime Operations Center (MHQ/MOC). DCGS–N will receive and process multiple data streams from various ISR sources to provide time-critical aim points and intelligence products. It will enhance the warfighter's Common Operational Picture (COP) and Maritime Domain Awareness (MDA).

Deployable Joint Command and Control (DJC2)

DJC2 is a Secretary of Defense and Chairman of the Joint Chiefs of Staff priority transformation initiative providing Combatant Commanders (COCOMs) with a standardized, deployable, and scalable Joint C2 headquarters capability tailored to support Joint Task Force (JTF) operations. DJC2 enables a COCOM to rapidly deploy and activate a JTF headquarters equipped with a common C2 package with which to plan, control, coordinate, execute, and assess operations across the spectrum of conflict and domestic disaster relief missions. This budget request of $31 million provides operations and sustainment for the six existing systems and continued development efforts.

Navy Special Warfare (NSW) Support

NSW programs provide critical service common support to eight Seal teams, two Seal delivery vehicle teams, three special boat teams and five NSW groups.

During fiscal years 2007 and 2008, six pre-positioned operational stocks will be procured and staged, hundreds of common small arms, weapons mounts and visual augmentation systems will be provided to NSW combat elements, up to 20 standard boats will continue to replace an aging fleet of 61 NSW training support craft and 4 Navy-mandated management support systems will be funded. A total of $21 million in various procurement and operations support accounts is dedicated in fiscal year 2008.

Navy Computer Network Attack (CNA)

Navy Computer Network Attack (CNA) develops force structure for operations in the cyberspace environment. This is the programmatic continuation of Navy Cyber Attack Team (NCAT) initiative which is endorsed by several Combatant Commanders. Program focus is on unique capabilities to address Navy warfighting gaps. Our $11 million fiscal year 2008 investment is required to develop the capability to access adversary networks and enable Information Operations (IO) in asymmetric warfare.

Marine Mammal Research/Sound in Water Effects

The Navy is committed to following proactive compliance strategies to meet legal requirements and to identify and fund marine mammal research requirements—especially related to potential effects of mid-frequency active sonar. In support, Navy has requested $10 million in funding for these efforts in fiscal year 2008. Compliance with Marine Mammal Protection Act (MMPA), Endangered Species Act (ESA), Coastal Zone Management Act (CMZA), and National Environmental Policy Act (NEPA) related to potential effects to marine animals from sound in the water are dependent on filling gaps in scientific data and continued research on acoustic criteria. However, increasing pressures related to restricting the use of active sonar are adversely impacting Navy training and readiness. Clearer, science-based standards are needed in future MMPA amendments to ensure environmental protection while not endangering our sailors.

Forward Deployed Naval Forces (Japan)

U.S.S. *George Washington* (CVN 73) will replace U.S.S. *Kitty Hawk* (CV 63) as the forward deployed aircraft carrier in Yokosuka, Japan in 2008. The move represents a strong and continuing commitment to the security of the Asian Pacific region and our alliance.

George Washington will be the first nuclear aircraft carrier to join the Navy's permanently forward deployed naval forces (FDNF), replacing the conventionally powered *Kitty Hawk* that will retire after 47 years of superb service. Funding of $9 million in fiscal year 2008 supports the final of several years investments for *George Washington*'s anticipated 2008 FDNF arrival.

TRIDENT

TRIDENT is maritime intelligence production capability within the Office of Naval Intelligence providing tailored, focused, timely intelligence support to Naval Special Warfare (NSW) and other joint special operations forces operating in the maritime arena. For a relatively small investment in fiscal year 2008 of $9 million, TRIDENT production directly supports the global war on terror and is a response to ongoing initiatives to improve intelligence support to NSW. TRIDENT deployed its initial two Tactical Intelligence Support Teams (TIST) in support of Naval Special Warfare in the Spring and Fall of 2006. They are currently providing both forward deployed and reach back support to NSW forces.

Undersea Warfare Training Range (USWTR)

The proposed USWTR is a 500-square nautical mile instrumented underwater training range in shallow littoral waters on each coast. USWTR will support undersea warfare (USW) training exercises for the Atlantic and Pacific Fleet Forces. Undersea hydrophone sensors will provide a suite to deliver real time tracking and a record of participants' activities used to evaluate tactics, proficiency and undersea warfare combat readiness. The instrumented area would be connected to shore via a single trunk cable.

Pending signature of the environmental Record of Decision (ROD) for the East Coast USWTR in April 2008, the Navy will commence hardware procurement and installation in fiscal year 2008. Supporting this, Navy has requested $7 million in fiscal year 2008. The West Coast ROD is scheduled for signature in September 2008.

The shallow water ranges planned for both coasts will be completed in fiscal year 2013.

Tactical Aircraft (TACAIR) Integration (TAI)

Our TACAIR Integration initiative merges Navy and Marine Corps Tactical Aviation into a seamless naval aviation force at sea and ashore. This is an organizational change that "buys" increased combat capability without requiring additional investment. Naval aviation force projection is accomplished by increased integration of Marine tactical squadrons into Carrier Air Wings and Navy squadrons into Marine Aircraft Wings. Successful integration, also leveraging the common characteristics of the F/A–18s, further enhances core combat capabilities providing a more potent, cohesive, smaller and affordable fighting force.

BUILD A FLEET FOR THE FUTURE

Programs and practices of particular interest (listed in order of fiscal year 2008 dollar value):

RDT&E Development and Demonstration Funds

Navy's $15.9 billion investment in various technology, component, and system development funds, as well as our operational development and testing programs provide a balanced portfolio. Not only do they ensure successful development of programs for our fleet for the future, they also leverage the fleet, systems commands, warfare centers, and others to align wargaming, experimentation, and exercises in developing supporting concepts and technologies.

DDG 1000

This multi-mission surface combatant, tailored for land attack and littoral dominance, will provide independent forward presence and deterrence and operate as an integral part of joint and combined expeditionary forces. DDG 1000 will capitalize on reduced signatures and enhanced survivability to maintain persistent presence in the littoral. The program provides the baseline for spiral development to support future surface ships. Our fiscal year 2008 request is for $3.3 billion in shipbuilding and research funds.

With the Advanced Gun System (AGS) and associated Long Range Land Attack Projectile (LRLAP) DDG 1000 will provide volume and precision fires in support of joint forces ashore. A Global Positioning System (GPS) guided, 155 millimeter round, LRLAP will provide all weather fires capability out to 83 nautical miles. Its Dual Band Radar represents a significant increase in air defense capability in the cluttered littoral environment. Investment in open architecture and reduced manning will provide the Navy life cycle cost savings and technology that can be retrofit to legacy ships.

Facilities Recapitalization and Sustainment

Facilities recapitalization is comprised of modernization and restoration. Modernization counters obsolescence by renewing a facility to new standards or functions without changing the fundamental facility size. Restoration includes efforts to restore degraded facilities to working condition beyond design service life or to fix damage from natural disaster, fire, etc. Restoration and modernization funding in fiscal year 2008 is requested at $2.0 billion.

Facilities sustainment includes those maintenance and repair activities necessary to keep facilities in working order through their design service life.

Navy's sustainment rate, and fiscal year funding request of $1.1 billion, is at the level at which facilities can be maintained and still remain mission capable. Navy's intent is to aggressively scrub requirements, reduce facilities footprint and drive down costs. Our goal is to provide the resources required to execute wartime missions. Our planning and footprint reduction initiatives are intended to ensure that adequate facilities are available to support our mission requirements.

CVN 21

The CVN 21 program is designing the next generation aircraft carrier to replace U.S.S. *Enterprise* (CVN 65) and *Nimitz*-class aircraft carriers. CVN 78-class ships will provide improved warfighting capability and increased quality of life for our sailors at reduced acquisition and life cycle costs. $2.8 billion in shipbuilding funds for fiscal year 2008 supports acquisition of U.S.S. *Gerald R. Ford* (CVN 78), the lead ship of the class, scheduled for delivery in late fiscal year 2015. Additionally, the program has $232 million in research and development supporting work on the Electromagnetic Aircraft Launch System and other warfighting capability improvements.

F–35 Joint Strike Fighter (JSF)

F–35 is a joint cooperative program to develop and field family of affordable multi-mission strike fighter aircraft using mature/demonstrated 21st century technology to meet warfighter needs of the Navy, Marines, Air Force, and international partners including the United Kingdom, Italy, Netherlands, Denmark, Turkey, Norway, Australia, and Canada. Navy's fiscal year 2008 $1.2 billion in procurement buys six short take-off and landing variants. An additional $1.7 billion in research and development continues aircraft and engine development.

Virginia Class Fast Attack Nuclear Submarine (SSN)

Navy needs to maintain an SSN force structure to meet current operational requirements, prosecute the global war on terror, and face any potential future threats. The *Virginia* class emphasizes affordability and optimizes performance for undersea superiority in littoral and open ocean missions.

Lead ship operational performance exceeded expectations. Follow-on submarine performance has been even better:

—U.S.S. *Texas* (SSN 775) INSURV trial was best performance by the second SSN of any class.

—Third ship (*Hawaii*, SSN 776) was the most complete submarine ever at launch (greater than 90 percent complete), had the best INSURV trial of the class, and was delivered on the original contract delivery date.

$2.6 billion in fiscal year 2008 procures one submarine. Additionally, the budget requests $137 million for technical insertions and cost reduction developments. Navy is working closely with industry to bring the cost per hull down to $2 billion (in fiscal year 2005 dollars) and increase the build rate to two ships/year starting in fiscal year 2012. Authorization of MYP will help facilitate this. This will help mitigate future force level deficiencies and achieve cost reduction goals through Economic Order Quantity (EOQ) savings and better distributed overhead costs.

F/A–18E/F Super Hornet

The Navy's next generation, multi-mission Strike Fighter replaces aging F–14s, older model F/A–18s, and assumes the S–3 aircraft carrier-based aerial refueling role. F/A–18E/F provides a 40 percent increase in combat radius, 50 percent increase in endurance, 25 percent greater weapons payload, three times more ordnance bring-back, and is five times more survivable than F/A–18C models. Approximately 55 percent of the total procurement objective has been delivered (254 of 460). F/A–18E/F is in full rate production under a second 5-year multi-year contract (fiscal years 2005–2009). $2.3 billion in fiscal year 2008 procures 24 aircraft as part of this contract.

MV–22B Osprey

MV–22 Osprey is the Marine Corps medium-lift assault support aircraft being procured to replace legacy CH–46Es and CH–53Ds. Current operational projections hold CH–46Es in service through fiscal year 2018, and CH–53Ds through fiscal year 2013. The CH–46Es are playing a critical role in the war on terror, flying more than four times their peacetime utilization rate making delivery of the MV–22 even more critical. The MV–22's improved readiness, survivability and transformational capability (twice the speed, three times the payload and six times range of the airframes it is replacing) will vastly improve operational reach and capability of deployed forces. The aircraft is approved for full rate production and enters a congressionally approved joint 5-year, multi-year procurement in fiscal year 2008 with $2.0 billion procuring 21 aircraft. The total Marine requirement is 360 MV–22s; Navy 48 MV–22s; SOCOM 50 CV–22s.

DON Science & Technology (S&T)

The Department of the Navy S&T supports Navy/Marine strategy and guides the S&T investment portfolio to meet the future needs of the Navy, the Marine Corps, and Combatant Commands. The fiscal year 2008 budget of $1.7 billion is a balanced portfolio comprised of discovery and invention, leap-ahead innovations, acquisition enablers, quick reaction S&T and Defense Department partnerships. A long term strategy will help balance future risks.

EA–18G Growler

The Growler is the Navy's replacement for the EA–6B. Inventory objective is 84 aircraft for test, fleet replacement squadron, attrition, pipeline and 10 operational carrier airwing squadrons to provide the Navy's carrier-based Airborne Electronic Attack (AEA) capability. The program is on schedule and budget. All Key Performance Parameter (KPP) and Technical Performance Measure (TPM) thresholds are being met or exceeded. Program achieved first flight in August 2006; one month

ahead of schedule. $1.6 billion supports development and procurement of 18 aircraft in fiscal year 2008.

MH–60R/S Multi-Mission Helicopter

The MH–60R is a cornerstone of the Navy's Helicopter Concept of Operations (CONOPS), which reduces from six to two the helicopter variants in use today. The MH–60R Multi-Mission Helicopter program will replace the surface combatant-based SH–60B, carrier-based SH–60F, and anti-surface capabilities of the S–3 with a newly manufactured airframe and enhanced mission systems. Sea control missions include undersea and surface warfare. The MH–60R provides forward-deployed capabilities to defeat area-denial strategies, allowing joint forces to project and sustain power. Full rate production was approved in March 2006. $998 million in fiscal year 2008 procures 27 aircraft.

The MH–60S is designed to support carrier and expeditionary strike groups in combat logistics, search and rescue, vertical replenishment, anti-surface warfare, airborne mine countermeasures, combat search and rescue, and naval special warfare mission areas. This program is in production. This fiscal year, block 2 of the program will see the IOC of the first of five Organic Airborne Mine Countermeasures (OAMCM) systems (AQS–20). The remaining four airborne mine countermeasure systems will IOC between fiscal years 2008–2010. An armed helicopter capability is also expected to enter IOC this year. $504 million in fiscal year 2008 procures 18 aircraft.

LPD 17

LPD 17 functionally replaces LPD 4, LSD 36, LKA 113, and LST 1179 classes of amphibious ships for embarking, transporting and landing elements of a Marine landing force in an assault by helicopters, landing craft, amphibious vehicles, or by a combination of these methods. $1.5 billion in this budget's shipbuilding request procures LPD 25.

LHA(R)

LHA(R) replaces four aging LHA Class ships which are reaching the end of their administratively extended service lives. LHA(R) Flight 0 is a modified LHD 1 Class variant designed to accommodate aircraft in the future USMC Aircraft Combat Element (ACE) including JSF and MV–22. The fiscal year 2008 request for $1.4 billion supports procurement of the lead ship in the class.

Littoral Combat Ship (LCS)

Designed to be fast and agile, LCS will be a networked surface combatant with capabilities optimized to assure naval and joint force access into contested littoral regions. LCS will operate with focused-mission packages that deploy manned and unmanned vehicles to execute a variety of missions, including littoral anti-submarine warfare (ASW), anti-surface warfare (SUW) and mine countermeasures (MCM). LCS will possess inherent capabilities including homeland defense, Maritime Interception Operations (MIO) and Special Operation Forces support. LCS will employ a blue-gold multi-crewing concept for the early ships. The crews will be at a "trained to qualify" level before reporting to the ship, reducing qualification time compared to other ships.

The Navy has recently identified significant cost increases for the lead ship in the LCS Class (Lockheed Martin variant). A series of increases in the contractor estimated cost of completion, the most recent in December, highlighted the problem and initiated a thorough analysis by both Navy and industry. After nearly 2 months of in-depth study, the Navy has revalidated the warfighting requirement and developed a restructured program plan for the LCS that improves management oversight, implements more strict cost controls, incorporates selective contract restructuring, and ensures delivery within a realistic schedule.

Construction of LCS Hull #3 (Lockheed Martin) will be resumed under revised contract terms that rebalance cost growth risk between government and industry. Construction on LCS Hull #4 (General Dynamics) will continue as long as costs remain defined and manageable. This plan will provide for best value to the Navy for the completion of the first four LCS ships, procurement of existing designs in fiscal years 2008–2009 to fill critical warfighting gaps, and establishment of a sound framework for transition to a single design in fiscal year 2010. The Navy will work closely with Congress on reprogramming actions necessary to bring this program forward.

P–8A Multi-mission Maritime Aircraft (MMA)

The P–8A replaces the P–3C Orion on a less than 1:1 basis. This aircraft provides lethality against submarine threats, broad area maritime and littoral armed anti-

submarine warfare patrol, anti-surface warfare, and intelligence surveillance reconnaissance. The P–8A is the only platform with this operationally agile capability set. It fills Combatant Commander requirements in major combat and shaping operations, as well as the war on terror and homeland defense. The program has been executed on time and on budget. Preliminary design review has successfully completed and is now in the detailed design phase. $880 million in research and development funds is included in the fiscal year 2008 budget. Initial Operational Capability (IOC) is planned in fiscal year 2013.

E–2D Advanced Hawkeye

The E–2D Advanced Hawkeye (AHE) program will modernize the current E–2C weapons system by replacing the radar and other aircraft system components to improve nearly every facet of tactical air operations. The modernized weapons system will be designed to maintain open ocean capability while adding transformational littoral surveillance and theater air and missile defense capabilities against emerging air threats in the high clutter, electro-magnetic interference, and jamming environments. $866 million in fiscal year 2008 continues development work and procures three pilot production aircraft. The AHE will be one of the four pillars contributing to Naval Integrated Fire Control-Counter Air. The AHE program plans to build 75 new aircraft.

ASW Programs

The Navy continues to pursue research and development of Distributed Netted Sensors (DNS); low-cost, rapidly deployable, autonomous sensors that can be fielded in sufficient numbers to provide the cueing and detection of adversary submarines far from the sea base. Examples of our fiscal year 2008 request of $24 million in these technologies include:

—*Reliable Acoustic Path, Vertical Line Array (RAP VLA).*—A passive-only distributed system exploiting the deep water propagation phenomena. In essence, a towed array vertically suspended in the water column.

—*Deep Water Active Distributed System (DWADS).*—An active sonar distributed system optimized for use in deep water.

—*Deployable Autonomous Distributed System (DADS).*—A shallow water array, using both acoustic and non-acoustic sensors to detect passing submarines. DADS will test at sea in fiscal year 2008.

—*Littoral ASW Multi-static Project (LAMP).*—A shallow water distributed buoy system employing the advanced principles of multi-static (many receivers, one/few active sources) sonar propagation.

Further developing the Undersea Warfare Decision Support System (USW–DSS) will leverage existing data-links, networks, and sensor data from air, surface, and sub-surface platforms and integrate them into a common ASW operating picture with tactical decision aids to better plan, conduct, and coordinate ASW operations. We are requesting $23 million in fiscal year 2008 towards this system.

To engage the threat, our forces must have the means to attack effectively the first time, every time. The Navy has continued a robust weapons development investment plan including $293 million requested in the fiscal year 2008 on such capabilities as:

—*High-Altitude ASW Weapons Concept (HAAWC).*—Current maritime patrol aircraft must descend to very low altitude to place ASW weapons on target, often losing communications with the sonobuoy (or distributed sensor) field. This allows the aircraft to remain at high altitude and conduct an effective attack while simultaneously enabling the crew to maintain and exploit the full sensor field in the process. This capability will be particularly important in concert with the new jet-powered P–8A MMA. A test is scheduled for May 2007.

—*Common Very Lightweight Torpedo (CVLWT).*—The Navy is developing a 6.75 inch torpedo suitable for use in the surface ship and submarine anti-torpedo torpedo defense, and the offensive Compact Rapid Attack Weapon (CRAW) intended for the developing manned and unmanned aerial vehicles.

Finally, to defend our forces, key defensive technologies being pursued include:

—*Surface Ship Torpedo Defense (SSTD).*—Program delivers near term and far term torpedo defense. The planned fiscal year 2008 $16 million R&D investment supports ongoing development of the 6¾ inch Common Very Lightweight Torpedo (CVLWT) which supports both the Anti-Torpedo Torpedo (ATT) and the Compact Rapid Attack Weapon (CRAW). Also, several capability upgrades to the AN/SLQ–25A (NIXIE) are being incorporated to improve both acoustic and non-acoustic system performance to counter current threat torpedoes. These enhancements also support their use in the littorals and are scheduled to complete in fiscal year 2009. The AN/WSQ–11 System uses active and passive acoustic

sensors for an improved torpedo Detection Classification and Localization (DCL) capability, and a hard kill Anti-Torpedo Torpedo (ATT) to produce an effective, automated and layered system to counter future torpedo threats. DCL improvements include lower false alarm rates and better range determination.

—*Aircraft Carrier Periscope Detection Radar (CVN PDR).*—An automated periscope detection and discrimination system aboard aircraft carriers. System moves from a laboratory model, currently installed on U.S.S. *Kitty Hawk*, to 12 units (1 per carrier, 1 ashore) by fiscal year 2012. Fiscal year 2008 funds of $7 million support this effort.

Platform Sensor Improvements.—Against the quieter, modern diesel-electric submarines, work continues on both towed arrays and hull mounted sonars. Our $410 million request in fiscal year 2008 includes work on the following:

—TB–33 thin-line towed array upgrades to forward deployed SSN's provides near term improvement in submarine towed array reliability over existing TB–29 arrays. TB–33 upgrades are being accelerated to Guam based SSN's.

—Continued development of twin-line thin line (TLTL) and Vector-Sensor Towed Arrays (VSTA) are under development for mid-far term capability gaps. TLTL enables longer detection ranges/contact holding times, improves localization, and classification of contacts. VSTA is an Office of Naval Research project that would provide TLTL capability on a single array while still obviating the bearing ambiguity issue inherent in traditional single line arrays.

Modernization

Achieving full service life from the fleet is imperative. Modernization of the existing force is a critical enabler for a balanced fleet. Platforms must remain tactically capable and structurally sound for the duration of their designed service life.

Cruiser (Mod)

AEGIS Cruiser Modernization is key to achieving the 313 ship force structure. A large portion of surface force modernization (including industrial base stability) is resident in this modernization program. $403 million across several appropriations in fiscal year 2008 supports this program.

A comprehensive Mission Life Extension (MLE) will achieve the ship's expected service life of 35+ years and includes the all electric modification (replacing steam systems), SMARTSHIP technologies, Hull Mechanical & Electrical (HM&E) system upgrades, and a series of alterations designed to restore displacement and stability margins, correct hull and deck house cracking and improve quality of life and service on board.

Destroyer (Mod)

The DDG 51 modernization program is a comprehensive 62 ship program designed to modernize HM&E and combat systems. These upgrades support reductions in manpower and operating costs, achieve 35+ year service life, and allows the class to pace the projected threat well into the 21st century. Our fiscal year 2008 request contains $159 million for this effort.

Key upgrades to the DDG 51 AEGIS Weapon System (AWS) include an open architecture computing environment, along with an upgrade of the SPY Radar signal processor, addition of BMD capability, Evolved Sea Sparrow Missile (ESSM), improved USW sensor, Naval Integrated Fire Control-Counter Air (NIFC–CA) and additional other combat systems upgrades.

Lewis & Clark Dry Cargo/Ammunition Ship (T–AKE)

T–AKE is intended to replace aging combat stores (T–AFS) and ammunition (T–AE) ships. Working in concert with an oiler (T–AO), the team can perform a "substitute" station ship mission to allow the retirement of four fast combat support ships (AOE 1 Class). $456 million in fiscal year 2008 supports funding the 11th T–AKE (final price will be determined through negotiations expected to be completed during the summer 2007). Lead ship was delivered in June 2006 and has completed operational evaluation (OPEVAL).

CH–53K

The CH–53K Heavy Lift Replacement (HLR) is the follow on to the Marine Corps CH–53E Heavy Lift Helicopter. The CH–53K will more than double the current CH–53E lift capability under the same environmental conditions. The CH–53K's increased capabilities are essential to meeting the Marine Expeditionary Brigade of 2015 Ship-to-Objective Maneuver vision. Fiscal year 2008 research and development funds of $417 million supports major systems improvements of the new helicopter including: larger and more capable engines, expanded gross weight airframe, better

drive train, advanced composite rotor blades, modern interoperable cockpit, external and internal cargo handling systems, and survivability enhancements.

Tomahawk/Tactical Tomahawk (TACTOM)

Tomahawk and Tactical Tomahawk missiles provide precision, all weather, and deep strike capabilities. Tactical Tomahawk provides more flexibility and responsiveness at a significantly reduced life cycle cost than previous versions and includes flex-targeting, in-flight retargeting, and 2-way communications with the missile.

Our $383 million in this years request sustains the Tomahawk Block IV full-rate, multi-year procurement contract for fiscal years 2004–2008, yielding approximately 2,100 missiles. The projected inventory will accommodate campaign analysis requirements given historical usage data and acceptable risk.

F/A–18A/B/C/D Hornet

The F/A–18 Hornet is naval aviation's principal strike-fighter. This state-of-the-art, multi-mission aircraft serves the Navy and Marine Corps, as well as the armed forces of seven allied countries. Its reliability and precision weapons delivery capability are documented frequently in news reports from the front lines. $331 million in fiscal year 2008 supports improvements to the original Hornet A/B/C/D variants provide significant warfighting enhancements to the fleet. These improvements include the Global Positioning System (GPS), Multi-functional Information Distribution System (MIDS), AIM–9X Sidewinder Missile/Joint Helmet-Mounted Cueing System (JHMCS), Combined Interrogator Transponder, Joint Direct Attack Munition/Joint Stand-Off Weapon delivery capability, and a Digital Communication System (DCS) for close-air support. Through these improvement and upgrades, the aircraft's weapons, communications, navigation, and defensive electronic countermeasure systems have been kept combat relevant.

Although the F/A–18A/B/C/D are out of production, the existing inventory of 667 Navy and Marine Corps aircraft will continue to comprise half of the carrier strike force until 2013, and are scheduled to remain in the naval aviation inventory through 2022.

CG(X)

CG(X) is envisioned to be a highly capable surface combatant tailored for Joint Air and Missile Defense and Joint Air Control Operations. CG(X) will provide airspace dominance and protection to all joint forces operating in the sea base. Initial Operational Capability (IOC) is 2019. $227 million in research and development for fiscal year 2008 supports CG(X) development. The ongoing analysis of alternatives is considering various propulsion options. CG(X) will replace the CG–47 Aegis class and improve the fleet's air and missile defense capabilities against an advancing threat—particularly ballistic missiles.

Standard Missile–6 (SM–6)

The Navy's next-generation extended range, anti-air warfare interceptor is the SM–6. Supporting both legacy and future ships, SM–6 with its active-seeker technology will defeat anticipated theater air and missile defense warfare threats well into the next decade. The combined SM–6 Design Readiness Review /Critical Design Review was completed 3 months ahead of schedule with SM–6 successfully meeting all entrance and exit criteria. Ahead of schedule and on cost targets, our fiscal year 2008 budget plan of $207 million will keep this development effort on track for initial operational capability in fiscal year 2010.

Conventional TRIDENT Modification (CTM)

CTM transforms the submarine launched, nuclear armed TRIDENT II (D5) missile system into a conventional offensive precision strike weapon with global range. This new capability is required to defeat a diverse set of unpredictable threats, such as Weapons of Mass Destruction (WMD), at short notice, without the requirement for a forward-deployed or visible presence, without risk to U.S. forces, and with little or no warning prior to strike. $175 million is included in the fiscal year 2008 request. The program and related policy issues are currently under review by the Office of the Secretary of Defense as part of the New Strategic Triad capability package.

Navy Unmanned Combat Air System (UCAS)

The former J–UCAS program transferred from Air Force to Navy lead. The Navy UCAS will develop and demonstrate low observable (LO), unmanned, air vehicle suitability to operate from aircraft carriers in support of persistent, penetrating surveillance, and strike capability in high threat areas. $162 million in fiscal year 2008 research and development funds advance the programs objectives.

Joint Standoff Weapon (JSOW)

JSOW is a low-cost, survivable, air-to-ground glide weapon designed to attack a variety of targets in day/night and adverse weather conditions from ranges up to 63 nautical miles. All variants employ a kinematically efficient, low-signature airframe with GPS/INS guidance capability. JSOW is additionally equipped with an imaging-infrared seeker, Autonomous Targeting Acquisition (ATA) software, and a multi-stage Broach warhead to attack both hard and soft targets with precision accuracy. The $156 million in fiscal year 2008 funding continues production to build to our inventory requirements. A Block III improvement effort will add anti-ship and moving target capability in fiscal year 2009.

Ohio-Class SSGN

Ohio-Class SSGN is a key transformational capability that can covertly employ both strike and Special Operations Forces (SOF) capabilities. *Ohio* (SSGN 726) and *Florida* (SSGN 728) were delivered from conversion in December 2005 and April 2006 respectively and are conducting modernization, certification, and acceptance evaluation testing prior to deployment. *Georgia* (SSGN 729) is in conversion at Norfolk Naval Shipyard with delivery scheduled for September 2007. The $134 million in the fiscal year 2008 budget request is primarily for testing, minor engineering changes, and to procure the final replacement reactor core.

Broad Area Maritime Surveillance (BAMS) Unmanned Aircraft System (UAS)

BAMS is a post-9/11, Secretary of the Navy directed transformational initiative. $117 million in research and development funding continues Navy's commitment to provide a persistent (24 hours/day, 7 days/week), multi-sensor (radar, electro-optical/infra red, electronic support measures) maritime intelligence, surveillance, and reconnaissance capability with worldwide access. Along with multi-mission aircraft, BAMS is integral to the Navy's airborne intelligence, surveillance, and reconnaissance (ISR) recapitalization strategy. BAMS is envisioned to be forward deployed, land-based, autonomously operated and unarmed. It will sustain the maritime Common Operational Picture (COP) and operate under the cognizance of the Maritime Patrol and Reconnaissance Force.

Long Range Land Attack Projectile (LRLAP)

Long Range Land Attack Projectile (LRLAP) is the primary munition for the DDG 1000 Advanced Gun System (AGS). AGS and LRLAP will provide Naval Surface Fire Support (NSFS) to forces ashore during all phases of the land battle. All program flight test objectives have been met. Six of nine guided test flights have been successfully completed. Test failures have been isolated and corrective actions implemented with successful re-tests fired.

$74 million in fiscal year 2008 supports continued development. Current ammunition inventory estimates are based on conventional ammunition calculation methods. A pending ammo study will account for increased LRLAP range and precision to better inform decisions regarding procurement schedule and total inventory objective.

MQ–8B Fire Scout Vertical Takeoff UAV (VTUAV)

The Navy Vertical Takeoff and Landing Tactical UAV (VTUAV) is designed to operate from all air capable ships, carry modular mission payloads, and operate using the Tactical Control System (TCS) and Tactical Common Data Link (TCDL). VTUAV will provide day/night real time reconnaissance, surveillance and target acquisition capabilities as well as communications relay and battlefield management to support the Littoral Combat Ship (LCS) core mission areas of anti-submarine, mine, and anti-surface warfare. It will be part of the LCS mission module packages supporting these warfare missions. $71 million in development and procurement funding supports engineering manufacturing development, operational testing and achievement of initial operational capability in fiscal year 2008.

Maritime Prepositioning Force (MPF) (Future)

$68 million in research and development in fiscal year 2008 supports our first year of procurement with (4) MPF(F) ships in fiscal year 2009. MPF(F) provides a scalable, joint seabased capability for the closure, arrival, assembly, and employment of up to the Marine Expeditionary Brigade of 2015 sized force. It will also support the sustainment and reconstitution of forces when required. MPF(F) is envisioned for frequent utility in lesser contingency operations, and when coupled with carrier or expeditionary strike groups, will provide the Nation a rapid response capability in anti-access or denial situations.

Direct Attack (DA) Munitions: JDAM, LGB, Dual Mode LGB, and Direct Attack Moving Target

Inventories of direct attack munitions include Laser Guided Bombs (LGB) and Joint Direct Attack Munitions (JDAM) weapons; both are guidance kits for general purpose bombs and strike fixed targets only. The LGB guides on a laser spot which provides precise accuracy in clear weather. JDAM provides Global Positioning/Inertial Guidance Systems (GPS/INS) giving accurate adverse weather capability ($34 million in fiscal year 2008). The Dual Mode LGB retrofit to LGB kits, procured in fiscal years 2006–2007, increases flexibility by combining laser and GPS/INS capabilities in a single weapon. The next evolutionary upgrade, Moving Target Weapon (MTW), will combine laser and GPS/INS guidance with moving target capability. Procurement is planned via a capability-based competition, with MTW upgrading existing JDAM and/or LGB kit inventories. $29 million supports this on-going MTW effort in fiscal year 2008.

Harpoon Block III Missile

Harpoon Block III represents the only long range, all weather, precise, ship and air launched, surface warfare anti-ship capability. $44 million in fiscal year 2008 supports development of a kit upgrade to existing Harpoon Block IC, the addition of a data link and GPS that will provide increased target selectivity and performance in the cluttered littorals.

Pioneer Tactical Unmanned Aircraft Sensor (UAS)

The Pioneer UAS System is a transportable Intelligence, Surveillance, and Reconnaissance (ISR) asset capable of providing tactical commanders with day and night, battlefield, and maritime reconnaissance in support of Marine expeditionary warfare and maritime control operations. The fiscal year 2008 budget requests $38 million in operations and maintenance sustainment and $90 million in procurement for the Army's Shadow RQ–7B UAS as an interim replacement for the currently fielded Pioneer.

Language, Regional Expertise & Culture (LREC)

Achieving Navy's global strategy depends in part on our ability to communicate with and comprehend adversaries, enduring allies, and emerging partners. To facilitate this capability, Navy has developed a way forward to transform LREC in the force. Consistent with the Defense Language Transformation Roadmap and the Navy Strategic Plan (NSP), the program incentivizes language proficiency, increases regional content in NPME, provides non-resident language instruction to all sailors and delivers in-residence training to more officers.

Incentivization through higher foreign language proficiency pay rates began June 6. $33 million requested in fiscal year 2008 continues existing efforts and begins new initiatives of enhanced non-resident (on-line) and resident (for officers) language training.

Extended Range Munition (ERM)

The concept for expeditionary operations relies on sea-based surface fire support to aid in destruction and suppression of enemy forces. The Extended Range Munition (ERM) is a 5-inch rocket assisted guided projectile providing range and accuracy superior to that of conventional ammunition. The projectile uses a coupled GPS/INS Guidance System and unitary warhead with a height-of-burst fuze. $30 million in fiscal year 2008 research and development funding includes a 20-reliability demonstration before land-based flight and qualification testing. The program includes modifications to existing 5 inch guns and fire control systems. ERM will utilize the Naval Fires Control System as the mission planning tool.

Automatic Identification System (AIS)

AIS is a commercially available shipboard broadcast Very High Frequency (VHF) maritime band transponder system capable of sending and receiving ship information, including navigation identification, and cargo. AIS significantly increases the Navy's ability to distinguish between normal and suspicious merchant ships headed towards the United States and allied ports. Navy warships using AIS have observed dramatic increases in situational awareness, safety of ship and intelligence gathering capability. Programmed funding started in fiscal year 2007. Initially funded in fiscal year 2006 from ONR Rapid Technology Transition initiative and reprogramming, AIS shifted to programmed funding in fiscal year 2007, and with our request of $28 million in fiscal year 2008, it transitions to become a program of record.

Global Hawk Maritime Demonstration (GHMD)

Using an existing Air Force production contract, the Navy procured two GHMD Unmanned Aerial Vehicles (UAV) and associated ground control equipment. GHMD will be used for developing concept of operations and tactics, training and procedures for a persistent ISR maritime capability in conjunction with the manned P–3 aircraft. The GHMD return on investment will be risk reduction for the BAMS UAS Program. GHMD provides a limited, high altitude, endurance UAV platform capability 8 years before the planned fiscal year 2014 IOC of BAMS. $18 million in operations and maintenance and $6 million in procurement of spares sustains the program in fiscal year 2008.

Remote Minehunting System (RMS)

RMS utilizes a diesel-powered, high endurance, off-board, semi-submersible vehicle to tow the Navy's most advanced mine hunting sonar, the AN/AQS–20A. The system will be launched, operated, and recovered from surface ships. RMS will provide mine reconnaissance, detection, classification, localization, and identification of moored and bottom mines. $23 million in fiscal year 2008 supports the fielding plan commencing this year providing limited systems for use on select DDGs, 48 RMSs for the Littoral Combat Ship (LCS) mine warfare mission packages, and an additional 16 vehicles as part of the LCS anti-submarine warfare mission packages.

Joint High Speed Vessel (JHSV)

Navy, along with the Army, SOCOM and Marine Corps, is working to acquire a Joint High Speed Vessel (JHSV) that provides the required intra-theater lift capability necessary to meet each service's requirements. The acquisition of JHSV will address high-speed, intra-theater surface lift capability gaps identified to implement Sea Power 21, the Army Future Force operational concepts and SOCOM future operational plans. Additionally, it will improve intra-theater lift currently provided by Westpac Express and other leased vessels. JHSV is currently in the technology development phase with Joint Requirements Oversight Council (JROC) approval of the Capabilities Development Document (CDD) anticipated soon. Navy's research and development contribution in fiscal year 2008 is $19 million. Ultimate delivery of the first vessel is anticipated in 2010.

Aerial Common Sensor (ACS)—Future EPX (EP–3E Replacement)

Navy is on a path to recapitalize the EP–3 airborne electronic surveillance aircraft, and our $17 million in fiscal year 2008 research and development funding contributes to this effort. ACS is the Navy's premier manned Airborne Intelligence, Surveillance, Reconnaisance (AISR) platform tailored to the maritime environment. ACS will provide data fusion and a robust reach-back capability allowing onboard operators to push intelligence to tactical commanders and operators in mission support centers. With a network-centric approach, ACS represents a significant capability in the maritime patrol and reconnaissance force family of systems including MMA and BAMS UAS.

Aegis Ballistic Missile Defense (BMD)

Aegis Ballistic Missile Defense is the sea based component of the Missile Defense Agency's (MDA) Ballistic Missile Defense System (BMDS). It enables surface combatants to support ground-based sensors and provides a capability to intercept short and medium range ballistic missiles with ship-based interceptors (SM–3 missiles). The recently started Gap Filler Sea-Based Terminal Program will provide the ability to engage Short Range Ballistic Missiles (SRBMs) with modified SM–2 Block IV missiles from Aegis BMD capable ships. While all development funding is covered under the MDA budget, Navy has committed $13 million in fiscal year 2008 for operations and sustainment of Aegis BMD systems as Navy assumes operational responsibility.

In May, 2006, U.S.S. *Lake Erie* (CG 70) successfully engaged and intercepted a LANCE short range test target with a modified SM–2 Block IV missile in a Navy-sponsored BMD demonstration. As a result, the Navy is modifying the remaining inventory of 100 SM–2 Block IV missiles, and MDA is modifying the Aegis BMD program to support sea-based terminal engagements.

In June, 2006, Navy successfully achieved a second engagement of a separating SRBM target with the AEGIS BMD system. This successful engagement brings the tally to seven successful intercepts in nine flight tests as of December 2006. Aegis BMD has been installed on 3 cruisers and 13 destroyers. All the cruisers and three destroyers are engagement capable. The balance of the destroyers are Long Range Surveillance and Track (LRS&T) capable. Additional installations are planned for 2007.

In actual operations last July, the United States and Japanese Aegis radar-equipped destroyers successfully monitored North Korea's ballistic missile tests.

21 Inch Mission Reconfigurable Unmanned Underwater Vehicle System (MRUUVS)

21 inch MRUUVS is a submarine launched and recovered, reconfigurable UUV system that will improve current capabilities in enabling assured access. It will provide a robust capability to conduct clandestine minefield reconnaissance and general Intelligence, Surveillance, and Reconnaissance (ISR) in denied or inaccessible areas. The MRUUVS program has been restructured, moving Initial Operational Capability (IOC) from fiscal year 2013 to 2016 when clandestine mine countermeasure capability from *Los Angeles* Class submarines will be delivered. Accordingly, the fiscal year 2008 funding request has been adjusted to $13 million. ISR capability and *Virginia* Class host compatibility will arrive in follow-on increments approximately 2 years after IOC.

Tactical Control System (TCS)

Research and development funding of $9 million in fiscal year 2008 continues work on the Tactical Control System. The program provides interoperability and commonality for mission planning, command and control, and interfaces for tactical and medium altitude UAV systems. TCS software provides a full range of scaleable capabilities from passive receipt of air vehicle and payload data to full air vehicle and payload command and control from ground control stations both ashore and afloat. TCS will be fielded with the Vertical Takeoff Unmanned Air Vehicle (VTUAV) system and key to supporting the LCS.

Utilities Privatization (UP)

The Navy and Marine Corps have 645 utilities systems eligible for privatization on 135 activities/installations worldwide. Of these, 394 have been determined to be exempt, 22 have been awarded for privatization, and 95 have received a Source Selection Authority (SSA) decision and are being processed for exemption or award. 122 systems are still being reviewed for an SSA decision. $3 million requested in our fiscal year 2008 budget supports these ongoing initiatives.

DEVELOP 21ST CENTURY LEADERS

Programs and practices of particular interest include (listed in order of fiscal year 2008 dollar value):

Health Care:

Combat Casualty Care

Combat casualty care is provided by Navy medical personnel assigned to and serving with Marine Corps units, in expeditionary medical facilities, aboard casualty receiving/treatment ships and hospital ships, and in military and VA hospitals. Recent advances in force protection, battlefield medicine, combat/operational stress control, and medical evacuation have led to improved survival rates and enhanced combat effectiveness.

Since the start of OEF/OIF the Marine Corps has fielded new combat casualty care capabilities, including: updated individual first aid kits with QuikClot and advanced tourniquets, robust vehicle first-aid kits for convoy use, combat lifesaver training, and new systems to provide forward resuscitative surgery and en route care. Navy fleet hospital transformation is redesigning expeditionary medical facilities to become lighter, modular, more mobile, and interoperable with other Services' facilities.

Naval S&T funds of $18 million in fiscal year 2008 in advanced technology and applied research for combat casualty care sustain our overall level of effort and focus on this mission. Additionally, mental health services have been expanded through post-deployment screenings, expanded briefings, and proactive interactions between providers and sailors and marines.

Safe Harbor Program

Our care for combat wounded does not end at the Military Treatment Facility (MTF). The Navy has established the Safe Harbor Program to ensure seamless transition for the seriously wounded from arrival at a Conus MTF to subsequent rehabilitation and recovery, whether through DOD or the VA. Since its inception, 114 sailors including 103 Active and 11 Reserve members have joined the program. Currently, 92 are being actively tracked and monitored including 34 severely injured last year in OIF/OEF. Senior medical staff personally visit and assist our seriously injured sailors and their families to ensure their needs are being met.

Post Traumatic Stress Disorder (PTSD) and Traumatic Brain Injury (TBI)

The Navy has focused much attention on these complex conditions that have resulted from combat operations. With PTSD, early identification and intervention are critical elements of successful treatment and prevention. Closely aligned with warfighters while in garrison, health-care providers instruct self-aid and buddy-aid training. When intervention is necessary, treatment occurs via embedded mental health personnel in deployed units (e.g. via USMC Oscar teams and carrier group clinical psychologists). All sailors receive in-theater assessment through a Behavioral Health Assessment Tool (BHAT) and receive a Post Deployment Health Assessment (PDHA) immediately following deployment, and again 90–180 days later. This treatment coverage is comprehensive for both Active and Reserve members.

Navy is partnering with the other Services to establish a Center for Deployment Psychology to provide further education and training on PTSD treatment and other combat stress disorders. Our continuum of care in this area before, during, and after deployment, coupled with a review of policies and practices to ensure treatment for PTSD is "destigmatized," are critical steps in addressing the health needs of our deployed sailors.

The science associated with the diagnosis and treatment of traumatic brain injuries (TBI) is evolving and the military is at the leading edge in research and treatment. Military Acute Concussion Evaluation (MACE) has been developed as part of field assessments and all casualties transitioned to Bethesda receive neuro-psychological evaluations with database tracking and follow-up as required.

When members with TBI transition from military service, they may be transferred to one of the four Veterans Administration (VA) poly-trauma centers in Palo Alto, California, Richmond, Virginia, Minneapolis, Minnesota and Tampa, Florida—whichever facility is closest to the member's home of record. The four VA poly-trauma centers are among the premier treatment facilities for TBI in the country. In addition to VA tracking, when service members are transferred to the VA, they are also tracked by case managers from the referring Navy MTF at least bimonthly by the MTF case manager to maintain a coordinated care effort. Occasionally, the medical case management team determines in consultation with an individual patient and their family that the patient's specific condition and/or family needs dictate that the best location for their continued care is at a civilian hospital rather than a VA or an MTF.

Quality Medical Care

While continuing to support OIF/OEF with medical personnel, Navy medicine remains committed to providing quality care for all beneficiaries, both in deployed settings and at home. One of the main challenges has been ensuring sufficient numbers of providers in critical specialties. We continue to focus on refining and shaping our force to recruit, train, and retain the right mix of uniformed and civilian health providers thus sustaining the benefits of our healthcare system and meeting our obligations during this time of war. Despite high demands, Navy medicine meets 100 percent of its operational commitments, and maintains quality care to our beneficiaries, without any sacrifice in quality.

Post-Deployment Health Care

Navy medicine has developed new delivery models for deployment-related concerns and is working with the Office of Seamless Transition to improve coordination with the Veterans Administration. These include 13 Deployment Health Clinics in areas of fleet and marine concentration to support operational commands in ensuring medical care for those returning from deployment.

Navy Education

Professional Military Education (PME)

Our professional military education continuum provides career-long educational opportunities for professional and personal development that supports mission capabilities. It supports development of 21st century leaders who have the capacity to think through uncertainty; develop innovative concepts, capabilities, and strategies; fully exploit advanced technologies, systems, and platforms; understand cultural/regional issues; and conduct operations as a coherently joint force. Navy PME provides a common core of knowledge for all sailors. A primary level program was implemented via distance learning in June 2006. The initial targeted audience is junior unrestricted line officers and senior enlisted members. Additional content is in development for all junior officers. Introductory and basic levels for more junior sailors is also under development.

Joint Professional Military Education (JPME)

Joint professional military education provides an understanding of the principles of joint warfare. Our path is designed to create a change in Navy culture so that it values jointness and therefore systematically develops a group of Navy leaders who are strategically minded, capable of critical thinking, and skilled in naval and joint warfare. JPME Phase I is a requirement for screening unrestricted line officers for commander command beginning in fiscal year 2009. In August 2006, Naval War College began in-residence instruction of JPME Phase II. The Naval War College has implemented a Joint Maritime Component Commander's Course to prepare future Flag Officers to serve as Maritime Component Commanders. $150 million requested in fiscal year 2008 sustains our expanded commitment to this vital professional development.

The Naval Reserve Officers Training Corps (NROTC)

The NROTC Program comprises 59 active units at 71 host institutions of higher learning across the Nation. With $173 million requested in fiscal year 2008, the program is adequately funded to provide 4 and 2 year scholarships to qualified young men and women to prepare them for leadership and management positions in an increasingly technical Navy and Marine Corps with service as commissioned officers. The program continues to be a key source of nuclear power candidates, nurses, and increased officer corps diversity. Focus is now on increasing strategic foreign language skills and expanding cultural awareness among midshipmen.

The United States Naval Academy (USNA)

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

The Naval Postgraduate School (NPS)

NPS is the Navy's principal source for graduate education. It provides Navy and DOD relevant degree and non-degree programs in residence and at a distance to enhance combat effectiveness. NPS provides essential flexibility in meeting Navy and Department of Defense emergent research needs, and the development of warfighters with otherwise demanding career paths and deployment cycles making graduate education opportunities difficult to achieve. NPS also supports operations through naval and maritime research, and maintains expert faculty capable of working in, or serving as advisors to operational commands, labs, systems commands, and headquarters activities. The $84 million requested in fiscal year 2008 sustains this unique national asset and provides increases for lab upgrades, distance learning, and IT maintenance and support.

The Naval War College (NWC)

The Naval War College provides professional maritime and joint military education, advanced research, analysis, and gaming to educate future leaders. Its mission is to enhance the professional capabilities of its students to make sound decisions in command, staff and management positions in naval, joint, and multinational environments. The $56 million requested in fiscal year 2008 is a significant increase to support Joint Forces Maritime Component Command/Coalition Forces Maritime Component Command analysis and gaming capability, the China Maritime Studies Institute, initial investment for Maritime Headquarters (MHQ)/Maritime Operations Center (MOC), support for JPME II accreditation, funding for JPME I at Naval Postgraduate School, and for NWC Maritime Operations curriculum development.

Enlisted Retention (Selective Reenlistment Bonus)

Retaining the best and brightest sailors has always been a Navy core objective and key to success. Navy retains the right people by offering rewarding opportunities for professional growth, development, and leadership directly tied to mission readiness. Navy has experienced significant reenlistment improvement since a 20-year low in fiscal year 1999, reaching a peak at the end of fiscal year 2003. This improved retention is part of a long-term trend, allowing us to be more selective in ensuring the right number of strong performers reenlist in the right ratings. Selective Reenlistment Bonuses (SRBs) are a key tool enabling us to offer attractive incentives to selected sailors we want to retain. $359 million requested in fiscal year 2008 will provide for nearly 79,000 new and anniversary payments helping ensure the Navy will be able to remain selective in fiscal year 2008.

Sexual Assault Victim Intervention (SAVI)

SAVI has three major components: (1) awareness and prevention education, (2) victim advocacy and intervention services, and (3) collection of reliable data on sexual assault. Per the Fiscal Year 2005 National Defense Authorization Act requirements, the Navy SAVI Program was transitioned from a program management to case management focus. Existing installation program coordinator positions were increased and became Sexual Assault Response Coordinators (SARCs), which is a standard title and position across the Department of Defense. SARCs are accountable for coordinating victim care/support and for tracking each unrestricted sexual assault incident from initial report to final disposition. Navy also provides 24/7 response capability for sexual assaults, on or off the installation, and during deployment through the use of victim advocates who report to installation SARCs. The $3 million requested in the fiscal year 2008 budget enables us to maintain this expanded SAVI program fleet-wide.

Family Advocacy (FAP)

The Family Advocacy Program addresses prevention, identification, reporting, evaluation, intervention and follow-up with respect to allegations of child abuse/neglect and domestic abuse involving active duty and their family members or intimate partners. Maintaining abuse-free and adaptive family relationships is critical to Navy mission readiness, maintenance of good order and discipline, and quality of service for our active duty members and their families.

Sea Warrior Spiral 1

Sea Warrior comprises the Navy's training, education and career management systems that provide for the growth and development of our people. The first increment, or "Spiral 1", of Sea Warrior is interactive detailing. This system allows sailors to have greater insight and engagement in identifying and applying for Navy positions of interest to them professionally and personally. Spiral 1 Sea Warrior is a funded Navy program and its develop follows the standard, rigorous acquisition engineering and program management processes. Additional Sea Warrior spirals will be developed in accordance with future capability needs and as clear requirements are defined.

Because of Sea Warrior's complexity, many issues related to sea and shore connectivity are still being worked out. Further, before fielding a usable model, the Navy plans to conduct extensive beta testing of selected ratings. Sea Warrior is funded through the fiscal year DP and is not expected to reach FOC until 2016.

Senator INOUYE. May I now recognize the Commandant of the Marine Corps, General Conway.

STATEMENT OF GENERAL JAMES T. CONWAY, COMMANDANT, UNITED STATES MARINE CORPS

General CONWAY. Mr. Chairman, Senator Stevens, and distinguished members of the subcommittee, thank you for the opportunity to report to you today on the status of our Marine Corps.

In our recent meetings, as well as previous testimony before the Congress, I pledged throughout to give you frank and honest assessments, and I come here today again with that as my watch word.

Over the past 5 years, your Marine Corps has been immersed in the first battles of a long war, a generational struggle against Islamic extremists. Our freedom is threatened, not by Nazis or Communists as it was in the past, but by terrorists who are now determined to destroy us and our way of life.

Further, the full array of our security threats is daunting. But rest assured, this generation's young Americans are answering the call. Over two-thirds of our Corps enlisted or reenlisted since 9/11, knowing full well what the Nation expects of marines in a time of war.

Our marines are being pushed hard by the high operational tempo and frequency of combat deployments. They've been operating at full-bore for, roughly, the last 5 years. Despite this, and,

in fact, maybe because of it, I can report first-hand that the morale has never been higher. I attribute that to the fact that they believe they're making a difference. They see the evidence of your support everywhere, tangible support in feeling of new material, the latest equipment to protect them while in harm's way, and your support of the proposal to grow our end strength.

Increasing the 202,000 marines will reduce the strain, both on the individual marine, and on our institution as a whole. It will require additional infrastructure, but more importantly, will gradually improve the deployment-to-dwell ratio in some of our most critical units. Currently, many of these units are deployed for 7 months and then home for 7, in some cases even less than that, before they return to combat.

This end strength addresses much more that the current battles in Iraq and Afghanistan. It ensures your Corps will be able to deal with the uncertainties of a long war. Our Corps is, by law, to be the most ready when the Nation is least ready, the Nation's shock troops. Additional marines allow the dwell-time needed to train and sharpen the skills that will be required of us in the next contingency, reducing our operational and strategic risks.

As over 70 percent of our proposed end strength increase is composed of first-term marines, we're making the necessary increases in recruiting and retention. This is a challenge, but our standards will remain high. We need your continued support for recruiting programs, such as advertising, which are essential for us to continue to bring aboard the best in America.

Our Nation has an enduring commitment to her marines long after they've returned from the battle, particularly if they're physically or mentally scarred. Our moral imperative is to ensure that this support is seamless, even as marines leave our uniform ranks. To this end, we have formed a Wounded Warrior Regiment with battalions on each coast, that will hold true to the maxim that we never leave a marine behind.

Ladies and gentlemen, your marines are honored to be serving this Nation during such an important time in our history. They are truly a special breed of patriots and it's on their behalf that I come before you today to answer your questions, and to help all understand how we can best support these tremendous young Americans.

PREPARED STATEMENT

I look forward to your questions, sir.

Senator INOUYE. I thank you very much, General.

[The statement follows:]

PREPARED STATEMENT OF GENERAL JAMES T. CONWAY

Chairman Inouye, Senator Stevens, and distinguished Members of the Subcommittee, thank you for the opportunity to report to you the state of your Marine Corps.

Your Marine Corps is currently engaged in what we believe to be the opening battles in a generational struggle against Islamic extremists. Our commitment is characterized by diverse and sustained employment around the globe, particularly the central campaigns in Iraq and Afghanistan. Your Marines are fully engaged in this fight, and it is through their tremendous sacrifices—serving shoulder-to-shoulder with their fellow service men and women—that we will ultimately prevail. It is our moral imperative to support them to the hilt—always mindful that our forward-deployed Marines and Sailors in combat must be our number one priority.

Though Marines in the operating forces have been pushed hard by the tempo and frequency of operational deployments, their morale has never been higher—because they believe they are making a difference. Thanks to you, Ladies and Gentlemen, your Marines know that the people of the United States and their Government are behind them. Support has been exceptional—from the rapid fielding of life-saving equipment to the proposed increase in end strength, and with your continued support, mission accomplishment will remain completely viable and achievable.

The Long War is taking a considerable toll on our equipment and we have tough choices ahead of us—we must support our Marines and their families, while deciding whether to replace our rapidly aging equipment with similar platforms or to modernize with next generation equipment.

We know these next few years will be challenging—not only in the immediate conflict in Iraq, but in subsequent campaigns of the Long War. Therefore, the Corps will balance our skill sets in order to remain prepared for crisis outside of Iraq and Afghanistan—to be where our country needs us, when she needs us, and to prevail over whatever challenges we face. I am confident that with your steadfast support, our Corps will continue to remain the Nation's force in readiness and fulfill its Congressionally mandated mission of being the most ready when the Nation is least ready.

MARINE CORPS COMMITMENTS IN THE LONG WAR

Over the past year, your Marines deployed to all corners of the globe in support of our Nation. With more than 24,000 Marines ashore throughout the U.S. Central Command's Area of Responsibility, Operations IRAQI FREEDOM and ENDURING FREEDOM remain our largest commitment. In addition to those operations, the Marine Corps also deployed forces to: support humanitarian and disaster relief efforts in Pakistan and the Republic of the Philippines; participate in over fifty Theater Security Cooperation events ranging from small Mobile Training Teams in Central America to the first deployment of the Marine Forces Special Operations Command's Foreign Military Training Unit supporting our African partner nations; protect our Embassies by providing Fleet Anti-Terrorism Security Teams to East Timor and Lebanon; and respond to a Non-Combatant Evacuation from Lebanon—the largest since Vietnam.

Achieve Victory in the Long War.—The Defense Department's 2006 Quadrennial Defense Review (QDR) directed that we enhance our counterinsurgency capabilities. Our enhanced Marine Air Ground Task Forces and the Marine Corps component to Special Operations Command are part of this commitment. Other types of forces, unique to counterinsurgency operations, may also need to be formed. However, we will maintain robust contingency response forces satisfying the Congress' intent to be "the Nation's shock troops"—always ready and always capable of forcible entry.

I view the inherent power of the Marine Air Ground Task Force (MAGTF) as an irreplaceable component of this Nation's plan for success in the Long War. This war demands flexible organizations that apply a mix of combat and non-lethal actions; interagency capabilities and joint warfare applications; innovative use of airpower; and synchronization of intelligence activities. For rapid integration of these capabilities—as well as providing the critical boots on the ground—the MAGTF is better prepared than any other military formation to execute the full range of operations required by the current conflict. This is the Corps' fundamental fighting organization, providing the joint force a unique, additive capability—one that is much greater than the sum of its parts.

To further expand the MAGTF's contribution to our Nation's security, I have directed my staff to develop a series of exercises that will further enhance the MAGTF's ability to integrate interagency and coalition operations throughout the spectrum of conflict. Our goal will be to provide a forum to develop diverse yet cohesive teams that can best overcome the challenges we are most likely to face in pre- and post-war phases of operations. These exercises will serve our Nation well in the Long War, in future conflicts, and in our ongoing security cooperation efforts.

In February of 2006, we established Marine Corps Forces, Special Operations Command (MARSOC) within the U.S. Special Operations Command. MARSOC is already employing its five major subordinate elements: the Foreign Military Training Unit, two Marine Special Operations Battalions, the Marine Special Operations Support Group, and the Marine Special Operations School, and is on track to achieve full-operational capability by the end of fiscal year 2008. Its personnel and equipment assignment plan is designed to best support our Combatant Commanders in their prosecution of the Long War. The Foreign Military Training Unit was activated in 2005 and has been incorporated into MARSOC, the 2d Marine Special Op-

erations Battalion was activated in May of 2006, followed by the 1st Marine Special Operations Battalion in October of 2006.

MARSOC deployed Foreign Military Training Unit teams to the European and Southern Command areas of responsibility last summer and fall. Through the end of fiscal year 2007, the Foreign Military Training Unit is scheduled to make twenty-seven deployments to twelve countries to conduct foreign internal defense and counter narcotics training to improve the indigenous military forces of those countries. Additionally, MARSOC began deploying Marine Special Operations Companies, associated with Marine Expeditionary Units and assigned to Expeditionary Strike Groups in January of this year. MARSOC provides a unique combination of land component and maritime expeditionary capabilities across a wide range of missions. As special operations forces continue to prosecute the Long War, MARSOC will be a significant partner in Special Operations Command.

To aid in both the current execution of the campaign in Iraq as well as the long-term irregular warfare capability of the Marine Corps, we are establishing a Center for Irregular Warfare. This organization will serve as the focal point for integration of concepts, doctrine, training, education, and equipment capability development. This Center will also maintain close coordination with our sister Services and external agencies. Our goal is to enhance the Marine Air Ground Task Force's capabilities by training and equipping small-unit leaders to handle the demanding complexities and possess the adaptive mindset necessary to operate across the spectrum of conflict—empowering our "strategic corporals" as well as all of our junior leaders to fight, operate, and win in this challenging security environment.

Supporting the Plus-up for Operation IRAQI FREEDOM.—Currently, the Marine Corps has approximately 4,000 Marines affected by the pending plus-up operation in Iraq. The units affected will be extended for approximately 45–60 days. This change will impact our Marines and their families, but we believe that the support systems that we have in place within the units and family support systems back home will help our Marines and their families meet the challenges associated with this extension on deployment. Furthermore, between their return and next deployment, the addition of new infantry battalions will allow these units to lengthen the time at their home station.

Battalions moved forward in the rotation cycle will complete all required pre-deployment training that fully qualifies them for employment. These battalions will be subject to the same pre-deployment training standards as their fellow Marines. We have accelerated the normal cycle through our main mission rehearsal exercise, Mojave Viper, to accommodate consistent training for all units rotating into theater.

The accelerated battalions will deploy with equipment from their home stations, and the additional equipment required will be provided by cross-leveling assets in theater as well as leveraging equipment already positioned forward. This has resulted in some home station shortfalls and has hindered some stateside units' ability to train for other missions and contingencies. While the readiness of deployed units remains high, we have experienced a decrease in the readiness of some non-deployed units.

There are no Marine Corps Reserve units involved in the plus-up operations.

RIGHT-SIZE OUR MARINE CORPS

To meet the demands of the Long War as well as the inevitable crises that arise, our Corps must be sufficiently manned in addition to being well trained and properly equipped. Like the Cold War, the Long War is a continuing struggle that will not be measured by the number of near-term deployments or rotations, and while we seek to capitalize on advances in technology, we know it is our magnificent Marines who invariably decide the outcome.

In order to protect our most precious asset, the individual Marine, we must ensure that our personnel policies, organizational construct, and training are able to operate at the "sustained rate of fire." Operating at the "sustained rate of fire" means that the Corps will be able to maintain operations indefinitely without drastic changes to procedures, policies, organization, or operations. The proposed Active Component end strength increase will significantly enhance our ability to operate at the "sustained rate of fire."

Strain on the Individual.—Despite an unparalleled Personnel Tempo, the morale of our Marines and their families remains high. To avoid an adverse toll on our Marines and their families, and to prevent a decrease in readiness, the former Secretary of Defense established a 1:2 deployment-to-dwell ratio goal for all active component forces. This ratio relates to how long our forces are deployed versus how long they are at home—the goal being for every seven months a Marine is deployed, they

will be back at their home station for fourteen months. We need to relieve the strain on those superb Americans who have volunteered to fight the Nation's battles.

Strain on the Institution.—The current deployment cycle requires commanders to focus solely on those skill sets required to accomplish the mission in Iraq and Afghanistan. This deterioration of capabilities is exacerbated by individual augments and training team requirements and by many units being deployed for missions outside of their normal duties. The result of this strain is evident in the Marine Corps' limited ability to provide trained forces to project power in support of other contingencies. Reduced training time and a necessarily singular focus on current contingency requirements prevents significant opportunities for units to train to the full range of military operations in varied operating environments, such as jungle or mountain terrain. To fulfill our mandate to be "most ready when the Nation is least ready," our deployment cycles must not only support training for irregular warfare, they must also provide sufficient time for recovery, maintenance, and training for other contingency missions. By increasing the dwell time for our units and allowing them additional time at home stations, we can accomplish the more comprehensive training needed for the sophisticated skill sets that have enabled Marine Air Ground Task Forces to consistently achieve success in all types of military operations and operating environments. Our goal is to increase dwell time and achieve a 1:2 deployment-to-dwell ratio for our active forces—our Operating Forces are routinely falling short of this target.

Reducing the Stress.—I would emphasize, the underlying requirement for an end strength increase is separate from, indeed it pre-dates, the plus-up operation in Iraq. The proposed increase to our Active Component end strength to 202,000 Marines will go a long way to reducing the strain on the individual Marines and the Institution. Our first task will be to build three new infantry battalions and their supporting structure—approximately 4,000 Marines. The resources for this force have been included in our fiscal year 2007 supplemental. These funds will pay for initial costs associated with the stand up of these infantry battalions as well as critical enablers, which are vital not only for the current fight, but are also critically needed to support long-term Marine Corps capabilities to accomplish other missions. These enablers include combat support and combat service support such as intelligence, military police, and civil affairs capabilities. We will systematically build the additional individuals and units on a schedule of approximately 5,000 per year. This plan will gradually increase the deployment-to-dwell ratio of some of our habitually high operational tempo units—enabling us to recover our ability to respond in accordance with timelines outlined in war plans for our Combatant Commanders; thereby, reducing future operational risks. We are initially funding this initiative with supplemental and baseline funding in fiscal year 2008, but have included all future costs in our baseline budget as of fiscal year 2009.

Reserve Component End Strength.—Our efforts in the Long War have been a Total Force effort, with our Reserves once again performing with grit and determination. Recent policy changes within the Department of Defense match up very well with our existing policies and will allow us to use the Reserve forces as they were structured to be employed—to augment and reinforce our Active Component forces. To this end, my goal is to obtain a 1:5 deployment-to-dwell ratio within our Reserve Component. We currently believe our authorized Reserve Component end strength of 39,600 Selected Reserve Marines is adequate. As with every organization within the Marine Corps, we continue to review the make-up and structure of the Marine Corps Reserve in order to ensure the right capabilities reside within the Marine Forces Reserve units and our Individual Mobilization Augmentee program across the force. Finally, as our active force increases in size, our reliance on the Reserve forces should decrease—helping us achieve the desired deployment-to-dwell ratio.

Manning the Force.—An equally important factor in sustaining a viable force is continuing to recruit and retain qualified young men and women with the right character, commitment, and drive to become Marines. With over 70 percent of the end strength increase comprised of first-term Marines, both recruiting and retention efforts will be challenged. A major part of this effort will involve programming increased funding for both the Enlistment Bonus and the Selective Reenlistment Bonus Programs. We will need the continued strong support of Congress to achieve ongoing success.

Our recruiting standards will remain high. While exceeding DOD quality standards, we continue to recruit the best of America into our ranks—in fiscal year 2006, the Marine Corps achieved over 100 percent of our active component accession goal. The Marine Corps Reserve also achieved 100 percent of its recruiting goals, but reserve officer numbers remain challenging because our primary accession source is from officers who leave active duty. We appreciate the continued authorization for

Selected Reserve Officer Affiliation Bonuses in the Fiscal Year 2007 National Defense Authorization Act—they continue to contribute in this crucial area.

We forecast that both active and reserve recruiting will remain challenging in fiscal year 2007, particularly when viewed through the lens of accession missions to meet the increased end strength of the Marine Corps. We will need the continued support of Congress for programmed enlistment bonuses and other recruiting efforts, such as advertising, which will be essential to us continuing to meet these challenges.

Retention is the other important part of manning the force. In fiscal year 2006, the Marine Corps exceeded its retention goals for both the First Term and Career Forces. For fiscal year 2007, we expect to exceed our goals again. This success can be attributed to the Marine Corps' judicious use of the Selective Reenlistment Bonus, and we now offer qualified first term and career enlisted Marines $10,000 in Assignment Incentive Pay to reenlist. To keep the very best of our Marines, we must increase the size of our reenlistment bonus program in order to ensure that we have the right grade and MOS mix to support the growing force. Not only will we have to retain more first-term Marines, but we will also have to increase the number of Marines reenlisting at the eight and 12-year mark. This will require a shift toward more programmed funding in targeted key areas in the career force.

Military to Civilian Conversions.—Military-to-civilian conversions continue to provide a valuable source to send additional Marines back to the operating force in support of our warfighting initiatives and help reduce stress. We will continue to pursue sensible conversions and transfer Marines from non-essential billets.

National Security Personnel System.—The Marine Corps is committed to successful implementation of the National Security Personnel System. The Marine Corps is actively participating with the Department of Defense in the development and implementation of this new personnel system and is cooperating with the sister Services so that our civilian employees receive the training opportunities and support necessary for a successful transition. The National Security Personnel System will enable the Marine Corps to better support the warfighter by providing a civilian workforce that is flexible, accountable, and aligned to the Marine Corps mission.

RESETTING THE FORCE AND PREPARING FOR THE NEXT CONTINGENCY

To meet the demands of the Long War, we must reset the force in order to simultaneously fight, train, and sustain our Corps. To support our Marines in combat, we have routinely drawn additional equipment from strategic stocks, which need to be replenished to remain responsive to emerging threats. The Congress has responded rapidly and generously to our requests for equipment and increased protection for our Marines and Sailors. It is our responsibility to manage these resources prudently as we transition to the modernization of our force.

Equipment Readiness.—Extended combat operations have severely tested our materiel. While the vast majority of our equipment has passed the test of sustained combat operations, it has been subjected to more than a lifetime's worth of wear stemming from vehicle mileage, operating hours, and harsh environmental conditions. This increased maintenance requirement is a consequence of not only operational tempo and operating environments, but also the sheer amount of equipment employed in operations. Approximately thirty percent of all Marine Corps ground equipment and nearly twenty-five percent of our active duty aviation squadrons are currently engaged overseas. Most of this equipment is not rotating out of theater at the conclusion of each force rotation; it remains in combat, used on a near-continuous basis at an operating tempo that far exceeds normal peacetime usage.

As our priority for equipment is to support Marines serving in harm's way, we have drawn additional equipment from the Maritime Prepositioning Ships and prepositioned stores from the caves in Norway; we have also retained equipment in theater from units that are rotating back to the United States. The operational results of these efforts have been outstanding—the average mission capable rates of our deployed forces' ground equipment remain above ninety-three percent—but there is a price.

The cost of this success is a decrease in non-deployed unit readiness as well as an increase in the maintenance required per hour of operating time. Equipment across the Marine Corps is continuously cross-leveled and redistributed to ensure that units preparing to deploy have sufficient equipment to conduct our rigorous pre-deployment training programs. Because the stateside priority of equipment distribution and readiness is to units preparing to deploy, there has been a trade-off in unit training for other types of contingencies. The timely delivery of replacement equipment is crucial to sustaining the high readiness rates for the Marines in the-

ater, as well as improving the rates for the forces here at home. Although funded, much of this equipment is still many months from delivery.

Ground Equipment.—Operations in Iraq and Afghanistan are placing demands on ground equipment far beyond what is typically experienced during training or home station operations. Some of these demands rise from higher usage rates, others from the rigors of extended operations in harsh environments. These higher demands increase the maintenance requirements for equipment employed in theater and continue when this equipment is redeployed to home stations.

TABLE 1.—ABSOLUTE INCREASES IN UTILIZATION FOR SELECTED MARINE CORPS SYSTEMS EMPLOYED IN OIF

Category	Usage		Optempo Ratio
	Pre OIF	OIF	
HMMWV	183	550	3.0
MTVR	500	2,000	4.0
LVS	375	1,500	4.0
AAV	83	417	5.0
Rotary-Wing Aircraft	18	41	2.2
KC–130	43	83	1.9

NOTE: Usage rates for ground vehicles are in miles per month; aircraft in flight hours per month.

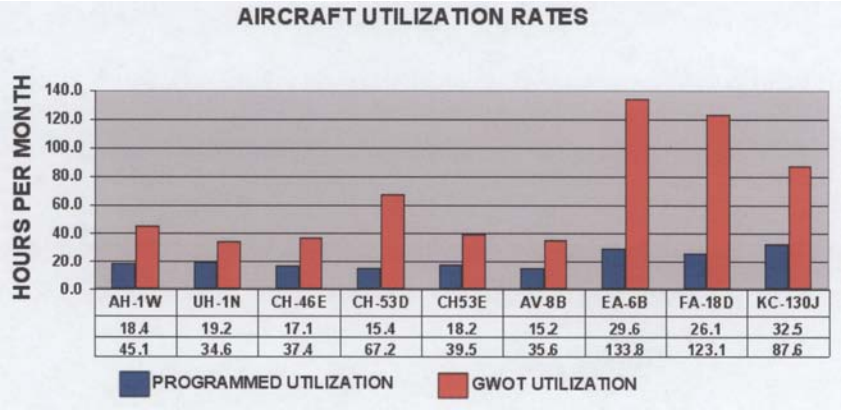
For example, in Operation Iraqi Freedom (OIF) crews are driving Light Armored Vehicles (LAVs) in excess of 8,700 miles per year—3.5 times more than programmed annual usage rates of 2,480 miles per year. Our tactical vehicle fleet is experiencing some of the most dramatic effects of excessive wear, operating at five to six times the programmed rates.

Aviation Equipment.—The operationally demanding and harsh environments of Iraq, Afghanistan, and Djibouti have highlighted the limitations of our aging fleet of aircraft. In order to support our Marines, sister Services, and coalition partners successfully, our aircraft have been flying at two to three times their designed utilization rates. Despite this unprecedented utilization, the yeoman efforts of our maintenance and support personnel have sustained an aviation mission capable rate for deployed Marine aircraft at 79 percent over the past twelve months. The corresponding aviation mission capable rates for our units in garrison, who have either recently returned from deployment or are preparing to deploy again, have averaged 75 percent over the past twelve months. To maintain sufficient numbers of aircraft in deployed squadrons, our home squadrons have taken significant cuts in available aircraft and parts as they prepare for deployment. Reset funding has partially alleviated this strain, but continued funding is needed as we continue to recapitalize our aircraft fleets due to age, attrition, and wartime losses. Maintaining the readiness of our aviation assets while preparing our aircrew for their next deployment is and will continue to be a monumental effort and constant challenge for our Marines.

We have mitigated aircraft degradation through specific aircraft modifications, proactive inspections, and additional maintenance actions enabled by reset programs. Sustaining aircraft material condition drives aircraft readiness and is the determining factor in combat aviation support provided to our Marines in harm's way. While these efforts have successfully bolstered aircraft reliability, sustainability, and survivability, additional requirements for depot level maintenance on airframes, engines, weapons, and support equipment will continue well beyond the conclusion of hostilities.

Resetting Marine Aviation means not merely repairing and replacing damaged or destroyed aircraft, but getting more capable and reliable aircraft into the operational deployment cycle sooner. Your Marines rely on these aircraft on a daily basis to provide a wide array of missions including casualty evacuation for our wounded and timely close air support for troops in contact with the enemy. Production lines to replace legacy aircraft lost in support of the Long War are no longer active; therefore, it is urgent and imperative for the Marine Aviation Plan to remain fully funded and on schedule. Additionally, to ensure Marine aviation is postured to support the current needs of our country, the Marine Corps is working to restore war reserve aircraft and accelerate the upgrades of pre-production aircraft to help maintain aircraft inventories at minimal acceptable operating levels. For example, the Marine Corps is modifying pre-production MV–22s to ensure the transition schedule meets operational demands and deployment timelines. Resetting our full aviation capability will require a significant increase in programmed funding for repair, res-

toration, and upgrades of destroyed or damaged airframes, recovery of Pioneer unmanned aerial vehicle components, refurbishment of air traffic control equipment, replacement of targeting pods, and numerous other efforts to restore capability degraded in support of the Long War.



Reset of Prepositioning Programs.—Eleven Maritime Prepositioning Force (MPF) vessels from all three Maritime Prepositioning Force Squadrons (MPSRON) were downloaded and used in theater during initial Operation IRAQI FREEDOM operations. As these operations concluded, the Marine Corps reconstituted two of three MPSRONs to meet potential contingencies in other areas of the world. This reconstitution was conducted both in theater and at the USMC facilities in Jacksonville, Florida. In February 2004, MPSRON–2 was downloaded in support of Operation IRAQI FREEDOM II and has been partially reconstituted.

Since the MPF offloads in support of Operations IRAQI FREEDOM I and II, MPSRON–1 and MPSRON–2 have gone through a complete maintenance cycle for attainment and supply rotation. Attainment for major end items is 91 percent and 48 percent respectively. Some of our major end item shortfalls are a result of ongoing Operation IRAQI FREEDOM/Operation ENDURING FREEDOM equipment requirements and availability from the manufacturer. Our end item shortfalls in the MPF program will be reset during the ship's maintenance cycle as equipment becomes available. Readiness for all equipment loaded aboard the MPS is historically 98 percent or better. MPSRON–3 is currently undergoing its maintenance cycle and we project an attainment above 98 percent for equipment when completed in June 2007. MPSRON–2's maintenance cycle should begin in April 2008 and be completed by June 2009.

Equipment from Marine Corps Prepositioning Program—Norway (MCPP–N) was used in support of Long War operations and to reset other Marine Corps shortfalls with a higher operational priority. The USMC will reset MCPP–N as soon as practical in line with USMC operational priorities.

Costs of Resetting the Force.—Last year, our cumulative reset cost estimate was $11.7 billion, of which the Congress appropriated $5.1 billion toward that amount. To date, Congress has appropriated a total of $10.2 billion for GWOT reset costs. The $11.7 figure is based on a point in time (October 1, 2005) snapshot of the funding necessary to refit the Marine Corps to a pre-Long War level of equipment readiness. During the summer of 2006, the Secretary of Defense standardized the definition of reset costs across the Services. As a result, the Marine Corps stopped identifying two major expenses—depot maintenance and attrition losses—as "Cost of War" and moved them into our reset the force estimate. This definitional change and some additional requirements have changed our estimate as noted in Table 2.

The first expense to be re-categorized is the estimated cost of residual depot maintenance after the termination of hostilities. Our analysis shows that we will require at least four to six years of post-conflict depot maintenance to bring our force to a fully reset state. Given the status of our equipment at this time, we estimate additional programmed funding will be required for post-conflict ground and aviation depot maintenance costs.

The second item re-categorized because of definition changes is attrition losses. Prior to the re-definition, the Marine Corps had considered replacement and repair

of attrition losses to be a cost of war, and had not included them in our reset estimate. We have increased our reset estimate to include forecasted attrition losses.

The net effect is that the Marine Corps reset estimate, once a fixed point in time estimate, has now become a rolling estimate that includes future attrition losses and future depot maintenance estimates. The following table (Table 2) depicts the definitional changes:

TABLE 2.—CHANGES TO RESET DEFINITION

Category	Traditional Marine Corps	New OSD Definition
Depot Maintenance	Reset	Reset
Additional 4–6 yrs after OIF I	Not Included	Reset
Field Level Maintenance	Cost of War	Cost of War
Consumables	Cost of War	Cost of War
Combat Losses	Cost of War	Reset
Annually Expended Munitions	Cost of War	Cost of War
T/E Recapitalization	Reset	Reset
Prepositioning Assets	Reset	Reset

Not all of the reset the force requirement can be executed in a single fiscal year. Some items such as attack and utility helicopters cannot be replaced until acquisition production decisions are made. Other requirements such as light armored vehicles cannot be fulfilled in a single year due to production capacity issues. Resourcing costs must be phased over several years. The table (Table 3) below highlights specific examples of this challenge.

TABLE 3.—EQUIPMENT DELIVERY LAG TIME

Capability	First Loss		Funding Appropriated	Replacement		Delay Months [1]
	Equip	Date		Equip	Date	
Utility Helo	UH–1N	Dec 2001	Oct 2006	UH–1Y	Apr 2009	88
Transport	KC–130R	Jan 2002	Oct 2006	KC–130J	Apr 2010	99
Attack Helo	AH–1W	Jan 2003	Oct 2006	AH–1Z	Apr 2009	75
Medium Lift Helo	CH–46E	Mar 2003	Jul 2006	MV–22	Sep 2009	78
Wheeled Recon	LAV–25	Apr 2003	May 2005	LAV–25	Dec 2007	56
Medium Wheeled Transport	MTVR	May 2003	May 2005	MTVR	Apr 2006	35

MODERNIZE FOR TOMORROW, TO BE "THE MOST READY WHEN THE NATION IS LEAST READY"

As prudent stewards of our Nation's resources, we must decide the most effective way to modernize the Total Force. We are actively working through the tough decisions of whether to replace aging equipment with similar platforms or to procure next generation capabilities—such as cutting edge platforms like the STOVL Joint Strike Fighter, the MV–22 Osprey, and the Expeditionary Fighting Vehicle (EFV). Foremost and throughout our modernization efforts, we will maintain our Congressionally mandated contingency response forces to be always ready and always capable of forcible entry.

Marine Aviation Plan.—The Marine Aviation Plan is designed to posture Marine Corps Aviation for future warfighting requirements in the near term (2007–2009), the mid-term (2010–2012) and the long term (2013–2015). The Marine Aviation Plan addresses these challenges by restructuring the force and managing current aircraft procurement Programs of Record.

We will rebalance our existing Assault Support and Tactical Aircraft (TACAIR) structure in the reserve and active components in order to boost future HMH (heavy lift CH–53), HMLA (light attack UH–1 and AH–1), and VMU (unmanned aerial vehicle) capacity. Increases to aviation manpower structure at the squadron, group, and wing levels will enhance operational readiness and better posture these units for combat operations and their transitions to the new H–1s, MV–22, F–35, KC–130J, and CH–53K. We will incorporate a fully functional and resourced Aircrew Training System that will align a new Training Transformation Plan to each Assault Support and TACAIR community as they transition to new aircraft in the coming years. Marine aviation command and control modernization will leverage our new aircraft capabilities by streamlining command and control functions and radar inventory to ensure aviation command and control remains agile, efficient, and responsive to the needs of the Marine Air Ground Task Force (MAGTF) across the spectrum of conflict. Marine aviation logistics process modernization applies an overarching approach to understanding readiness, related costs, and the removal of performance barriers with the goal of enhancing our warfighting capabilities while husbanding resources.

The Marine Aviation Plan shapes the future of Marine Aviation to meet the diverse missions of today's and tomorrow's battlefields, and provides the Marine Air Ground Task Force with improved capabilities, unit manning, and a thorough safety training system to better overcome known and foreseeable challenges. This plan sets in place tomorrow's Marine Aviation as a viable and efficient force in support of the MAGTF on the battlefield.

Joint Strike Fighter.—F–35 development is on track, and will act as an integrated flying combat system in support of our ground forces and will be the centerpiece of Marine Aviation. The manufacture of the first test aircraft (Conventional Take-off and Landing [CTOL] variant) is well underway, assembly times are much better than planned, and exceptional quality has been demonstrated in fabrication and assembly. The first CTOL aircraft flew in December of 2006. Five STOVL and six CTOL aircraft are currently in production. The JSF acquisition strategy, including software development, reflects a block approach. The F–35B Short Take-Off/Vertical Landing (STOVL) variant is a fifth generation aircraft that will provide a quantum leap in capability, basing flexibility, and mission execution across the full spectrum of warfare. The Marine Corps remains committed to its vision of an all STOVL tactical aircraft force. Fulfilling this vision will best posture the Marine Corps to support our Nation and the combatant commanders, by enabling the future Marine Air Ground Task Force (MAGTF) to accomplish its expeditionary warfighting responsibilities.

MV–22.—The MV–22 is replacing the CH–46E and CH–53D aircraft. The CH–46E is over forty years old, with limited lift and mission capabilities to support the MAGTF and the Long War. In September 2005, the V–22 Defense Acquisition Board approved Full Rate Production. To date, twenty-nine Block A and fifteen Block B aircraft have been delivered. Much like the F–35, the MV–22 program uses a three-block strategy in its procurement. Block A aircraft are training aircraft. Block B are operational aircraft. Block C aircraft are operational aircraft with mission enhancements. To date, the one V–22 Fleet Replacement Training Squadron, one test squadron, VMX–22, and two tactical VMM squadrons have stood up with the third tactical MV–22 squadron scheduled for March 2007. MV–22 Initial Operational Capability is scheduled for the summer of 2007 with a continued transition of two CH–46E squadrons per year thereafter. The MV–22's revolutionary assault support capability allows the MAGTF to maximize our capstone concept of Expeditionary Ma-

neuver Warfare. Our forces in harm's way deserve the best assault support aircraft in the world—without question, the MV–22 is that aircraft.

KC–130J.—The KC–130J has continuously deployed in support of OIF since February 2005 and has provided the warfighter a state-of-the-art, multi-mission, tactical aerial refueling, and fixed wing assault support asset. The introduction of the aerial refuelable MV–22, combined with the forced retirement of the legacy KC–130F/R aircraft due to corrosion, fatigue life, and parts obsolescence, significantly increases the requirement for accelerated procurement of the KC–130J. Twenty-five new aircraft have been delivered, and the Marine Corps is contracted to procure a total of forty-five aircraft by the end of fiscal year 2013, with four KC–130J aircraft requested in the fiscal year 2008 budget. This is six aircraft less than the inventory objective of the fifty-one aircraft needed to support the operational requirements of MAGTF, joint, and combined forces. As the aviation workhorse of the MAGTF, the KC–130J's theater logistical support reduces the requirement for resupply via ground, limiting the exposure of our convoys to IEDs and other attacks.

CH–53K.—The CH–53K program has reached "Milestone B" status-initiation of system development and demonstration. The current fleet of CH–53E Super Stallion aircraft will reach its fatigue life during this decade. The CH–53K will deliver increased range and payload, reduced operations and support costs, increased commonality with other assault support platforms, and digital interoperability for the next twenty-five years. The CH–53K is one of the elements that will enable the MAGTF and joint force to project and sustain forces ashore from the sea. A post Milestone B System Development and Demonstration contract was awarded in April 2006 and IOC is planned for fiscal year 2015.

H–1 Upgrade.—The H–1 Upgrade Program (UH–1Y/AH–1Z) is a comprehensive program to resolve existing operational power margin issues, while significantly enhancing the tactical capability, operational effectiveness, and sustainability of the attack and utility helicopter fleet. The Corps' fleet of UH–1N Hueys is reaching the end of their useful life. Due to airframe and engine fatigue, the Vietnam-era Huey routinely takes off at maximum gross weight with no margin for error. This aircraft is long overdue for replacement; degrading our ability to support our Marines in harm's way. Due to significant GWOT operational demands on the existing squadrons and aircraft attrition, the Marine Corps has adapted the "build new" strategy for the UH–1Y in fiscal year 2006 and our first two production aircraft have now been delivered. We are also examining a "build new" strategy for the AH–1Z to preclude significant inventory shortfalls. The H–1 Upgrade Program will be restructured pending a Defense Acquisition Board in March 2007.

Command and Control (C2) Harmonization.—The C2 harmonization strategy incorporates joint integrating concepts and C2 mandates, and is a holistic approach that integrates warfighter requirements into a common capability to deliver an end-to-end, fully integrated, cross-functional set of capabilities including forward-deployed and reach-back functions. The strategy's end state is a seamless capability that crosses warfighting functions and supports Marines from the supporting establishment to our Marines in contact with the enemy, taking the best of emerging capabilities and joint requirements to build a single solution.

The first step in this direction is the ongoing development of the Common Aviation Command and Control System (CAC2S). CAC2S fuses data from sensors, weapon systems, and C2 systems into an integrated display. It allows rapid, flexible operations in a common, modular, and scalable design by reducing the current five stovepipe systems into one hardware solution with streamlined equipment training. CAC2S will enable MAGTF commanders to control timing of organic, joint, or coalition effects, assault support, and ISR in their battlespace while operating within a joint task force. With CAC2S and C2 harmonization, a joint task force commander will discover that his MAGTF's battlespace offers maximum flexibility due to its seamless integration with joint and coalition partners.

Persistent Intelligence, Surveillance, Reconnaissance.—The Persistent Intelligence, Surveillance, Reconnaissance (ISR) strategy is a component of the Marine Corps ISR-enterprise supporting Marines across the spectrum of military operations. Its focus is the capability to integrate the network of air, ground, and space sensors with sufficient fidelity to detect, locate, identify, track, and target threats. This capability also reduces the effectiveness of improvised explosive devices (IEDs) through the identification of personnel, activities, and facilities associated with the manufacture and emplacement of IEDs. The network is enabled through unmanned aerial and ground systems, human intelligence exploitation teams, ground signals intelligence/electronic warfare, tactical fusion centers, and pre-deployment training programs. We continue to develop capabilities in coordination with the Joint IED Defeat Organization's point, route, and area targeting concepts. Some capabilities under development include unmanned aerial systems, unmanned ground sensors,

wide field of view persistent surveillance (ANGEL FIRE), and the Ground Based Operational Surveillance System (GBOSS). ANGEL FIRE provides enhanced situational awareness and support to urban warfare, disaster relief, and other operations. The initial deployment of this capability is scheduled for late spring/summer 2007. G–BOSS is a force protection camera system that provides a twenty-four hour day/night persistent surveillance capability. The G–BOSS System of Systems concept is to integrate command and control; commercial off the shelf and government off the shelf sensors to ground, airborne, and space-based platforms. The military objective of G–BOSS is to detect, identify, and track insurgent activities, specifically associated with the emplacement of IEDs. The initial employment of autonomous camera tower systems has performed admirably in theater. The integration of a fully networked G–BOSS system of systems is anticipated to begin in spring/summer 2007.

Ground Mobility.—The Army and Marine Corps are leading the Services in developing tactical wheeled vehicle requirements for the joint force. The defined capabilities reflect an appropriate balance in survivability, mobility, payload, network enabling, transportability, and sustainability for the light tactical wheeled vehicle supporting the future joint force. The Army/Marine Corps Board has proven a valuable forum for coordination of tactical wheeled vehicle development and fielding, the production of Central Command armoring kits and up-armored HMMWVs, and rapid response to Combatant Commander's requests for Mine Resistant Ambush Protected vehicles. Additionally, the Army/Marine Corps Board has been the focal point for development of the joint requirements for a Joint Light Tactical Vehicle focused on providing protected, sustained, networked, and expeditionary mobility to the joint force in the light tactical vehicle weight class.

Mine Resistant Ambush-protected (MRAP) vehicles.—MRAP vehicles are designed with a "V" shaped hull and are employed to protect against the three primary kill mechanisms of mines and improvised explosive devices—fragmentation, blast overpressure, and acceleration. These vehicles provide the best available protection against improvised explosive devices and experiences in theater have shown that a Marine is four to five times safer in a MRAP than in an up-armored HMMWV. There will be three categories of new near-term MRAP vehicles. Category I, a Mine Resistant Utility Vehicle, will accommodate up to six personnel and will be employed in urban operations. Category II vehicles are similar to Cougar/Joint Explosive Ordnance Disposal Rapid Response Vehicles, and will accommodate up to ten personnel, and will be multi-mission capable. Category III, Buffalo vehicles, will be used for route clearance and explosive ordnance disposal missions.

The MRAP is an example of our adaptation to evolving threats. It is an attempt to acquire the very best technology available in the shortest amount of time in order to protect our Marines. The USMC requirement is 3,700 MRAP vehicles and we are aggressively pursuing the acquisition of this rapidly emerging requirement.

Joint Light Tactical Vehicle (JLTV).—In November 2006, the Army's Training and Doctrine Command and Marine Corps Combat Development Command, in collaboration with Navy, Air Force, and Special Operations Command representatives, received Joint Staff approval of the Ground Combat Forces Light Tactical Mobility Initial Capability Document, documenting joint forces' capability needs for the light tactical wheeled vehicle fleet. During December 2006, Army and Marine Corps combat developers staffed the JLTV Capability Development Document, defining requirements for the long-term HMMWV replacement.

Marine Personnel Carrier (MPC).—MPC development is on schedule. In January 2007, the Marine Corps staffed the Initial Capabilities Document, framed the Capabilities Development Document and initiated planning for the Analysis of Alternatives leading to a Marine Personnel Carrier material solution, moving toward an Initial Operational Capability in the 2012 timeframe. The MPC will possess a balance between performance, protection, and payload and will increase infantry battalion protected mobility and light armored reconnaissance battalion striking power. It will serve as a balanced expeditionary armored personnel carrier easily optimized for irregular warfare, but effective across the range of military operations.

M1114 HMMWV—Upgrade via Fragmentation Kit 2 and Fragmentation Kit 5.—The Corps' already fielded M1114 fleet is undergoing an upgrade with Fragmentation Kits 2 and 5. Fragmentation Kit 2 enhances ballistic protection in the front driver and assistant driver wheel-well. Fragmentation Kit 5 degrades improvised explosive device effects and reduces armor debris that results from overmatch. Installation of both Fragmentation Kits is underway, with anticipated completion in March 2007. We will continue to evaluate the U.S. Army's objective kit development and share information and lessons learned. All new Marine Corps deliveries of M1114, M1151, M1152, and M1165 HMMWV's will have Fragmentation Kits 2 and 5 level capability integrated.

MAGTF Fires.—Several innovative systems related to fire support significantly enhance the warfighting efficiency and effectiveness of the Marine Air Ground Task Force (MAGTF). Such systems include the M777 Lightweight Howitzer, High Mobility Artillery Rocket System, Expeditionary Fire Support System, Advanced Field Artillery Tactical Data System, and the Target Location, Designation, and Handoff system.

M777 Lightweight Howitzer.—The new M777 lightweight howitzer replaces the M198 howitzers. It can be lifted by the MV–22 Osprey and the CH–53E helicopter and is paired with the Medium Tactical Vehicle Replacement truck for improved cross-country mobility. The M777, through design innovation, navigation, positioning aides, and digital fire control, offers significant improvements in lethality, survivability, mobility, and durability over the M198 howitzer. The Marine Corps began fielding the first of 356 new howitzers to the operating forces in April 2005 and expects to complete fielding in calendar year 2009.

High Mobility Artillery Rocket System (HIMARS).—The HIMARS fills a critical range and volume gap in Marine Corps fire support assets by providing 24-hour, all weather, ground-based, indirect precision and volume fires throughout all phases of combat operations ashore. We will field forty HIMARS (eighteen to the active component, eighteen to the reserve component, and four to the Supporting Establishment). When paired with the acquisition of Guided Multiple Launch Rocket System rockets, HIMARS will provide a highly responsive, precision fire capability to our forces in conventional as well as unconventional operations.

Expeditionary Fire Support System (EFSS).—The EFSS will be the principal indirect fire support system for the vertical assault element of MAGTFs executing Ship-to-Objective Maneuver. It is a towed 120 mm mortar and when paired with an internally transportable vehicle, will be transported aboard MV–22 and CH–53E aircraft. EFSS-equipped units will provide the ground component of a vertical assault element with immediately responsive, organic indirect fires at ranges beyond current infantry battalion mortars. Initial operational capability is planned during calendar year 2007, and full operational capability is planned for fiscal year 2010.

Target Location, Designation, and Handoff System (TLDHS).—TLDHS is a modular, man-portable equipment suite that will provide the ability to quickly acquire targets and digitally transmit data to supporting arms elements for attack, as well as designate targets for laser-seeking precision guided munitions and laser spot trackers. The system will be capable of providing target location within fifty meters and designating targets at 5,000 meters. TLDHS will be fielded to forward observer teams, naval gunfire spot teams, tactical air control parties, and reconnaissance teams. Block II, scheduled for fielding in late fiscal year 2007, will communicate with all Naval Strike aircraft, the AFATDS, and the Naval Fire Control System.

Counter-Sniper technology.—The Marine Corps Warfighting Laboratory is leading a four-pronged approach to counter the sniper threat. Focused on increasing our ability to sense and warn, deny, protect, and respond, we are leveraging the cooperative efforts of Defense Advanced Research Projects Agency, our sister Services, the Marine Corps Intelligence Activity, and the National Ground Intelligence Center.

Future sense and warn capabilities may include optical, acoustic, and infrared detection and location. We are examining different obscurant technologies, while our protection effort focuses on improving individual armor and new tactics, techniques, and procedures. Detection of threat optics will provide indications and warning of impending sniper or IED attacks, and a predictive capability to avoid or engage prior to sustaining friendly casualties. One potential denial method is through use of glare aversion devices which apply a non-injurious, but discomforting, bright light. Assessment of the response can help determine hostile intent, and the glare aversion effect may be effective in prohibiting a sniper from visually targeting friendly forces. Our response capability efforts include examination of counter-sniper vehicles and the Defense Advanced Research Projects Agency's sniper rifle program. Finally, we are using experimentation to combat the sniper threat through advanced equipment and improved tactics, techniques, and procedures. Ongoing joint and interagency cooperation, coupled with industry collaboration, will shape our future experiments.

Secure Internet Routing Protocol Network.—The continuing evolution and maturation of network threats, along with the asynchronous nature of network intrusions and vulnerabilities, requires the Marine Corps to seek improvements in network defense. The Secure Internet Routing Protocol Network, SIPRNET, is a highly secure network, physically and logically separate from unclassified networks and the Internet. In the near future, we foresee greater reliance on the SIPRNET to enhance the security of Marine Corps war fighting and business operations. This effort will require additional resources, which will prove well worth the investment as we secure our networks and provide for better operational and force protection.

NAVAL OPERATING FORCES AND CONCEPTS

As the "Arc of Instability" is substantially a maritime domain, a naval force is uniquely suited to respond and provide forward-deployed expeditionary combat forces in response to crises. It is the Marine Corps' obligation to provide our Nation a naval force that is fully prepared for employment as a Marine Air Ground Task Force operating across the spectrum of conflict. The Nation invests tremendous resources knowing that the ability to project power from the sea is a prerequisite for defending our sovereignty. To maneuver from the freedom of the seas provides timely and reliable response solutions to our Nation. In concert with the U.S. Navy, we support the law of the sea convention, which preserves our ability to maneuver from the sea.

As demonstrated by the Navy-Marine Corps responses to hurricanes Katrina and Rita, tsunami relief in southern Asia, and noncombatant evacuation operations in Lebanon, maneuvering from the sea is a relevant capability possessing the flexibility to meet our country's needs both around the world and at home. Marines and Sailors embarked from amphibious platforms provide asymmetric, sustainable, and rapidly responsive solutions to our Combatant Commanders.

Working closely with our Navy and Coast Guard partners, we will advance the amphibious and expeditionary capabilities the Combatant Commanders rely on to meet their emerging challenges, strengthen concepts and training that enhance naval contributions to the Long War, and provide a naval force that is fully prepared for employment across the full spectrum of conflict.

Concepts to Capabilities.—In September 2006, the Navy and Marine Corps published a new Naval Operations Concept (NOC), which provides our unified vision for the future and broadly describes how naval power and influence can be applied at and from the sea, across the littorals, and ashore. In tandem, we revised our Marine Corps Operating Concepts (MOC) for a Changing Security Environment, incorporating our lessons learned and the unified vision provided in the NOC. Building on the conceptual foundation for littoral power projection provided in Operational Maneuver from the Sea, the Naval and Marine Corps Operating Concepts call for more widely distributed forces to provide increased forward presence, security cooperation with an expanding set of international partners, preemption of non-traditional threats, and a global response to crisis in spite of challenges to access. Collectively, these concepts provide the foundation for selectively conducting either distributed or aggregated operations.

Due to changes to the security environment and the effects of globalization, the Navy, Coast Guard, and Marine Corps have all concurred with the need to reexamine our maritime strategy. Early this summer, we intend to produce a new maritime strategy in order to articulate the ways and means by which maritime forces will support the Nation's strategic ends in the new security era.

Amphibious Warfare Ships.—Amphibious warfare ships are the centerpiece of the Navy-Marine Corps' forcible entry and Seabasing capability, and have played an essential role in the Long War. These ships are equipped with aviation and surface assault capabilities, which coupled with their inherent survival and self-defense systems, makes them ideally suited to support a broad range of mission requirements. This survivability is critical to ensure the Nation has the widest range of response options. Not only must our naval forces maintain the ability to rapidly close, decisively employ, and effectively sustain Marines from the sea, they must also respond to emerging Long War requirements, crisis response, and humanitarian assistance missions on short notice around the world.

For forcible entry, the Marine Corps' requirement is a single, simultaneously-employed two Marine Expeditionary Brigade (MEB) assault capability. One MEB requires seventeen amphibious warfare ships; however, given the fiscally constrained environment, the Navy and Marine Corps have agreed to assume risk by only using fifteen. Historical amphibious ship availability rates dictate a minimum of eleven ships of each of the current types of amphibious ship—a minimum of thirty-three total ships—resulting in a Battle Force that provides thirty operationally available amphibious warfare ships. In that Battle Force, ten aviation-capable big deck ships (LHA/LHD/LHA(R)) and ten LPD 17 class ships are required to accommodate the MEB's aviation combat element.

Amphibious Transport Dock (LPD).—The LPD 17 *San Antonio* class of amphibious warfare ships represents the Department of the Navy's commitment to a modern expeditionary power projection fleet that will enable our naval force to operate across the spectrum of warfare. The Navy took delivery of the first LPD 17 in the summer of 2005 and operational evaluation is scheduled to begin in the summer of 2007. The LPD 17 class replaces four classes of older ships—the LKA, LST, LSD 36, and the LPD 4—and will have a forty-year expected service life. LPD 17 class ships will play

a key role in supporting the ongoing Long War by forward deploying Marines and their equipment to respond to crises abroad. Its unique design will facilitate expanded force coverage and decreased reaction times of forward deployed Marine Expeditionary Units. In forcible entry operations, the LPD 17 will help maintain a robust surface assault and rapid off-load capability for the Marine Air Ground Task Force far into the future.

Amphibious Assault Ship (Replacement) (LHA(R)).—The *Tarawa* class amphibious assault ships reach the end of their service life during the next decade (2011–2015). An eighth *Wasp* class LHD (multi-purpose amphibious assault ship) is under construction and will replace one *Tarawa* class ship during fiscal year 2008. In order to meet future warfighting requirements and fully capitalize on our investment in the MV–22 and Joint Strike Fighter, ships with enhanced aviation capabilities will replace the remaining LHA ships. These ships will provide enhanced hangar and maintenance spaces to support aviation maintenance and increased jet fuel storage and aviation ordnance magazines. The lead ship, LHA 6, is on track for detailed design and construction contract award during fiscal year 2007, with advanced procurement funds already provided in the fiscal year 2005 and 2006 budgets.

The Maritime Prepositioning Force.—Our proven Maritime Prepositioning Force—capable of supporting the rapid deployment of three Marine Expeditionary Brigades—is an important complement to our amphibious warfare capability. Combined, these capabilities provide the Marine Corps the ability to rapidly react to a crisis in a number of potential theaters and the flexibility to employ forces across the battlespace. The natural progression of this capability set, the Maritime Prepositioning Force (Future) (MPF(F)), is a key enabler of Seabasing and will build on the success of the legacy Maritime Prepositioning Force program. MPF(F) will provide support to a wide range of military operations with capabilities such as at-sea arrival and assembly, selective offload of specific mission sets, and long-term, sea-based sustainment. The squadron will be capable of prepositioning the Marine Expeditionary Brigade's critical equipment and sustainment; but this capability does not constitute a forcible entry capability. The MPF(F) squadron composition decision was made by the Acting Secretary of the Navy in May 2005; the program is currently in the technology development phase of acquisition, with a Milestone B decision planned in fiscal year 2008.

High Speed Connectors.—High-speed connectors will facilitate the conduct of sustained sea-based operations by expediting force closure and allowing the persistence necessary for success in the littorals. Connectors are grouped into three categories: inter-theater, the Joint High Speed Sealift (JHSS), which provides strategic force closure for CONUS-based forces; intra-theater, the Joint High Speed Vessel (JHSV) that enables rapid closure of Marine forces and sustainment; and the Joint Maritime Assault Connector, to move troops and resources from the sea base to shore. These platforms will link bases and stations around the world to the sea base and other advanced bases, as well as provide linkages between the sea base and forces operating ashore.

Ship-to-Shore Mobility.—For decades, Marine power projection has included a deliberate buildup of combat power ashore. Only after naval forces fought ashore and established a beachhead would the MAGTF begin to focus its combat power on the joint force's operational objective. Advances in mobility, fires, and sustainment capabilities will enable greater penetration and exploitation operations from over the horizon, by both air and surface means, with forces moving rapidly to operational objectives without stopping to seize, defend, and build up beachheads or landing zones. The Expeditionary Fighting Vehicle, MV–22 Osprey, and CH–53K heavy lift helicopter are critical to achieving the necessary forcible entry capabilities of the future.

Expeditionary Fighting Vehicle.—The Marine Corps provides the Nation's joint warfighting forces with a unique, flexible, and effective capability to conduct forcible entry operations from the sea. The Expeditionary Fighting Vehicle (EFV), the Corps' largest ground combat system acquisition program, is the sole ground combat vehicle that enables projection of combat power from a sea base. It will replace the aging Assault Amphibious Vehicle that has been in service since 1972 and will become a complementary component of our modernized fleet of tactical vehicles that include the Joint Light Tactical Vehicle, the Marine Personnel Carrier, and the Internally Transportable Vehicle. The EFV's amphibious mobility, day and night lethality, enhanced force protection capabilities, and robust communications will help the joint force meet security challenges across the spectrum of conflict. The over-the-horizon capability of the EFV will also enable amphibious ships to increase their standoff distance, no longer requiring them to close within the striking distance of many coastal defense systems in order to launch their amphibious assault platforms. The EFV will be specifically well suited to maneuver operations conducted from the sea and sustained operations in the world's littoral regions.

The Marine Corps recently conducted a demanding operational assessment of the EFV. It successfully demonstrated most critical performance requirements, but the design complexities are still providing challenges to system reliability. To that end, we conducted a comprehensive requirements review to ensure delivery of the required capability while reducing complexity of the system where possible. For example, the human stresses encountered during operations in some high sea states required us to reevaluate the operational necessity of exposing Marines to those conditions. Based upon this review, and a subsequent engineering design review, we will tailor final requirements and system design to support forcible entry concepts while ensuring the EFV is a safe, reliable, and effective combat vehicle.

Supporting Capabilities.—Logistics Modernization is the largest coordinated and cross-organizational effort ever undertaken to transform Marine Corps logistics. A three-pronged improvement and integration initiative focusing on Marine Corps personnel, processes, and technology, Logistics Modernization is integrating and streamlining supply, maintenance, and distribution. As our roadmap for more effective and efficient expeditionary logistics, Logistics Modernization is multiplying our ability to support the Marine Air Ground Task Force across the spectrum of conflict, in all environments and across all levels of theater maturity.

BEYOND THE HORIZON—POSTURING THE MARINE CORPS FOR THE FUTURE

History has proven that we cannot narrowly define the conditions for which our military must be ready. With little warning, our Nation has repeatedly called its Corps front and center—in the southern Pacific after Pearl Harbor, in Korea after the communist invasion in 1950, in the mountains of Afghanistan after 9/11, and in southern Asia in the wake of the catastrophic tsunami of 2004. Each of these strategic surprises demonstrates the broad range of possibilities for which the Marine Corps must be prepared.

The Long War requires a multi-dimensional force that is well trained and educated for employment in all forms of warfare. Historically, our Corps has produced respected leaders who have demonstrated intellectual agility in warfighting. Our current deployment tempo increasingly places our Professional Military Education (PME) programs at risk. No level of risk is acceptable if it threatens the steady flow of thinkers, planners, and aggressive commanders who can execute effectively across the entire spectrum of operations.

The Future of Training and Education.—Looking ahead to the challenges of the Long War, we have enhanced our counterinsurgency capabilities while remaining vigilant that our Marine Air Ground Task Forces must remain ready to launch robust forcible entry operations and succeed across the spectrum of conflict with our naval partner. With Marine forces so closely engaged in an irregular fight, we will have to take extraordinary steps to retain this ability to serve as the Nation's shock troops during major conventional combat operations. Your support of our training and education needs will allow us to remain faithful to our enduring mission: to be where the country needs us, when she needs us, and to prevail over whatever challenges we face.

The Training Continuum.—Some things remain constant—we continue to ensure that all Marines, regardless of occupational specialty, gain the self-confidence and skills derived from our warrior ethos "Every Marine a Rifleman." The experience at boot camp remains legendary; this transformation of young Americans is a national treasure—one that we must preserve and guard carefully. The core values of Honor, Courage, and Commitment—imprinted on their souls during recruit training and strengthened thereafter—mark a Marine's character for a lifetime. To reinforce this transformation, we have focused the emphasis of our officer and enlisted professional military education on combat leadership.

Marine training is built along a continuum that is well defined, well structured, and of which we are extremely proud. Marines are forged in the furnace of recruit training and tempered by shared hardship and tough training. This transformation process begins the day they meet their recruiter, who introduces them to the concept of total fitness: body, mind, and spirit. It continues through their common experiences at Recruit Training and its Crucible, and Marine Combat Training. It moves on to skill training at one of our schools or at a sister Service school. It culminates with assignment to an operational unit with its own demanding training, where a powerful bond of trust develops between fellow warriors as they experience the rigors of combat against a diverse and adaptive foe.

The Infantry Battalion Enhancement Period Program (IBEPP).—Long War operations have significantly increased our training requirements. Marines must now train to a broader range of skills; however, due to high operational tempo, we face ever-decreasing timetables for Marines to achieve mastery of these skills. Our first

major initiative to maximize effective use of available time was the establishment of a standardized and well-defined Pre-deployment Training Program. To bolster home station training, we took an additional step by establishing the Infantry Battalion Enhancement Period Program (IBEPP). The primary goal of the IBEPP is to facilitate better small unit leader training within the infantry battalion. Highlights of the IBEPP include expanded quotas for rifle squad leader courses (sergeants) and a new tactical small unit leader course focused on fire team leaders (corporals). Additionally, we have updated our School of Infantry curriculum to incorporate the additional equipment added to our new infantry battalion table of equipment and increased the instructor base at our Schools of Infantry to support the new IBEPP.

Expansion of our Weapons and Tactics Training Program.—We find ourselves in a cycle of rapid innovation of weapons and tactics with our enemies. This cycle challenges the creativity and knowledge of staff officers in our ground and combat logistics battalions who must direct training programs or staff combat operations. Our aviation squadrons experienced this during the Vietnam conflict. To address those challenges, we created the Weapons and Tactics Training Program to develop and field a cadre of aviators with advanced understanding of weapon and tactical innovations as well as the concepts and requirements to train other aviators to adapt to these trends. This program placed prestige on training expertise and now provides an effective means by which Marine Aviation stays current on battlefield innovations. We will soon apply the fundamentals of that program to our ground staffs. The ground and logistics Weapons and Tactics Training Program will produce ground Marines expert in training and warfighting functions who will improve their units' ability to fight. Though we are assessing detailed requirements, we anticipate this effort could require up to 150 instructors, and increased demands on combined arms ranges, artillery and aviation units, simulation centers, and suites of operations center equipment.

Marine Corps Lessons Learned Management System.—This adaptive enemy requires us to have a responsive and collaborative dialogue across the Corps. Our interactive and effective lessons management system promptly captures and disseminates the lessons being learned by our Marines and Sailors in complex combat actions around the globe. Our web-based lesson input support tool—selected by the Joint Staff last year to serve as the Department standard—guides this learning process. Capitalizing on the institutional agility that has been a hallmark of our success, last year we implemented changes in such areas as crew-served weapons use, tactical questioning, evidence gathering procedures, command and control equipment training and procedures, civil-military operations, and detainee handling.

Center for Advanced Operational Culture Learning.—An example of adaptation for the Long War includes our Center for Advanced Operational Culture Learning, which we established during May 2005 and recently reached its full operational capability. Both officer and enlisted Marines now receive education in the operational aspects of culture at nearly every phase of their career development. This year, the Center is establishing Language Learning Resource Centers at our eight largest bases and stations. These centers provide language instruction using mobile language training shelters and contracted professional language trainers. These efforts support the Defense Language Transformation Roadmap increasing our interoperability with partner nations around the globe. We are also expanding our Foreign Area Officer program, creating language and culture experts from all occupational specialties who can be integrated into Marine units deployed worldwide. We thank the Congress for its support in this venture, as recent supplemental funding has proved instrumental to this effort.

Advisor Training.—During 2006, we institutionalized the structure, resources, and equipment to advance the individual skills and education of Marines selected to serve as advisors to partner military units. Our Security Cooperation and Education Training Center had already trained over fifty deploying advisor teams during 2004 and 2005. This formal establishment allowed us to increase our efforts, as we trained seventy-seven advisor teams during 2006. Additionally, we expanded advisor skills with upgrades to training in such areas as foreign weapon handling, medical procedures and survival, evasion, resistance, and escape. This year we are establishing a Civil Military Operations Center of Excellence within this Center, as the Marine Corps' focal agency for civil-military operations training and education.

Training Marine Air Ground Task Forces.—Our continuing adaptations and investments in Core Values are checked once more prior to deployment with a series of unit mission rehearsals. These exercises occur during the culminating block of our formal Pre-deployment Training Program, which we expanded during 2004 to serve all deploying Marine Air Ground Task Forces. These mission rehearsals present all deploying personnel with increasingly complex situations designed to replicate the confusing swirl of combat on a complex battlefield. Role players, many of whom are

Iraqi-Americans, portray battlefield civilians and insurgents alike, presenting exercise-worn Marines with sudden "shoot-don't shoot" decisions and forging within our Marines a sense of common cause with the civilians they will soon protect. The culmination of our pre-deployment training consists of three distinct exercises: Mojave Viper, Desert Talon, and Mountain Warrior—each specifically tailored to the deploying unit's destination combat environment.

During 2006, we continued to modify this program with expanded training in force escalation and with increased integration of logistics combat units. To better prepare Marines to counter the threat of improvised explosive devices, we added more training devices, built new ranges, and employed electronic warfare specialists at our rehearsal sites. This year we are focusing our enhancements on the training of advisor teams and of Marine Air Ground Task Force staffs by increasing the use of simulation. Our planned improvements promise to deliver Marine forces ready to more effectively meet the emerging challenges faced by the Combatant Commanders as a naval force in readiness in joint, combined, and interagency operations.

Modernization of Training Ranges.—With the support of the Congress, we also recently began the most ambitious modernization of our training ranges since World War II. From larger and more realistic urban training facilities to increased opportunities to evaluate advanced air-ground coordination, we have significantly improved the realism, safety, and capacity of our ranges and training areas. While our immediate focus has been to acquire infrastructure and modern technology, our long-term investment is in people, largely civilian, to both operate and maintain these facilities and to form the critical training cadres capable of maintaining the realism our Marine Air Ground Task Forces require. Your continued support of our range modernization efforts, as well as the support for the Department's programs to ensure future access to adequate sea, air, and land space for our training ranges, remains vital to our ability to prepare for the challenges of the future with our joint, coalition, and interagency partners.

Marine Aviation Training Systems Program.—The Aviation Training Systems Program (ATSP) plans, executes, and manages Marine Aviation Training to achieve individual and unit combat readiness through standardized training across all aviation core competencies. Through the ATSP, Marine Aviation develops aircraft systems that enhance operational readiness, improve safety through greater standardization, and significantly reduce the life cycle cost of maintaining and sustaining aircraft.

Core Values and Ethics Training.—During this past year, we also reviewed our efforts to instill in Marines those core values necessary to guide them correctly through the complex ethical demands of armed conflict. We have ensured that every Marine, at every phase of the training continuum, studies ethical leadership, the Law of War, escalation of force, and Rules of Engagement. Our entry-level training first presents these concepts in the classroom, and then tests for proper application of these principles under stressful field exercises. We further reinforce confident, ethical decision-making through the Marine Corps Martial Arts Program that teaches our Core Values and presents ethical scenarios pertaining to restraint and proper escalation of force as the foundation of its curriculum. We imbue our Marines with the mindset that "wherever we go, everyone is safer because a U.S. Marine is there."

Building Esprit and Warrior Pride.—The Marine Corps dress blue uniform is as legendary as the Marines who wear it. However, while this well-known uniform is one of the most admired uniforms in the world, owning one is out of the reach of most enlisted Marines—it simply costs too much for them to buy on their own.

No Marine should be denied the honor of wearing this symbol of more than two centuries of bravery and sacrifice. Therefore, I have ordered that every Marine recruit now be issued a dress blue uniform before they graduate from Boot Camp, and all enlisted Marines are to receive an appropriate clothing allowance so that they are able to purchase and maintain a dress blue uniform. They have earned this privilege.

IMPROVE THE QUALITY OF LIFE FOR OUR MARINES AND OUR FAMILIES

Enhancing Individual Survivability—Personal Protective Equipment.—The Corps will continue to pursue technological advancements in personal protective equipment—our Marines deserve nothing less. Fully recognizing the trade-off between weight, protection, fatigue, and movement restriction, we are providing Marines the latest in personal protective equipment—such as the Modular Tactical Vest, Quad Guard, Lightweight Helmet, and Flame Resistant Organizational Gear.

Body Armor.—Combat operations in Iraq and Afghanistan have highlighted a need to evolve our personal protective vest system. Therefore, in February, we start-

ed transitioning to a newly designed Modular Tactical Vest or MTV. This vest is virtually the same weight as its predecessor, the Outer Tactical Vest, but it more easily integrates our other personal protection systems. It provides greater comfort through the incorporation of state-of-the-art load carriage techniques that better distributes the combat load over the torso and onto the hips of the Marine. The acquisition objective for the Modular Tactical Vest is 60,000 systems, with anticipated completion of deliveries in December 2007. The MTV also incorporates our existing Enhanced Small Arms Protective Inserts, or E–SAPI, and Side SAPI plates. These plates are currently provided to every Marine in theater. The E–SAPI provides the best protection available against a wide variety of small arms threats, to include protection against 7.62 mm ammunition threats.

QuadGard.—The QuadGard system is designed to provide ballistic protection for a Marine's arms and legs when serving as a gunner on convoy duty. This system, which integrates with other personal ballistic protection equipment such as the Modular Tactical Vest, Enhanced SAPI, and Lightweight Helmet, reduces minimum standoff distances from the Marine to ballistic threats, particularly improvised explosive device fragmentation.

Lightweight Helmet.—We are committed to providing the best head protection available to our warfighters. The Lightweight Helmet weighs less than its predecessor, and provides a high level of protection against fragmentation threats and 9 mm bullets. We now require use of the pad system as study results demonstrated it provides greater protection against non-ballistic blunt trauma than the sling suspension system. We are retrofitting more than 150,000 helmets with the pad system and have already fielded enough helmet pads for every deployed Marine. Beginning in January, all Lightweight Helmets produced by the manufacturer are now delivered with the approved pad system installed.

Flame Resistant Organizational Gear (FROG).—In February, we began fielding FROG to all deployed and deploying Marines. This life saving ensemble of clothing items—gloves, balaclava, long-sleeved fire resistant shirt, combat shirt, and combat trouser—is designed to mitigate potential injuries to our Marines from flame exposure. These clothing items provide protection that is comparable to that of the NOMEX combat vehicle crewman suit/flight suit.

With this mix of body armor, undergarments, and outerwear, operational commanders can determine what equipment their Marines will employ based upon mission requirements and environmental conditions.

Taking Care of our Marines and Their Families.—Just as every Marine makes a commitment to the Corps and the Nation when they earn the title Marine, we make an enduring commitment to every Marine and Marine family. Marines are renowned for "taking care of our own." Part of taking care of our own means we will provide for Marines and their families through appropriate pay and compensation, housing, health care, infrastructure, and community services. Strong Congressional support for many Administration initiatives has made possible the significant investments required to improve each of the components of quality of life. This support requires continuous assessment to ensure that it is both sufficient and relevant, particularly during war. These programs must be on a wartime footing to seamlessly sustain our Marines and their families for the duration—long past the redeployment of our Marines and Sailors.

We are scrutinizing the support for our Marines and their families to ensure our family support programs remain on a wartime footing—particularly those that assist in integrating civilian, military, charitable, and Veterans Affairs programs. This support targets both Marines who suffer from the physical costs of this war, and those who carry unseen scars—those suffering from Traumatic Brain Injury (TBI) and Post-Traumatic Stress Disorder (PTSD). As I testified in my confirmation hearing, I feel strongly that these wounds of war should be characterized as any other wound—and our commitment to those Marines who suffer from these ailments will not falter.

We continue to aggressively monitor post-deployment mental health screenings, suicides, domestic violence, and divorce rates. Marine commanders and noncommissioned officers at every level are charged to monitor these indications closely and to stay engaged on these issues. Our Casualty Assistance, Marine For Life, and Combat/Operational Stress Control Program continue to be the frontline of support to our wartime efforts.

Casualty Assistance.—Each fallen Marine is a tragic loss to the survivors, the Corps, and our Nation. We endeavor to honor their sacrifices with sincerity and commitment. Our Casualty Assistance Calls Officers are trained to treat next of kin and other family members as they would their own family. Rendering casualty assistance begins with the basic tenet that there is no standard casualty call; each case is distinct, as families grieve in different ways. Assistance to surviving families

is individually tailored to facilitate their transition through the stages of grief and the completion of the casualty assistance process.

Wounded Warrior Regiment.—While the support to our Marine Corps and families has been exceptional, I intend to increase this support through the creation of a Wounded Warrior Regiment. This new regimental headquarters will provide centralized oversight of the care for our wounded Marines and assist in the integration of their support with military, Department of Veterans Affairs, charitable, and civilian systems. The regiment will have a battalion headquarters on each coast, commanded by officers personally selected by me. My criteria for this leadership will be rigorous, as I will seek to select only those officers with previous command experience. My staff is reviewing the fiscal program requirements for this unit now—to include facilities, manning, and support requirements. I view this initiative as a personal priority to fulfill our commitment to these valiant Americans.

Traumatic Brain Injury (TBI).—As the quality of individual combat armor has increased, so have the number of blast survivors and Marines with Traumatic Brain Injury. Mild to moderate traumatic brain injuries can be difficult to diagnose and yet can cause changes in personality, cognition, and memory that significantly impair a service member's ability to make the life and death decisions required of them while in a combat environment. TBI and Post-Traumatic Stress Disorder (PTSD) have many symptoms in common, and TBI can co-occur with PTSD. Recent measures to mitigate the impact of traumatic brain injuries to individual Marines and their units include the release of a medical guidance letter from the Medical Officer of the Marine Corps outlining proper diagnosis and treatment strategies.

Post-Traumatic Stress Disorder (PTSD).—The science of diagnosing and treating Post-Traumatic Stress Disorder continues to evolve. The Marine Corps Combat Development Command, Training and Education Command, Naval Health Research Center, and others are studying ways to identify risk and protective factors for Post-Traumatic Stress Disorder and to increase our resilience to stress. By improving the awareness of both individuals and our leaders, we can provide early identification and psychological first aid to those who are stress-injured. Better screening and referral of at-risk Marines is underway via pre- and post-deployment standard health assessments that specifically screen for mental health problems. Navy Medicine has established new Deployment Health Centers with additional mental health providers readily available to treat Post-Traumatic Stress Disorder and other combat stress injuries. The Department of Veterans Affairs and the Department of Defense have established comprehensive guidelines for managing Post-Traumatic Stress, which are available to all services. The Marine Corps, Navy Medicine, and Veterans Affairs have coordinated a Seamless Transition program to help our Marine veterans move smoothly into the Veterans Affairs treatment system to get the help they need and deserve. In addition, Veterans Affairs Readjustment Centers at 209 communities around the country now provide mental health services for eligible active and discharged veterans and their families.

Combat/Operational Stress Control (COSC).—Battlefields are familiar territory for Marines—we train Marines to excel in chaotic and unpredictable surroundings. Yet all Marines will experience combat/operational stress to some extent, as transient symptoms for most, but as persistent stress injuries for others. Managing combat stress is vital to the operation of the Marine Corps as a fighting force and the long-term health and well-being of Marines and their families. All deploying Marines receive warrior preparation, transition briefs, and health assessments. In addition, mental health professionals or specially trained medical officers brief Marine leaders on the prevention and management of adverse stress reactions. We have also implemented the innovative Operational Stress Control and Readiness (OSCAR) program, which embeds mental health providers with ground forces. Operational Stress Control and Readiness provides early identification and treatment of combat/operational stress problems, attempts to defeat the stigma of combat stress, and overcomes the barriers to care.

The Combat/Operational Stress Control deployment cycle resources for families include the Family Deployment Support Program. The program's components consist of Family Readiness Days, family crisis support services, Return and Reunion Briefs for spouses, and building a sense of community among our military families.

Marine For Life.—The Marine For Life Injured Support program assists seriously and very seriously injured Marines, Sailors who served with Marines, and their families. This program bridges the gap between military medical care and the Department of Veterans Affairs by providing individualized support through the transition period.

Individual case tracking and enduring support for our injured Marines and Sailors complements the Office of the Secretary of Defense's Military Severely Injured Center, which enables the program to provide around-the-clock injured support serv-

ice. Marine For Life provides support tailored to an individual's needs, including pre- and post-service separation case tracking, assistance with the physical evaluation board process, and an interactive website that acts as a clearinghouse for all disability and benefit information. The program also provides employment assistance through a preexisting Marine For Life network that establishes local coordination with veterans, public, private, and charitable organizations that provide support to our injured warriors.

In April 2005, Marine For Life integrated Marine Corps and Department of Veterans Affairs' handling of Marine cases by assigning a Marine field grade officer to the Department of Veterans Affairs Headquarters' Seamless Transition Office. This integrates Marines into the Department of Veterans Affairs system and provides service oversight of Veterans Health Administration care and Veterans Benefits Administration benefits delivery. The Marine For Life program provides the direct point of contact for problem resolution for Marines within the Veterans Administration system.

Military Construction—Bachelor Enlisted Quarters Initiative.—Bachelor housing is my top military construction priority for Program Objective Memorandum 2008. Barracks are a linchpin in the quality of life for our single Marines. With the help of Congress, we have tripled the funding for bachelor housing from fiscal year 2006 to 2007, and if the President's request is funded, we will double the 2007 funding in fiscal year 2008. We are funding barracks' furnishings on a seven-year replacement cycle and prioritizing barracks repair projects to preempt a backlog of repairs. Our $1.7 billion barracks investment plan in support of a 175,000 Marine end strength provides adequate billeting for our unmarried junior enlisted and non-commissioned officer Marines by 2012.

Public Private Venture Family Housing.—Our efforts to improve housing for Marines and their families continue. Thanks to continuing Congressional support, the Marine Corps will have contracts in place by the end of fiscal year 2007 to eliminate all inadequate family housing.

CONCLUSION

This Nation has high expectations of her Corps—as she should. Your Marines are answering the call around the globe, performing with distinction in the face of great hardships. As they continue to serve in harm's way, our moral imperative is to fully support them—we owe them the full resources required to complete the tasks we have given them. Now more than ever they need the sustained support of the American people and the Congress to simultaneously maintain our readiness, reset the force during an extended war, modernize to face the challenges of the future, and fulfill our commitment to Marine families. On behalf of your Marines, I extend great appreciation for your support to date and thank you in advance for your ongoing efforts to support our brave countrymen and women in harm's way. I promise you that the Corps understands the value of each dollar provided and will continue to provide maximum return for every dollar spent.

DEPLOYMENTS

Senator INOUYE. I note that, Admiral, in the deployment of sailors, the rotation lasts for 6 months, in the case of marines, for 7 months. What are the factors that are used to determine the appropriate length of rotation?

Admiral MULLEN. The planning factors that drive us the most, Mr. Chairman, are the requests or the requirements from the combatant commanders. And in fact, while Navy deployments are notionally 6 months, we have started to move away from that. We've actually had ships which are extended well beyond 6 months to 7 and sometimes as long as 8. We also are conducting deployments which are shorter than that now.

It's really driven, more often, it's driven very strongly by the requirements to have a certain capability in the theater. And, it's also designed to, at least our scheme is designed, to also provide for, in the time that, through a cycle that a sailor is in their home port at least 50 percent of their time. So, it is that balance.

We also have invested heavily in readiness in the last several years and we are trying to make sure we maximize the return on that investment, to achieve that balance.

General CONWAY. Sir, our rigor goes back to late 2003, early 2004 when we first started to realize we were going to be sending marines back into Iraq after OIF. And, initially our comparison was with that of the United States Army, who had judged that they would be doing 12 month tours. Our component commander in the Pacific—General Grayson at the time—applied a great deal of rigor to the issue with his staff. And, based upon how long we have young marines for, tours of duty, based upon our culture of traditionally 6-month deployments and so forth, we arrived at 7 months as being the sweet spot for us in terms of retaining our culture, not being in theater too long with units, and at the same time being able to maintain a very effective rotation.

Senator INOUYE. I would assume that the length of the tour has some impact upon families and on the effectiveness of the troops. Is that under consideration, too?

General CONWAY. Sir, it's absolutely the case, at least in the case of the Marine Corps. And, I can tell you my predecessor, General Hagee, was initially of the mind that perhaps 12 months would be good for us. We convinced him through the rigor and through discussion that 7 months was right. He told me afterwards, that he went both to Camp Lejeune and to Camp Pendleton to speak to the families and if there was ever any doubt in his mind, it was completely removed by his discussions with the families. They were very supportive of 7-month deployments.

Senator INOUYE. Navy?

Admiral MULLEN. I would echo that, as well, Mr. Chairman. I, and this goes back to when I was very young as an officer and we were doing 9, 10, 11, 12 month deployments to Vietnam. And, so, certainly willing to support deployment lengths, as I discussed earlier, out to seven, and sometimes beyond that. Anything beyond that, I have to personally approve.

And, there is a great concern for making sure we support the needs of our families in that regard. They have been incredibly supportive my whole career, but I have seen a level of support since 9/11 that truly has been extraordinary, and we've worked very hard to meet their needs in this very challenging time, as well.

SHIPBUILDING

Senator INOUYE. Admiral, in the fiscal 2008 budget request, you're asking for the procurement of seven new ships. There have been press reports coming out from the House suggesting that they want to add five more. Considering the cost of additional submarines and additional littoral combat ships, what number is prudent?

Admiral MULLEN. I think it would be, in responding to this, we look at the possibilities of being able to actually build ships. One of the—and it's on my unfunded priority list—the number one ship is an LPD, LPD–17, which would be the 10th one and it's a required LPD, but it's not been affordable. But, the ability to actually do that, I think—and, in fact, because of the challenges we've had

as a result of Katrina with the shipyard in that area—it would be very challenging. And, it could well just, if it were added, result in essentially booking a ship, not really being able to build it.

That said, it clearly would relieve some financial pressure that I've got in the SCN, on the, in the program in later years.

To add a submarine now would be equally challenging. It certainly could be done, but a submarine, basically you fund in 3 years. You fund about $200 or $400 million, $450 million in the first year, $250 million in the second, and then the remaining amount gets funded in the year that you actually count it. So, the earliest, theoretically, we could get two submarines in would be fiscal year 2010.

That is just one submarine, and that would leave a hole of somewhere between $5 or $6 billion to fill out the two per year in 2011 and 2012, or in 2011, and right now it's scheduled for 2012. So, it could be done.

Another area we could add ships would be littoral combat ships, that said, I think you're very much aware that that's a program that's undergone a great deal of scrutiny. We know where we stand with it, and so there would certainly be some risk associated with that.

DDG–1000, you could add that, however, we're at an early stage in the program and there's certainly risk associated with that. I've been very clear about not wanting to go back and build DDG–51s. Some have talked about that as well. It took me a number of years to really move away from that program.

And so, we've built our industrial base down to such a level that it's a challenge, it's a significant challenge to try to do this. I believe it could be done, but it's a challenge.

Then one other ship that probably is less riskier than any other would be the T–AKE, to be able to add that would be something that we could do, relatively easily in fiscal year 2008.

INDUSTRIAL BASE

Senator INOUYE. Mr. Secretary, as the Admiral pointed out, the many challenges faced by the shipyards. What plans do you have to reinvigorate the industry?

Mr. WINTER. Well, sir, Mr. Chairman, we've put forward a plan here that really has three major components associated with that. One of which, is to try to maintain the stability of a plan, so that the individual shipyards are able to plan appropriately for the future in terms of their workforce and in terms of the capital investments that they make. The stability gives them that possibility of being able to build an appropriate business case.

We've also worked very hard to be able to stabilize the requirements. And, I think stabilizing the requirements is very critical to us in terms of being able to ensure that the construction of ships is maintained in a cost-effective manner. Requirements changes have had a terrible impact in a number of cases, in terms of the overall cost of ship development.

And the last thing is to be able to develop a partnership with the industrial base to be able to motivate the contractors through cost-sharing mechanisms and appropriate contract incentives, to be able to make the type of investments that we both believe is necessary

in terms of technology, in terms of the workforce, and in terms of the capital investments that will serve us well in the future.

Senator INOUYE. Does your process show promise?

Mr. WINTER. I think it shows promise. I have to say I'm very concerned about the extent to which we have found that the industrial base has been impacted, as CNO just commented, by Katrina. And, also when I compare what I see in our industrial base, to what has transpired overseas in foreign shipyards and take a look at technology infusions that have been made there, it is very apparent that we lag in a considerable amount, the capabilities of many shipyards around the world.

And, I think we're going to have to take another look at it. One of my objectives for this year is to take another look at our plan for the shipyards, and in particular, to take a look at other opportunities to appropriately motivate appropriate investments in these yards, and in the personnel that work there.

Senator INOUYE. I'd like to turn the questioning to the co-chairman. I have a few more questions, but——

LITTORAL COMBAT SHIP

Senator STEVENS. Picking up on that, Mr. Secretary, you did tell us about the cancellation of the fourth, the fifth, and sixth littoral ships, and we're really proceeding with the construction of four. It's my understanding that the Admiral would be happy to settle for 10 and the commandant settle for 12. How are we going to get to that if we continue to have these cost overruns?

Mr. WINTER. Well, sir, I think that managing the programs to avoid the cost overruns is a critical objective. I think that we need to be able to ensure that the requirements process is properly mature before we initiate the actual construction activities. I believe that we also have to take a good hard look at the contract type that we use in the actual contracting for the ships, and make sure that we have the opportunity to transfer those contracts to move from cost-reimbursable contracts into fixed price incentive contracts at an appropriate time where we can, in fact, stabilize the requirements and motivate the contractors appropriately to control their costs.

Senator STEVENS. What's the total cost overrun now?

Mr. WINTER. On the littoral combat ships, sir? Depending upon the reference point, it's in the 50 to 75 percent range. And, that's on the first two vessels.

Senator STEVENS. I hope we can find some way to get that straightened out, because it doesn't sound to me like you're going to get 10 or 12 the way it's going right now.

Mr. WINTER. We're working very hard at that, sir. We've got a very significant effort ongoing, to both understand how we got where we are right now, and what we need to do to proceed forward to be able to prosecute this program in a cost-effective manner.

One of the opportunities that we have here is that, given the large number of ships that we're looking at for the long term, a total fleet size of 55 littoral combat ships. If we're able to get the ship down into a cost-effective production rate and also a cost-effec-

tive design, we should have the ability to affect some significant cost savings as we get into that large production run.

Senator STEVENS. Tell us, we're all aware of what went on with Iran seizing those British, that British crew. I understand that we've moved a task force into that area. Is that right?

PERSIAN GULF

Admiral MULLEN. Sir, we've had, we deployed the second, at the direction of the President, the second carrier strike group earlier this year, the *John C. Stennis*. And, she's been in the area for several weeks right now, and so——

Senator STEVENS. That's not a new deployment?

Admiral MULLEN. That's not a new deployment, no, sir. We did it, very important to provide, to support our friends and allies in that area, to provide for the kind of stability that that area clearly needs. It's been reported in the press today, and I think accurately, that—both yesterday and today—there's an exercise, a training exercise that's ongoing in the middle of the gulf, which is pretty natural in terms of these kinds of strike groups, in terms of their operations in order to fine tune being able to work together.

So, it is specifically directed at training, and it's very important to send a signal of both strength, while at the same time, no intent to escalate things in any way, shape, or form at this point in time.

WALTER REED ARMY MEDICAL CENTER

Senator STEVENS. Let me turn, then, to the Walter Reed situation. We have had the disagreement in Congress concerning the base realignment and closure (BRAC) proposal to close Walter Reed and to combine it with the naval facility at Bethesda. As I understand it, the House has added money to continue the use of Walter Reed. What's the position of you, Mr. Secretary, concerning the Walter Reed proposal to keep it open longer?

Mr. WINTER. Well, sir, our role in this activity is very limited. We are currently engaged in the environmental impact analysis that is associated with the additional construction activities and also in terms of the planning for the new facility. I think the, I would prefer to defer the questions on Walter Reed's operation and how that would be used for the Army, to the Department of the Army.

One note I would try to make here is, that I recognize that one of the options under consideration is the possible acceleration of the construction of the new facility, and to that end, I would just request that as we go through that type of consideration that we ensure that we don't give short shrift, if you will, to the requirements development process. I want to make sure that as we go through this, what is perhaps a once in a lifetime opportunity to set up a new national medical facility here, that we do it right, and consider all the potential requirements in the future.

Senator STEVENS. Then turning to another, you're not supporting the action of the House and increase funding for Walter Reed, and delay the modernization of the naval facility?

Mr. WINTER. Sir, I have no specific position on that matter. I view that as really a Department of the Army consideration, not a Department of the Navy consideration.

Senator STEVENS. Well, it is delaying the facilities at Bethesda, as I understand it.

Mr. WINTER. Sir, I'm familiar with several different options there, including just deferring the consolidation and also accelerating that. Depending upon which option is chosen, it could delay it. I will note that we do believe that the concept of consolidation is a good one, being able to provide the critical mass, if you will, particularly as it relates to some of the unique specialties that are required for casualty care, has significant advantages. So, that said, I would prefer not to delay the process, but to engage in it in an appropriate and timely manner.

MARINE CORPS END STRENGTH INCREASE

Senator STEVENS. Another subject, General, you mentioned the increase in the number of marines. I'm told that's 27,000 additional marines. Is that what you're seeking?

General CONWAY. That's correct, sir, 27,000 over a 5-year period.

Senator STEVENS. Have you defined the additional equipment and facilities that are needed in that same timeframe for those people?

General CONWAY. Yes, sir. Our command at Quantico is specifically tasked with that requirement and we're looking to determine what should be the development and the creation of those units. We would like, in the early going, to try to create additional units for those that are stressed most by the deployment tempo, and we think we can do that.

We see some narrow neck in the hourglass, if you will, at our entry-level training, the ability of our boot camps at Parris Island and San Diego and in our marine combat training to be able to facilitate those additional numbers, so we're looking at that requirement, in addition to the billeting requirements based on where these people would be assigned.

UNMANNED AERIAL VEHICLE

Senator STEVENS. Admiral, we—staff and I—have taken two trips to view the facilities for the Air Force operation of the unmanned aerial vehicles (UAV). It's my understanding that now that the Air Force Chief of Staff wishes that the Air Force be deemed the executive exclusive agent for the medium and high altitude UAVs. Has that been discussed with you?

Admiral MULLEN. I've seen the memorandum. I've discussed it briefly with General Mosley. It's not an issue that I, that memorandum as I think you know, sir, was sent to Deputy Secretary of Defense England. And, we, the two services have not had a robust discussion about this.

The way we operate now, however, is one that I'm very supportive of, which is essentially, the, you know, the Air Force writes, owns the airspace and writes the instructions on where we fly, but we all fly our own airplanes. Right now they're manned, I'm not sure that should change in the future. So, I've talked to General Mosley about this—we really do need to sit down and discuss the whys and the wherefore here. As I read it, I'm not supportive.

Senator STEVENS. General, what about the marines, are you involved in that discussion?

General CONWAY. Sir, we will be involved in it, I trust, when it goes to the tank for discussion amongst the Joint Chiefs. There has been no outward discussion of it to date. As a former J–3, I'm aware of the fact that the Air Force sees some need for efficiency in theater, where there are large numbers of UAVs employed, and I think that's—at least a part of—the motivation to accomplish that.

Our actual systems would be less involved than, probably, the Navy and the Air Force. We would only have one, I think, that probably qualifies against what the letter has stated. But, I'm anxious to join the discussion, as well.

Senator STEVENS. Well, as a pilot, I was really very interested and amazed at the large staff that's involved in the operation of those vehicles, particularly when they're doing, going into a 24-hour concept with three different ships dealing with one aircraft, and the basic backup staff being so large. I do think that, if we replicate that in all three services, or four services, we're going to have an enormous duplication of effort.

I don't know where it should end up, but I do hope we find some way to eliminate the redundancy that might come from multiple ownership of those vehicles.

MINE RESISTANT AMBUSH PROTECTED VEHICLE

My last question, Mr. Chairman, is about the mine resistant ambush protected (MRAP) vehicles. We understand, General, that you have expressed some great interest in these vehicles, and you have an almost immediate need for this. Can you tell us more about that?

General CONWAY. Sir, I can. The vehicle—first of all, to describe it—it has a higher center of gravity, a higher chassis than the vehicles that we use right now in theater. It also has a V-shaped hull, or a boat-shaped hull. We've had significant experience now out West with underbody explosions. The enemy has gone significantly to mines and pressure plate devices that cause explosion from underneath. What we have found, is that the gold standard there right now, the up-armored Hummer vehicle, is susceptible to that.

We had a few of these initially sent to the theater to work with our EOD types—it's basically a South African design—but what we discovered is that the same blast under these MRAP vehicles were having much less impact on marines and sailors that were riding in the vehicles. About 400 percent more likely to survive a blast that would, literally, take out an up-armored Humvee.

Our initial request was for something over 1,000 vehicles. Our component commander, with further review of the statistics, looking at the increasing potential for those types of weapons, has decreed that he would like to see every marine and sailor that goes outside the wire in the Al Anbar Province riding in these vehicles. We think it will significantly cut our casualties, to this particular form of attacks, and so we've gone after some 3,700 of the vehicles, sir. And the Secretary of the Navy, his procurement people have very much facilitated that effort, through opening up to other industrial capability and the testing that would go with rapid procurement.

Senator STEVENS. Have you determined whether it's possible the terrorists could just modify their improvished explosive devices (IED) and find a way to damage these, just like they've damaged the Humvees? Up-armored Humvees—that's what you're using now is up-armored Humvees, aren't you?

General CONWAY. Yes, sir. We are following those tests, as well. Probably we don't need to talk too much about the susceptibility of the vehicle in open session, except to say there is some technology out there that looks like it may defeat the most advanced enemy capability, and we certainly want to make sure that the vehicle will include those kinds of technologies, as well.

Senator STEVENS. And what's the timeframe for your need on this?

General CONWAY. Well, sir, we would say sooner is better. We see that we have a moral imperative to get these things to the field as soon as we can. Now, understanding their enhanced protection capability, part of it is commensurate on the ability of industry to come through with promises made that they think they can develop a vehicle that will sustain our examination, our tests—both with regard to durability, miles that they'll provide over time, but also, again—the force protection facets. Those experiments, if you will, are ongoing right now, as we speak, at Aberdeen.

But, if they can do what they promise they can do at this point, we would like to very much expedite the procurement of these vehicles, and get them to the field as soon as we can.

Senator STEVENS. Thank you very much.

Thank you, Mr. Chairman.

Senator INOUYE. Thank you.

VH–71

Mr. Secretary, I was surprised to learn that the Navy is considering building their entire fleet of Presidential helicopters overseas? I would assume that you must be having some problems with the production, and why this decision?

Mr. WINTER. Sir, we are not considering producing these vehicles overseas—one of the activities that we typically engage in, in terms of all-acquisition programs, especially those in which we are having some issues, in this case schedule for the delivery of the increment to aircraft—is to take a look at alternatives. Some alternatives were looked at, at a low level within the program office, associated with overseas production, do not believe that those alternatives are appropriate, and we will not be pursuing them.

ROLE OF MARINES

Senator INOUYE. General, in chatting with some of the old timers in the Marine Corps—retired officers—they've expressed some concern that never occurred to me. That, in this global war on terrorism, the role of the marines have changed from the traditional role of amphibious landing and jungle-fighting and all of that, and I gather that your focus is primarily on the Iraqi-type war. Is that good or bad?

General CONWAY. Sir, it causes us significant concern. And, as I alluded to in my opening statement, we have the responsibility to be the Nation's first to fight. We take that very seriously, and I

would agree with you, at this point, when you're back for 7 months, and getting ready to go again, most of our combat formations are simply preparing for the counter-insurgency environment.

We used to do 10 combined arms, live-fire maneuver exercises a year at Twentynine Palms—we don't do any of those now. We do very little mountain warfare training, very little jungle or amphibious training—which again, is our true forte. So, it does cause me concern. We are endeavoring to expand the amount of dwell-time that we have at home, so that we can accomplish some measure of this training, so as not to lose the expertise, or potentially a generation of officers and marines who just aren't experienced in those types of operations.

So, we're focused on it. We're looking toward the day when we can get back to our more traditional form of training, but right now, we're simply stressed to the point where that's not feasible.

RECRUITING AND RETENTION

Senator INOUYE. Admiral and General, although the morale among the troops may be high, I note signs of your having problems with retention and recruiting. What can this subcommittee do to help you in this area?

Admiral MULLEN. Mr. Chairman, you've been very supportive of resourcing the incentivized bonuses, if you will, as has the Department of Defense with you—in creating authorizing opportunities for these, so that's been critical. And of all of the things that we do, we clearly are able to focus the kinds of re-enlistment incentives we need.

For instance, we're struggling right now with some of our doctors, specialties in the medical field—and you've authorized us to be able to create a fairly significant bonus, up to—in one case that I'm aware of—up to $400,000—to attract a specialist—radiologist, in this particular case—who is clearly, you know, that's the market. So, you've allowed us to compete in the market, which I think is very important in these particular skills.

You've been very supportive of our recruiting efforts, and resourcing that, as well. I'm adding recruiters right now, I actually have been for the past year, to hedge against the general concern that these things are cyclical, and that our good recruiting may go down in the future, and have also supported recruiting bonuses in specific areas that we're hurting in right now, particularly for our explosive ordinance personnel, our SOF forces, some of our Reserve, and Seabee ratings, for example—so, continuing that support is really critical. Both for the near term, and really for the long term. As you know, Mr. Chairman, once we create a hole, it lasts sometimes, a couple of decades, and that's what we really want to avoid.

General CONWAY. Sir, our recruiting and retention is still pretty good. In fact, in order to be able to grow the force in those increments of about 5,000 a year, we've expanded our retention—from what is, traditionally about 25 percent—to about 33 percent of our requirement. And, we think we're going to be able to keep those great young marines aboard.

We prefer, as a service, to incentivize on the end of a tour, as opposed to up-front. We want to incentivize established performance. And your support, thus far, has enabled us to do that.

Recruiting is good right now, but I'm also pragmatic enough to realize that there are some danger signs out there. And as the Army grows, as the Navy puts more recruiters in the field—we're essentially still going after the same set of young individuals.

We, too, are going to add to our numbers of recruiters. We will need, I think, to enhance our advertising, and I can predict it will be difficult to bring in the numbers that we need, maintaining our standards as we feel we must. Our standards are even higher than DOD standards, and we are not willing to sacrifice those, even as we grow.

RECRUTING STANDARDS

Senator INOUYE. Mr. Secretary, at the hearing with the Army, it was noted that they've lowered their standards of recruiting. Up until recently, 90 percent of the recruits had to have a high school diploma—10 percent did not. Now, that number has increased to, I think, 20 percent. Are you having that problem with the Navy and Marine Corps?

Mr. WINTER. Sir, right now, we've been able to maintain our standards. The only specific category of reconsideration, if you will, that would be in the educational domain that's come to me, of late, is consideration of home schooling—whether or not we would treat individuals with a home-schooled experience and the high school equivalency exam in the same way that we would treat current high school graduates. That's under consideration right now, and relative to the principle of requirements, that is the only one that we're looking at, at this time.

Commandant, if you want to?

General CONWAY. No, that's right, sir.

Sir, the DOD standard for high school graduates, as you enunciated, is 90 percent. The Marine Corps standard is 95, we're recruiting 96, and we want to keep it there.

On the other end of the scale, DOD allows for what they call 4 percent CAT–4 Alpha Mentality Group—these, fortunately or unfortunately—are some young Americans who have graduated high school, but then can't pass our entry examinations, the ASVAB, if you will. We recruit 1 percent of those individuals, but in some cases it breaks my recruiter's heart, because they look at these kids and say, "That would be a great young marine in 3 years, he just can't pass the test." Some have English as a second language. So, in some cases I think we're testing language skills, not intelligence.

So, that's where we are. If we were to ever consider coming to the Secretary for an adjustment of our standards, it would probably be some of those young Americans, not those who fail to graduate high school.

JOINT STRIKE FIGHTER

Senator INOUYE. Mr. Secretary, all of us have been discussing the Joint Strike Fighter. What's the latest status?

Mr. WINTER. Well, the latest status, sir, is that we've had the initial flights of the conventional takeoff and landing version of that.

The next major milestone, and one of particular concern to me in tracking is the STOVaL version, the short takeoff and landing capability. That is currently scheduled for June of next year, about 15 months off. We're tracking that very carefully. Last several months—I would say, the last quarter—that date has held. So, I'm starting to get a little bit encouraged that that date is going to wind up being a good date.

The carrier version of the JSF—the first flight there—is scheduled for roughly 2 years from now, and we're also tracking that very carefully, as well.

Senator INOUYE. Next question?

Senator STEVENS. Yeah, thank you, Mr. Chairman.

HOME SCHOOLING

Going back to this home schooling—we have a tremendous number of our young people that are home-schooled in Alaska. One of my junior partners when I had a law firm back in the last century—let's put it that way—I was amazed to find one of my finest young lawyers, first time he ever entered a school was when he went to Harvard Law School and became number one in his class. I think you should look at these home-schoolers—there's a tremendous number of them now, particularly in rural America.

JOINT STRIKE FIGHTER SECOND ENGINE

The problem I'd like to talk to you about, though, is the problem of the engines on the Joint Strike Fighter. I note we're still appropriating money for a second version of that engine. I'm personally, very much against having two engines for the same single-engine plane. You're going to end up by getting one in some remote part of the world, and find out that the only parts they have are the parts for the one that's a major version of the Joint Strike Fighter. I hope that you will really reconsider this concept of having two engines for the same plane. It's one thing to have competition for the engine, it's another thing to award the loser a percentage of the engines. I just don't see that at all.

Mr. WINTER. Well, sir, I tend to agree with you, one of my personal concerns here is the difficulty of providing a full-up logistical support capability at sea—on our amphibs and on our carriers. And, quite frankly, the difficulty of providing all of the parts and the spares, the documentation and the full-up proves that we'd have to maintain both versions of the engine, would be rather problematic. So, I do agree with you, sir.

Senator STEVENS. Good. Thank you.

DETENTION FACILITIES AT GUANTANAMO BAY

Senator INOUYE. Mr. Secretary, we've been receiving reports of an internal debate in the administration on the future detention facilities at Guantanamo. What is the present status?

Mr. WINTER. Sir, from the Navy point of view, our responsibility is limited to providing the facilities down there, I will say that I have been down to inspect those facilities, and I think that the Navy has done a good job of providing the necessary facilities, both for the detainees themselves, as well as the support facilities, in-

cluding, in particular the medical support facilities. Outside of that, I would defer questions to those that are responsible for the actual detention activities, in particular, Southern Command.

MISSILE DEFENSE

Senator INOUYE. Admiral, congratulations on the successes you have experienced with the aegis missile defense system. What's the next step?

Admiral MULLEN. Thank you, sir. We have enjoyed—and it has not come without considerable work, as I know you are aware—successes in seven of the last nine tests. And there's another test that's on the horizon this summer.

I've been a very strong proponent of sea-based missile defense for some time. My immediate concern is at the operational level, the theater level, and that I'm able to provide some capabilities to protect those ships, and other capabilities who would be in the sea base. We continue to have a strong relationship with the Japanese in terms of missile development in particular, and that—I think—will get stronger over time. We are fielding a tracking capability in upwards of 15 of our aegis destroyers, we've got that capability in three of our cruisers. We are going to expand the number of ships that can shoot, that can essentially launch the SM–3. I'm concerned about the expansion of the threat, we have a tendency to focus a great deal—and rightfully so—on the western Pacific, because of what the North Koreans did this year, clearly the developments in China. But I am also concerned about the developments in the Middle East. And you look at what Iran is routinely testing—not just tests going ashore, but also at sea.

And so, because of the strength of what a naval capability brings, in terms of maneuverability, I think we need to continue to invest in that. We've got a terrific cadre of Navy people in the Missile Defense Agency, I would look to—over time—be able to expand that to ensure that we are well supported there in its development. And, obviously its focus has been heavily on the national missile defense side, and that's an important capability.

We believe we have an awful lot to offer—very involved in the Korean, the most recent shots out last year that North Korea generated, and continued investment here, I think, is very, very important.

BUDGET PROCESS

Senator INOUYE. Gentlemen, Senator Stevens and I are well aware of the budgetary process that you have to go through to come up with your budget requests. And we know that the initial requests that may have come from a battalion or squadron, by the time it reaches the Office of Management and Budget (OMB) is a vastly different document. There are a lot of areas that are cut off. And I was listening to your statement, Admiral, and you said that some of the holes that we develop may take decades to fill up. I would like to know what your request would be like if you didn't have funding problems?

Admiral MULLEN. In my statement, Mr. Chairman, I alluded to, or spoke to where we were in fiscal year 2004. And as I looked at the 2008 column in that FYDP, and we thought we had it about

right, as best we could tell with the analysis that we were doing, in the world that we were living in then, and then the world has continued to evolve. And I spoke specifically about the top line, the top line we didn't reach, in 2008, upwards of almost $7 billion.

In doing that, and this is not—I've been very open about this—the Navy has chosen to accept some risk to support what's going on as part of the joint force. But it is risk. I have some fairly significant readiness challenges in the out-years that I'm going to have to figure out how to get at—the length of the problem, though, is really in the future development, because it takes so long to develop these systems, to buy these systems. Years to buy them. So, recovering from something like this can offer a great challenge.

That is—and we've worked hard on efficiencies, we're working hard on the business side to understand where our money is and what it's doing, and we've made great progress there. We're much more efficient than we used to be. But when I submitted this 30-year ship building plan, and the analysis that underpinned it, it was an analysis that said, "This is the minimum number of submarines, this is the minimum number of surface combatants, this is the minimum number of amphibious ships, and aircraft carriers and support ships." So, just in that word alone, there is inherent risk, particularly with respect to operations as we understand them now, and can project them over the next 10 to 20 years, much less those that we couldn't anticipate in a pretty rapidly changing world. So, there's risk associated with that. And that's really what I'm talking about, as I indicated in my statement.

MARINE CORPS EQUIPMENT

Senator INOUYE. General, the marines who fought in World War II and the Army infantry who did the same in World War II had the steel helmet, boots, rifle, gun belt, grenades, and I think the cost was about $175 in today's dollars.

Today it's over $17,000. But the marines and the Army personnel carry a load into combat something like 90 pounds, is that correct?

General CONWAY. Sir, we calculated it at 80 pounds.

Senator INOUYE. They tell us now that the future combat marine or combat infantryman, the cost will be in excess of $50,000, and the weight will be much heavier. Can the marine be effective with 120 pounds on his back?

General CONWAY. Absolutely not, sir. There's no way. We have marines, in some cases, that barely weigh 125 pounds, sir. So, we—that's an unrealistic expectation.

Everything that we do, Mr. Chairman, is intended to try to make the equipment load lighter. We just have started to put into theater a tear-away type of armored vest, if you will. So that, if a marine gets in trouble in the water, or in a vehicle that's submersed, he's got a way to get that load off of him.

But, you're exactly right, sir, and your personal experience will tell you that the endurance factor is just significantly impacted if you're expected to carry that weight over a period of time.

So, we've got to continue to work with industry, with the technology, to try to come up with lighter systems as opposed to heavier systems, that ideally give us the same level of protection, if

we're going to continue to see, essentially, the same kinds of threats.

BUDGET REQUEST

Senator INOUYE. Is there anything else you'd like to add on to your budget request?

General CONWAY. Sir, I thought about the question as the CNO was responding. I think there's probably three areas where we see some risk. We need to, ideally, get the dollars into the top line as soon as we can, I think, for our growth. I'm concerned that we not try to manage people who are enlisting on 4-year contracts with year-to-year types of allocations or resources.

A second area that we see, and it's in the out-years some, but we're going to experience a bit of a risk with our fixed-wing as Joint Strike Fighter is potentially pushed to the right. We're going to be short 45 to 50 aircraft around 2010 or so, that would ordinarily be in our squadrons and able to respond to these contingencies. And CNO referenced it, our other concern, I suppose, is in the numbers of amphib ships.

We are talking about it, we are trying to come to grips with how we solve the issue, but we feel that in order to provide the Nation a forced-entry capability of two brigades—that's 30 operational ships should a contingency occur—in the out-years, unfortunately, based on affordability at this point, we have 30 ships available. And, at the standard rate of 85 percent availability, that won't give us what we need. So, we're negotiating for 33 ships, which we think would be, reasonably make 30 available at all times. So—were I to say, not in the Marine Corps budget, but see an enhancement in the DON budget, it would be toward those three areas.

Senator INOUYE. Senator Cochran.

Senator COCHRAN. Oh, thank you so much, Mr. Chairman.

LITTORAL COMBAT SHIP

Mr. Secretary, I'm very concerned about the recent decisions of the Navy regarding the littoral combat ship. Now, no one likes to see cost overruns, but in this case, I believe it was not surprising. According to some observers, not only was the original price tag of $220 million for a ship unrealistically low, but I understand it that the first ship of any series is always more expensive than the following ships.

To make matters worse, this ship was not even completely designed when Marinet Marine began construction; in fact, even today with the ship over 70 percent built, the design is still not totally complete, as I'm sure you know.

Question, while I do not understand—what I do not understand is that the Navy is taking the unusual step of asking Lockheed Martin and Marinet Marine to settle on a fixed price for this first ship, even though the design—as I said—is not complete. Marinet is not afraid of a fixed-price contract, it does plenty of business with the private sector and the Government on a fixed-price basis, but always with a completed and a proven design. I understand the appeal of a fixed-price contract, but isn't this asking the contractors to shoulder an unacceptable amount of risk? As a businessman, would you ever agree to produce a product for a certain price, when

you were not even sure what the product would look like in the end?

So, my question is—will the Navy drop its request for a fixed-price contract on this first ship, and settle for a fixed-price contract on the second ship, which should have, I'm sure by then, a completed design?

Mr. WINTER. Well, sir, we're right now in the middle of negotiations with Lockheed Martin, who is the prime contractor on this, relative to completion of both the first two ships that they have, which is LCS–1 and LCS–3. As you noted, LCS–1 is over 70 percent complete. There are a few minor areas where there are some corrective actions that are being taken in terms of the design, but given that the first ship is very well on its way to completion, and the second ship also has some significant activities that have been taken in terms of parts procurement and the like, we believe that the overall risks associated with the cost of completion for both ships should be well-contained.

What we've asked for here is not a firm fixed price, but what is known as a fixed-price incentive contract, where any overruns or underruns would be shared between the contractor and the Navy. And, we've agreed to sit down and negotiate the share ratios there—the extent to which both parties would be able to share in those cost risks—and we've also been willing to make some changes in terms of the way in which the ship is specified and bought off, which, we believe, would go a long way to mitigating the risks that Lockheed would take on.

Senator COCHRAN. Well, it's my understanding that it usually takes about 90 days in the best of situations to negotiate a fixed price on a ship. And yet, I believe you're asking for negotiations to be completed in 30 days. Those 30 days will run out soon—wouldn't it be fair and reasonable to ask Lockheed and Marinet to work with you over the course of 90 days to come up with a new contract?

Mr. WINTER. Well, sir, we've asked to get to the point of a meeting of the mind, if you will, on the basic principles to ensure that we have a reasonable course forward, and a good likelihood of being able to reach an amicable agreement here between the parties within the time period of the 90 days that we are allowed within the FAR associated with the ongoing stop work order.

If we're able to get to that point where we're both comfortable that we're going to be able to work out any of the residual arrangements, there are several options available to us, subject to mutual consent that we could follow to deal with that, clean up matters, and final definitization of the contract.

Senator COCHRAN. I didn't—I'm not sure if I heard your answer, maybe I heard it, but not clearly enough. Will the Navy drop its request for a fixed-price contract on the first ship, and settle for a fixed-price contract on the second ship?

Mr. WINTER. Sir, right now we have one contract which includes both ships, and we've asked for a fixed-price incentive on both ships, and that's our current position.

Senator COCHRAN. Last question, Mr. Secretary, I've read it in the press that the General Dynamics LCS is 41 percent over their original bid price, and that they're about 40 percent complete. Was the Lockheed Martin costs and overrun similar to that same point

in construction? At that same point in construction? If so—and if you believe fixed-price contracts are not the solution to control cost growth—why have you not put General Dynamics under a fixed-price contract?

Mr. WINTER. Well, sir, we're looking at the General Dynamics activity very closely, and as we have noted to General Dynamics, if we see continuing cost growths there that replicate those that we saw at Lockheed Martin, we would seek the same remedy relative to General Dynamics.

Senator COCHRAN. Well, Mr. Secretary, I'm not opposed to using fixed-price contracts; however, I am concerned that they are being misapplied in this case, where Marinet is building a first-of-its-kind vessel, from a design that is constantly being changed, altered, and even tweaked. Some of the cost growth may be the contractor's fault, but responsibility, I believe, also rests with the Navy. It is not fair for the Navy to now try and place all of the blame at the feet of Lockheed and Marinet, when the Navy knew it was risky to start building a ship that had only been in the design stages for 7 months. So, I believe no one should be surprised that this has not worked exactly according to plan.

I believe Marinet can build its vessel at a reasonable price with the capabilities that will make the Navy proud, and I would encourage you to continue to use Marinet and negotiate a solution that will give them every opportunity to show you how they can contribute to our national security. I would appreciate your consideration.

Mr. WINTER. We will continue to work this, sir. And we will continue to work it through our prime contractor, as we are required to do, given the privity of contract selections.

Senator COCHRAN. I thank you, Mr. Secretary.

Mr. WINTER. Thank you.

Senator COCHRAN. I thank you, Mr. Chairman.

Senator INOUYE. Thank you.

ADDITIONAL COMMITTEE QUESTIONS

Mr. Secretary and gentlemen, members of the subcommittee have submitted a request to send you questions for your responses, and will be doing that. And I want to thank you, all three of you—Admiral, Secretary, and General—for your service to our country, and thank you for your testimony this morning.

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

QUESTIONS SUBMITTED TO DONALD C. WINTER

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

Question. Mr. Chairman, I am pleased to join you in welcoming Secretary Winter, Admiral Mullen, and General Conway to our subcommittee.

This has been a challenging year for our military forces. We appreciate the role the Navy and Marine Corps play in protecting the United States in the Global War on Terrorism. The all-volunteer active and reserve forces and their families have performed with a high degree of professional distinction, and our Nation is thankful for their service.

We are aware of the importance of the need for appropriate levels of funding to ensure that the men and women in uniform have the equipment and training they

need to succeed and to return home safely. Monday, we began floor consideration of the bill Making Emergency Supplemental Appropriations for the Fiscal Year Ending September 30, 2007, and for Other Purposes.

During your testimony, I would like you to provide this subcommittee with an indication of what you judge to be the latest date those Emergency Appropriations must be available to the Navy and Marine Corps.

Answer. Based on cash-flowing GWOT Operation and Maintenance, Marine Corps (O&MMC) obligations with baseline funds, the Marine Corps would run out of funds in mid-July. The latest dates the Navy could receive supplemental funding, by appropriation and month follow: Operation and Maintenance, Navy (OMN), Operation and Maintenance, Navy Reserve (OMNR) and Military Personnel, Marine Corps (MPMC) in August; Military Personnel, Navy (MPN), Reserve Personnel, Navy (RPN) and Reserve Personnel, Marine Corps (RPMC) in September.

NAVAL FLIGHT OFFICER STRIKE SYLLABUS—BUDGET SAVINGS

Question. Secretary Winter, the Naval Flight Officer Strike syllabus is currently conducted on T–2C aircraft at Pensacola which will be replaced with T–45s before December 2008. I have been informed that at least 19 T–45 Goshawk aircraft are required if the NFO Strike syllabus is continued at NAS Pensacola Naval Air Station in addition to adding simulator, infrastructure, qualified maintenance personnel and a costly Air Installation Compatible Use Zone study.

Mr. Secretary, I understand Naval Air Station Meridian has excess capacity with its fleet of the new T–45 aircraft along with simulators, infrastructure, qualified instructors, and maintenance personnel. I am informed the Naval Air Systems Command program manager for the T–45 concluded in a 2006 study that the Navy could save millions by transferring the Naval Flight Officer Strike syllabus to Naval Air Station Meridian. Does the budget request before us today take advantage of these savings identified by Naval Air Systems Command?

Answer. The fiscal year 2008 budget request does not include funds to move Naval Flight Officer Strike training from NAS Pensacola to NAS Meridian. It funds investments that comply with BRAC 2005 language consolidating Navy and Air Force Flight Officer training in Pensacola. The Navy command charged with all Undergraduate Military Flight Officer (UMFO) training, Training Air Wing SIX (TRAWING–6), and all infrastructure required to conduct the entire UMFO training syllabus is currently in-place at NAS Pensacola.

2005 BRAC legislation directed the realignment of Randolph Air Force Base by relocating Undergraduate Navigator Training (UNT) to Naval Air Station Pensacola, Florida. Specific justification included enhancing jointness for UNT/Naval Flight Officer (NFO) training, reducing excess capacity, and improving military value. Further BRAC guidance indicated that training resources; to include aircraft, simulators, personnel, and classrooms; should be shared to the maximum extent possible, and that similar overhead functions will be consolidated and unnecessary billets/positions eliminated. A single-site UMFO training program at NAS Pensacola best meets these Congressionally-approved criteria.

LITTORAL COMBAT SHIP COST OVERRUNS

Question. Secretary Winter, you have provided me updates on the cost growth of the Littoral Combat Ship program for the Lockheed Martin and General Dynamics ships along with actions you have taken and propose to take to control cost. You issued a stop work order in January on the third Littoral Combat Ship to analyze and identify the root causes of the cost growth to the program. I understand that analysis has been completed, the warfighting requirement for the Littoral Combat Ship has been reconfirmed, and you are working with industry to get the program back on track.

Mr. Secretary, have you determined the root cause of the cost overruns. If so, what is the root cause? Mr. Secretary, I have read in the press that the General Dynamics LCS is 41 percent over their original bid price and they are about 40 percent complete. Was the Lockheed Martin cost overrun similar at that same point in construction?

Answer. We have completed our analysis of the root cause for both cost drivers and cost overruns. The results of this analysis and the Program Management Assist Group (PMAG) identified several root causes that lead to cost and schedule growth in the LCS program. These factors include:

—Pressure to build to schedule was strongly emphasized and generated cost growth.

—The ambitious schedule relied upon concurrent design and construction that was not achieved.

—For LCS 1, the deadline for LM's bid was prior to the finalization of Naval Vessel Rules and resulted in the company underestimating the scope of effort required to design and build the ship.

—The competitive environment created a disincentive for the contractor to report challenges to the Department of the Navy.

Lockheed Martin was experiencing cost overruns on LCS 1 at 40 percent complete. However, performance deteriorated significantly later in construction, during the period leading up to and after launch.

We will continue to closely monitor the cost performance on the General Dynamics ships, LCS 2 and 4, and will assess the need for further action.

SHIPBOARD MATERIALS

Question. Secretary Winter, for several years now, including the fiscal year 2007 Department of Defense Appropriations Conference Report, this committee has expressed the view that the Navy should carefully review new materials considered for ship insulation and ensure that they are "as safe as" the materials currently in use.

I understand there may be some concern regarding the insulation material being used on board the LCS–1, specifically with regards to its biopersistence, according to a February 9, 2007 report by the Institute of Occupational Medicine in the United Kingdom.

Unlike most civilian, Army or Air Force jobs, our sailors' and Marines' work often requires them to live and work on a ship 24 hours a day, seven days a week. So, it is with the utmost care that the materials and equipment are selected for inclusion in their working and living environment.

Will you take a look at the recent Institute of Occupational Medicine (IOM) study to ensure the materials being used are safe for our sailors and Marines?

Answer. The Bureau of Navy Medicine and Surgery (BUMED), specifically the Environmental Health Effects Laboratory and the Navy Environmental Health Center (NEHC), reviewed the safety of the MasterGlas insulating material used on LCS–1 in 2003 and concluded that use of the product would create no more risk than use of standard military specification fiberglass insulation. Manufactured in the United States, MasterGlas is in accordance with all worker health and safety laws and has been installed on commercial aircraft for decades.

NEHC reviewed the February 9, 2007, IOM study, which was ordered and funded by the manufacturer of a competing material, InspecFoam. The study concluded that MasterGlas fibers may be more biopersistent than the MIL–I–742 Fiberglass Hullboard. This means that the fibers are not dissolved in body fluids nor cleared from the body as readily. However, the study did not take into consideration other factors, such as work processes, ventilation, personal protective equipment worn, thermal decomposition products, and others. In addition, this single study has not been subjected to an independent scientific peer review process.

MasterGlas insulation is no more harmful than other fiberglass products already in use by the Navy. Therefore, it would be inappropriate for the Systems Commands to arbitrarily prohibit the use of the MasterGlas product based on this one study. Nonetheless, the Navy will carefully monitor its use.

QUESTIONS SUBMITTED TO ADMIRAL MICHAEL G. MULLEN

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

U.S.S. "CARL VINSON'S" HOMEPORT

Question. What is the Navy's schedule for determining the new home port of the U.S.S. *Carl Vinson*?

Answer. The Navy announced on March 30, 2007 that the Nimitz-class aircraft carrier U.S.S. *Carl Vinson* (CVN 70) will conduct a homeport change to the West Coast and intends to relocate to Naval Air Station, North Island in early 2010. Currently U.S.S. *Carl Vinson* is undergoing a maintenance period at the Northrop Grumman Newport News Shipyard in Norfolk, VA. When the *Carl Vinson* returns to an operational status, it will relocate to the West Coast. Family notifications will start 12 months prior to the planned arrival. Permanent Change of Station (PCS) moves will be conducted six months prior to and six months after the homeport shift.

The Navy prefers to homeport the *Carl Vinson* at Naval Air Station, North Island. This preference is consistent with the Navy's record of decision in 2000 to create capacity to homeport three nuclear powered aircraft carriers at Naval Air Station,

North Island. The final decision on a homeport for the U.S.S. *Carl Vinson* will be made after completion of a Supplemental Environmental Impact Statement (SEIS). This SEIS is scheduled to be completed in January 2009 and will examine any changes that may have occurred since the Navy completed its original environmental analysis in 2000.

Question. Does Naval Air Station, North Island remain the leading candidate?

Answer. The Navy announced on March 30, 2007 that Naval Air Station, North Island will be the planned homeport for the U.S.S. *Carl Vinson*.

The Navy prefers to homeport the *Carl Vinson* at Naval Air Station, North Island. This preference is consistent with the Navy's record of decision in 2000 to create capacity to homeport three nuclear powered aircraft carriers at Naval Air Station, North Island. The final decision on a homeport for the U.S.S. *Carl Vinson* will be made after completion of a Supplemental Environmental Impact Statement (SEIS). This SEIS is scheduled to be completed in January 2009 and will examine any changes that may have occurred since the Navy completed its original environmental analysis in 2000.

CITY OF CORONADO TRAFFIC

Question. I am aware that the City of Coronado has a very significant traffic congestion problem with sailors entering and leaving the base and that home porting a third carrier at North Island will further exacerbate this problem. The City has expressed concerns that the Navy is not adequately participating in the effort to mitigate this problem.

What assurances can you give the City of Coronado that the Navy will participate in identifying an appropriate mitigation plan to address traffic congestion near North Island?

Answer. The Navy analyzed impacts to traffic associated with homeporting three CVNs at Naval Air Station, North Island prior to making a decision in 2000 to develop the capacity to homeport three Nimitz Class aircraft carriers there. Prior to making a final decision regarding the U.S.S. *Carl Vinson*'s homeport, the Navy will complete a supplemental environmental impact statement (SEIS) that will focus on issues such as traffic that may have changed since completion of the original analysis in 2000.

The Assistant Secretary of the Navy sent a letter dated March 15, 2007, to the Mayor of Coronado expressing the Navy's commitment to work with the City of Coronado and appropriate regional, state, and federal agencies to find ways to relieve current and forecasted travel congestion in Coronado. The Navy will continue to support comprehensive analyses of traffic volume and flow in an effort to assist those agencies in identifying viable, affordable traffic improvements. The Navy is currently serving as a cooperating agency on the environmental review of alternatives to relieve current and forecasted congestion in the State Route 75/282 Transportation Corridor.

INFRASTRUCTURE IMPROVEMENTS FOR CARRIER

Question. Once this mitigation plan is finalized, I understand the funding will be required from Federal, state and local sources to complete the project.

What is the Department of the Navy's position on providing funding for any infrastructure improvements necessitated by the home porting of a third nuclear carrier at North Island?

Answer. After extensive operational, environmental, and cost analysis, the Navy decided in 2000 to create the capacity to homeport three nuclear powered aircraft carriers at Naval Air Station, North Island. While not all of the construction to implement that decision has been completed, Naval Air Station, North Island currently has most of the requisite infrastructure and facilities to host three Nimitz-class aircraft carriers. The estimated cost of additional required military construction is $43 million. The Department of the Navy will address these requirements through the normal budget process.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

GLOBAL FLEET STATION

Question. Admiral Mullen, I understand the United States has Navy Frigate and Coast Guard cutter in the Gulf Guinea, off the coast of Nigeria, and an amphibious ship is slated to arrive in the Gulf this fall.

I have been informed this ship deployment is part of a "global fleet station" pilot project, and that the goal of this project is to provide support of foreign military

training units, Marines, special forces, non-governmental organizations and medical experts in the area to promote stability in the region. As I understand it, this Global Fleet Station is a relatively new concept to our Naval Operations.

Could you please elaborate on this type of operation (GFS) and tell the subcommittee about how your fiscal year 2008 budget request supports these types of operations?

Answer. Global Fleet Station (GFS) is a persistent sea base of operations focusing on Phase 0 (shaping) operations, theater security cooperation, and global maritime awareness. As a pilot initiative, GFS represents a form of adaptive force packaging to achieve a more widely distributed force and an increased forward presence with the forces already at the Navy's disposal. This will increase regional maritime security through the cooperative efforts of joint, interagency, and multinational partners, as well as non-governmental organizations without imposing a footprint ashore.

As a new concept, GFS funding is not tied to any specific budget line item. Additionally, GFS is intended as an operational usage of existing assets, utilizing operational Navy funding for support. While no specific line item in the budget request directly supports GFS, all operations and maintenance funding in the fiscal year 2008 Budget Request support ongoing Navy Operations of which GFS is a part. No additional O&M,N funding is required to execute current GFS pilots in the U.S. Southern Command and the U.S. European Command areas of responsibility.

QUESTIONS SUBMITTED BY SENATOR MITCH MCCONNELL

NATIONAL SURFACE TREATMENT CENTER

Question. In my home state of Kentucky, some of my constituents operate the National Surface Treatment Center and technology center. Their expertise is applied toward helping the Navy resolve shipboard problems through the application of innovative products and technologies. This Center has helped the U.S. Navy resolve recurrent and costly shipboard problems through the insertion of commercial products and technologies.

As you may also be aware, the National Surface Treatment Center's Fleet Maintenance Reduction Program has significantly reduced shipboard maintenance time and costs for the U.S. Navy. In fact, the work currently being performed by the National Surface Treatment Center has had a significant and positive impact on the Navy's $4 billion per year corrosion problem. In addition, I am informed that these projects save the Navy a net of $75 million every year, thus freeing up scarce resources for other programs that are critical to our national defense.

Given the cost savings achieved by the work performed at the National Surface Treatment Center and technology center, and given the increased pressure placed on the defense budget, this program is a strong candidate for inclusion in the annual President's budget. Please provide some additional reasons in support of this program's inclusion in the President's annual budget.

Answer. The National Surface Treatment Center (NST Center) partners with the Navy, Department of Defense, and industry to fight corrosion and solve coating problems. Since 2005 the NST Center has hosted an annual conference, which rotates between Louisville, KY, Norfolk, VA, and San Diego, CA, bringing together industry leaders in preservation technology to collaborate on improving corrosion control efforts.

The President's budget represents the Navy's attempt to best balance scarce resources to requirements. If additional resources become available, the Department of the Navy (DON) would review all requirements and recommend funding the highest priority items identified on the Unfunded Program Requirements List maintained in the DON. Support of the NST Center is not currently listed on the UPL, however, the NST Center has received Congressional plus ups for the last four years.

QUESTIONS SUBMITTED TO GENERAL JAMES T. CONWAY

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

MINE RESISTANT AND AMBUSH PROTECTED (MRAP) VEHICLES

Question. General Conway, I observed there is $1.8 billion for mine resistant and ambush protected vehicles in the fiscal year 2007 supplemental and that the top item on the Marine Corps 2008 Unfunded Programs List is a requirement to rapidly field 2,700 of these vehicles. This is also the number one equipment item on the

Army's Unfunded Programs List. There appears to be limited funding in the fiscal year 2008 budget request. How important are these vehicles and is this a fiscal year 2007 or 2008 issue?

Answer. Government sponsored testing along with operational events have clearly demonstrated that the MRAP provides a superior level of protection over the M1114/51/52 Up-Armored HMMWV. The levels of protection provided by this family of vehicles against threats being encountered in both Iraq and Afghanistan has and will continue to save the lives and limbs of service members. Without these vehicles our soldiers and Marines will continue to conduct operations in the best vehicle provided to them (i.e. M1114/51/52 HMMWV). We however, will not have provided them the best vehicle available today.

As a service we have worked diligently to rapidly validate the requirement and develop an acquisition strategy that delivers these vehicles to our forces in the most expeditious manner. In doing so we requested funding at different increments (i.e. fiscal year 2007 Bridge Supplemental and fiscal year 2007 Main Supplemental) to support the requirements as they existed at the time. In February 2007, we solidified our requirement for 3,700 MRAPs. Funding requests/provisions at that time (i.e. fiscal year 2007 Bridge Supplemental and fiscal year 2007 Main Supplemental) did not support the final requirement. Based on the unit and total cost, the Marine Corps was precluded from internally funding the total remaining requirement and requested additional funding in order to meet the total requirement. This request is the amount currently seen in the 2008 Unfunded Programs List. A reprogramming action for $427.9 million (07–08 PA) was forwarded to Congress on March 28th for consideration. This reprogramming would accelerate the purchase of MRAP vehicles.

It is accurate to say that the procurement of these vehicles is not an issue associated with fiscal years. It is an urgent requirement that we have requested funding for as the requirements process ran its course. Ideally, all procurement funding would be available in fiscal year 2007 to ensure that maximum production rates are maintained. Short of acceleration of funding to the fiscal year 2007 Main Supplemental, the 2008 Unfunded Program List is our earliest window for gaining the remaining funding necessary to procure these vehicles.

MARINE CORPS LIGHTWEIGHT HOWITZERS

Question. General Conway, this budget request contains $93 million to complete the Marine Corps acquisition objective for lightweight howitzers. How does this capability enhance the operational effectiveness of the Marine Corps and does this funding request provide for the complete Marine Corps requirement?

Answer. The M777 Lightweight 155 mm towed howitzer replaces the aging M198 155 mm towed howitzer which has passed its expected service life. It incorporates innovative designs to achieve light weight without sacrificing range, stability, accuracy or durability. The M777, with its technologically-advanced digital fire control system (DFCS), enhances the Marine Air Ground Task Force Commander's ability to provide close, supporting indirect fires through improved accuracy and responsiveness. In addition, the DFCS enables the employment of the precision munitions required on today's battlefield. The new howitzer's lighter weight increases its deployability and mobility, providing the warfighter a persistent, all-weather fire support asset throughout the full range of military operations.

The current approved Marine Corps acquisition objective is 356 howitzers. The $93 million in the fiscal year 2008 budget request will procure forty-seven howitzers which meets the objective of 356. The fiscal year 2008 Marine Corps Grow the Force initiative includes an additional $107.5 million to fund the increased requirement of 43 howitzers.

MARINE CORPS AMPHIBIOUS SHIP REQUIREMENTS

Question. General Conway, President Bush requested Congress increase the end strength of the Army and Marines by 92,000 in 5 years to support the Global War on Terrorism. Obviously with this increase, in particular for the Marines, there will be an increased need for amphibious ships supporting these additional troops. The President's fiscal year 2008 budget proposal requests one LPD–17 amphibious ship, however the Navy Unfunded Programs List shows an additional LPD as being unfunded at the top of the list. General Conway, can you talk more about your future amphibious ship requirements?

Answer. Amphibious warfare ships are the centerpiece of the Navy-Marine Corps' forcible entry and Seabasing capability, and have played an essential role in the Global War on Terrorism. These ships are equipped with aviation and surface assault capabilities, which coupled with their inherent survival and self-defense sys-

tems, makes them ideally suited to support a broad range of mission requirements. This survivability is critical to ensure the Nation has the widest range of response options. Not only must our naval forces maintain the ability to rapidly close, decisively employ, and effectively sustain Marines from the sea, they must also respond to emerging Global War on Terrorism requirements, crisis response, and humanitarian assistance missions on short notice around the world.

For forcible entry, the Marine Corps' requirement is a single, simultaneously-employed two Marine Expeditionary Brigade (MEB) assault capability. One MEB requires seventeen amphibious warfare ships; however, given the fiscally constrained environment, the Navy and Marine Corps have agreed to assume risk by only using fifteen. Historical amphibious ship availability rates dictate a minimum of eleven ships of each of the current types of amphibious ship—a minimum of thirty-three total ships—resulting in a Battle Force that provides thirty operationally available amphibious warfare ships. The three types of ships comprising the Battle Force are aviation capable big-deck ships (LHA/LHD/LHA(R)), LPD17 class ships, and LSD 41/49 or equivalent ships; therefore, in that Battle Force, ten aviation-capable big deck ships (LHA/LHD/LHA(R)) and construction of ten LPD 17 class ships are required to accommodate the MEB's aviation combat element.

Given the recognized flexibility of these platforms and requirement to enhance their power projection capabilities to support stability operations and sustained counter-terrorism efforts, many of our coalition partners are planning to acquire amphibious ships that can support both surface and aviation maneuver elements. Such efforts acknowledge the great utility of a robust amphibious warfare capability in the face of growing anti-access threats.

MARINE CORPS SEABASING PLAN

Question. General Conway, the Navy's fiscal year 2008 budget requests supports Research and Development of the Joint High Speed Vessel with acquisition beginning in fiscal year 2008 for the Army and 2009 for the Navy. I understand these vessels are highly flexible, adaptable to a variety of payloads, much faster, and can operate in shallower ports than traditional larger vessels. I understand the Joint High Speed Vessels will be an important connector for the Marine Corps Seabasing plan. Can you provide the subcommittee with an overview of the important role of the Joint High Speed Vessel in the Marine Corps Seabasing plan?

Answer. The Joint High Speed Vessel or JHSV is part of a family of vessels and craft that support Seabasing operations by connecting the various components of the Sea Base together and to the surrounding theater architecture. In major contingency operations, the JHSV self-deploys to the theater of operations where it supports force Closure, Arrival (and assembly), Employment, Sustainment, and Reconstitution (CAESR). The following paragraphs briefly describe that support.

Closure.—JHSVs pick up arriving Flow-in Echelon Marines and their equipment at Advance and/or Intermediate Staging Base(s) for transport to and rendezvous with the ships of the Sea Base.

Arrival (and assembly).—As the force arrives and assembles at sea, JHSVs are used to move Marines and their equipment between the various ships constituting the Sea Base (an intra-Sea Base connector.

Employment.—In the permissive threat "lee" created by assault echelon forces and Sea Shield, JHSVs transport units and their equipment from the Sea Base into austere offload ports ashore.

Sustainment.—JHSVs move sustainment from theater logistics nodes to the Sea Base, within ships of the Sea Base, and from the Sea Base to Marines employed ashore.

Reconstitution.—In addition to recovering Marines employed ashore back to the ships of the Sea Base, the JHSV moves replacement personnel, repair supplies, and replacement equipment to and from theater Advance and Intermediate Staging Bases.

Not only do JHSVs enable support to Seabasing operations, they address Geographic Combatant Commanders' requirements for an intra-theater connector in support of their Theater Security Cooperation Plans, Global War on Terrorism operations, theater logistics needs, and humanitarian assistance/disaster relief contingencies. JHSVs are also a key enabler for the future realignment of III MEF units out of Okinawa to other locations in the Pacific.

SUBCOMMITTEE RECESS

Senator INOUYE. The next meeting of the subcommittee will be on April 11, Wednesday, at 10:30 a.m. At that time, we will receive testimony on the National Guard and Reserves.

Thank you very much; the subcommittee will stand in recess.

[Whereupon, at 11:36 a.m., Wednesday, March 28, the subcommittee was recessed, to reconvene at 10:30 a.m., Wednesday, April 11.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2008

WEDNESDAY, APRIL 11, 2007

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

The subcommittee met at 10:33 a.m., in room SD–138, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Leahy, Dorgan, Durbin, Mikulski, Murray, Stevens, Domenici, and Bond.

DEPARTMENT OF DEFENSE

NATIONAL GUARD

STATEMENT OF LIEUTENANT GENERAL H STEVEN BLUM, CHIEF

STATEMENT OF SENATOR DANIEL K. INOUYE

Senator INOUYE. This morning the subcommittee meets to receive testimony on the fiscal year 2008 budget request for the National Guard and Reserve components. I welcome today's witnesses from the National Guard, Chief of the National Guard Bureau, General Steven Blum; Director of the Army National Guard, General Clyde Vaughn; Director of the Air National Guard, General Craig McKinley; and from the Reserve, Chief of the Army Reserve, General Jack Stultz; and Chief of the Naval Reserve, Admiral John Cotton; Commander of the Marine Forces Reserve, General John Bergman; and Chief of the Air Force Reserve, General John Bradley.

Gentlemen, as you know, the role of the National Guard and Reserve has changed dramatically over the past few years. Currently, we have thousands of guardsmen and reservists deployed to Iraq and Afghanistan, many of whom already in their second tours.

I just met an airman who I believe was on his third tour, completed his third tour and an Army man on his fourth tour. The forces have been fully integrated into operations there and have proven to be essential to the mission. We are going to make certain that you have the resources you need to train and equip these valuable service men and women.

We are pleased to see that recruitment has improved although I am concerned that the Army and Navy Reserves are still not fulfilling their recruiting missions. We hope to hear today about what you are all doing to continue to attract quality recruits.

Retention levels remain strong but as guardsmen and reservists face multiple deployments, the strain on troops and their families could begin to show. We want to make certain that you have the resources required to return experienced servicemembers and provide them with support that the Guard and Reserve families need as they transition in and out of civilian life.

Guard and Reserve equipment levels continue to be a concern. Significant shortages have been identified. We will continue to work with the services to improve equipment quality and quantity so that Guard and Reserve troops have the equipment they need for training and operations here and abroad.

Gentlemen, we face significant challenges in providing for the personnel and equipment needs of the National Guard and Reserve during these demanding times. I look forward to hearing your recommendations for strengthening our forces and I thank you for your testimony this morning. Your full statements will be included in the record and our first witness is General Blum and I now call upon the vice chairman of the subcommittee.

STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Thank you very much. I do subscribe to what the chairman has said but I want to add that this subcommittee hearing was part of the whole development of the tunnel force contact and I do believe it's worked. It's worked and brought us a very strong military but the difficulty is that it appears that it's slowly but surely becoming not just a total force but a permanent total force for the Guard and Reserve.

I think some of the policies we're looking at now have to be reviewed from the point of view of funding because we need to be assured that these people who are citizens soldiers in terms of the Guard and Reserve, still have an ability to maintain their civilian jobs, maintain their civilian participation that they are not a regular military and yet increasingly, they seem to be treated as such.

Well, I hope that you'll be very frank with us in terms of your answers concerning this process. I don't fault anybody. I think it really is a development of the system that the challenges we're now facing that aren't going to go away no matter what happens in Iraq and Afghanistan that they are worldwide, in my opinion.

So if you're really going to help us, I think, to tell us, where we are going from here? Should we expand the Guard? Should we expand the Reserve? We are going to expand the regular force, very clearly. But it does seem to me that as the chairman's mission, the period of time between deployments is a disadvantage for maintaining the civilian aspect of the citizen soldier that is involved in your units in the Guard and Reserves.

So I look forward to your testimony. I think we've got a lot of work to do. Thank you.

Senator INOUYE. I'll now call upon the Chief of the National Guard and Reserves.

General BLUM. Good morning, Chairman Inouye, Senator Stevens, distinguished members of this subcommittee. I'd first like to say thanks for the solid support that this subcommittee gives our citizen soldiers that serve on the land, on the sea, in the air, and your in-depth understanding of the unique dual role of the Na-

tional Guard. From your statements this morning you have a clear understanding of some of the challenges that we face with the All Volunteer Force as we move from being strictly a strategic Reserve only to being both an operational force as well as the strategic Reserve for this Nation.

I'll introduce my Director of the Army National Guard, Clyde Vaughn to my right and Lieutenant General Craig McKinley, the Director of the Air National Guard who are here today for response to in-depth questions on issues relating to the Army and the Air National Guard.

Also with me today, very important, particularly following on the comments of Senator Stevens, we have our Command Sergeant Major for the National Guard Bureau. Sir, you may recognize him here as an Alaska State trooper for 20 years. He retired from the State troopers. He has served in the United States Air Force and he serves in the Army National Guard. Today he represents 460,000 citizen soldiers and airmen from the Army and Air National Guard all around the country.

The senior enlisted command sergeant major from the Army National Guard, John Gipe, is here this morning and most important, I have two individuals that Senator Inouye has already alluded to. The first—I'll start with the youngest first.

Daniel, if you'd please stand up. This is a staff sergeant. He is 23 years. At 23 years of age, he has just completed his third combat tour in Iraq, one in Kirkuk and two in Baghdad. He comes from Klamath Falls, Oregon. He is a combat air controller and he has been the Airman of the Year and the NCO of the year back in Oregon. He represents the most committed, mature, experienced, professional force we've had in 371 years in our organization.

The sad part of it is that while we have the very best people, with this kind of experience and this kind of commitment, the equipment that Daniel, and others like him, has to operate back in Oregon was built in 1953. Now imagine being a combat controller for a critical mission like that and operating with unreliable, old equipment built in 1953. I think that says it all. So while we have the best people, we have some significant equipment challenges.

Also next to him is a 40-year-old Wichita, Kansas police officer who is a member of the 2nd Battalion, 137th Infantry and he is from Charlie Company. He has just completed a tour in Iraq. He came back in November. Prior to that he served two previous combat tours with the United States Marine Corps in Desert Storm and also the United States Marine Corps in Somalia.

This experienced infantryman, a highly decorated NCO, is a platoon sergeant, which is, as you well know, sir, from your combat experience, is where the rubber meets the road. That's where it happens. That's where the real leadership challenges are. The policy really reaches to the fox holes and the person that makes that happen is the platoon sergeant.

He is married. His wife is a signal officer in the Kansas National Guard so it is truly a Guard family. He has two children—Nick, 16 and a daughter, Zoey, who is 14. He doesn't have a problem with old equipment, he has a problem with no equipment. His unit, when they came back in November, came back to two Humvees

that were left because they were not good enough to go to war. That's the only equipment that he has in his unit today.

If Governor Sebelius from Kansas would need the 2nd Battalion 137th to respond to a tornado or a winter storm or any other emergency, the capability of that unit is minimized; not because of the great people but because of a lack of equipment that is in that unit right now.

Thanks, guys. Thanks for your service.

I think I'll reduce my statement down to a bare minimum because of the clear understanding that this subcommittee has for the issues that are at hand. The two citizen soldiers and airmen that you just met, say more than I could read off of this paper.

We have had the Army National Guard now for almost 371 years and today, after all that time, the National Guard is still the Nation's best defense bargain. The Army National Guard makes up almost 40 percent of the United States Army combat, combat support and combat service support structure. It does this for about 11 percent of the Army's budget; a bargain for the American taxpayer. We represent a 365-day on call capability for about 11 percent of what it costs to maintain that capability on active duty.

The Air National Guard similarly gets only 6 percent of the Air Force's budget, but produces over one-third of everything in the United States Air Force. It flies over one-third of the United States Air Force aircraft every day, whether we are at war or whether we are at peace. Your Army and Air National Guard are the only Department of Defense forces that can be called upon by the Governors with no notice to do what is necessary in the zip codes where your constituents reside.

The National Guard today, I'm sad to say, is not a fully ready force. Unresourced—shortfalls still exist that approach $40 billion to provide the equipment and the training that I personally feel your Army and Air National Guard are expected to have to be able to respond to the citizens of the United States.

Overseas, we are superbly equipped, and superbly trained. We want for nothing overseas because the Congress of the United States has ensured that we're adequately resourced in the Department of the Army. The Department of the Air Force, Department of Defense are dedicated to not sending any sons and daughters of this Nation into harm's way without the very best equipment possible. You'll find no difference between the National Guard and the active forces currently serving overseas.

Back here at home, it's a different story. It's a much different story and it's not a good story. Most of the units in the Army and Air National Guard are underequipped for the jobs and the missions that they have to perform with no notice here at home.

Can we do the job? Yes, we can. The lack of equipment makes it take longer to do that job. Lost time can translate into lost lives. Those lost lives are American lives. There will be those that say that we can't afford this kind of money to properly equip and train our National Guard.

I take exception with anyone that would hold that opinion. I think that this Nation cannot afford the consequences of a non-ready Army and Air National Guard.

In closing, I would reiterate to this subcommittee that in this 21st century, we face threats both here at home and overseas and that a strong, properly resourced National Guard, I think, is the best critical deterrent for any of our adversaries overseas that might miscalculate and think that we are unable to respond.

So if we were more strongly resourced, equipped and trained here at home, it would have an additional benefit, in my view, of providing a credible deterrent to those who would wish ill against our Nation here at home or abroad.

Thanks again for your historically generous support of your citizen-soldiers and airmen. Your past funding efforts with the National Guard and Reserve equipment account were able to deliver the capability that the American citizens expect out of their National Guard in minutes and hours, which truly are and want to remain the 21st century minute men and women for this Nation. With your help, we'll be able to do that.

PREPARED STATEMENT

At this time, I'll turn it over to General Vaughn who will make some brief statement and then we'll stand ready to take any questions, sir—Mr. Chairman—that you might have.

Senator INOUYE. Thank you, General.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL H STEVEN BLUM

Chairman Inouye and distinguished members of the subcommittee, thank you for the opportunity to speak to you today about the state of readiness in the Army and Air National Guard. The Army and Air National Guard are engaged with our active component Army and Air Force counterparts in combat operations. You can be proud that the citizen-soldiers and airmen of your Army and Air National Guard are ready to answer the Nation's call to arms.

The National Guardsmen who are mobilized and deployed overseas are superbly trained and equipped. Like their active duty counterparts, they are unquestionably the best trained and best equipped American fighting force in history. In the past four years, the increased operational tempo and, in the case of the Army National Guard, the need to cross-level personnel and equipment from non-deploying units to increase readiness of deploying units, has resulted in a decline of readiness for units here at home.

The President's budget request is now before the Congress. That request includes an unprecedented commitment and investment by the Army to improve the equipment readiness of the Army National Guard. The President's budget also seeks the funding needed for the Air National Guard to continue to be fully-integrated modern total force partner for the Air Force. It is imperative that the National Guard receives the full support of Congress for every penny in that request.

Last year, Congress provided $150 million for Army and Air National Guard in the National Guard and Reserve Equipment account. Millions more were provided in Service procurement accounts. Congress also provided another $500 million as part of the broader Army reset funds. This was extremely helpful in addressing the equipment needs of our citizen-soldiers. The National Guard is tremendously grateful for this support. I must implore this committee, in the strongest possible way, to remain steadfast in your dedication to addressing the persistent equipment shortfalls we face.

The Secretary of Defense's decision to limit Guard and Reserve mobilizations to 12 months is truly historic. His new mobilization policy will have significant positive long-term effects on personnel readiness, unit cohesion, and employer, family and public support. In order to give our soldiers a shorter total mobilization period and maximize time in theater for the combatant commander, it is imperative that we reduce post-mobilization training time prior to deployment and accomplish more of it at home station prior to the mobilization to active duty. We need the equipment to do that training.

In fiscal year 2008, the Air National Guard is accepting risk in its modernization and recapitalization programs such as Precision Engagement, Datalink/Combat Identification, 24-hour operations, and Enhanced Survivability. In addition to the Air National Guard equipment needs, we have identified Air Guard funding challenges in the areas of transformation, Total Force Integration (TFI), Base Realignment and Closure Implementation, new mission bed down, recruiting, retraining, and other program shortfalls.

CONCLUSION

Mr. Chairman, your National Guard is fully up to the task of answering the call to duty. At the National Guard Bureau, we are absolutely committed to working closely with the Services to effectively implement fresh ideas and new approaches to meet the challenges we face today in such a way that our citizen-soldiers can be trained and ready to serve and that their service will be of a nature that they will continue to serve for years to come.

I have included a copy of the 2008 National Guard Posture Statement for the record. We welcome your questions.

THE NATIONAL GUARD POSTURE STATEMENT 2008

EXECUTIVE SUMMARY

September 11, 2001 was an abrupt and heinous wake up call for the United States, the National Guard and the American military. That day marked the beginning of a no-notice transformation of the National Guard, as our nation entered a new era—an era marked by suicide bombers, radical terrorists and a global threat very different than anything seen before. For the Minutemen and women of the National Guard, it was a call to arms, and they have been answering that call to support and defend America and its freedoms and our very way of life every day since.

For the National Guard, it was a "back to the future" moment. A moment where we needed to take stock of the fact that we were no longer a federal strategic reserve, but rather warriors on the front line of a global war on terrorism. We had to recognize that our demonstrated ability to immediately respond, deploy and employ our forces on the home front for 370 years needed to grow to include the same capability in our federal missions. September 11, 2001 marked the birth of the full-spectrum, global Minuteman. Full spectrum readiness means homeland defense in depth. The historic and traditional Guard homeland defense mission had taken on a global importance while remaining the very foundation of American freedom. The Guard had to expand its readiness, agility and accessibility portfolios to include operations across the full spectrum of engagements.

That new reality dictated that we be trained, equipped, manned and resourced to operate in all mission areas, and perform them simultaneously. The full spectrum of operations required us to take a hard look at where we were and determine what resources and initiatives were critical to evolving as the 21st century minutemen America needed.

In just the last five years, the Guard has conducted a staggeringly diverse set of missions—from traditional state missions like military support to civil law enforcement and supporting civil agencies in local crisis and consequence management, to national-level missions like providing regional consequence management capabilities, conducting counter-narcotics missions, and supporting airport, border, and critical infrastructure security, to air sovereignty and ballistic missile defense of the homeland. Beyond our borders, the Guard's mission-set included not just the warfight overseas, but critical contributions to the theater security cooperation agreements of all our regional combatant commanders, such as our immensely successful State Partnership Program.

The Guard has performed all of these diverse missions so well that the Department of Defense and the Congress are examining relationships and missions with a view to ensuring even greater capability for the modern, 21st century Minuteman. The National Guard provides an incredible array of capabilities to both our nation's President and its Governors.

Central to achieving this greater capability was our effort to identify the critically essential organizations, equipment and training that would be necessary to accomplish the full range of potential missions here in America. These capabilities are the "essential 10," and they include: the right kind of joint, interagency, intergovernmental headquarters to manage operations and, receive, stage, and integrate follow-on forces; Weapons of Mass Destruction (WMD) detection and advisory capabilities; maintenance; engineer; aviation; medical; communications; transportation; security; and logistics capabilities. Four years after 9/11 the nation and the Guard were again

tested with a second "wake up" call. The Guard's performance following Hurricane Katrina may go down in history as its finest hour, and in the process, America gained the context for better understanding its National Guard. Our nation's Governors—every one of them—reached out and willingly sent their own Guard troops to help their fellow Governors on the Gulf Coast through a set of existing compacts among the states, avoiding the delays inherent in the federal mission validation and mobilization process.

The National Guard has transformed:

—To ensure we are equal to the contemporary challenges we are asked to confront across the full spectrum of operations;

—To ensure we have the right types of trained and ready capabilities, at the right levels in each of the states, to respond to the calls of the Governors; and

—To fully leverage all of our war fight capabilities in times of domestic need.

Our transformation combined with the commitment of our elected leaders at all levels allowed us to answer all calls to duty, meeting both global and domestic needs.

The National Guard is essential to building coalition partnerships. The National Guard's State Partnership Program continues to grow and flourish as one of the most valuable theater security cooperation tools available to the regional combatant commanders. These partnerships are critically important to global peace, freedom and national security objectives. Just last Fall, the state of Ohio and the Republic of Serbia—a country we bombed less than a decade ago—sealed a historic State Partnership, a key component in the security cooperation plans of the U.S. State Department and the combatant commander in U.S. European Command. We now total 56 partnerships and anticipate more in the coming months. The Guard Partnership Program significantly empowers the regional combatant commanders' theater security cooperation efforts.

The National Guard is integrated into the Homeland Security plans of every state and federal Homeland Defense plans. We exercise in our communities with the civilian emergency planners and emergency responders. The National Guard is a national treasure and a national bargain as well. It is providing real, critically needed skills and real capabilities—not just some PowerPoint slide promises that never materialize. For the National Guard, homeland security is deeds, not words.

The Guard's progress and proven performance has been simply incredible. In five short years, the Guard has developed and delivered an incredible and unmatched array of critically needed homeland defense, homeland security and emergency response capabilities.

Since the September 11 attacks, the National Guard has added forty-five weapons of mass destruction—civil support teams; seventeen chemical, biological, radiological, nuclear and high-yield explosive enhanced response force packages; fifty-four computer emergency response teams; six critical infrastructure protection-mission assurance assessment detachments; fifty-four rapid reaction forces; fifty-four 24-hour a day joint operations centers; and numerous other capabilities.

This has all occurred at the same time the Guard is fighting the global war on terror, conducting homeland defense operations, supporting Governors' Homeland Security requirements, responding to catastrophes and disasters, and conducting domestic missions. In every theater, the Guard is there. In every operation, the Guard is there. That's the way it should be, because when you call out the Guard, you call out America. Few, if any, organizations anywhere in the world progressed this much on so many important issues in five short years.

The Guard is the first military responder to the Governor's calls for assistance in securing the homeland. Through continuous collaboration, the Guard is strengthening its relationship with NORTHCOM to ensure synchronization of our military capabilities.

The Guard has on numerous occasions since September 11, 2001, secured our nation's airports at the requests of the President and the Governors. The Guard is providing support to U.S. Customs and Border Protection—including the Presidentially-directed Operation Jump Start—and is providing deterrent and counter-terrorism forces. In New York armed Guardsmen have been on duty every day throughout the state since 9/11. It is all about protecting and saving American lives—anytime, anyplace—on land, at sea or in the air. It is the National Guard that delivers peace of mind and confidence in government.

The National Guard continues to meet community needs through programs like: Counter drug support; drug Demand Reduction programs; family programs; innovative readiness training programs designed to meet community needs; rendering last honors to fallen veterans; and youth programs like the 30 ChalleNGe programs in 26 states.

The National Guard has maintained its commitment to the Youth ChalleNGe program despite the many other demands on its time and resources. Helping at-risk high school dropouts regain their footing is an investment in America. The program has graduated some 60,000 youths, in the process saving many of them from either a cemetery or a jail cell. The National Guard is proud of its nationally recognized efforts to build a stronger, safer, more productive America.

The Guard has proven its cost-effective capability across the full spectrum of operations. While providing more than a third of both the Army and Air Force's force structure, the Guard costs a fraction of that to maintain. And the National Guard investment goes even further for the American people because the Guard capabilities are immediately available nationwide to the Governors and the American people in time of need.

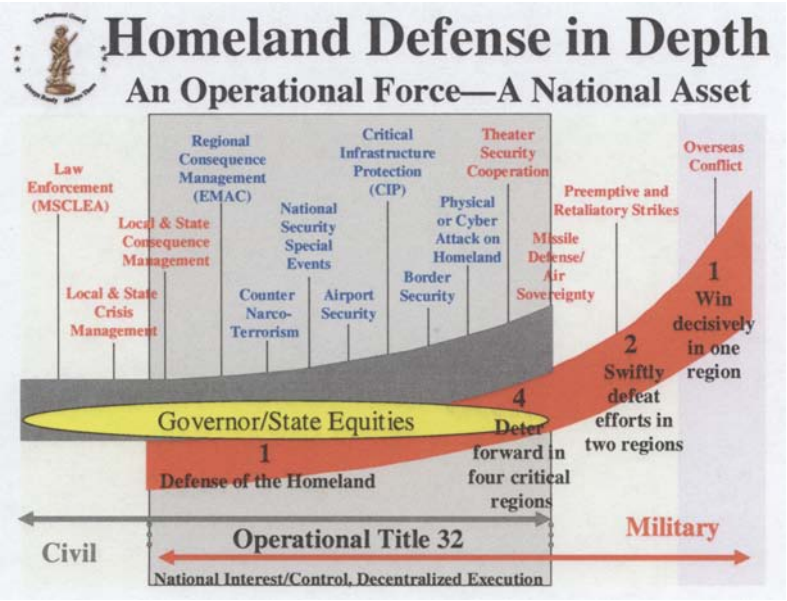
Our nation's future defense challenges are daunting. The Guard's performance offers America options as we wrestle with the needs for increased military capabilities in an era of limited funding. The demonstrated performance of the Guard enables the Army and Air Force.

The days of questioning whether the Guard can perform a given mission are long past. The only questions today are whether they want the Guard to perform the mission and whether they will resource the Guard to do so. Our Citizen-Soldiers and -Airmen want for nothing as far as equipment in the combat zone, and that's the way it should be. However, we have concern for missions here at home. Congress began addressing this situation in the past year, and the President's fiscal year 2008 Budget provides unprecedented levels of funding for the National Guard, particularly in ensuring that the Soldiers and Airmen deployed to combat are the best-equipped in the world. But it accepts risk in the areas of Homeland Defense, Homeland Security, and Military Support to Civil Authorities.

Our priorities must remain focused on maintaining a fully manned, fully trained, fully equipped and fully resourced force. We must complete our transformation for 21st century missions, fully integrated with the Army and Air Force. Operationally, we must focus on full-spectrum readiness and leveraging joint capabilities. In summary, we must be trained, equipped and ready for both the seen and unforeseen challenges that lie ahead. The Guard must continue to embrace the Minuteman posture—ready at a moments notice to answer the call to the colors. Readiness starts with our people and we must continue to recruit and retain the best in America. We have done that, and the story of that success is one of the highlights of this past year. The key has been to reward our own people for spreading the good word about the Guard to their family and friends, building our strength one personal relationship at a time, getting back to our roots in the early days of the volunteer militia.

Defying predictions that the Guard's numbers would shrink to 324,000 Citizen-Soldiers in 2006, the Army Guard instead had its best year of recruiting in 35 years. Recruiting and retention must remain an absolute priority. To do this, we must continue to encourage an environment where our troops are supported by families, employers and communities.

The National Guard has the capability to conduct operations across the full spectrum of engagements from domestic missions and emergency response, through homeland security and homeland defense, to the federal war fight and overseas missions. The governors—the commanders in chief of the Guard while not in federal service—need the Guard in order to respond to domestic crises and natural disasters. They also have equities in homeland defense and homeland security contingencies that overlap the federal responsibilities for these missions.



In the chart above, state equities are illustrated by the gray bar, while federal equities are illustrated by the orange bar below it. The 1–4–2–1 in the orange bar reflects the spectrum of federal military missions as defined by the National Military Strategy.

The missions in the central gray area (written in blue) are tasks that combine state and federal equities, and that the Guard has performed in a Title 32 status—federally funded, but under state control. The missions in red toward the right of the spectrum are conducted in an entirely federal, Title 10 status. The missions written in orange to the far left—hundreds of them each year—are traditionally conducted in State Active Duty status and are entirely state-funded and state controlled.

This new reality dictates that the Guard must be trained, equipped, manned and resourced to operate in all mission areas.

We are working hard to ensure that every Army and Air Guard member knows what their organizational mission and its future looks like. The Guard has always been and always will remain a community-based force. We are focused on operational readiness to answer the calls of our Governors and the President, seamlessly integrate with the active components, and meet the needs of the combatant commanders. We remain engaged in the interagency and intergovernmental arenas, and local communities. And, finally, with the assistance of Congress, we will continue to transform to remain ready, reliable, essential and accessible. The National Guard—Always Ready, Always There

LIEUTENANT GENERAL CLYDE A. VAUGHN, VICE CHIEF, NATIONAL GUARD BUREAU AND DIRECTOR, ARMY NATIONAL GUARD

"SERVING A NATION AT WAR: AT HOME AND ABROAD"

MESSAGE FROM THE DIRECTOR

What a year! The Army National Guard (ARNG) dealt with many challenges and changes during 2006. Units came home from overseas deployments as new units were called up, trained and sent to Iraq and Afghanistan. Operations continued in the Balkans and up to 6,000 Army National Guard Soldiers reported to the Southwest border to help U.S. Customs and Border Protection stop illegal immigrants and drug trafficking during Operation Jump Start. Guard Soldiers also assisted with emergencies created by snow, floods and landslides throughout the United States at the same time that the Army Guard shifted its force structure to a modular design. As we begin our 370th year, the ARNG continues to be an important element in

the nation's emergency preparedness network with missions both at home and abroad.

It's difficult to prioritize the numerous successes the ARNG achieved in 2006, but if there is one, it is in the recruiting and retention area. This revolutionary change and effort by the states really highlights the care that our Soldiers have received from the local communities and leadership. We're at an all-time high in terms of pride in the organization. Our recruiting efforts are about having great recruiters. The G–RAP program (the Guard Recruiting Assistance Program provides bonuses to Guard Soldiers for recruiting new members) is second to none. It has put us in great shape for the future.

The ARNG is also adaptive to change and has gone through an evolutionary restructuring since the early 1990's. Since then, the ARNG has transformed to meet the demands of a new global environment. Along with the Army, we are undergoing a modular force conversion which converts our formations from a division-centric force (18,000 Soldiers) to a more flexible brigade-centric force (4,000 Soldiers). This transformation creates forces that are stand-alone and alike (modular) while enhancing their full-spectrum capabilities. The ARNG Brigade Combat Teams are structured and manned identically to those in the Active Army.

This Posture Statement provides you with details about how the ARNG continues to defend our nation at home and abroad. As you read this, please know that the National Guard remains Always Ready, Always There.

HOMELAND DEFENSE

Readiness of the Army National Guard

The Army has continued to use Army National Guard units as an operational reserve. Readiness of our units that have mobilized and deployed in support of the Global War on Terrorism (GWOT) has been maintained at the high levels required to successfully carry out those missions. With the reset of units returning from deployments or from transforming units, as shown in the modular force conversion section, manning, equipping and training levels reflect decreased readiness as measured against modular organizations. ARNG readiness is managed by prioritizing limited resources using the Army Force Generation (ARFORGEN) cycles in support of the National Military Strategy.

The ARFORGEN model provides predictability to potential time-frames at which ARNG units might be called to active federal service. The ARNG has arrayed all its units into the model to account for when they can be reasonably expected to be in one of three force pools—Reset/Train, Ready, or Available. One of the important benefits of using the model is that it assists ARNG decision makers at all levels as they determine the best time to convert units to modular designs. This is a key tool in not only managing conversion efforts, but also to meet the NGB goal of having at least 50 percent of the Army and Air forces at any given time available to the Governors and Adjutants General.

Fiscal year 2006 saw a continuation of heavy demands on personnel and declines in equipment on hand due to increased mobilizations, deployments, and funding. The ARNG successfully met all mission requirements and continued to support the Global War on Terrorism. Since September 11, 2001, the Army National Guard has deployed over 258,607 personnel. As of September 30, 2006, over 35,217 Guardsmen were serving in Operation Iraqi Freedom (153,578 to date), over 7,121 in Operation Enduring Freedom (39,289 to date), and over 482 in Operation Noble Eagle (35,158 to date). Additionally, 5,252 personnel are currently serving in support of the Southwest Border Mission. Since July 2002, overall unit readiness has decreased by 49.25 percent while providing personnel and equipment to units to ensure fully manned and equipped National Guard forces for deployment. The following areas decreased during the same period: Personnel 46.95 percent, Training 21.65 percent, Equipment-on-Hand 45.93 percent, and Equipment Readiness 4.67 percent.

Entering the sixth year of GWOT operations (and looking back on the fifth year), the Army National Guard continued to support the requirements of Combatant Commanders as discussed in more detail below. Despite significant help from Congress and the President, we continue to face challenges in resourcing those requirements. These are discussed throughout the report. Initiatives in recruiting have increased the end strength of the Army National Guard to authorized levels. Programmed funding for procurement, if executed as planned, will bring ARNG equipping levels to over 90 percent by not later than fiscal year 2013. However, in the short term, units nearing deployment will continue to receive the priority for equipment, which may affect the availability of equipment needed for modular conversions.

Modular Force Conversion

The Army National Guard continues to support the Army's goal to restructure its forces to modular designs that produce stand-alone units capable of full-spectrum operations. This transformation effort impacts over 87 percent of ARNG units across the 54 states and territories and crosses every functional capability in the force. Using the Army Campaign Plan and Total Army Analysis as the roadmap, the ARNG finds itself in a position to complete Army Modular Force Conversion by the end of fiscal year 2008.

Since the release of the 2006 Quadrennial Defense Review which called for 28 ARNG Brigade Combat Teams, by charter of the Chief of Staff of the Army, the Army and ARNG created a consortium comprised of select Adjutants General to work through challenges presented by having 6 fewer Brigade Combat Teams (BCT) than the thirty-four originally programmed and to advise him on the BCT mix. This group advises the Chief, National Guard Bureau and the Director, Army National Guard as they begin rebalancing ARNG force structure to address both Federal and domestic missions in light of Modular Redesign.

Equipping for the Future

ARNG units are scheduled to complete conversion to new equipment designs within the Army's modular force by 2008. They are expected to be fully equipped for these designs in 2013.

From an equipping perspective, the GWOT and Transformation each cause the ARNG different challenges. While the GWOT has reduced the equipment available to non-deployed ARNG units, Transformation has increased overall equipment requirements. The combination of these factors has adversely affected ARNG equipping levels to the point where the average non-deployed unit has only 39 percent of authorized equipment needed to conduct training, future deployments, and respond to Defense Support to Civil Authorities (DSCA) missions. Prior to September 11, 2001, the ARNG's priority equipment on hand was 75 percent. Further, by subtracting unacceptable/non-deployable substitute items, the equipment on hand balance falls to an even lower level.

One of the critical ARNG shortages is modern wheeled vehicles. The Army pledged to maintain projected ARNG distribution of the critical Family of Medium Tactical Vehicles (FMTV) procurement levels despite a recent reprogramming action that decremented the total Army FMTV procurement account by $200 million. The Army support for ARNG FMTV procurement is a true indication of the Army's commitment to re-equipping the ARNG.

Dual Mission Operations

The Army National Guard fulfills a vital role in the nation's defense at home and abroad by providing crucial combat, combat support, and combat service support units to the combatant commanders, the Army, joint/combined forces, and the states and territories. The Army National Guard provides ready forces capable of performing full-spectrum operations in support of our civil and military leadership. As we enter the sixth year of war, the Army National Guard is well established as a battle hardened and respected fighting force.

The Guard consistently proves itself capable of operating across the wide spectrum of missions. This includes urban combat and stability/support operations in Iraq, Afghanistan, and the Horn of Africa, peacekeeping in the Sinai and Balkans, security operations in Guantanamo Bay, as well as homeland defense and defense support to civil authorities within the United States.

For Operation Jump Start, the Presidential initiative to support the Southwest border states, the Army National Guard deploys to California, Arizona, New Mexico, and Texas in one of three categories:

—*Forward Deployed*.—Troops are deployed within the Border Patrol sector, fulfilling U.S. Customs and Border Protection-assigned duties in direct support of the Border Patrol. To support efforts to deter and apprehend illegal aliens and drugs from crossing the border, these troops fill critical border security missions, including identifying and locating people attempting to enter illegally, building fences, maintaining vehicles, and performing administrative and support duties to help Border Patrol agents return to the front lines.

—*At Joint Task Force Headquarters*.—Troops perform command and control functions and provide oversight for training.

—*In Training/Transition*.—Troops deploy within the border states and engage in preparatory training in rules for use of force, cultural awareness and desert survival, and in specific training to perform border security duties that are assigned by U.S. Customs and Border Protection. As with any mission, training is a critical component to ensure that National Guard troops are fully prepared to perform their duties.

Aviation

Fiscal year 2006 was an exceptional year for ARNG Aviation. We have contributed more than 60,000 flying hours to the Global War on Terrorism, have flown an average of 8.7 hours per month per aircrew in home station aviation unit training, and accomplished these missions with a focus on safety and high standards. This

past year was also a transitional year which sets in place the foundation for our new identity in Army Aviation. The activations of the Security and Support Battalions and the selection of the Light Utility Helicopter, the gains made in the transition to new units, and the formulation of the ARFORGEN training resource model will all serve to define the ARNG Aviation program for the next generation. As aircraft were distributed to modernize units, aircrew qualification and proficiency training was accelerated to prepare for upcoming deployments.

Support the Warfight

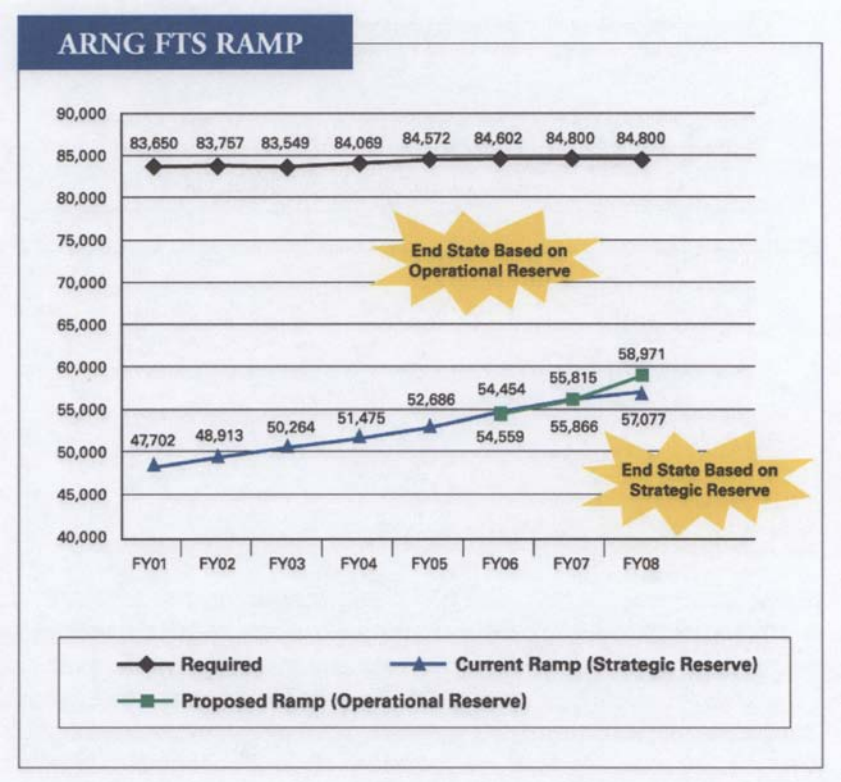
End-Strength, Accessions, and Attrition

Fiscal year 2006 was a watershed year in terms of revitalizing the ARNG strength maintenance program and our growth in end-strength. The strategy is working. Focus, leadership and accountability, increased recruiter manning levels, and innovative programs have positioned the ARNG for success in fiscal year 2007 and beyond. End strength is rising, accessions continue to outpace previous annual records and even with extended deployments, our retention rates are exceeding expectations. The ARNG is committed to achieving the congressionally directed end-strength of 350,000 Soldiers for the Army National Guard. The ARNG end-strength at the end of fiscal year 2006 was 346,288 Soldiers. In fiscal year 2006, the ARNG added more end strength than all other Army components combined. This represents a net growth in end strength of 13,111 Soldiers in one year. With heavy deployments, both at home and abroad, this was an outstanding accomplishment. Command emphasis was also instrumental in achieving a strong retention rate of 118 percent.

Much of our 2006 recruiting success was due to a revolutionary recruiting program called the Guard Recruiting Assistant Program (G–RAP). This program utilizes a performance based contract vehicle for Soldiers to recruit for the ARNG while under a civilian contract. These contract employees are called Recruiting Assistants (RAs). The RA is paid $1,000 once a potential Soldier enlists and another $1,000 when the new Soldier departs for Basic Combat Training. As of September 30, there were 88,900 RAs and 15,106 actual enlistments. Another recruiting program, entitled Every Soldier a Recruiter, was introduced to all Army components. This program enables Soldiers, including Active Guard Reserve Soldiers, to recommend non-prior service individuals to join any Army component. Once that Soldier enlists and completes Initial Entry Training, the referring Soldier is paid $1,000. As of the end of fiscal year 2006, the ARNG had enlisted 758 new soldiers under this program. The ARNG is optimistic and confident that with programs like G–RAP and ESAR we will continue to grow the force and have manned units to meet all missions.

Full-Time Support

Events during the past year have continued to highlight the Army National Guard's critical role in supporting our nation's defense and security. While our Soldiers were deployed on critical missions around the world or redeploying to the United States from Iraq and Afghanistan, they were also supporting their communities, providing fire fighting support, disaster relief, community support, airport security, and border security. As this report goes to press, ARNG Soldiers are assisting other federal agencies with surveillance, reconnaissance, security and other support to help stem the flow of illegal drugs, immigrants, and possible terrorists, from entry into this country. No other DOD component indeed, no component of the federal government, can provide the broad range of operational capabilities that the Guard provides to the nation.



One of the critical keystones to these capabilities is our Full-time support force, which enables and provides the training, planning, and preparations for Soldiers and unit operations and readiness. This support force is responsible for organizing, administering, training, and recruiting new personnel, as well as maintaining equipment. Full-time support personnel are key to successful transitions from peacetime to wartime and are critical links to the integration of the Army's components: Active, Guard, and Reserve.

Even as the Army's and the nation's expectations and use of the Guard have increased in numbers, frequency and types of operations, support for our full-time force has continued at pre-9/11 levels, and the relatively small annual growth agreed to in 1998 is at risk. The National Guard is at the lowest of all Reserve Components for full time support. In order to ensure a C1 fully operational force, it is critical that we increase full time support to a minimum of 90 percent of total validated requirements. The shift from a strategic reserve to an operational reserve has further strained the current full time support force and has hindered critically essential improvements to unit readiness and support to the dual missions of Global War on Terrorism and Homeland Security, in addition to the Guard's state responsibilities for disaster relief.

Facility Operations and Maintenance

The ARNG operates more than 27,000 facilities, including more than 2,900 readiness centers, in nearly 2,700 communities in 50 states, 2 territories, the Commonwealth of Puerto Rico and the District of Columbia. The sustainment, restoration, and modernization program is key to the training, readiness, and mobilization of the ARNG. This program keeps ARNG facilities in good working order by funding preventive maintenance, emergency work orders, and repairs and replacements to facility components. It also funds projects required to extend the useful life of the facilities and for minor construction required to make them more efficient and adaptable to mission changes. Continued acceptance of risk in this program threatens to further decelerate this critical component of ready forces.

Military Construction Program

The Army National Guard received over $1.1 billion in military construction funds for 91 projects in fiscal year 2006. This is about $717 million and 42 projects more than last year. Funding for Hurricane Katrina and BRAC projects were the basis for this increase. The breakout is as follows:

[In millions of dollars]

	Amount
Military Construction	523
Katrina Supplemental	584
BRAC	56

The implementation of BRAC enabled the Army National Guard to greatly enhance its military value to the Army. It will also improve the Army National Guard's homeland defense capability and improve training and deployment. Overall, BRAC has enabled the Army National Guard to obtain significant efficiencies and cost savings through the removal of 211 inadequate undersized Army National Guard facilities in 32 states. Closing these facilities will be offset by the construction of modern facilities that are designed to support the unit and other local Guard and Reserve units that will be stationed there.

Environmental Program

The ARNG Environmental Program made great progress in fiscal year 2006 even as compliance driven requirements increased. The program is responsible for maintaining compliance with all applicable federal, state and local environmental requirements in the 54 states and territories with a constrained budget of $129.5 million. Two additional major accomplishments this year were the successful preparation of 105 National Environmental Policy Act documents to support $1.2 billion in MILCON projects in 40 states, and a second full year of compliance-clean up program efforts as evidenced by the identification of 120 new sites that require cleanup actions.

Logistics-Depot Maintenance

Funding for the Army National Guard's depot maintenance requirement was increased by 6.4 percent between fiscal years 2006 and 2007. In 2006, the ARNG Depot Maintenance Program accepted some risk when it was funded at $228.3 mil-

lion. During fiscal year 2007, the amount of equipment qualifying for depot repair increased by 32.9 percent. This increase was due primarily to the rebuild of the Army National Guard's aged tactical wheeled vehicle fleet. In addition, the program continues to address near term equipment readiness issues with M88A1 Recovery Vehicles and Multiple Launch Rocket Systems (MLRS).

During 2006 the Army National Guard depot program funded the overhaul of 2,443 tactical vehicles (5 ton trucks, tractors, dump trucks and High-Mobility Multipurpose Wheeled Vehicles (HMMWV), 30 M978 Heavy Expanded Mobility Tactical Trucks (HEMTT), 27 M88A1 Recovery Vehicles, 42 MW24C Scoop Loaders, 10 Graders, 15 Scrapers, 5 MLRS launchers, 23 Fork Lifts, and three M109A6 Paladins.

The Training and Education submission is dedicated to Mr. Thomas "Tommy" Hill. Tommy served the ARNG with distinction for more than sixty years and is known as the father of the State Officer Candidate School.

Training and Education

Despite heavy demands on personnel, the Army National Guard continues to meet or exceed training and education requirements. Deploying well trained and qualified soldiers and units requires thorough planning and effective execution from our training teams.

In fiscal year 2006, the ARNG distributed over $321 million in school funding to the states and territories for Initial Skills Acquisition, Professional Development, and Duty Military Occupational Skill Qualifications (DMOSQ). We fell short of our critical requirements in this area. The Total Army School System schoolhouses also received about $51 million.

The ARNG worked with the Active Component to further refine ARFORGEN in the Army Campaign Plan. The ARNG developed training models that predict increasing resources and training events to coincide with increased readiness leading up to unit availability for deployment. The ARNG conducted an eXportable Training Capability (XCTC) event at Camp Atterbury, Indiana for a battalion of the 76th Brigade Combat Team. XCTC is designed as a culminating event in the ARNG ARFORGEN training model, an event designed to demonstrate company proficiency. XCTC will mitigate the shortfall of Combat Training Center events currently available to the ARNG.

The ARNG assigned strength ending fiscal year 2006 was 346,301 Soldiers, of which 76.6 percent were DMOSQ. Accurate reporting of DMOSQ is critical in assessing and forecasting future training requirements. The ARNG improved its ability to report DMOSQ percentages with support from the ARNG Readiness Improvement Program (ARIP). ARIP assisted in identifying and analyzing the individual training needs to meet or exceed the required readiness levels necessary to mobilize units. Phased mobilization is the individual and collective training that a Soldier receives two to four months prior to being mobilized with his/her unit. It is a planned, phased schedule that brings the Soldiers together fully trained and mission ready. Priority of phase mobilization training is DMOSQ (RECLASS), initial military training, professional military training, additional skill identifier, leader development and new equipment training. Nationwide, the 81 ARNG regional training institutes maintained a 91.8 percent graduation rate (84,250 Soldiers). It is the goal of ARNG leadership to fill the institutes to their full capacity of 190,136 students.

The Sustainable Range Program, through the Range and Training Land Program and the Integrated Training Area Management Program, provide support for the operations and maintenance of ranges and maneuver land. These programs funded support of operations and training on approximately two million acres of land, 2,500 ranges, and at more than 115 ARNG Training Centers. As the focal point for predeployment training, the ARNG maintains 16 major training centers. In 2006, the ARNG also invested in fifteen major range construction projects in Pennsylvania, Virginia, Michigan, Vermont, Missouri, and Mississippi, in support of the ARNG ARFORGEN range strategy. To date, the Army National Guard has approximately 200 ranges that still require upgrades to meet Army standards.

Utilization of the Army Distributed Learning Program increased and sustained readiness levels by delivering quality training to Soldiers when and where the training was required. Users of Distributed Learning training products increased to 211,000 in fiscal year 2006 from the 98,000 in the previous year. Courseware was developed in 2006 to support ARNG ARFORGEN and transformation training strategies that included Military Occupational Specialties and Functional Area producing courses, as well as Professional Military Education and courseware for unit training.

Army Communities of Excellence

The mission of the Army Communities of Excellence Program (ACOE) is to provide a quality environment, excellent facilities, and services. States and installations that accept the challenge to participate in the ARNG Communities of Excellence Program have a proven record of Readiness for Soldiers and units whether at home or abroad. The ACOE performance is measured by using the Army Performance Improvement Criteria—commonly known as APIC. As a self-assessment tool, the APIC has proven invaluable as an approach to implementation of organization-wide improvement. Although the ACOE Program makes annual awards, the goal of the ACOE program is sustained improvements in the mission readiness of our Soldiers and their units through continuous improvement in the following areas: Well-being of Soldiers and their families; prioritization and management of limited resources; relations with communities within and beyond the Installation; and sustainability of Installations.

In fiscal year 2006, 22 ARNG communities participated in the ACOE Program competition, which focuses on the improvement in excellence made in states and at installations, and in the quality of life of our Soldiers, civilians, and their families. The Joint Force Headquarters-Ohio was selected as the overall ARNG 2006 winner and represented the Army National Guard at the Department of Army ACOE Award Ceremony in May 2006.

Information Technology

The Information Technology (IT) infrastructure supports the entire Army National Guard. Programs include Long Haul Communications, Base Communications, Automation, Administrative Services, Visual Information and Audio Support, and IT Information Assurance.

During fiscal year 2006, our IT organization was resourced at $222 million and 64 percent of this funding was distributed directly to the 54 states and territories. The remaining 36 percent was centrally executed in support of the Enterprise IT infrastructure. Over $88 million of the budget (40 percent of the IT funding) was executed in base communications. These resources supported the processing and storage of over 100 software applications at each United States Property and Fiscal Office, state headquarters, and the Army National Guard Readiness Center.

In support of the CNGBs mandate to improve interagency communications during domestic emergencies, the ARNG IT team coordinated the acquisition of Land Mobile Radios (LMRs), as well as a contingency stockage level, for the hurricane-prone states. The ARNG IT team also provided support and coordination for the Southwest border mission.

Transformation for the Future

Personnel Transformation

The Army National Guard Personnel Division is committed to transforming the human resources strategic and operational policies, programs, and procedures for all members of the Army National Guard. When implemented in 2008, the Defense Integrated Military Human Resources System will be the largest personnel and pay system in the world. Army National Guard Soldiers deployed all over the globe will have global access at any time, anywhere. This system will revolutionize the quality and speed of personal human resources support. With access to the internet, the individual ARNG Soldier can update changes in pay profiles (withholding amounts) to promotion board entries, reassignment requests and even changes for dependent family members. These are only a few examples of how the ARNG is transforming its way of taking care of Soldiers.

The organizational structure of human resources support for the commander is changing as well. An ARNG personnel services initiative re-engineers the operational and institutional human resources processes for mobilized forces. The new designs will eliminate layers and redundancy and increase the effectiveness of personnel processes. A sign of the times was the conversion of paper personnel records for the approximately 300,000 enlisted Soldiers (more than 25.6 million images) in the Army National Guard into the Personnel Electronic Records Management System (PERMS) was completed in March 2006.

Medical Readiness

The large numbers of ARNG Soldiers mobilized in support of the Global War on Terrorism have made individual medical readiness (IMR) an issue that can no longer be ignored. The IMR requirements (physicals, immunizations, and dental screenings) have lacked standard definitions and have experienced other challenges in the Reserve Component. The Department of Defense has worked to better define medical readiness, however, medical readiness does not always equate to

deployability. As of August 1, 2006 the ARNG was only 20 percent fully medically ready using DOD standards. Yet the ARNG has successfully deployed over 263,000 Soldiers since 9/11 and has dramatically reduced the numbers of non-deployable Soldiers who report to the mobilization stations. While Congress has acted to increase the frequency of medical screening, there is no evidence that increased screening improves deployability. Without the authority and resources to correct deficiencies found during screening, the readiness status of the force will not substantively change.

Post Deployment Health Reassessment

In March 2005, the Assistant Secretary of Defense for Health Affairs directed the establishment of the Post Deployment Health Reassessment. The program is designed to identify health concerns that may not become evident until several months following return from operational deployment. This program provides a global health assessment, with an emphasis on mental health, three-to-six months after a deployment.

As a Commander's program, the Post Deployment Health Reassessment is designed to assist our Soldiers to gain access to medical care and navigate the available health care services and benefits to which they are entitled as Combat Veterans. The Army National Guard's Post Deployment Health Reassessment Program helps to ensure that Soldiers have the opportunity to identify their specific health care concerns and speak with a health care provider.

An integral part of the assessment is Battlemind II Training, developed by the Walter Reed Army Institute of Research, to alert Soldiers to the potential challenges of reintegration and to de-stigmatize behavioral health issues. The Department of Veteran's Affairs has been an invaluable partner in providing support by educating Soldiers about their benefits and entitlements and providing both physical and mental health care treatment through Veteran's Health Administration Healthcare Facilities and Vet Centers in their local communities.

The Army National Guard Post Deployment Health Reassessment Program has focused on educating Soldiers, Family Members, and Commanders on the health care benefits and resources available to them. A significant component of our strategic communication plan is the creation of an information portal hosted on the Army National Guard's Virtual Armory Website. It provides a comprehensive Commander's Toolkit which includes policies, procedures, and information from supporting agencies relevant to the Post Deployment Health Reassessment.

The Army National Guard continues to lead the Army's effort to provide this valuable program to our Soldiers. In fiscal year 2006, the Army National Guard screened 25,793 Combat Veterans. In fiscal year 2007 we will provide the program to over 50,000 Soldiers who will return from a combat deployment. This valuable program will continue to identify deployment related health concerns of our Soldiers and ensure that they have access to the care to which they are entitled, while remaining a part of a ready force.

Family Assistance Centers

In 2006, the Army National Guard continued to provide family assistance to deployed Guard and Reserve service members and their families. Services were also provided to geographically-dispersed Active Component family members. As the Army lead agency for the establishment and execution of family assistance, the Army National Guard operated an average of 400 Family Assistance Centers each month in fiscal year 2006.

Support is available throughout all phases of deployment; preparation (pre-deployment), sustainment (actual deployment), and reunion (reintegration): and is critical to the long-term health and welfare of the family unit. The primary services provided by the centers are information, referral, outreach, and follow-up to ensure a satisfactory result. In fiscal year 2006, the Guard Family Management System was developed to track referrals and the outreach process to better serve our service members and their families.

The continued operation of the Family Assistance Centers in 2007 is necessary to support the Global War on Terrorism as we provide support services to our dispersed family members for the long-term welfare of the family unit.

LIEUTENANT GENERAL CRAIG R. MCKINLEY, VICE CHIEF, NATIONAL GUARD BUREAU AND DIRECTOR, AIR NATIONAL GUARD

MESSAGE FROM THE DIRECTOR

Today's Citizen Airmen epitomize the enthusiasm, adaptability and innovative spirit of America. Everyday they are called upon to defend the freedoms of this

great nation and help our citizens in times of crisis. They are the embodiment of our militia heritage and the future of our Air Force.

The Air National Guard is an invaluable resource for the Air Force and the Governors, transitioning seamlessly between federal and state roles. Overseas, our military experience (Air National Guard officers' average 18 years total service; our enlisted members average 14 years) and civilian skills have proven invaluable to prosecuting the Global War on Terrorism (GWOT). Since the events of September 11, 2001 our Expeditionary Combat and Combat Support units have filled over 140,000 individual deployment requirements. In addition to meeting training and readiness requirements, Air National Guard aircraft have flown over 176,000 sorties as part of air defense and Air Expeditionary Forces in support of the GWOT. That's an average of 90 sorties each day, every day, for more than five years! At home, the Hurricane Katrina relief effort brought into sharp focus our role as America's Hometown Air Force. We flew over 3,000 sorties, moved over 30,000 passengers, and hauled over 11,000 tons of desperately needed supplies into Gulf Coast airfields, some of which Guard personnel opened and operated. Our Air National Guard Special Operations troops, or Battlefield Airmen, rescued 1,443 people—heroically pulling stranded Americans off rooftops to safety. Air National Guard medical units treated over 15,000 patients at eight sites along the Gulf Coast, combining expert medical care with compassion for our fellow Americans. All these numbers tell our story: a story of America's Hometown Air and Space Force—always ready when you need us.

The role of the Air National Guard in the 21st century will be defined not only by where we have been but where we are going. We can look back on our 370 years of militia heritage with justifiable pride. And while the future is always uncertain, there are steps we can take now to ensure the Air National Guard will remain an important part of our nation's defense.

Our role within the Air Force has matured and changed over the past decade and a half. Since 1989, the active duty Air Force has reduced its forces by 210,000 personnel and 2,800 aircraft and relied on the Air National Guard and Air Force Reserve to fill the gap. The ability of the Air National Guard to add a critical surge capability through the use of its traditional force increases the efficiency of the active duty Air Force.

In addition to our combatant commanders' requirements for Air National Guard capabilities, our 54 states and territories have their local requirements, and these needs must be addressed in the Air Force planning and programming processes. Defense of the Homeland is the top priority of the National Military Strategy, and the Governors rely on their Air and Army National Guard to deal with everything from blizzards and hurricanes to pandemic flu and the possibility of a terrorist incident. Due to the unique nature of our state mission, the Air National Guard has to do a better job of explaining its multifaceted roles, obligations and responsibilities to its stakeholders and the active duty Air Force.

One of my initial three goals after my appointment as director was to rebuild the trust of the Adjutants General. To further that goal, I asked that the strategic planning process charter be rewritten. Now a new team of representatives drawn from the field at the general officer, colonel and senior enlisted levels ensures their voices are heard as we work with our partners in the USAF to develop a strategic vision for the Air National Guard of tomorrow.

The second of my goals was to reconnect with the U.S. Air Force. In an effort to reacquaint ourselves fully with our active duty partners, we've begun to slowly integrate parts of the Air National Guard Directorate and the Headquarters Air Force staffs to facilitate better decisions for the Air National Guard and the Air Force. As 24 percent of the Air Force, we look forward to both participating as a full partner in shaping policy, by influencing programming and planning decisions up front, instead of coordinating and responding at the last minute. America benefits the most when ANG attributes like stability, experience, civilian skills, and community roots are effectively leveraged within one Air Force.

We are committed to serving our state's and the nation's needs by assisting them with training, technical assistance and effective, up-to-date resources and tools. Emerging Air National Guard leaders must be able to move seamlessly between federal and state leadership positions, bridging the gap between state and federal missions to ensure the resources and tools we have are the ones we need.

To meet the challenges of today and tomorrow, it is vital to have an organization that is leaner and more responsive to changing requirements. The third of my initial goals was "getting the organization right," and we've gone about it in a number of ways.

First, we examined many of our business practices using Air Force Smart Operations for the 21st Century, or the AFSO21 process, a combination of Lean, Six Sigma and other proven business process engineering programs. The goal is to save

money by eliminating outdated, inefficient, duplicate or overly complex ways of doing business.

We've modernized and updated our advisory councils to make them more open and accountable to the Adjutants General and National Guard Bureau leadership. We've asked former directors of the Air National Guard and retired senior non-commissioned and commissioned officers to participate in a Minuteman Heritage to Horizon group, our counterpart to the Air Force Chief of Staff's initiative. These "grey beards" bring a wealth of experience and wisdom to our discussions about the future.

Finally we've taken a long look at our Air Directorate, how we're organized, who our customers are, and how to best meet customer's needs. The building much of the directorate staff occupies right now in Arlington, Virginia, is on the BRAC list and is scheduled to close in 2010. This has given us a perfect opportunity to decide where to station our people for best utilization within the Air Force as well as meeting the day-to-day requirements of Air National Guard wings, multiple detachments, and personnel attached to units throughout the world. The newly dedicated Conaway Hall, home of the Air National Guard Readiness Center, will provide a "one-stop shop" to manage our daily operations, while a small staff who work with me, and the integrated headquarters staff at the Pentagon will focus on the strategic planning and programming needs of the Air National Guard and the Air Force.

To complement the success we've had with my initial goals I have developed priorities for the rest of my tenure that will set us on a successful course through the next generation of the Air National Guard. To meet the challenges of tomorrow we must shape our environment to Develop Adaptable Airmen, who have the knowledge and training to react and succeed in any new mission, even one we may not even have thought of yet. The Air National Guard will continue to secure the Homefront while defending the nation. Finally, we must transform ourselves into a capabilities-based force, unbound by old missions and ideas from the last century, ready to meet the challenges of an information age.

Our posture statement details how we will use these three priorities—Developing Adaptable Airmen, Securing the Homefront while defending the nation, and Transforming our Force—to remain a force that Guards America and Defends Freedom.

Homeland Defense

Air Sovereignty Alert

Since September 11, 2001, thousands of Air National Guardsmen have been mobilized to operate alert sites and alert support sites for Operation Noble Eagle in support of Homeland Defense. Our ANG has partnered with active duty and reserve forces to provide combat air patrol, random patrols, and aircraft intercept protection for large cities and high-valued assets in response to the increased terrorist threat. The ANG has assumed the responsibility of all ground alert sites and some irregular combat air patrol periods. This partnering agreement maximizes our nation's current basing locations and capitalizes on the high experience levels within the ANG and its professional history in Air Defense operations.

Space Operations: Using the Stars to Serve the Community

For the Air Guard, space operations provide a critical communications link to communities throughout the nation in the form of satellite support for everyday uses, television, computers, and wireless phones, but also serve as an important military deterrence from external threats. Colorado's 137th Space Warning Squadron provides mobile survivable and endurable missile warning capability to U.S. Strategic Command. Recently, Air National Guard units in Wyoming and California have come out of conversion to provide operational command and control support to Northern Command and to provide round-the-clock support to the Milstar satellite constellation. Alaska's 213th Space Warning Squadron ensures America's defense against nuclear threat by operating one of our nation's Solid State Phased Array Radar that provides missile warning and space surveillance.

The Air Force has approved space missions for the 119th Command and Control Squadron in Tennessee to support the U.S. Strategic Command, and the 114th Range Flight in Florida is partnered with an active Air Force unit performing the Launch Range safety mission. There are future plans by the Air Force to transition additional space program missions and assets in Alaska and other states to Air National Guard control.

Support the Warfight

Medical Service Transformation—Expeditionary Combat Support, Homeland Defense, and Wing Support

The Air National Guard's Surgeon General led the Air National Guard Medical Service through its most revolutionary transformation in history by reconfiguring its medical capabilities into Expeditionary Medical Support systems. These systems provide highly mobile, integrated and multifunctional medical response capabilities. They are the lightest, leanest and most rapidly deployable medical platforms available to the ANG today. This system is capable of simultaneously providing Expeditionary Combat Support to the warfighter for Air and Space Expeditionary Force missions, Homeland Defense emergency response capabilities to the states and support to the Air National Guard Wings. The Expeditionary Medical Support capability allowed ten percent of Air National Guard medical unit personnel to deploy for Operation Iraqi Freedom, compared to only three percent in the early 1990s for deployments for Operations Desert Shield and Desert Storm. The U.S. Central Command has validated that the Expeditionary Medical Support system is a perfect fit for the Chief of Staff, U.S. Air Force Global Strike Task Force and Concept of Operations.

The Expeditionary Medical Support system also plays a critical role in Homeland Defense. The ANG Medical Service plays a vital role in the development and implementation of the National Guard's Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive Enhanced Response Force Package. This package will provide support to state and local emergency responders and improve Weapons of Mass Destruction response capabilities in support of the Civil Support Teams. The ANG has contributed to the 12 trained CERFP teams and will build towards 76 Expeditionary Medical Support teams by 2011.

At Readiness Frontiers, over 100 medical planners received Federal Emergency Management Agency training to enhance ANG Medical Service responsiveness to homeland disasters. This is the first time the medical service has taken on an endeavor of this magnitude and it allows for future training opportunities in building routine relationships with military, federal and civilian response personnel.

Our medical service's new force structure provided by the Expeditionary Medical Support system delivers standardized and much-improved force health protection, public health, agent detection, and health surveillance capabilities to better support all Air Guard Wings. This will enhance the protection of the wings' resources and improve the medical readiness of its personnel.

Eyes and Ears in the Sky—Air National Guard Intelligence, Surveillance, and Reconnaissance Systems and Support

The Air National Guard's Intelligence, Surveillance, and Reconnaissance (ISR) personnel and systems play an increasingly important role in the defense of our nation. Air Guard men and women are essential to support Global Hawk, Predator, and U–2 collection missions.

Due to a significant increase in Air Force mission requirements, the Air Guard continues to expand its intelligence collection and production capability. The Air Guard has also expanded its imagery intelligence capability through the use of Eagle Vision, which is a deployable commercial imagery downlink and exploitation system. This system provides valuable support to aircrew mission planning and targeting, as well as imagery support to natural disasters and terrorism.

Other developing Air Force capabilities entrusted to the ANG include the F–16 Theater Airborne Reconnaissance System and the C–130 Scathe View tactical imagery collection system. The Theater Airborne Reconnaissance System will be improved to provide near-real-time support to warfighter "kill-chain" operations in day-night, all weather conditions. Scathe View provides a near-real-time imaging capability to support humanitarian relief and non-combatant evacuation operations. To support signal intelligence collection requirements, the Air Guard continues to aggressively upgrade the Senior Scout platform. Senior Scout remains the primary collection asset to support the nation's war on drugs and the Global War on Terrorism in the southern hemisphere.

Comprehensive and Realistic Combat Training—An Asymmetric Advantage

The National Guard Bureau has a fundamental responsibility to ensure that the men and women of the Air Guard are properly trained to meet the challenges they will face to protect and defend this country. This can be done through the effective development and management of special use airspace and ranges. To support this training requirement, the Air Guard is responsible for 14 air-to-ground bombing ranges, four Combat Readiness Training Centers, and the Air Guard Special Use Airspace infrastructure.

The four Combat Readiness Training Centers provide an integrated, year-round, realistic training environment (airspace, ranges, systems, facilities, and equipment), which enables military units to enhance their combat capability at a deployed, combat-oriented operating base and provide training opportunities that cannot be effectively accomplished at the home station. As such, these centers are ideal assets for the Joint National Training Capability. The centers offer an effective mix of live, virtual and constructive simulation training. The ANG continues to pursue Joint National Training Capability certification for these centers and ranges.

It is imperative to the warfighter that the Air Guard maintains its training superiority. As the warfighting transformation and joint operational requirements evolve, it is essential that the airspace and range infrastructure be available to support that training. There are challenges. To keep our Citizen-Airmen trained to the razor's edge, we must have the Joint Threat Emitter to simulate the various surface to air missile and anti-aircraft artillery threats that any future conflict might present.

Transformation for the Future

Modernizing for the Future

The Air National Guard is committed to modernization and recapitalization required to keep our forces "Guarding America" and "Defending Freedom" by performing any missions tasked by the state or federal authorities now and in the future. With the resources entrusted to us, our capabilities based effort focuses on modernizing and recapitalizing our aircraft and equipment to protect our homeland, fight the GWOT, and transform for the future.

As an equal partner with the Air Force in air and space expeditionary forces, we aggressively develop smaller multi-role combat forces that are networked, integrated, and more capable. In addition, Total Force integration capitalizes on our inherently high experience levels by giving the Air National Guard new missions such as ISR, Unmanned Aerial Systems operations and space operations.

The following summarizes the Air National Guard's force posture by weapons system: The E–8C Joint Surveillance Target Attack Radar System (JSTARS) continues to be the command and control system of choice by all combatant commanders. JSTARS supports the war fighter by locating, classifying and tracking ground targets and movement, day or night, in all weather conditions, at ranges in excess of 150 miles. All 17 E–8C's are operated by the 116th Air Control Wing, at Robins AFB, GA, the first-ever blended wing consisting of both Air National Guard and Air Force personnel. Keeping the system modernized while maintaining the current high operations tempo in combat will be a continuing challenge. The most urgent modernization needs for the JSTARS include re-engining, installation of the Traffic Alert and Collision Avoidance System, integration of a self-protection suite, and avionics upgrades to ensure compliance with the Global Air Traffic Management agreement.

The A–10 continues to support the Global War on Terrorism in Operation Enduring Freedom as the premier close air support platform. The Precision Engagement (PE) modification is underway. The ANG is leading the way with the two operational squadrons equipped with PE. This system will digitize the cockpit, provide the A–10 with its first data link, improve targeting pod integration, and add JDAM and WCMD to its weapons menu. As an interim solution while waiting for the PE modification, the remaining ANG A–10's will be modified with the "A+" package providing them with a Smart Multi-Function Color Display (SMFCD). Installation of the SMFCD will provide improved integration with targeting pods and data links. Future improvements include the ARC–210 radio, which provides secure line-of-sight and beyond line-of-sight communication, thereby enabling the A–10 to link directly to the forces on the ground. The engine upgrade program remains a high priority to increase the A–10's thrust. Upgrading the engines increases performance and permits carriage of a larger load of munitions and remains an Air National Guard focus.

Air National Guard F–16s continued to provide crucial combat capabilities during 2006 in Operation Iraqi Freedom, Operation Enduring Freedom, and Operation Noble Eagle. The Block 25/30/32 F–16 continued its modernization program by fielding the Commercial Central Interface Unit, Color Multi-Function Displays, and AIM–9X missile capability. The ANG is also pursuing integration of the Advanced Identification Friend or Foe system, Joint Helmet Mounted Cueing System (JHMCS), small diameter bomb, and improved data link capabilities. Block 52 F–16s completed the Common Configuration Implementation Program (CCIP), fielding Link 16, JHMCS, and AIM–9X capability. Air National Guard Block 42 F–16s began the CCIP modification this year and will continue through 2010.

Air Guard F–15s will lead the Combat Air Forces into the next generation radar capability by procuring the APG–63 (V3) Active Electronically Scanned Array radar. Initial deliveries begin in fiscal year 2009. Another next generation effort is research and test of an advanced digital radar warning receiver for enhanced situational awareness, survivability, and mission effectiveness in the future SAM threat environment. Continued funding is required to purchase additional Joint Helmet Mounted Cueing Systems, which provide a quantum leap in air-to-air weapons employment and more complete sensor-to-pilot fusion.

The HC–130 is completing installation of a Forward Looking Infrared system, an essential capability during combat rescue operations. The MC/HC–130 will continue with installation of a Large Aircraft Infrared Countermeasures system to provide protection from infrared missile attack, particularly man-portable missile systems. The ANG MC–130P are funded for and will begin installation of the AN/APN–241 low power color radar.

The HH–60G has begun a program to install AN/ARS–6 Personnel Locator System ensuring accurate tracking and communication with personnel requiring recovery. Additionally, installation of new, more survivable and functional aircrew seats for flight engineers and aerial gunners will begin this year. Finally, a critical modification program will begin this year to install Smart Multi Function Color Displays on all ANG HH–60Gs making it capable of supporting a variety of new capabilities including integration of the Situational Awareness Data Link.

The ANG pararescuemen and special tactics personnel continue to modernize with state of the art equipment necessary to give these operators at the tip-of-the-spear capability necessary to execute their critical missions.

ANG units started full-time MQ–1 Predator unmanned aerial vehicle operations by assuming an orbit from Air Combat Command in August 2006, and will reach initial operational capability (IOC) at three units by the middle of fiscal year 2007. ANG continues to pursue development and acquisition of an integrated Predator Operations Center (POC) that would incorporate current and future operations equipment in an open architecture design. The POC will allow smooth operation and control of current and future transformational warfighting and homeland defense missions. This new POC design would integrate the multiple systems that currently run independently. It would allow integration of new tools into the cross-cued integrated system to support emerging missions. This system will provide significantly improved mission effectiveness and enhanced situational awareness. The new POC design would be incorporated initially into three locations, and used at two future MQ–1 and MQ–9 units scheduled to reach IOC by early 2010.

The Distributed Common Ground System (DCGS) remains a highly effective asset coveted by all combatant commanders. It provides theater-wide processing, exploitation, and dissemination of imagery and data from Predator, U–2, and Global Hawk. Keeping the system modernized while maintaining the current high operations tempo will be a continuing challenge. The most urgent modernization needs for the DCGS include a signals intelligence equipment suite and an alternate satellite downlink to provide the weapon system with a redundant connectivity with the intelligence community.

Air National Guard C–130s provided more than 65 percent of the Air Force's tactical airlift capability and 35 percent of strategic airlift. Since September 11, 2001, ANG C–130s have flown over 59,805 hours in support of Operation Enduring Freedom and over 48,307 hours in Operation Iraqi Freedom. Additionally, ANG C–130s played an essential part in operations supporting hurricane relief efforts for both Hurricanes Katrina and Rita. They flew 2,272 sorties carrying 20,080 passengers and 5,855 tons of cargo. C–130 enhancements included participation in the multi-command Avionics Modernization Program to upgrade nearly 500 aircraft to a more modern, standardized, sustainable cockpit configuration. Furthermore, the Air National Guard continued acquisition of the AN/APN–241 low power color radar; purchased more Large Aircraft Infrared Countermeasures systems to better protect our crews; purchased three additional Visual Threat Recognition and Avoidance trainers (VTRA); led the way in finalizing the Virtual Electronic Combat Training System for the C–130 fleet; and continued development of Scathe View capabilities to include various technological spin-offs that have applications in a myriad of civilian and military projects and programs. Other Air Guard programs include assessment of upgraded propellers using an electronic propeller control system, the NP2000 eight-bladed propeller, and a second generation, upgraded Modular Airborne Fire Fighting System. Finally, the ANG initiated a program for yoke-mounted chaff and flare dispense switches, and partnered with the Air Force for the multi-year buy of the new C–130J aircraft to replace the aging C–130E fleet.

ANG KC–135s provide 80 percent of Operation Noble Eagle alert air refueling support to homeland defense interceptors. The KC–135 operations tempo has in-

creased dramatically because of the Global War on Terrorism, homeland defense, and the loss of forward operating bases. To meet the continuous demands of global power projection many upgrades are required to keep KC–135s viable and effective. Primarily, the ANG continues to upgrade Block 30 aircraft to Block 40 configuration providing full CNS/ATM compliance. The ANG KC–135 fleet is in a state of flux as the KC–135E models are scheduled to retire, and the Air Force works to select a follow-on tanker. The current plan is to retire all of the KC–135E models and flow active duty KC–135R models to the ANG.

The ANG modernization program process is founded on validated Air Force and Combatant Command requirements, vetted in an open and honest forum by warfighters at an annual weapon and tactics conference, and validated by ANG Weapon System Councils. This process culminates in a completely documented and updated annual Weapon System Modernization Requirements Book that is given the widest distribution. This process continues to be the cornerstone of the ANG's ability to modernize and recapitalize while "Guarding America" and "Defending Freedom."

Total Force Integration

The ANG is working with its active duty Air Force and Air Force Reserve partners to implement Total Force Integration (TFI). TFI incorporates innovative organizational constructs with a smaller, more capable force structure to leverage increased capability from new technology and capitalize on the wealth of talent inherent in all three components of the Total Force. Through the TFI process, the Total Force has identified, investigated and selected new missions in emerging fields and new ways of organizing its forces to meet the nation's military challenges. TFI provides opportunities for the ANG to participate in critical new missions, such as Unmanned Aerial Systems; Warfighting Headquarters; Command, Control, Communications, Computer, Intelligence, Surveillance, and Reconnaissance (C4ISR); Space Operations; Air and Space Operations Center; Contingency Response Groups; Long Range Strike; Foreign Military Training; Battlefield Airmen and Information Operations. Additionally, flying associations with the active component and the Air Force Reserves will allow the ANG to maintain its presence in flying missions even as the total Air Force inventory of aircraft decreases.

Total Force Integration mainly supports the legislative priority of "Transformation for the Future." BRAC, the Quadrennial Defense Review and recapitalization of the Air Force inventory have significantly impacted the way the Air Force will look in the future. While flying will remain a vital part of the Air Force mission, roles in intelligence, space operations, and Unmanned Aerial Systems are gaining importance. ANG integration into these new mission sets establishes its vital role in warfighting for years to come. Additionally, initiatives to "integrate" ANG flying units with active or Reserve units will enable the ANG to stay engaged in relevant flying missions and provide opportunities to fly newer, more capable aircraft as they are introduced.

When the BRAC commission divested the Air Force of its older aircraft, it left several ANG wings without a warfighting mission for the future. But it also provided an opportunity for the ANG to accelerate its transformation efforts. Implementing Total Force initiatives will provide relevant, long-term missions for those Air National Guard forces exposed by BRAC. These missions are vital to the ongoing war on terror and provide assets useful in maintaining homeland defense and security.

The results of the BRAC Commission hearings have accelerated the TFI process. Taking inputs from the field, functional experts and the major commands, the TFI process has identified over 100 potential new missions for the Air National Guard. So far, 63 missions have been identified for implementation over the next several years. Some of these missions are already being implemented to employ forces made available by BRAC and the ANG continues to examine the feasibility and implementation of others on the list.

The next step is to correctly implement these approved initiatives in order to afford a smooth transition for the affected units. As these initiatives are taken from concept to reality, responsibility will shift from the planners and programmers to those who will guide the units through their conversions. They will ensure that facilities are constructed, equipment procured and personnel trained so that the new mission provides combat capability and support to the state for homeland missions. At the same time, the ANG will continue to examine potential new missions to identify opportunities for further integration into the Total Force.

Through the TFI process, the ANG is aggressively pursuing new missions to provide meaningful missions for our units, homeland defense and disaster support for the states and unparalleled combat capability for our nation.

Force Development

As part of the Total Force, the Personnel Directorate of the Air National Guard realizes it is essential that we transform into an effects-based, efficient provider of human combat capability for our warfighters and our nation. Our Vision and our Strategic Plan set the transformational flight-path for the personnel community in support of the Air Expeditionary Force, security for the homeland, our states' missions, and roles in the community. Furthermore, we will advance our continued commitment to a diverse Air National Guard, not just in gender and ethnicity, but in thought, creativity, education, culture, and problem-solving capabilities.

A Future Total Force (FTF) plan has been developed for the decades beyond the Future Years Defense Program. FTF leverages the strengths of all three components (Active, Guard, and Reserve), as well as anticipated advances in technology, to create the effects needed in tomorrows battle space. Most importantly, it capitalizes on our most potent, flexible resource: the warfighting Airman. The personnel community is ready and willing to do what it takes to make this happen.

As we continue to achieve the Secretary of Defense's charge to shift resources "from bureaucracy to the battlefield," we have placed assets at the Air Force Personnel Center to make the Personnel Service Delivery Transformation a reality. This will dramatically modernize our processes, organizations, and technology by which we support Airmen and their Commanders. We are providing Airmen with web-based capabilities to conduct most of their routine personnel transactions online. All of this enhances our ability to acquire, train, educate, and deliver Airmen with the needed skills, knowledge, and experience to accomplish Air Force missions.

At the present time we are establishing web based information to assist personnel affected by BRAC in considering new opportunities that could be available once emerging missions begin unfolding.

Our new personnel Strategic Vision and Plan outline the transformational path we have set for the Personnel Community. At the core of the Personnel Strategic Plan is a new, dynamic view of the Personnel Life-Cycle Continuum. This dynamic view focuses on outcomes rather than on mere transactions, and the performance measures we are implementing will guide and direct our efforts to achieve the ultimate goal of the creation of a customer focused, mission-driven Total Force service-based delivery system.

Personnel Plans and Integration

Base Realignment and Closure, Total Force Initiatives and the transformational effort which drives the evolution of the ANG into an operational reserve from a strategic reserve, are just a few of the significant influences challenging this organization. While BRAC protective language preserved the Air National Guard overall end strength, the cumulative initiatives required the redistribution of resources from state to state. Because of the statutory association that a Guardmember has with their state, they may not be compelled to move to another state or unit. The adjutant general that gains reallocated resources is not obligated to receive members from the other state. Furthermore, in states where growth in resources is experienced, many Guardsmen may not qualify for a position related to the emerging mission for any number of reasons.

The end result is that many non-retirement eligible Guardmembers may eventually be forced out of the organization with no benefits, entitlements or recognition for their years of gallant service in defense of this country. This situation is unacceptable.

Recruiting and Retention

As the Air National Guard continues to implement the myriad of Base Realignment and Closure and Total Force Initiatives, recruiting and retaining quality people will be paramount in achieving and maintaining our congressionally-mandated end strength goals. We must have the right number and quality of personnel needed to support our Homeland Defense missions, our transformation to the future, and our support of the war fighter. BRAC and TFI have created a level of uncertainty with respect to what missions and how many people are going to be assigned to many of our units. Now that there is greater fidelity on these missions and the associated manpower requirements are being identified, recruiters and retainers will be in a much better position to both attract and keep quality members in the Air National Guard.

Parents, teachers, and counselors are now playing a larger role in their child's decision to join the military. In addition, security concerns have had an impact on the accessibility of some of our recruiting offices. One way we have addressed this issue is to open "storefront" recruiting offices. These offices are located in the community and are very conducive to attracting parents and prospective enlistees. We have

found that these offices offer a much less imposing sales environment than the traditional flying wing.

While Air National Guard retention continues to remain strong, we must continue to focus on providing our people with the necessary tools and support to do their jobs both at home and abroad. As we continue to transform and implement our BRAC and TFI actions, we will ask some of our members to remain with us, but perhaps in different career fields. With this in mind, we will ensure we have competitive retraining and reenlistment bonuses that will encourage these people to stay. How well we take care of our people and what level of job satisfaction we can provide will be pivotal in determining how long they will remain a member of the Air National Guard.

Information Networking for the Total Force

The Air National Guard Enterprise Network is critical to the successful transmission of information within a unit, between units, and among the various states. We are making progress towards modernizing our nationwide information technology network that serves a vital role in homeland security and national defense. A healthy and robust network for reliable, available and secure information technology is essential to federal and state authorities in their ability to exercise command and control of information resources that potentially could impact their various constituencies. Also essential is the continued ability to provide rapidly, deployable, tactical connectivity to the enterprise network anywhere in the world. This is accomplished through deployable Combat Communications equipment and personnel which respond to major contingencies, combat, and disaster relief missions. ANG Combat Communications provides Defense Information Systems Network service extension—both secure and non-secure voice, message, and data communications as required. These IT systems link support commanders to their component headquarters and the President and the Secretary of Defense.

Greater emphasis must be placed on maturing the Air National Guard Enterprise Network. The rapidly changing hardware and software requirements of our warfighting and combat support functions come with a significant cost to upgrade and maintain a fully capable Information Technology network. The Air Guard network has typically been supported at the same level it was during the 1990s. Modernization of the Air National Guard Enterprise Network will enhance interoperability with other federal and state agencies and is necessary if the Air National Guard is able to accomplish its mission.

Summary

The Air National Guard will continue to defend the nation in the Global War on Terrorism across the full spectrum of operations in both the Expeditionary and Homeland Defense missions. We will draw upon our militia heritage and linkage to the community as we execute our multiple missions and roles. The men and women of the Air National Guard are serving proudly in the far corners of the globe—and here at home—and will continue to do so with distinction. We must ensure our future Air National Guard is the right size, with the right skill sets and is equally dedicated, professional and well trained as our Citizen Airmen are today—standing side by side with their active counterparts, standing ready and in defense of our great nation. They are your civilians in peace; Airmen in war—America's Hometown Air and Space Force—always ready when you need us.

MAJOR GENERAL TERRY L. SCHERLING, DIRECTOR OF THE JOINT STAFF, NATIONAL GUARD BUREAU

JOINT STAFF OVERVIEW

The National Guard Bureau Joint Staff in 2006 has been the embodiment of our entire institution's motto—ready, reliable, essential and accessible. In our 370th year, the National Guard found itself simultaneously training indigenous forces and battling insurgents in Afghanistan and Iraq, conducting peacekeeping missions in the Balkans, and furthering international security cooperation. We were guarding enemy combatants at Guantanamo Bay, guarding the skies over America's cities, providing domestic infrastructure protection, and responding to natural disasters. We were supporting counterdrug operations, conducting programs for youth at risk, and we were exercising and planning with our civilian emergency management and emergency response officials. In addition to all of that in June, 2006 we began assisting the U.S. Border Patrol in securing our 1,950-mile border with Mexico. The Joint Staff was ready for these challenges. They have demonstrated they are reliable. They are proven essential. They remain ever accessible.

Our support to the Border Patrol, Operation Jump Start (OJS), while a new mission this year, has been one that the Guard has performed many times in its past, on both the Southern and Northern borders. For this President-directed operation we deployed up to 6,000 Citizen-Soldiers and -Airmen at a time to the Southern border in support of the Governors of Texas, Arizona, New Mexico and California. During the first five months of Operation Jump Start, U.S. Customs and Border Protection has reported that Guard support has enabled the apprehension of more than 21,000 illegal immigrants and the seizure of more than 81,000 pounds of illegal drugs, greatly reducing both illegal entries and the flow of illegal drugs across the border. When we were called, we were ready.

While OJS has been significant and highly lauded, it did not detract from the myriad accomplishments and continued transformation of the Joint Staff. In fact, during this year our joint staff approved concept and implementation plans for the Joint Force Headquarters—State (JFHQ-State). JFHQ-State is the foundation for our essential homeland defense capabilities. We have developed, staffed and coordinated the first ever Joint Forces Orientation course program for joint intelligence personnel in all 54 states and territories. We completed the second iteration of our Joint Task Force Commander course, for Active Duty and Guard officers, taking the lead in the joint environment. We were active participants, across our joint staff, in a variety of capability exercises from the state level, through the National Guard Bureau to the combatant command and even interagency level. In each of these programs, trainings, and exercises, the joint staff was recognized for their reliable expertise and contributions.

In 2006 we established and implemented a web-based application, Joint Information Exchange Environment that has enabled us to maintain a Common Operating Picture and situational awareness at both the National Guard Bureau and JFHQ-State Joint Operation Centers. We have planned and trained for Continuity of Operations. We have developed and deployed Joint Enabling Teams, Joint Command, Control, and Communication teams, and Public Affairs Rapid Response Teams that liaison with the states, provide critical subject matter expertise, afford life-saving communication capabilities, and communicate urgent messages to the command and the communities. Each of these teams remains vigilant and ever ready to deploy any time, anywhere in the Unite States when needed. We have established and executed planning processes in coordination with the Office of the Secretary of Defense, U.S. Northern Command and U.S. Joint Forces Command for incidents of national significance including hurricanes, earthquakes, WMD and wildfires to ensure that the National Guard is ready to execute when called. We have upgraded existing communications equipment, not only in hurricane states, but in all 54 states and territories to improve interoperability among all participants. These substantive enhancements will save lives and mitigate human suffering, and the joint staff, which spearheaded them, is essential to mission success.

Above and beyond, the joint staff programs that are unique to the National Guard have also continued to excel this year. Our Counterdrug "drug demand reduction" program touched nearly 2.6 million people in 2006. On the interdiction side, our Counterdrug program support led to over 80,000 arrests and the seizure of more than 1.9 million pounds of illegal drugs. Our State Partnership Program, supporting international security cooperation goals of the United States, now has partnerships with 56 countries around the world, adding four more this year alone. The NGB Joint Staff continues to focus on mission first, people always. We continue to increase functions and services that enhance the quality of life for the men and women of the National Guard and our communities. Our Family Program support infrastructure now includes more than 350 National Guard Family Assistance Centers located throughout the 54 states and territories. We are providing for transition assistance. We are advocating enhanced survivor, medical, and educational benefits. This year we completed our goal of establishing a Sexual Assault Response program in all 54 states and territories. We continue to champion our citizen-soldiers and -airmen, their employers, and their families. In addition, our Youth ChalleNGnge Program since 1993 has now graduated over 68,000 young men and women. This program saves $175 million in juvenile correction costs, while lowering the percentage of youth who are on federal assistance from 24 percent to 10 percent. Each of these programs and the joint staff who support them are accessible and vital to our nation.

The National Guard and the NGB Joint Staff. Ready. Reliable. Essential. Accessible. Whether it is responding to the needs of today, or preparing for threats tomorrow, like pandemic influenza, the next hurricane, or the continued global war on terrorism, the National Guard is a trained, tested, and cohesive team, of Citizen-Soldiers and -Airmen, stronger than they have ever been in their 370-year history. And the NGB Joint Staff contains a vast reservoir of experience gained with the

sweat and blood of combat deployments, disaster relief operations, homeland security, and peacekeeping to support this incredible force. We will continue to do what is right for America. For now—and for the next 370 years—we must remain Always Ready, Always There!

Homeland Defense

National Guard Reaction Force

The National Guard has over 370 years of experience in responding to both the federal government's warfighting requirements, and the needs of the states to protect critical infrastructure and ensure the safety of our local communities. In order to improve the capability of states to respond to threats against the critical infrastructure within our borders, the Chief of the National Guard Bureau has asked the Adjutant General of each state, territory and the Commanding General, District of Columbia, to identify and develop a Quick Reaction Force capability. The goal is a trained and ready National Guard force available to the Governor that is capable of responding in support of the local community, state and, when required, the Department of Defense. NGB has been working with the states and territories to identify current response capabilities, and with Northern and Pacific Commands to ensure that National Guard capabilities are understood and incorporated into their emergency response plans. We continue to identify the additional requirements for force protection and interoperability with civil responders. The National Guard Reaction Force is not a new capability or concept. What is new is the concept of standardized training and mission capabilities being shared by all states, territories, and the District of Columbia.

Critical Infrastructure Program—Mission Assurance Assessment (CIP–MAA)

Critical Infrastructure Program-Mission Assurance Assessment (CIP–MAA) teams provide pre-incident facility and/or installation vulnerability and capability assessments for all levels of government. They also fill an identified gap within the Department of Defense for assessments of the Defense Industrial Base. When providing these assessments, teams operate in direct support of the Assistant Secretary of Defense for Homeland Defense's directive for the Defense Critical Infrastructure Program.

Support to Civil Authorities

During 2006, the National Guard, again, provided unprecedented support to federal, state, and local authorities through Homeland Defense and Homeland Security operations. Most notably, the National Guard deployed up to 6,000 Soldiers to the Southwest border of the United States in support of Operation Jump Start. This operation, due to terminate in 2008, was and continues to be an immediate, short-term national security effort designed to strengthen border security. National Guardsmen and women are assisting the U.S. Border Patrol with non-core border activities, thereby allowing the Border Patrol the time and manpower needed to hire and train an additional 6,000 agents and to implement the Secure Border Initiative. This in turn enables the Border Patrol to accomplish its law enforcement and border security mission—protecting the United States against possible terrorist threats, drug trafficking, the import of weapons, and the influx of undocumented aliens. The success of Operation Jump Start is quite evident, as more than 30,000 alien apprehensions have been made to date.

Weapons of Mass Destruction Civil Support Teams

Weapons of Mass Destruction Civil Support Teams (WMD–CST) provide the National Guard with the capability to deploy rapidly to assist a local incident commander in determining the nature of a chemical, biological, radiological, nuclear, and high-yield explosive incident. The teams also provide a strategic reconnaissance capability and situational awareness by assessing suspected Weapons of Mass Destruction (WMD) attack, advising civilian responders on appropriate actions through on-site testing and expert consultation, and assisting and facilitating in the arrival of follow-on state and federal military forces. Currently, there are 55 authorized teams (one per state/territory/District of Columbia and two in California). The CST program is composed of 1,210 full-time AGR Army and Air National Guard members. Each team is fully engaged in planning, training and operations to support local and state emergency first responders as well as other federal agencies.

Operationally, CST is under the command and control of the state Governor through the Adjutant General. The National Guard Bureau provides logistical support, standardized operational procedures, and operational coordination to facilitate the employment of the teams and ensure back-up capability to states currently without a certified Civil Support Team.

Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive Enhanced Response Force Package

Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive Enhanced Response Force Packages (CERFP) enhance the National Guard's ability to quickly respond to chemical, biological, radiological, nuclear, and high-yield explosive events. The teams are Task Force organized and comprised of existing Army and Air National Guard units. These dual-missioned units are provided additional equipment and specialized training that prepares them to respond rapidly (deployment-ready within six hours) to CBRNE incidents inside the United States or, at the request of a Combatant Commander, overseas. The National Guard CERFP, in conjunction with the Weapons of Mass Destruction (WMD) Civil Support Teams, provides a phased response capability. The WMD-CST will detect and identify CBRNE agents/substances, assess the potential effects of the WMD incident, advise the local authorities on managing the effects of the attack and assist with appropriate requests for additional support in order to minimize the impact on the civilian populace. The teams will provide a follow-on capability to locate and extract victims from a contaminated environment, perform medical triage and treatment, and perform Mass Patient/Casualty Decontamination to support civil first responders or military authorities. Currently there are 12 CERFPs that have completed external evaluations by 1st and 5th Army. The five additional CERFPs that were authorized by Congress in 2006 will be equipped and trained by October 2007.

National Guard Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive Enhanced Response Forces will operate within the National Incident Management System and, while not the lead agency, they will function in a support role when requested through the State's Emergency Management System. If federalized, the National Guard CERFP operates under the control of the supported Combatant Command. Additionally, each CERFP has a regional responsibility to respond to major CBRNE incidents anywhere within the 54 states and territories or as directed by national command authorities. The CERFPs are located in New York, Massachusetts, Pennsylvania, West Virginia, Texas, Florida, Colorado, California, Washington, Hawaii, Missouri, Illinois, Ohio, Georgia, Virginia, Minnesota, and Nebraska.

Vigilant Guard Exercises

Vigilant Guard is a North Atlantic Aerospace Defense Command/U.S. Northern Command sponsored exercise series that is focused on Military Assistance to Civil Authorities and asymmetric threats. It is designed to enhance the preparedness of the National Guard JFHQ-State, JTF-State, WMD–CSTs, National Guard Reaction Forces, and CBRNE Response Force packages to perform roles and responsibilities related to Homeland Defense and Defense Support to Civil Authorities.

The National Guard, in conjunction with interagency, intergovernmental, Department of Defense, and state Emergency Management Agencies, is afforded the opportunity to test tactics, techniques, and procedures. The exercise goal is to increase readiness by identifying gaps and seams in planning and operations, making corrections, and developing partnerships that cultivate a unified effort. To date, the National Guard Bureau has conducted four regional Vigilant Guard exercises with 23 participating states. Over 800 personnel from the National Guard, state Emergency Management Agencies, Federal Emergency Management Agency, Department of Homeland Security, Federal Bureau of Investigation, U.S. Northern Command, Army North, and the Department of Energy have participated. This program bridges a gap in the training continuum that neither Department of Homeland Security, U.S. Northern Command, nor Federal Emergency Management Agency can fill.

Public Affairs Rapid Reaction Team

The National Guard has established a joint Public Affairs Rapid Reaction Team that has a capability to quickly deploy and augment state public affairs capabilities during incidents of national significance or other emergencies that exceed local resources. Team members—equipped with state-of-the-art communications equipment—represent a robust strategic communication capability for our National Guard forces. These teams allow the National Guard to keep the American public fully informed by providing potentially life-saving information to citizens in need. Communicating the National Guard message in today's high-intensity, 24/7 news environment is more critical than ever. This will provide accurate, comprehensive and immediate information.

Joint Worldwide Intelligence Communications System

The increasing importance of Homeland Defense has blurred the distinction between the Guard's traditional warfighting and Homeland Security/Disaster Response roles. During crisis and emergency situations, access to national-level intelligence and imagery is critical. The Joint Worldwide Intelligence Communications System (JWICS) provides continuity across the spectrum of required missions. It allows time-sensitive intelligence information to be pushed to the Governors, Adjutants General and joint force commanders. Senior Guard and state officials gain access to important critical, time-sensitive information needed for the proper command and control of forces. Additionally, decision makers gain a vital, secure communications path to senior leadership at national level agencies. End-of-year funding paid for JWICS equipment, equipment installation, limited amounts of associated, secure carrier lines, and one year of maintenance support for each of the 30 JFHQ-State, and the central hub location at National Guard Bureau. It is planned that sufficient funding will be available to provide JWICS connectivity to the remaining 24 states and program maintenance costs for fiscal year 2007 and beyond.

Support the Warfight

State Partnership Program

The State Partnership Program directly supports the broad national interests and international security cooperation goals of the United States by engaging partner nations through military, socio-political, and economic conduits at the local, state, and national levels. The program's public diplomacy effectiveness lies in its ability to leverage the full breadth and depth of U.S. defense and interagency capabilities from within the state-country relationship. The goals of the program reflect an evolving international affairs mission for the National Guard that emphasizes its unique state-federal and civil-military characteristics to interact with both the active and reserve forces of foreign nations, interagency partners, and non-governmental organizations.

States and their partners participate in a broad range of strategic security cooperation activities to include homeland defense/security, disaster response/mitigation, consequence/crisis management, interagency cooperation, border/port/aviation security, combat medical exchanges, fellowship-style internships, and bilateral familiarization events that lead to training and exercise opportunities. All activities are coordinated through the Combatant Commanders, U.S. Ambassadors' country teams, and other agencies, as appropriate, to ensure National Guard cooperation is tailored to meet the U.S. and international partners' objectives. Within the past year, six new partnerships have been established—Nigeria/California, Suriname/South Dakota, Indonesia/Hawaii, Montenegro/Maine, Costa Rica/New Mexico and Caribbean Regional Security System countries/Florida. In all, 56 comprehensive partnerships have been established.

In fiscal year 2008 and beyond, rapidly evolving international conditions and events will offer both challenge and opportunity. The program's expansion into the developing regions of Africa, Central Asia, and the Pacific Rim will require new strategies to promote political, military and social stability while making the best use of National Guard resources. The National Guard will continue to work with the military services, Combatant Commanders, Ambassadors and international partners to establish and formalize in-country Bilateral Affairs Officer positions and training to support mission expansion and to ensure long-term effectiveness. Moving forward, the National Guard will increase its emphasis on building partnership capacity by encouraging greater interagency participation and by developing new holistic paradigms to improve international cooperation, peace and stability.

National Guard Family Program

The National Guard Bureau Family Program is a Joint Force initiative that serves as the foundation for support to families of Army and Air National Guard members. As the Guard faces an unprecedented increase in military activity and extended deployments, the highest priority of our program is to provide families with the assistance needed to cope with mobilization, deployment, reunion, and reintegration, as well as with large-scale evacuations, natural/manmade disasters, and national emergencies.

Not since World War II have so many Guard members been deployed to so many places for such extended periods. Beyond the traditional deployments and mobilizations, there has also been a steady increase in use of the National Guard for domestic missions dealing with natural disasters and large-scale evacuations. The role and support of the family is critical to success with the full range of military missions.

The National Guard Family Program has developed an extensive infrastructure that supports and assists families during all phases of the deployment process and

through the many stages of coping with disasters. Part of this support infrastructure includes more than 350 National Guard Family Assistance Centers that are located throughout the fifty-four states and territories. These centers provide information, referral, and assistance with anything that families experience during their military service. Most importantly, the centers are available to any military family member from any branch or component of the Armed Forces.

The greatest challenge lies in awareness and communication. The feedback we receive indicates that many family members are unaware of the many resources available to them during a period of active duty or deployment. The goal of our program is to reduce or eliminate service member distractions by ensuring the availability of appropriate services for eligible family members or affected National Guard members at or near their homes. The policies, plans, initiatives and partnerships of the program enhance unit cohesion, increase unit and family readiness, and support service member effectiveness.

Veteran's Affairs

The sustained mobilization of the National Guard since 9/11 has resulted in a larger number of Guard members eligible for entitlements available through the Department of Veterans Affairs. The Chief, NGB, Under Secretary for the Veterans Health Administration and Under Secretary for the Veterans Benefit Administration signed a memorandum of agreement in May 2005 that outlines support for Guard members.

Since its inception, significant progress has been made to improving the services available to Guard members and their families. A permanent liaison has been appointed at both the National Guard Bureau and U.S. Department of Veterans Affairs to resolve issues at the federal level. Additionally, 54 Transition Assistance Advisors have been trained and assigned to the JFHQ-State to act as a liaison between members entitled to VA benefits within a state and the local Veterans Affairs offices, veterans' service organizations, and community representatives. This new program builds upon the strength and success of the Guard Family Programs and capitalizes on the services already provided by the Department of Defense

Employer Support of the Guard and Reserve

Our nation's dependence on her Citizen Soldiers—Americans who generally have other civilian careers—will not change. The Employer Support of the Guard and Reserve basic mission continues to be gaining and maintaining the support of public and private employers for the men and women of the National Guard and Reserve.

A nationwide network of local Employer Support volunteers is organized in Employer Support of the Guard and Reserve (ESGR) Committees within each state, the District of Columbia, Guam, Puerto Rico and the Virgin Islands. In this way, Employer Support programs are available to all employers, large and small, in cities and towns throughout our country. Today, nearly 4,200 volunteers serve on local ESGR Committees. With resources and support provided by the National ESGR Office and the National Guard Bureau, these 54 ESGR Committees conduct Employer Support and Outreach programs, including information opportunities for employers, ombudsman services and recognition of employers whose human resource policies support and encourage participation in the National Guard and Reserve. In view of the importance of Employer Support to the retention of quality men and women in the National Guard and Reserve, and recognition of the critical contributions of the local ESGR Committees, the National Guard Bureau provides full time assistance and liaison support to the Joint Forces Headquarters and the ESGR Committees.

Youth ChalleNGe Program

The award-winning National Guard Youth ChalleNGe Program is a community-based program that leads, trains, and mentors at-risk youth to become productive citizens in America's future. As the second largest mentoring program in the nation, the ChalleNGe program is coeducational and consists of a five-month "quasi-military" residential phase and a one-year post-residential mentoring phase. Cadets must be volunteers, between 16 and 18 years of age, not in trouble with the law, drug free, unemployed, and high school dropouts.

The program has been a national model since 1993 and is offered at 29 sites in the United States and Puerto Rico. The program has graduated over 68,000 young men and women who leave equipped with the values, skills, education and self-discipline necessary to succeed as adults in American society. Significantly, although many ChalleNGe candidates are from at-risk populations, over seventy percent of the graduates have attained either a General Equivalency Diploma or high school diploma. Furthermore, approximately twenty percent of all graduates choose to enter military service upon graduation. The ChalleNGe program saves $175 million in juvenile corrections costs, while lowering the percentage of youth who are on fed-

eral assistance from 24 percent to 10 percent. The results are a ChalleNGe program that actually makes money for the tax dollars spent. Although the program graduation rate is above ninety-four percent and the general equivalency diploma attainment is over seventy percent, the National Guard seeks greater success in both of these areas.

The National Guard Counterdrug Program

For over 17 years, the National Guard Counterdrug program has worked with more than 5,000 Law Enforcement Agencies, to protect the American homeland from significant national security threats. The Guard assists these agencies in their effort to stop illegal drugs from being imported, manufactured, and distributed; and supports community based drug demand reduction programs that touched nearly 2.6 million people in 2006. The Counterdrug Program also provides support to the combatant commanders of both U.S. Northern and Southern Commands. Given the growing link between drugs and terrorism, the National Guard Counterdrug Program continues to complement America's homeland security efforts.

The National Guard Bureau Counterdrug Program, as executed by the 54 states and territories through their respective Governors' Counterdrug Plan, supports the Office of National Drug Control Policy strategies. We have embedded this within the six general mission categories including: program management; technical support; general support; counterdrug related training; reconnaissance/observation; and drug demand reduction. In 2006, approximately 2,539 National Guard personnel provided counterdrug support to law enforcement agencies while remaining ready, reliable, and relevant for their wartime mission by actively participating with their unit of assignment at weekend training, annual training, and individual Soldier and Airmen professional development.

In fiscal year 2006 (Oct. 1, 2005-Sept. 30, 2006) the National Guard support efforts led to 80,843 arrests and assisted law enforcement in seizing the following:

Cocaine	714,670 pounds
Crack Cocaine	8,764 pounds
Marijuana eradicated	4,000,734 plants
Marijuana (processed)	1,141,946 pounds
Methamphetamines	38,485 pounds
Heroin	3,134 pounds
Ecstasy	714,668 pills
Other/Designer Drugs	1,866,099 pills
Weapons	20,084
Vehicles	11,936
Currency	$209,232,166

In addition to counterdrug support operations, Army and Air National Guard aviation assets supported HLD and HLS operations along the northern and southwest borders. During 2006, counterdrug aviation assets flew over 41,000 hours in support of federal, state and local law enforcement agencies.

Counter Narcotic/Counter Narco-Terrorism Expeditionary Forces

The National Guard currently fields Counter Narcotic/Counter Narco-Terrorism Expeditionary Forces (CNNTEF) in twelve states. These teams are manned by Soldiers and Airmen on full time duty that have the specialized equipment and training to conduct ground reconnaissance, criminal analysis, and counter drug civil support operations.

With a focus on theater security, these teams apply their skills in the current environment to develop theater security cooperation, to protect against trans-national threats, and to counter the threats of trafficking in narcotics and associated narcoterrorism. In an effort to ensure and enhance the capabilities of these teams, the National Guard Bureau works closely with agencies within the Department of Defense, the Department of State, and the Department of Justice, while also coordinating with U.S. combatant commands from around the globe.

The capabilities represented by the CNNTEF can be employed domestically (in support of civil authority) or internationally. International mobile training teams provide instruction for foreign law enforcement or military agencies. In 2006, activities outside the United States included a mobile training team to Kyrgyzstan, and both counter drug and counter narco-terrorism activities in support of the government of the Republic of Columbia.

Transformation for the Future

Joint Force Headquarters-State

The Joint Force Headquarters-State were established (provisionally) in October, 2003. This was a reorganization of the separate Army and Air National Guard Headquarters in each state, territory, the District of Columbia and Commonwealth of Puerto Rico to a recognized Joint Activity of the Department of Defense that was able to support the Governor or President with command and control of all assigned, attached or operationally aligned forces.

During 2006, the Director of the Joint Staff concurred with the Chief, NGB Concept and Implementation Plan to transform the existing headquarters to make the 54 JFHQ-State a reality. The Director of the Joint Staff requested a proposed draft charter for signature by the Secretary of Defense to formally recognize the JFHQ-State as Joint Activities. Charter development is well underway. JFHQ-State is ground breaking in the joint world where everything had been built around the Active Component. There remains a tremendous amount of work to modify and adapt existing regulations and instructions to accommodate a reserve component Joint Activity. This initiative will ensure the seamless integration of National Guard forces with the Active Component for response to domestic emergencies and availability of National Guard capabilities and forces for all contingencies.

The National Guard Bureau is working with the Joint Staff to develop expertise and operational experience in the Joint arena. This includes advocating for necessary changes that allow the JFHQ-State to contribute essential capabilities to the defense of the homeland, especially in the domestic theater of operations and support to civil authorities.

The Joint Force Headquarters must possess the ability to establish one or more Joint Task Forces (JTFs) to support homeland defense and Defense Support to Civil Authorities (DSCA). Additionally, the authority exists to establish a JTF within each state composed of both National Guard members in non-federal status and active component military personnel. In order to better prepare the National Guard Bureau for the challenges of a "dual status" JTF Command, the National Guard Bureau has developed and implemented a formal training program for senior leaders and support staff from all 54 states and territories. The dual-status JTF commander is a transformational concept that leverages the unique capabilities resident in the total force and strengthens unity of effort in support of the homeland defense mission and DSCA.

The overall effort involves two programs, the Joint Task Force Commander Course and the Joint Task Force State Staff Course (JSSC). The commander's course is a four day in-resident program offered twice annually that focuses on presenting senior officers with instruction on the most current guidance, policy, directives, and lessons learned regarding Joint Task Force command. The JSSC is a one-year blended Distance Learning course in conjunction with two in-resident face to face sessions concentrating on training the Joint Force Headquarters staff in support of the JTF Commander, and providing DSCA.

The National Guard is responsible for sharing information that is timely, relevant and accurate to various federal, state, and interagency partners. The advent of the JFHQ-State is the primary means to ensure that information is quickly passed from the state level to the federal level and consolidated into a comprehensive NGB Common Operations Picture. This is then disseminated through the NGB Joint Operations Center to external state, federal, and interagency partners. In order to ensure that information from the 54 states and territories is standardized the NGB is conducting a series of Joint Operation Center training classes that will enable NGB to quickly and accurately correlate and disseminate information. The National Guard is also working to ensure that all 54 states and territories are able to man these headquarters on a 24/7 basis. The NGB is also hosting a collaborative operating environment known as Joint Information Exchange Environment to facilitate accurate and timely information flow.

Joint Combined State Strategic Plan

The Joint Combined State Strategic Plan (JCSSP) directly supports both Homeland Defense and Transformation for the Future. A strategic planning initiative directed by Lieutenant General Blum, the JCSSP is designed to categorize, assess and analyze state National Guard capabilities in support of Joint Domestic National Guard operations. This strategic plan serves both as a strategic and operational planning tool for the Governors, the state National Guard, National Guard Bureau, and United States Combatant Commands when responding to domestic emergencies. The plan also serves as an analytical tool that allows National Guard Bureau to determine what units should be added to the National Guard force structure

during the Transformation process in order to maintain or increase domestic response capabilities.

Currently, there are ten core joint capabilities—Command and Control, CBRNE, Maintenance, Aviation/Airlift, Engineer, Medical, Communications, Transportation, Security, and Logistics. Each capability is assessed for overall response potential and units are tracked for their status and availability down to company or flight level. Recent Hurricane Katrina Relief efforts highlighted the importance of having this information readily available. The National Guard was able to identify and mobilize units based on current availability and specific functional capability. In addition, individual states have used the state based joint combined strategic plan to render civil authorities support during life threatening snow storms and severe flooding this past winter.

JCSSP is a dynamic program to which enhancements have been added. that allow the states to better assess their response capabilities. One such enhancement is the Joint Capabilities Database which was developed in the past year to give the states the ability to provide near-real time input on unit status and availability in each capability area. This database is a web-based application that has been made available to each state National Guard, state emergency management office personnel and combatant commands. An ability to assess situational response capability to specific events has been built into the database. Eighteen events are currently monitored, such as hurricanes, tornadoes, floods, wildfires, and civil disturbances. This database allows the National Guard to meet the requirements of National Defense Authorization Act 2007 requiring the Secretary of Defense to maintain a database of emergency response capabilities for each state National Guard.

The current ability of the Joint Combined State Strategic Plan and its associated Joint Capabilities Database to track individual joint core capabilities needed to support Homeland Defense and Homeland Security tasks make this program a critical element in the continuing transformation of the National Guard and the National Guard's continued relevance to the nation.

Joint Continental United States (CONUS) Communications Support Environment

The Joint CONUS Communications Support Environment (JCCSE) is an umbrella term for the National Guard's initiative to provide an interoperable command, control, and communications (C4) capability for National Guard forces in homeland defense or disaster response.

During the Hurricane Katrina response, we learned that when catastrophic events occur, the National Guard from several states will likely respond. The National Guard requires a command, control, and communications capability that is interoperable with U.S. Northern Command, as well as local and state entities in the affected area. Therefore, the JCSSE provides this capability for National Guard units and their respective Joint Force Headquarters, the Department of Homeland Defense, the Federal Emergency Management Agency, along with the active component forces that may be employed for the event.

Since Katrina, NGB has identified gaps in the C4 capability of JCSSE and has worked to eliminate them. The National Guard Bureau is currently upgrading existing communications equipment and fielding an upgraded version of a deployable C4 package in all 54 states and territories. These activities will provide improved interoperability among participants and will provide "reach back" for reporting situational awareness to command authorities. Additionally, we work closely with U.S. Northern Command to establish Joint Operations Centers at the National Guard Bureau and the JFHQ-State. These operations centers have the necessary information technology equipment and software to share information with federal, local, and state partners. We have also recently developed and fielded the Joint Information Exchange Environment, a web-based portal application that allows the National Guard and the JFHQ-State to better exchange information and work from a common operational picture.

STATE ADJUTANTS GENERAL

Alabama—Major General (Ret) Crayton M. Bowen
Alaska—Major General Craig E. Campbell
Arizona—Major General David P. Rataczak
Arkansas—Major General Ronald S. Chastain
California—Major General William H. Wade, II
Colorado—Major General Mason C. Whitney
Connecticut—Major General (CT) Thaddeus J. Martin
Delaware—Major General Francis D. Vavala
District of Columbia—Major General David F. Wherley, Jr., Commanding General

Florida—Major General Douglas Burnett
Georgia—Major General David B. Poythress
Guam—Major General Donald J. Goldhorn
Hawaii—Major General Robert G. F. Lee
Idaho—Major General Lawrence F. Lafrenz
Illinois—Major General (IL) Randal E. Thomas
Indiana—Major General R. Martin Umbarger
Iowa—Major General Ron Dardis
Kansas—Major General Tod M. Bunting
Kentucky—Major General Donald C. Storm
Louisiana—Major General Bennett C. Landreneau
Maine—Major General John W. Libby
Maryland—Major General Bruce F. Tuxill
Massachusetts—Brigadier General (MA) Oliver J. Mason, Jr.
Michigan—Major General Thomas G. Cutler
Minnesota—Major General Larry W. Shellito
Mississippi—Major General Harold A. Cross
Missouri—Major General (MO) King E. Sidwell
Montana—Major General Randall D. Mosley
Nebraska—Major General Roger P. Lempke
Nevada—Brigadier General Cynthia N. Kirkland
New Hampshire—Major General Kenneth R. Clark
New Jersey—Major General Glenn K. Rieth
New Mexico—Brigadier General (NM) Kenny C. Montoya
New York—Major General Joseph J. Taluto
North Carolina—Major General William E. Ingram, Jr.
North Dakota—Major General David A. Sprynczynatyk
Ohio—Major General Gregory L. Wayt
Oklahoma—Major General Harry M. Wyatt, III
Oregon—Major General Raymond F. Rees
Pennsylvania—Major General Jessica L. Wright
Puerto Rico—Colonel (Ret) Act Benjamin Guzman
Rhode Island—Major General Robert T. Bray
South Carolina—Major General (Ret) Stanhope S. Spears
South Dakota—Major General Michael A. Gorman
Tennessee—Major General Gus L. Hargett, Jr.
Texas—Major General Charles G. Rodriguez
Utah—Major General Brian L. Tarbet
Vermont—Major General (VT) Michael D. Dubie
Virginia—Major General (VA) Robert B. Newman, Jr.
Virgin Islands—Brigadier General (VI) Eddy G. L. Charles, Sr.
Washington—Major General Timothy J. Lowenberg
West Virginia—Major General Allen E. Tackett
Wisconsin—Major General Albert H. Wilkening
Wyoming—Major General Edward L. Wright

Senator INOUYE. General Vaughn.

STATEMENT OF LIEUTENANT GENERAL CLYDE A. VAUGHN, DIRECTOR, AIR NATIONAL GUARD

General VAUGHN. Chairman Inouye, Senator Stevens, distinguished members, it's a great privilege to be here again with you. I ask that my statement be read in the record and I'll try to synopsize this quickly.

A year ago, we came before you and talked to you about strength as the number one piece that we're concerned about. Now, I'll draw your attention to the chart on the right. This chart on the right hand side shows where we started in 2003. We started our skid to the right hand side and started down in strength. We bottomed out somewhere around 330,000. As you know, our appropriated end strength was supposed to be 350,000. A year ago, we were around 335,000 to 336,000. Since that time, we have averaged a net gain of over 1,000 a month to our end strength. The States have done a magnificent job. These are bright, young, and enthusiastic men

and women coming forward to serve. The States and the Governors have really rolled it out. They've done everything that we could have asked, to make a commitment to recruiting this force.

Now, in the last several weeks, of course, our great Chief of Staff of the Army has come over several times and testified. One of his mantras is don't confuse capability with enthusiasm. I will tell you that we have enthusiasm. The capabilities you buy. You buy it in terms of training dollars, and you buy it in terms of equipment. We need more help with these issues.

Now, as we talk about those particular pieces, one being equipment, the Army has worked very, very hard with us on this. As you all know, $36 billion is what's programmed for us inside Army accounts between 2008 and 2013.

If that holds and if we can see that in terms of transparency and trust. That is a key word—transparency. We have to see the equipment all the way from the appropriations to the units. As General Blum talked to you about, in the past you have provided dollars and equipment through the National Guard and Reserve equipment accounts. We have control and visibility over that. We bought anything on the 125 list of the 342 dual-use items, the things that we said we were going to buy, we bought with that money.

We need $36 billion to hold us all the way through, but it does not get us to 100 percent at the end of 2013—we will be at 77 percent with that $36 billion to hold us all the way through.

A couple of things have happened lately. One of them has been the new pre-mobilization training dialogue that we've entered into. As you know, we recently mobilized four more BCTs. These units have been ready nearly 1 year early and have to have the resources and equipment now, prior to deployment, to reach as high level of readiness as we possibly can.

I ask you to watch closely the personnel accounts. Watch closely what happened to us in recruiting—I think it is fairly obvious that is referred to as the hook chart. We're on a path toward something that we need so that we can take some of this heat off the soldiers doing all the deployments. Just like the Army, we need to grow.

Thank you so much for your help. It's been an honor being here in front of this subcommittee. We look forward to your questions.

Senator INOUYE. I now recognize General McKinley.

STATEMENT OF LIEUTENANT GENERAL CRAIG R. MCKINLEY, DIRECTOR, AIR NATIONAL GUARD

General MCKINLEY. Thank you, Mr. Chairman, distinguished members of the subcommittee. It's indeed an honor to be the junior member of General Blum's team here today. I will complete 1 year in the job in June. It's been an incredible year. I've visited many of your States, many of the units in your States. I'm deeply impressed with the spirit and professionalism of all the men and women who make up the Air National Guard.

I think my three priorities today are to tell you that your Air National Guard is ready to fight today. They are totally integrated in the United States Air Force on the global war on terror (GWOT). They're fighting the away game very professionally in all theatres of the globe and we're also providing great support here at home.

General Blum gave us the opportunity to assist in Operation Jump Start. We're now providing over 1,000 airmen along with the Army National Guard along our Southwest border, which has been a very impressive mission for us.

I would like to just take one State, maybe one unit and give you an example of some of the issues we're facing. Senator Dorgan, if you'll indulge me, I'll use the 119th Fighter Wing in Fargo.

As a result of a base realignment and closure (BRAC) decision in North Dakota, four major movements have occurred. This has happened across all of your States. The 119th Fighter Wing is a very distinguished fighter wing in your State, sir, with an unparalleled safety record in single seat fighters. As a result of BRAC, it lost its F–16 fighters and the decision was made to convert them to MQ–1 drones. They've taken on that mission exceptionally well, very professionally and they've got men and women today fighting in the GWOT with crews ready to fight.

In addition to the unmanned air vehicles in Fargo, there is additional unmanned air vehicles scheduled to go to Grand Forks, North Dakota. We will integrate the Air National Guard men and women in that organization.

Finally, General Blum made the decision to put the joint cargo aircraft, when it is built, in Fargo. We will await the decision on that aircraft. When it arrives and in lieu of that aircraft arriving now, General Blum and I made the decision to bridge that mission, a flying mission, to put Lear jets or C–21s in there so we don't lose the skills of those airmen and those maintenance people waiting for the joint cargo aircraft.

I'll say there's an incredible amount of churn going on, but your airmen are doing an exceptional job. I could go down each member of the Air National Guard here today and give you similar stories about how capable and how effective they are, but these are challenging times. We're integrating well in the GWOT. We're taking care of our airmen, and we're participating with our United States Air Force in its recapitalization. It's extremely important to the Air National Guard that our Air Force continues to recapitalize, so that we can transition the 20th century Air National Guard into a highly effective, combat-capable 21st century Air National Guard.

That, Mr. Chairman, is my brief statement. I look forward to your questions and I thank you all very much for your support of the Air National Guard.

Senator INOUYE. Thank you very much, General McKinley. We'll begin our questioning now. Senator Durbin has advised me that he has to be on the floor at 11:15 so please proceed.

Senator DURBIN. I'll wait.

Senator INOUYE. You'll wait? Then I will call on Senator Stevens.

CAPABILITY OF RESPONDING TO NATURAL DISASTERS

Senator STEVENS. Thank you very much. General Blum, there is no question that you've responded to the calls that have been placed upon the Guard and Reserve. But how has it affected the response to disasters at home now? Are the Governors complaining about the loss of personnel you mentioned? General McKinley mentioned some disruption in North Dakota. Are any Governors com-

plaining about the loss of the capability of the Guard to meet the contingency at home, such as hurricanes, floods, disasters?

General BLUM. Every Governor in our great Nation has that concern that they have a National Guard that they can call on that's ready and capable. If you look at chart 11, the cube please, this is the challenge that we face.

You can see across the top a little model of a child's puzzle that is simple to do. Not really—only about 30 percent of the American people can ever solve one of these puzzles, but this is the puzzle we have to deal with every day. Across the top you can see the recruiting, retention and equipment, training, and exercising the unit so it has the capabilities to do the missions it's asked to do.

The missions we're asked to do every day such as consequence management, homeland defense, homeland security and domestic operations, plus the overseas war fight, and you have to balance that all. The Governors have been terrific, patriotic, and very, very serious partners in the defense of this Nation. After all, they are the commanders in chief of the Army and Air National Guard of their States and territories. They understand they're going to have to share those capabilities and equipment to protect our Nation abroad and they have done that.

What they have asked us to do at the National Guard Bureau is to balance the capabilities that are left in the State when the unit has to respond to the Federal mission overseas, so it's not so disproportionate that any State is left at risk.

In February 2003, we made a commitment to the Governors of this Nation too, in fact, ensure that they always have 50 percent of their capabilities available to them back at home, even while the troops were deployed overseas. We have honored that commitment. There is not a single State or territory in our great Nation that right now has more than 25 percent of its Army and Air National Guard deployed overseas.

Senator STEVENS. Let me ask General Vaughn about that then. Is the training of combat taking consideration—this agreement of keeping 50 percent at home, that those at home don't need to be trained to fight at combat level, they need to be trained for disaster and riot and help the security concepts. Are we still training that 50 percent to go overseas anyway?

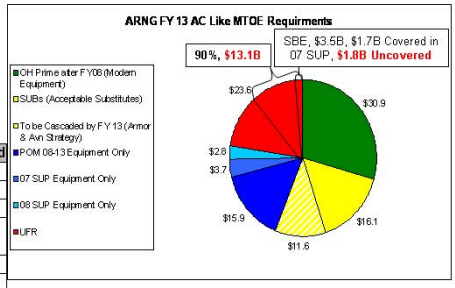
General VAUGHN. Well, what we're up to now, Senator, if you think about the pressure that is on the force and you talk about going, say once every 5 years, like it is now and the fifth year, you'd be deployed. This means that in the fourth year and third year, you've got to train for that Federal mission. There's no question about it. You've got to be ready to get that out of the way so you could deploy on that fifth year. Years one and two when you get back and what they call—years one and two, that should be the focus of what they do.

I'd go back to exactly what General Blum said. We're saying that there has to be so many available in any one year. Years one and two—that is truly their focus, because three and four it turns into the Federal mission.

ARNG Equipping Requirements Overview

ARNG Total Requirement for FY13 AC Like MTOE & TDA: $104.6B

ARNG FY13 AC Like MTOE Rqmnts	$B	% OF Rqd
Total Required $B	$104.6	100%
OH Prime after FY08 (Modern Equipment)	$30.9	30%
SUB (Acceptable Substitues)	$16.1	15%
To be Cascaded from AC by FY 13 (Armor & Avn Strategy)	$11.6	11%
POM 08-13 Equipment Only	$15.9	15%
07 SUP Equipment Only	$3.7	4%
08 SUP Equipment Only	$2.8	3%
Value On Hand + Pgmd + Cascade	$81.0	77%
Total UFR	**$23.6**	**23%**
UFR to Reach 90%	**$13.1**	



FY13 ARNG AC Like MTOE Requirements
The ARNG has a **$23.6 UFR** after FY13
$13.1B against this equips ARNG to 90%

* "Equipment Only" Only includes funds that purchase new equipment.
* On Hand Equipment does not include Unacceptable Substitutes (Example- M35s and 800s)
* Does not Include "Grow the Army" and all costs are based in FY08 dollars

ARNG UFR TO REACH 90 PERCENT: $13.1 BILLION

Equipment Category	Required Quantities (000)	On Hand Quantities (000)	Quantities Delivered Fiscal Year 2007–08 (000)	Shortfall Quantities Before Fiscal Year 2008–13 (000)	Shortfall Before Fiscal Year 2008–13 ($M)	Procurement Program Fiscal Year 2008–13 ($M)	Post Fiscal Year 2008–13 Shortfall ($M)	UFR to S–1 Floor (90 percent) [1]
Armor-Hvy T/W	15.04	8.58	.59	5.87	$1,949.18	$2,312.76	.....	.....
AVN	60.58	29.84	.36	30.38	$12,928.15	$3,596.72	$9,331.43	$5,528.87
C2	189.68	17.02	23.95	148.71	$1,917.63	$2,021.18	.....	.....
Communicate	589.81	336.90	15.52	237.39	$3,009.98	$1,512.38	$1,497.60	$891.07
Engineer	30.97	14.42	.79	15.76	$1,655.52	$851.72	$803.80	$478.26
Force Protection	476.50	356.94	20.29	99.27	$996.37	$122.89	$873.48	$519.72
ISR	5.65	2.22	.93	2.50	$381.96	$787.05	.....	.....
Logistics	588.11	137.45	3.07	447.59	$1,637.92	$648.38	$989.54	$588.78
Maintenance	19.25	3.25	2.29	13.71	$281.19	$36.50	$244.69	$145.59
Medical	25.14	10.24	6.19	8.71	$15.98	$101.67	.....	.....
Precision Strike	27.51	10.49	.91	16.10	$1,975.81	$2,474.67	.....	.....
Security	1,730.86	819.94	135.94	774.97	$3,561.81	$1,543.94	$2,017.87	$1,200.63
Transportation	179.61	51.20	17.61	110.80	$10,163.36	$5,178.90	$4,984.46	$2,965.76
Other	262.05	72.35	.....	189.70	$1,451.32	.....	$1,451.32	$863.54
Totals	4,200.75	1,870.85	228.23	2,101.46	$41,926.18	$21,188.76	$22,194.19	$13,182.22

[1] In addition to the fall current funds programmed through fiscal year 2013, an additional UFR of $13.18 billion is required to get the ARNG to 90 percent EOH (S–1). It will take approximately $24 billion to reach 100 percent. All figures are based on fiscal year 2008 Costs and don't include "Grow the Army" Costs.

FISCAL YEAR 2008 ARNG TOP 25 EQUIPMENT MODERNIZATION SHORTFALL LIST

[Dollars in millions]

	Quantity Required	Quantity Shortage	Shortage	POM 2008–13	APPN	UFR 2008–13
HMMWV	48,715	18,611	$4,039	$1,647.0	OPA	$2,392.0
Family of Medium Tactical Vehicles	37,995	30,140	$7,267	$1,689.9	OPA	$5,577.1
HTV—HEMTT/LHS/PLS	21,180	14,796	$1,652	$1,059.3	OPA	$592.7
M916A3 Light Equipment Transporter	1,591	794	$180	$152.4	OPA	$27.6
Tactical Trailers	5,699	2,984	$177	$10.6	OPA	$166.4
M917A2 Dump Truck	544	334	$67	.....	OPA	$67.0
CH–47F Chinook	159	159	$6,678	$670.6	ACFT	$6,007.4
Comm Systems (JNN, SINCGARS, HF)	143,615	62,613	$3,997	$968.7	OPA	$3,028.3

UAV Systems (Shadow, Raven)	586	575	$462	$307.1	OPA	$154.9
Small Arms	209,098	99,129	$360	$240.0	OPA	$120.4
ABCS (Suite of Systems)	1,399	800	$166	$20.7	OPA	$145.3
Digital Enablers (Log Automation)	12,167	7,873	$196		OPA	$196.0
Movement Tracking System	16,711	12,588	$302	$203.4	OPA	$98.6
Night Vision (AN/PAS–13, AN/VAS–5)	41,912	33,170	$640	$241.5	OPA	$398.5
Tactical Water Purification System	131	128	$61	$38.9	OPA	$22.1
Tactical Quiet Generators	19,611	12,748	$324	$118.1	OPA	$205.9
All Terrain Crane (ATEC)	174	29	$7		OPA	$7.0
M9 ACE SLEP	114	90	$80		OPA	$80.0
Route and Area Clearance Systems	138	138	$203	$167.8	OPA	$35.2
Horizontal Construction Systems	587	332	$141	$111.0	OPA	$30.0
Howitzers (M777A1, M1 19A2)	498	342	$4,259	$477.4	WTCV	$3,781.6
Profiler	65	63	$57	$57.2	OPA	
LLDR	1,099	1,034	$362	$187.5	OPA	$174.5
Gun Laying Positioning System	455	208	$20		OPA	$20.0
Chemical (Detectors, Decon & Shelters)	65,719	52,433	$669	$107.5	OPA	$561.5
TOTALS	629,962	352,111	$32,367	$8,476.5		$23,890.1

Quantity Required=Endstate Fiscal Year 2008 ARNG Requirements (MTOE or like AC) to fully modernize the ARNG.
Quantity Shortage=Quantity Required minus On-Hand minus Programmed (2-year Equipment Distribution Plans).
Shortage ($M=Quantity Shortage times Per Unit Cost.
POM 2008–13 ($M)=Total procurement funding stream from FDIIS (dtd 10 JAN 07), by Army Program Element (APE) for respective equipment systems.
APPN=Type of Appropriation (OPA minus Other Procurement Army, ACFT minus Aircraft, WTCV minus Weapons & Tracked Combat Vehicles).
UFR 2008–13 ($M)=Shortage dollar amount minus POM 2008–13 dollar amount.

ESSENTIAL 10 KEY ENABLERS: DSCA PRIORITIZED BUY LIST

Item	Priority 1	Priority 2	Priority 3	Priority 4	Rationale/justification
Joint Force Headquarters: Miscellaneous Equipment	$5,000,066	$5,000,027	$5,000,126	$5,000,111	
Command and Control (C2):					
Joint Network Nodes (JNN)	$33,300,000	$16,650,000	$16,650,000	$16,650,000	Provides the tactical user with an interface to strategic data networks; and interoperability with commercial, joint, combined and coalition communications systems across multiple security levels
Army Battle Command Systems (ABCS)	$7,808,500	$7,233,500	$5,638,100	$6,458,800	Provides enhanced situational awareness via a suite of systems that receive and transmit C4ISR information
Standard Army Management Information System (STAMIS)	$25,727,920	$20,550,610	$21,595,610	$15,953,980	Provides logistics management/automation systems and electronic information exchange capability via both tactical and commercial networks

ESSENTIAL 10 KEY ENABLERS: DSCA PRIORITIZED BUY LIST—Continued

Item	Priority 1	Priority 2	Priority 3	Priority 4	Rationale/justification
Unmanned Aerial Vehicle—SHADOW	$15,000,000	$15,000,000	$15,000,000	$15,000,000	Without funding the ARNG will be unable to provide commanders superior situational awareness, information flow, and adequate Force Protection in urban and conventional tactical environments
Communications: HF Radios/Equipment	$16,288,475	$17,445,135	$15,435,815	$18,785,815	Provides secure, long-range voice and data capability
Aviation:					
Helicopters—Hoists/Mounts	$953,016	$1,191,270	$1,191,270	$1,191,270	Required to support HLD/HLS, state, domestic and other contingency operations
Helicopters—NAVSTAR GPS Aviation Sets	$1,235,130	$1,235,130	$1,370,130	$1,370,130	Provides modern equipment and interoperability to ARNG aircraft
Civil Support Teams and Force Protection:					
NBC Shelters	$5,502,000	$6,288,000	$7,860,000	$7,860,000	Provides a contamination free and environmentally controlled work area for medical personnel
NBC—Joint Services Transportable Decontamination System Small Scale (JSTDS–SS).	$990,000	$990,000	$1,155,000	$1,320,000	Without funding the ARNG will be cascaded outdated and no longer in production models of the M17 LDS from the Active Component
NBC Radiation/Chemical Detectors	$682,160	$682,160	$816,990	$910,740	Provides the capability to monitor and record the exposure of individual personnel to gamma and neutron radiation
Engineer:					
Heavy Construction Equipment—Horizontal (Dumps, Graders, Excavators).	$16,151,889	$11,927,933	$12,579,096	$11,957,388	Replaces overaged systems that are in critical need of modernization and incapable of full mission support
Heavy Construction Equipment—Vertical RTCH, ATLAS)	$19,004,075	$16,755,970	$19,505,970	$22,255,970	Primary container/material handling equipment required to support and sustain ARNG units
Logistics:					
Generators—Small/Medium	$5,348,830	$5,839,690	$5,839,690	$5,783,445	Critical requirement during natural disaster or state emergency. Provides electrical power as needed to support mission requirements
Liquid Logistics—Water Purification	$6,451,500	$8,070,000	$8,047,500	$10,707,500	Replaces existing 600 GPH reverse osmosis water purification systems with a 1,500 GPH capability
Liquid Logistics—Tank Water	$4,840,000	$4,840,000	$4,840,000	$5,550,000	Provides a bulk water delivery/distribution/storage systems
Maintenance: STAMIS—Standard Army Maintenance System (SAMS).	$967,458	$942,780	$983,910	$1,557,590	Mission critical system required to support unit-level maintenance support requirements
Medical: HMMWV Ambulance	$13,455,000	$14,490,000	$14,490,000	$13,455,000	Provides patient transport/evacuation capability
Security:					
Small Arms—Shotgun	$264,610	$299,860	$332,525	$377,645	Critical for security operations in urban environments
Night Vision—Driver's Vision Enhancers (DVE)	$4,926,825	$4,926,825	$5,036,310	$5,474,250	Provides a thermal night vision capability to drivers enabling continuous mission operations
Transportation:					
HMMWV—Un Armored	$101,590,000	$107,800,000	$107,800,000	$106,765,000	Critical enabler for the ARNG to perform all mission and support requirements, domestic or combat

HMMWV—Up Armored	$31,598,000	$38,003,000	$38,003,000	$35,868,000	
FMTV—Trucks	$60,451,326	$61,580,790	$60,966,638	$60,451,326	Replaces obsolete, non-deployable trucks. Critical enabler for the ARNG to perform all mission and support requirements
HTV—HEMTT Tanker/Wrecker/LHS	$42,833,720	$52,628,720	$51,203,720	$50,637,440	Provides line and local haul, resupply, and recovery capability to sustain operations
HTV—PLS Truck/Trailer/Bed/CHU	$56,768,600	$56,768,600	$56,768,600	$56,768,600	Primary component of the maneuver-oriented ammunition distribution system. Also performs local-haul, line-haul, unit re-supply and other transportation missions
MTV—M916A3 Light Equipment Transporter	$11,350,000	$11,350,000	$11,350,000	$11,350,000	Prime mover for pulling the M870 series trailer and heavy engineer equipment
MTV—Tactical Trailers	$11,510,000	$11,510,000	$10,540,000	$10,540,000	Required for transport of heavy engineer equipment, ISO containers, and other cargo
Total	$500,000,000	$500,000,000	$500,000,000	$500,000,000	

Now, if you look at this chart, Senator Stevens, this is the model that the Governors of this Nation have worked with the National Guard Bureau to develop. They are absolutely comfortable—we will deliver on that promise.

The only place we have fallen short is in the equipment piece. There are States in our Nation today that have less than 50 percent of the equipment that is necessary to do the essential 10 functions that you were alluding to. Governors must be ready to do these functions tonight, on no notice. Logistics, engineers, medical, communications, transportation, security and so forth that's listed on the left-hand side.

This is what is shown by the little purple core. We leveraged the joint capabilities of the Army and Air National Guard to make that happen. Our goal is that 74 percent of the troops are available back in the States but on average, we have only about 40 percent of the equipment available. This is the challenge and if we go to that Rubik's cube, if you try to solve that puzzle without all of the pieces, it's difficult. Try doing that puzzle with less than one-half of the pieces to the puzzle that you need. That's the reason we're here today.

EQUIPPING NATIONAL GUARD

Senator STEVENS. Well, I'm still wondering. You know, you have to live through an earthquake like I did and see what happened with the Guard and Reserve and the regular forces to take on the duties of a massive earthquake, massive hurricane or a massive tornado that hits our domestic side. This again, they don't need to be trained combat troops, they don't need to have Strykers and Humvees. They need disaster equipment. They need equipment and the doctors to deal with the problems of domestic restoration but they don't need to be trained to be urban fighters.

I'm confused a little bit about the fact that all of these people are trying to be combat ready—most of many of them will never be dispatched for combat.

General BLUM. I completely understand your line of thought and let me try to dispel some of the confusion. All of the soldiers and airmen are trained against a wartime task.

A medic that is trained to save lives, whether that life is at risk because of an earthquake, or that life is at risk because of a terrorist attack, or that life is at risk because of a combat wound, he and she still needs to know how to do life saving skills, no matter what produced that.

Transportation—people need to know how to move troops and commodities. It could be medics, or hay for animals that are stranded by winter storms, or water to people that are in a place that doesn't have any potable water because of a hurricane or tsunami. It's a very transferable skill.

Timing is everything, especially for the Guard and Reserve because time is our most precious commodity. We train for the high end. We train for our most dangerous and demanding mission, and then we leverage that training and apply it in what General Vaughn was talking about in the windows of availability.

If you're getting ready to go overseas, your focuses are overseas, as it should be. If you're back at home and you're not focusing on

going overseas for several years, you are exactly the unit the Governor is going to go to and count on to be able to respond to weapons of mass destruction, to respond to consequence management for a natural disaster, to be ready for the seasonably predictable hurricanes, to be ready for the seasonal predictable flooding and wildfires in the West. We leverage all of those capabilities.

We are in a world of great uncertainty and nobody has a perfect crystal ball, at least no one has used it yet. We have to be ready for unpredictable, unforeseen contingencies that come up because we are no longer a strategic reserve where we have years to build up and equip and man our National Guard. Those days, unfortunately or fortunately depending on how you look at it, are long gone. We have to deal with a very dangerous world. We could be called tomorrow to places that we haven't even considered and respond. It may not even be ground combat. It may be for some tsunami relief out in Indonesia.

BASE REALIGNMENT AND CLOSURE

Senator STEVENS. I don't want to take too much time but let me ask one question of General McKinley. The BRAC has been mentioned in connection with what happened in North Dakota. How has the BRAC affected your operations in terms of recruitment and in terms of the—really the soldiers you need to maintain a viable and vibrant National Guard, Air National Guard?

General MCKINLEY. Yes, sir. If I could get chart 4 up while I answer the question. BRAC obviously was kind of a gut punch to us all. We're recovering from BRAC and we are implementing BRAC and we've talked to the Adjutants General about how to implement BRAC. I think it is very important for us to move through the BRAC implementation; do it properly so that those airmen out there who are uncertain about their futures can have a certainty that they had over the past three or four decades.

As you can see on this chart, 41 of our units were impacted, 32 had no change and actually 15 of our units lost aircraft; lost mission. That's a pretty healthy gulp to take all in one bite, but what we've done is we've crafted a reset strategy. A reset means a lot of different things to different people. We are resetting our Air National Guard. We briefed the TAGs in December, and we will start our implementation phase now.

As you know up in your State, we'll be moving the C–17 up there. We're trying to have this done quickly because one of the unintended consequences of BRAC is many of our members are trying to make a decision whether they want to stay or leave. Retention has been very high. Recruiting has been about trading one for another. I think once we get through with our reset, once we get our missions set, once we go into some of our total force initiatives that the Air Force and the Air National Guard are working together, like C–17 in Alaska, we will start stabilizing those manning documents and you'll start seeing recruiting pick back up, and we'll get back on that even plane. There is no doubt that BRAC was a significant impact to the Air National Guard.

General BLUM. I'd like to add to that to prep Senator Stevens. On our Army National Guard side, BRAC was well thought, collaboratively participated in and produced the exact outcome that

the Congress intended, in our view. On the Air Force side, it's not the case. That's the kindest way I can put it. The intent of the Congress turning toward tremendously different impact in the Air National Guard and it was—there was some good in it, but there was also some loss of capability, and BRAC was not intended to lose capability. BRAC was intended to divest of facilities and infrastructure that we didn't want to waste taxpayer's hard-earned money sustaining what we didn't need. The business got a little bit highjacked along the way and it produced a bad outcome.

Now, it's the role in our compliance, the role we will execute it as best we can but there are some pieces to this that if we execute it, it might cause some to wonder why we came up with this outcome.

The reason is that I thought the BRAC process was frankly used for purposes other than what its original intent was. Maybe BRAC was quite good. The other Reserve Chiefs will tell you how they feel about BRAC in their services but most say it's positive. On the Air National Guard side, it was used as a blunt instrument and you see the result right there.

NATIONAL GUARD FUNDING

Senator STEVENS. Once your units have deployed, are they funded out of the emergency funds or do they continue to be funded out of funds that we provide directly to your agencies?

General BLUM. They are funded out of the emergency funds once they are deployed, sir.

Senator STEVENS. Thank you.

General MCKINLEY. And that includes Noble Eagle here at home, too, Senator Stevens.

Senator STEVENS. Thank you. Thank you very much.

Senator INOUYE. Senator Leahy.

Senator LEAHY. Thank you, Mr. Chairman. I—sort of on the line of what Senator Stevens was saying and the questions he's asking. I understand that General Blum—that even if the Army transfers whatever equipment funding that is committed. So we're talking about a $1 billion shortfall, is that basically right? Trucks, communication gear and so on—I have a list, Mr. Chairman that I ask to be included in the record at this point. It speaks about the Guard's shortfall. Mr. Chairman, I ask consent that it must be part of the record.

Senator INOUYE. I have no objection.

[The information follows:]

FISCAL YEAR 2008 ARNG TOP 25 EQUIPMENT MODERNIZATION SHORTFALL LIST

[Dollars in millions]

	Quantity Required	Quantity Shortage	Shortage	POM 2008–13	APPN	UFR 2008–13
HMMWV	48,715	18,611	$4,039	$1,647.0	OPA	$2,392.0
Family of Medium Tactical Vehicles	37,995	30,140	$7,267	$1,689.9	OPA	$5,577.1
HTV—HEMTT/LHS/PLS	21,180	14,796	$1,652	$1,059.3	OPA	$592.7
M916A3 Light Equipment Transporter	1,591	794	$180	$152.4	OPA	$27.6
Tactical Trailers	5,699	2,984	$177	$10.6	OPA	$166.4
M917A2 Dump Truck	544	334	$67		OPA	$67.0
CH–47F Chinook	159	159	$6,678	$670.6	ACFT	$6,007.4
Comm Systems (JNN, SINCGARS, HF)	143,615	62,613	$3,997	$968.7	OPA	$3,028.3
UAV Systems (Shadow, Raven)	586	575	$462	$307.1	OPA	$154.9
Small Arms	209,098	99,129	$360	$240.0	OPA	$120.4
ABCS (Suite of Systems)	1,399	800	$166	$20.7	OPA	$145.3
Digital Enablers (Log Automation)	12,167	7,873	$196		OPA	$196.0
Movement Tracking System	16,711	12,588	$302	$203.4	OPA	$98.6
Night Vision (AN/PAS–13, AN/VAS–5)	41,912	33,170	$640	$241.5	OPA	$398.5
Tactical Water Purification System	131	128	$61	$38.9	OPA	$22.1
Tactical Quiet Generators	19,611	12,748	$324	$118.1	OPA	$205.9
All Terrain Crane (ATEC)	174	29	$7		OPA	$7.0
M9 ACE SLEP	114	90	$80		OPA	$80.0
Route and Area Clearance Systems	138	138	$203	$167.8	OPA	$35.2
Horizontal Construction Systems	587	332	$141	$111.0	OPA	$30.0
Howitzers (M777A1, M1 19A2)	498	342	$4,259	$477.4	WTCV	$3,781.6
Profiler	65	63	$57	$57.2	OPA	
LLDR	1,099	1,034	$362	$187.5	OPA	$174.5
Gun Laying Positioning System	455	208	$20		OPA	$20.0
Chemical (Detectors, Decon & Shelters)	65,719	52,433	$669	$107.5	OPA	$561.5
TOTALS	629,962	352,111	$32,367	$8,476.5		$23,890.1

Quantity Required=Endstate Fiscal Year 2008 ARNG Requirements (MTOE or like AC) to fully modernize the ARNG.
Quantity Shortage=Quantity Required minus On-Hand minus Programmed (2-year Equipment Distribution Plans).
Shortage ($M=Quantity Shortage times Per Unit Cost.
POM 2008–13 ($M)=Total procurement funding stream from FDIIS (dtd 10 JAN 07), by Army Program Element (APE) for respective equipment systems.
APPN=Type of Appropriation (OPA minus Other Procurement Army, ACFT minus Aircraft, WTCV minus Weapons & Tracked Combat Vehicles).
UFR 2008–13 ($M)=Shortage dollar amount minus POM 2008–13 dollar amount.

UNITED STATES SENATE,
Washington, DC, February 13, 2007.

The Honorable MICHAEL W. WYNNE,
Secretary of the Air Force, 1670 Air Force Pentagon, Washington, DC 20330.
General T. MICHAEL MOSELEY,
USAF, Air Force Chief of Staff, 1670 Air Force Pentagon, Washington, DC 20330.

DEAR SECRETARY WYNNE AND GENERAL MOSELEY: As you are well aware, the U.S. Air Force relies on the personnel, capabilities, and continuity provided by the Air National Guard. Unfortunately, the service is not taking the necessary steps to ensure that the Total Force remains strong in the long term by leveraging the Air Guard's best attributes. The Air Force has placed on hold crucial initiatives to integrate with the Air Guard, which will ensure that the Air Force maintains a substantial presence in communities across the United States.

The Air Force announced several transformation proposals during the most recent BRAC deliberations. One of the most promising was the community basing concept, which melds active duty and Guard personnel at stand-alone National Guard bases. Numerous briefings and leadership testimony underscored the cost effectiveness of this initiative, including the ability to make the best use of scarce resources and allow active duty forces to take advantage of the continuity provided by reserve units.

The Air Force has not followed through to expand the community basing program beyond an extremely limited test case, and it has subsequently dropped mention of community basing—which yielded across-the-board benefits—as a transformation model. Only two initiatives have received any significant attention. One proposal would base Air Guard units at active duty stations, and the other locates active personnel at Guard bases in close proximity to larger active duty bases. We also understand that no substantive force structure planning on the Air Guard beyond the five-year Future Years Defense Plan is underway or being contemplated.

We support the notion that the capabilities of the Air Guard must reflect those of the larger Air Force, and that the service must maintain a substantial presence throughout the country. The old approaches to force structure are antiquated and costly, and isolate the Air Force from large segments of the population. With insufficient aircraft to replace aging airframes one for one, the movement of Guard units to active duty bases will leave major segments of the country without a substantial Air Force footprint, and further undermine homeland defense response capabilities.

Unfortunately, the current Air Force model has an all too familiar active duty centric approach associated with it. We are not surprised, but we are disappointed. The Air Force must deal openly with long-term force structure issues in tandem with its strategic partner, the Air Guard. Postponing discussion and development of community basing only threatens the continued vitality of the service and our defense.

Sincerely,

PATRICK LEAHY,
Co-Chair, U.S. Senate National Guard Caucus.
CHRISTOPHER S. BOND,
Co-Chair, U.S. Senate National Guard Caucus.

Senator LEAHY. For the record, the Senate version of the supplemental includes $1 billion to go on the shortfall but that's a long way from the $24 billion, I think. And we'll continue working on it.

General BLUM. That $24 billion that Senator Leahy referred to will be acquired over the next 6 years to bring the National Guard up to an operational readiness capability, both overseas and here at home. So I just want to be clear about what that money does represent.

The $36 billion is a huge amount of money and it's unprecedented in the history of the United States Army to make that kind of a commitment to its Reserve component, to equip us to that extent.

But looking at that in isolation, it would make you think that it would solve the problem. It does not solve the problem. It still leaves us insufficiently resourced to do what we're asked to do here

at home and to be able to prepare troops for the next rotation to go overseas.

Senator LEAHY. Well, that was my feeling and really, General Blum and I appreciate you seeing that.

COMMUNITY BASING

General McKinley, we've talked about the Air Guard working for the active Air Force on an innovative basing scheme called Community Basing. For those of you who are not aware of that, it takes a limited number of active personnel based at stand-alone Guard bases. They train right along side their Guard counterparts. Also the active Air Force increases their relations with the State, the local communities. The Air Guard gets access to some of the latest aircraft. It's kind of a win-win situation.

Now the Air Force actually did a successful demonstration in Burlington, Vermont where we have a very active Air Guard. But they seem to move slowly on continuing that.

Where do we stand with that? I've had some similar questions of the Air Force—but General McKinley, can you tell me where we stand on that?

General MCKINLEY. Thank you, Senator. Community basing is a great concept whose time has come. I say that for a variety of reasons. Number one, as the Air Force recapitalizes, we're getting fewer and fewer platforms. It's just the law of economics. We had 750 F–15s, we'll have probably, hopefully 280 F–22s to replace those.

We've had almost 2,000 F–16s but we're looking at around 1,700 F–35s that will replace F–16s that many of you have had at your States. So we're getting smaller and smaller numbers. So how do we leverage that? How do we become more efficient and effective with the facilities that we're retained?

I was most impressed when I visited Burlington last summer to see that 12 airmen who were three and seven level airmen were learning how to become nine level maintenance people. They're being taught the same as far as maintenance people in our United States Air Force.

The city, the community, the base embrace them. They provided housing for them. They welcomed them into the community. That's exactly the strategy that I think the developers of community basing decided would be most effective. It has been deemed a total success.

Your question directly is what's the future of it? Your recent discussions with the Chief of Staff of the Air Force have produced some results that I'm happy to report to you today that we're going to develop the community basing strategy at Burlington further. We're looking for strategies to increase the numbers of people because all of this will lead to the fact that as the legacy platforms leave our inventory—and that's most of the Air National Guard's fighter forces and legacy platforms—we'll be able to transition some of those units into more and more modern platforms and the time to do that is now.

I appreciate your question. It spurred a great deal of interest in our Air Force. The planners are discussing with me how best to do

that in your State. The 158th fighter wings are the right men to make sure we get this right.

General BLUM. Senator Leahy, I had a follow-on discussion with General Moseley on that particular issue and I think it's pretty clear in my mind that the strategy to maintain an all-volunteer force is going to have to be more of this community basing methodology.

Otherwise, our active forces are withdrawing into smaller numbers of enclaves further away from American people. Frankly, if we are going to be able to maintain the all-volunteer force, we are going to have to leverage the National Guard and the Reserve component of all the services to keep the connectivity with the American people to maintain a volunteer force. So, in addition to being a good business model, it is a smart strategy. If we're going to stay with an all-volunteer force, we must stay tied to the community.

Senator LEAHY. I told members of the subcommittee here before about how, after 9/11, it was the F–16s out of Burlington that were flying cover around the clock over New York City and these were some of the oldest F–16s in the fleet. We had one of our key maintenance people that was leaving on vacation, heard the news on the radio, did a U-turn on the interstate, headed back and no one in his family or anybody else saw him for at least 5 days. They finally came in and brought him some clothes. He was working around the clock to keep them going. And I'll put some material on the record on that especially that corresponds with General Moseley, the Secretary of the Air Force.

Yes, General McKinley?

General MCKINLEY. If I could, Chief, briefly just cover—those are the active Air Force fighter wings in the United States today. As you can see, they've built on substantially since Vietnam. Could you put up the Air National Guard ranks?

As you can see, we are in practically every State, every community. How we leverage this into the future, goes back to Senator Stevens, his future total force. What's it going to look like? How do we do it? We think they have a lot to offer. We think community basing is the right answer and we should continue to develop it.

NATIONAL GUARD FORCE STRUCTURE

Senator LEAHY. Well, thank you. One last question, General Blum, as you well know, Senator Bond and I are co-chairs of the Guard Caucus. We've been joined by a gentleman who was actually on this panel and several members—in pushing the National Guard Empowerment Act to improve the quality of National Guard issues at the highest level of the Pentagon with the Joint Chiefs.

We—the Army tried to cut Army Guard personnel substantially and the Air Force tried to restore Air Guard's force structure. I don't see a great deal of change and I see the shortfalls we've talked about. I see the mission. The Army announced that four more Guard brigade combat teams as comprised of about 15,000 soldiers, I believe, are being deployed to Iraq. The same morning that was announced, the President was visiting Guard troops that were helping to improve base security. The President was justified in praising them in what they've done but it's just more areas where we are seeing our Guard stretched all over the place.

I think we need a Guard short-term policy and budget discussion. Do you agree with that? I hate to put you in the hot seat.

General BLUM. If history is the record, the answer is yes, sir.

Senator LEAHY. You have to give me some more organizational—but some of the raining down proposals we've heard but something like the National Guard Empowerment Act. You can answer yes if you'd like.

General BLUM. Yes, sir. The issue needs to be addressed. The National Guard is a very serious player, both at home and abroad. It's an integral part of our ability to defend this Nation day to day. It is absolutely required if we're going to conduct sustained combat operations abroad. It's time to, as the chairman said and Senator Stevens said, to bring some of the cold war policy, authorities, and resourcing strategies into compliance with today's reality. I mean, that's really what we're talking about. It's nothing evil or sinister. It's a matter of really setting up the authorities, the resources, and the access for the leadership of this organization to be effective in today's environment, which is quite a different environment than existed even 6 years ago, and certainly different than existed 15, 16 years ago.

Senator LEAHY. Thank you, Mr. Chairman. I'll put another number of items in the record in connection with this.

NATIONAL GUARD EQUIPPING

Senator INOUYE. Senator Domenici.

Senator DOMENICI. Thank you very much, Mr. Chairman. It's good to be with all of you. Let me just state three facts and then talk about them with you for a minute.

A recent Government Accountability Office (GAO) report ranked New Mexico last regarding National Guard equipment readiness. With the decision to locate F–22s at Holloman Air Force Base, the Air Force and the National Guard Bureau plan to base National Guardsmen at Holloman to work with the F–22s.

Third point—6,000 National Guardsmen were deployed along the Southwest border to help Border Patrol agents with surveillance, construction, and logistics. Guardsmen are building fences as well as manning detection equipment on the border and in command centers.

Now you can see just with the facts I've given you, what a tremendous variety of things the Guard and Reserve are asked to do and are planning to do. What action is the Department taking to ensure that the National Guardsmen have the equipment they need to do their missions at home? Could you help me with that or are we supposed to assume that they can do their job with less equipment compared to everybody else?

General BLUM. No, sir. General Vaughn is balancing the New Mexico essential equipment needed to do the job, particularly the 10 essential tasks that were shown on the chart that would have to respond to the Governor. Certainly the equipment in Operation Jump Start is all there. It presents additional challenges but we have met those challenges. We have a long way to go in the State of New Mexico. You're absolutely correct. Today, it is the lowest. It varies. It changes because we're always moving equipment and

moving resources around, but Fort Holloman, New Mexico is the lowest in the Nation and it should not be.

General Vaughn and his logistics people are working on that. They didn't get into that situation overnight. They won't get out overnight. We won't get out of that situation in any of your Senators' home States unless the needed resources come to the National Guard, and they are provided in such a way that they get to the National Guard.

This Congress has been very, very good about providing what has been asked for to do our mission. If we could improve in any one area, I think what we need to do is to build on the successful model that was used post-Katrina, where significant money was given to the National Guard to buy specific items, which would translate into better capabilities to respond the next time. Then the Congress looked at what we bought——

Senator DOMENICI. General, let's just be realistic with reference to New Mexico. Whatever we have done, we couldn't do worse in New Mexico. Is that a pretty fair statement?

General BLUM. That's an accurate statement.

Senator DOMENICI. Well, how long do you think that's going to remain? We haven't been asked for any extra money——

General BLUM. If you look at the chart, Senator Domenici, you can see New Mexico is not alone. The States in red are not good. The red is not good. The red means they have less than 65 percent of the equipment they need to do their job at home, and this does not even count the equipment that they don't have to do their job abroad.

It says equipment available to Governors to do homeland defense and homeland security missions is underequipped in the Army National Guard across the Nation. The best in the country today is Ohio at 65 percent.

Senator DOMENICI. General, when you deploy the National Guard and Reserve, do you deploy your soldiers with equipment or do you just send over the men?

General BLUM. We send our people with equipment. The equipment comes from every State on that map and it comes from the home State that the troops are deployed.

Our problem is exacerbated when that equipment is left overseas. Our problem is also exacerbated when that equipment is worn out or destroyed in the theatre and not replaced at home. We are too slow in replacing equipment that we've cross leveled to ensure that no son or daughter from New Mexico or any other State goes into harm's way without exactly everything they need. The best of everything we can provide.

The cost of that has depleted our stocks here at home dramatically, and that is the reason we put together this card and showed you in great detail what our validated requirements are. If there is anything on this card that you feel is not necessary, strike it out and take it off of the list. That's fine. Everything that's on here are Army requirements and Air Force requirements of equipment that we must have to be able to not only do our job at home for Governor Richardson in New Mexico, but also to go overseas as New Mexico troops have done, in Iraq and Afghanistan.

General VAUGHN. Senator, let me, if I could, talk to just a couple specifics in that last group. When we started putting the numbers together—give me the other slide that's got the percentage of new and used equipment on there. If New Mexico got back all of its equipment, everything that's out there, it would have 62 percent of the required equipment on hand that, if they got everything back from theatre and that was owed to them.

The plan that we can see right now would deliver, at best, 2,200 pieces back at the end of 2008. We can see that in the pipeline. Only 1,600 pieces of that is the new use equipment for homeland missions. We are watching it very closely and New Mexico got hit.

The percentage was too great on a small force that took their equipment forward in the first war and it ended up that a lot of it didn't come back. They are programmed to receive over 40 percent of their equipment like the other States by the end of 2008. We're looking at in about 16 or 17 months, they'll be back.

General BLUM. In the interim, sir, if there is any equipment needed for Governor Richardson for a state of emergency, that will be flowed to him from neighboring States, through the emergency management assistance compact (EMAC) arrangements and that is ongoing daily.

It's not that we're sitting there waiting for 2008 to come along.

Senator DOMENICI. I understand. General, I don't like what I'm seeing but I appreciate what you're saying about understanding the issue that you're in.

I think the chairman and vice chairman know me well enough and they know themselves well enough. We can't leave the State in this condition very long. It just won't work. And the Senate won't support you all doing that so it's got to be on a let's get it fixed and I understand what you said.

General BLUM. Well, I appreciate that completely and you should not be satisfied with that. No American should be satisfied with what those charts represent. It's an unsatisfactory condition, pure and simple.

Just appropriating money will not get it done. Our history and experience has shown that really doesn't get it—the money doesn't really get where you intended it to go. There's got to be some controls on there to be sure that the money that is appropriated gets to where the intent of Congress expects it to be, so we can give you the serial number and the zip code number where that equipment actually ends showing up.

Senator INOUYE. Senator Mikulski.

Senator DORGAN. Mr. Chairman, before Senator Mikulski asks a question, General Blum held up the card. Is that a card that we have, that describes what you've requested?

General BLUM. Senator, if you don't have this card, I will personally give you mine because I would hope every Member of Congress has this card.

Senator DORGAN. What is this card?

General BLUM. This card is our fiscal year 2008 budget card. It lists in very plain language exactly the equipment that we need in the Army, and exactly the equipment we need in the Air National Guard, and what we think that equipment costs.

It is to provide total transparency of what we're asking for. It has worked very well post-Katrina when you asked us for a similar list, and we gave it to you, and you appropriated the funds that we needed, and we have much better capabilities today to respond to hurricanes like Katrina next time.

This equipment problem we're talking about exacerbates our problem to respond in multiple, simultaneous events around the Nation. There is no question about it.

Senator INOUYE. The card will be made part of the record.

[The information follows:]

Operational Force Homeland Defense Support the Warfight Transformation

THE NATIONAL GUARD

Joint Prioritized Shortfalls ($M)

Training (CERFP, CST, CIP-MAA)	$33.6
JCCSE Comm Enhancements	$49.3
Full Motion Video Downlink Receiver	$ 2.5
CounterDrug Personnel Readiness	$63.0
CounterDrug Schools	$29.0
State Partnership Program	$ 5.0
National Guard Youth Challenge Program	$17.0
Military Competition	$ 2.5

"Essential 10" Capabilities

The National Guard Bureau has identified 10 core military capabilities relevant to Homeland Security Operations:

Joint Force Headquarters—Command & Control
Civil Support Teams
Maintenance
Aviation
Engineer
Medical
Communications
Transportation
Security
Logistics

The National Guard Bureau makes decisions guided by the principle that every state and territory must have access to these 10 military capabilities to respond to a homeland security event as well as supporting the warfight. The biggest obstacle the National Guard faces to fielding these essential 10 capabilities is equipment shortfalls. The National Guard Bureau has posted a prioritized list of the dual use military equipment needed to perform the essential 10 missions to homeland security at

http://www.ngb.army.mil/LL/Tab2.aspx

National Guard Priorities

People, Training, Equipment

Fiscal Year 2008 Budget Card

For Complete UFR Details Visit:
http://www.ngb.army.mil/LL/Tab2.aspx

Readiness Shortfalls at 90%

ARNG	FY08-13 UFR ($B)
NGPA	4.4
O&M	6.5
Equipment	13.1
TOTALS	**$ 24.0**

ANG	FY08-13 UFR ($B)
MilPers	1.4
O&M	3.6
Equipment	8.8
TOTALS	**$ 13.8**

Transformation Support the Warfight Homeland Defense Operational Force

THE NATIONAL GUARD

Operational Force Homeland Defense Support the Warfight Transformation

THE NATIONAL GUARD

ARNG Prioritized Shortfalls ($M)

Premobilization Training	NGPA	$ 543.0
Premobilization Training	OMNG	$ 275.0
Bonuses and Incentives	NGPA	$ 756.0
Bonuses and Incentives	OMNG	$ 92.0
Recruiting and Retention	NGPA	$ 189.0
Recruiting and Retention	OMNG	$ 424.0
Full Time Support	NGPA	$ 60.0
Full Time Support	OMNG	$ 82.0
Schools	NGPA	$ 183.0
Traditional Training	NGPA	$ 224.0
OPTEMPO-Air and Ground	OMNG	$ 250.0
Soldier & Family Support	NGPA	$ 27.0
Soldier & Family Support	OMNG	$ 65.0
Maintenance and Support	NGPA	$ 29.0
Maintenance and Support	OMNG	$ 127.0
"Essential 10" Equipment	NGREA	$ 500.0

ARNG Equipment Shortfalls

The Army National Guard has significant equipment shortfalls. On our website you can find copies of the Army National Guard's "Top 25" Equipment shortfalls and our "Essential 10" Equipment shortfalls. The "Top 25" list highlights Army National Guard equipment shortfalls, most of which have dual-use. The dollar amounts specified at the web site below would bring the National Guard to 100% equipment fill for these lines. The "Essential 10" equipment shortfalls would address an immediate $2B shortfall in dual-use equipment for domestic response and the warfight.

For more details visit:
http://www.ngb.army.mil/LL/Tab2.aspx

ANG Prioritized Shortfalls ($M)

Personnel & Force Sustainment		
Personnel Reprice	MilPers	$ 36.6
Personnel Reprice	O&M	$ 57.0
Reset	MilPers	$ 20.4
Reset	O&M	$ 17.9
Recruiting and Retention Bonuses	MilPers	$ 29.1
Recruiting and Retention Initiatives	O&M	$ 8.2
Specialized Mission Training	MilPers	$ 18.9
Total Force Integration (TFI)	MilPers	$ 8.0
Total Force Integration (TFI)	O&M	$ 46.2
Total Force Integration (TFI)	MilCon	$ 14.0
Total Force Integration (TFI)	OPAF	$ 59.2
Depot Maintenance/Flying Hours	O&M	$347.4
"Essential 10" Equipment	NGREA	$500.0
IT Modernization	O&M	$119.3
IT Modernization	OPAF	$128.8
Installation Security	MilPers	$ 26.4
Installation Security	O&M	$ 43.9
Installation Security	MERHC	$ 1.0

ANG Equipment Shortfalls

The ANG has significant modernization and recapitalization shortfalls. On our website, you can find copies of the ANG's FY08 Weapons Systems modernization requirements (> $6B) as well as the ANG's "Essential 10" equipment shortfalls (~$2B). The equipment our ANG brings to the fight is critical to the combat capability of the Air Force and joint warfighter. Equipment identified for use in Defense Support to Civil Authorities provides emergency responder ANG personnel the proper equipment for HLS/HLD missions.

For more details visit:
http://www.ngb.army.mil/LL/Tab2.aspx

THE NATIONAL GUARD

Transformation Support the Warfight Homeland Defense Operational Force

Senator DOMENICI. Mr. Chairman, I was still—still had——

Senator INOUYE. Oh, go ahead.

Senator DOMENICI. I just want to say I'm not very impressed. I'd be much more impressed if I saw something that showed what we were doing. This presentation this morning with reference to the adequacy and effectiveness of the National Guard and Reserve to be a true partner in this war that we're involved in.

Every time we get a full hearing with the leaders of the National Guard and Reserve, the situation is worse, not better. The ability that I see of the National Guard to be ready to fight in this war—it just gets more and more uncertain in my mind. I don't get it. I don't see how we can keep relying on the deployment of the National Guard and Reserve people with the kind of ineptness that exists in the Guard units themselves. I just—if I were the general accepting the equipment and manpower that is being deployed, I would really be worried about what's coming out of the National Guard. Nothing wrong with them. They are terrific people but they are not trained and/or equipped in a rationale, reasonable way to fight a war. They are being equipped with too many other things and it's not going to work much longer. It's not getting better in my opinion. Thank you for the time. I apologize for using it.

General BLUM. I'd just like to correct the record, if I may. The ineptitude lies in one area and that is insufficient equipment to do the job that we are organized and required to do. We are not inept in the area of quality of the force, with the manning of the force, because the commitment of the force, the patriotism of the force, the heroism of the force—all of the tough stuff we've solved. The easiest problem is equipping a force and that can be solved by this body. We need some help.

Senator INOUYE. Thank you very much, General. Senator Mikulski.

Senator MIKULSKI. Thank you very much, Mr. Chairman. General Blum, we're glad to see you today and General Vaughn, at the table with the Maryland men, part of the Maryland Guard and I think his testimony shows today why we really need to pass the National Guard Empowerment Act so that the general is at the table when the decisions are made on personnel, budget and what we need to continue our role in the world for the National Guard and for the soldiers to be as robust as they are. Something was said about ineptitude today. That's not a word I like to see at this hearing. If there has been ineptitude, there's been at the top and it's been in the civilian leadership and for that, we apologize. That's why we are trying to set a timeline to bring this sorry situation to an end. So that's the way I feel about it. I'm sorry the word was used. We're concerned—we want to help you be able to fulfill your mission that the Nation has asked you to do.

When we talk about a shortfall in equipment—so that's the—term—and we note that in Maryland now, we're going at about 35 percent for the Army, 65 percent for the Air Force. What kinds of equipment are short? What is the stock or the number?

Forty billion dollars—that's what you said. Am I correct? If not $40 billion, then what are we talking about? Are we talking about jeeps? Are we talking about airplanes? Are we talking about guns? Are we talking about bullets? What do you say—when you say you don't have enough equipment, what are you talking about? For $40 million, I want examples. Don't talk about dollars.

General BLUM. Yes, ma'am. Trucks, radios, medical sets, helicopters, night vision devices, individual weapons for soldiers, you name it, we are short. This is meat and potatoes, basic items. Aviation, command and control, engineers, the engineering equipment—I'm talking about dozers, graders, loaders, backhoes, dump trucks, logistics. I'm talking about all classes of supplies that we're short. Deferred maintenance, repair parts, we're short. Medical sets.

Senator MIKULSKI. Is the shortfall then due to the fact that you had to leave it in Iraq or is the shortfall due to the fact that the equipment is wearing out faster than it can be replaced? Or is it that it was never budgeted and essentially we are hollowing out the National Guard?

General BLUM. All three. Senator, you're exactly correct. That's why I'm here. That's why they are showed in red. The only thing that is unacceptable is the level of fill in our supplies to be able to do what we're asked to do. It's a result of all three things that you said. We started a war short. The war cost us to send equipment overseas that we had here at home. It has depleted our stocks. In other words, as we sent the equipment over there as we should have. It was the right thing to do and now we find ourselves with our shelf stockage so low that it's an unacceptable level in my judgment, here at home and it needs to be addressed.

If I were coming here to present this in any other way, I wouldn't be doing my duty as a general officer, as a soldier or even a citizen.

Senator MIKULSKI. I think the subcommittee really appreciates the candor of not only you, General Blum, but your ability, your service, your leadership but most of all, your candor, so that we

can, I think get a best case example and General Vaughn, let's go to the fact that for Maryland National Guard, we are both RV (radar view) and air. We're in the national capital region. We're also in a hurricane zone. You lived through Isabel with us.

We also had sent people down to respond to Katrina on our Doctrine of Mutual Aid, which we should but given where we are, if Maryland is at 34 percent, how could the Maryland National Guard respond to another natural disaster or a terrorist attack when we are in the national capital region and a very high risk area for which we could be called upon to serve in the District of Columbia?

General BLUM. The great men and women of the Maryland National Guard, they're going to respond but I'm going to tell you, their response will be slower than it needs to be. Time will be lost because we don't have all the equipment. Let me tell you about it in nonmilitary terms. If your house catches on fire and your fire department shows up with less than one-half the equipment it's supposed to have when it comes to put out your house fire, you're not going to be satisfied with the result. It's going to take them too long to put the fire out, which means you're going to lose your property and you're probably going to lose some lives. That is what I want to prevent and it's preventable if we can get the Guard resourced properly. The people are there. The training is available. All we need is the dollars to train the people, and the dollars to procure the equipment we need. The magnificent part of it is, we've got the people that are willing and able.

Senator MIKULSKI [continuing]. And we've got 1,400 men and women that are going to leave for Iraq within the next 90 days with little bit—we are where we are with the leadership we have and my question is, if they are at 34 percent, do they take what they've got? What we have here when they go? Or is there going to be equipment there when they get there?

What do they train with if they don't have the equipment here, as they get ready to go?

General BLUM. That is exactly the dilemma that General Vaughn and I and General McKinley face every day in every State.

Senator MIKULSKI. Tell me the dilemma when they leave, will they take equipment with them?

General BLUM. Yes, ma'am.

Senator MIKULSKI. So when they leave, they'll take their own equipment—I'm sure the Governor of Maryland is going to love to hear this.

General BLUM. Yes—but you're asking me what happens.

Senator MIKULSKI. This is not in any way to be tart with you. We appreciate the risk. Then while they're here, what are they training with? The equipment they'll actually be using in Iraq?

General BLUM. Yes and that equipment is usually substituted out or substandard items that were not good enough to go to war.

It is quite unacceptable to me because if it's not good enough to take to war, why should it be good enough to save American lives here—and why shouldn't we have training equipment that we're not going to use when we're deployed. We should be using exactly the equipment we're going to use in theatre and that is exactly why I'm telling you what the requirements are in funding and the protections that I think need to be put in place so that what is in-

tended to get to us actually gets to us for the purposes that were intended. And I just want to make sure that everybody understands what the question is and what the solution is.

NATIONAL GUARD HEALTHCARE

Senator MIKULSKI. Mr. Chairman, I think what's been presented here amounts to a national crisis. I think this is a national crisis when you talk about the shortfall of what the Guard has here today to respond to the needs of the American people but not to train to be able to be called up and then what they take with them when they go to battle.

But if I could, Mr. Chairman, could I just have time to ask one question about healthcare? When they come back, where is their healthcare? What happens to the National Guard and the Reserves? Do you feel that because as you know, we are working on an effort here to make sure that the wounded warriors are not being wounded by the system and that they are not being wounded by the bureaucracy and they're not, one by one, standing in line behind a backlog to get any type of compensation that they earned—at war.

General BLUM. That is a great question.

Senator MIKULSKI. Are we ready to take care of our—but there is one more stepchild in this sorry situation.

General BLUM. I think my perception is my firm commitment—my feeling is that Secretary Gates says with and sees it very, very—with the same passion you do. He has empowered us to go out and start up this taking care of our own system that allows every citizen soldier, airman, and marine, Coast Guard, sailor, you name it, when they come back to the United States, they're going to come back to where they live. Where they live may not be where they were deployed from or where they were deployed to.

And as General McKinley showed you, there are less and less members of military bases coming back to their home State.

Senator MIKULSKI. Are they coming back to TRICARE?

General BLUM. They are coming back to their community and yes, they're coming back to TRICARE for a period of time that has been extended. Frankly, and with the brain injuries, we may have to look at that for——

Senator MIKULSKI. What is—how does TRICARE—it takes care of them for 180 days and what happens to them after that?

General BLUM. They are out of the care system. They are out of the system that's provided by the Department of Defense and they would have to go back to whatever they had in civilian life.

Senator MIKULSKI. Well, suppose they had 30 percent or more permanent injury?

General BLUM. If they are injured, that is a different category. If they are injured, we keep them for the rest of the life cycle of their injury. We pass them, in a sense, to DOD and the Veterans Administration (VA) right now.

Senator MIKULSKI. Don't talk to me about DOD, they——

General BLUM. It's not seamless now but they recognize it, and they're committed to trying to make it seamless. What we have is, we've set up community-based National Guard ombudsmen——

Senator MIKULSKI. Is it operational now?

General BLUM. Yes, ma'am. It's operational now but it's insufficient to the number of cases that we have.

Senator MIKULSKI. General Blum, my time is up. My colleagues have to go to the floor. But I would like to have a—essentially a memo or a white paper from the Guard Bureau on this healthcare issue. I know you're very passionate about it, so while we're looking at the equipment so they can go fight a war, we really have to be ready to take care of them when they come back.

General BLUM. I truly appreciate the fact that you're passionate about that. You should be. These kids have put everything on the line for us, and we need to take care of them if they get hurt and we try to do that in the best way we can. And can we improve? You bet. And I'll be happy to send you that paper.

Senator MIKULSKI. Thank you. And thank you, Mr. Chairman.

Senator INOUYE. Senator Durbin.

Senator DURBIN. Thank you very much, Mr. Chairman and members of the subcommittee. First let me thank our witnesses and all the men and women in uniform who are serving our country. I have a great deal of respect for you, General. We've had a chance to meet in my office and had a very good conversation. I speak to you this morning having over the last 10 days, visited five different hospitals, veterans' hospitals and others serving our men and women returning wounded from combat.

These are emotional meetings, as you can imagine, sitting down with these guardsmen, reservists and regular Army and marines who come back with post-traumatic stress disorder and, in some very sad situations, with the signature wound in this war, traumatic brain injuries.

I met with them and their families and I've come back with a heavy heart about this war. I think it is the biggest—the worst—foreign policy mistake we've made in modern time. I can't blame you for that. You're doing your duty. You're doing everything that's being asked of you. That decision was made by Members of Congress and the President.

The question now is where do we go from here? Whether a person is a hawk or a dove—whatever their political party, I think the testimony that you have brought before America today brings home the reality of the tragedy of this war.

NATIONAL GUARD READINESS

We're now asking members of the Guard and Reserve to return to combat and we have to ask ourselves, quite honestly, are they ready? The GAO did a study on the readiness of the Guard and Reserve. They say that 90 percent of the Army National Guard units are rated not ready to deploy. Many of these units will be deployed. They lack the training and the equipment and the rest that they need to be effective soldiers and to come home safely.

I'd like to ask you a difficult question but one that I think many families would want me to ask. How can our Nation, in good conscience, continue to send our National Guard and Reserve into battle when we know that they don't have the equipment, the training or the rest that they need to do their best to come home safely?

General BLUM. Sir, I'd be proud to answer that question because the answer, I think, will reassure you. Make no mistake about this.

No soldier, no unit of the National Guard will go to war unready. It will not happen. If I know about it, it won't happen, if General Vaughn knows about it, it won't happen. General McKinley and I just spent some time with a unit reassuring ourselves that it was ready and held them up until we were sure that they were ready. They will not go without the equipment they need. They will not go without the training they need. I don't want anything I've said here today to confuse anybody and think that we're sending National Guard soldiers that are unready to war in an unready status. We make them ready. We take the time and we give them what we have to give them to make them ready. The problem is, the problems I've just described have produced the unreadiness on the other side of the coin; back here at home and that needs to be addressed because to me, that mission is equally important as the overseas mission. Neither one is more important. They are both absolutely critically important and neither one is any different from the other.

Senator DURBIN. What we have trouble with is this. At home, we have 34 percent of the equipment that we need for the Army National Guard and over 85 percent of the units have been deployed, some for the second time and some serve for the third time. You're telling me that the equipment shortfalls not only diminish their ability to respond to a domestic crisis, it diminishes their ability to train and prepare.

General BLUM. True statement.

Senator DURBIN. So if all of this is true and these shortfalls can be documented to say that each of these units is ready is to suggest some miraculous change between your statistics, which show they don't have the equipment and their readiness to go into combat.

General BLUM. It's not a miracle. It's a matter of applying resources against time. They're not ready so it takes us time to get them ready. If this Nation were to resource them, that time could be given back to the civilian families, the civilian employer and the citizen soldier would be able to endure his contribution.

Senator DURBIN. General, aren't we pushing our Guard and Reserve to the absolute limit with these continued redeployments into Iraq when we know there are equipment shortfalls, when 90 percent of them are not combat ready? We keep calling on them and their families to sacrifice again and again and again. How can we ask these soldiers and their families to risk their lives when our Government knows that we need to do more to prepare them for battle?

General BLUM. Without being flippant, I'd like to present that back to you in the form of a question. How can we not call up the Guard and Reserve? When you call up the Guard and Reserve, you call up America and that's exactly what should happen when we send men and women into harm's way for this Nation. I would advocate that we never should be in a conflict without significant participation by the Guard and Reserve because they bring the conscience of America to the fight and it keeps the Congress——

MAINTAINING THE FORCE

Senator DURBIN. General, there are two different things we're talking about here. You've just addressed the obvious. The courage

of these men and women when called to serve—they will stand and serve even if in the back of their minds, they're wondering about their situation at home? And they're going to do it, time and time again. That's what makes them the great men and women they are. I'm talking about our responsibility as a Government to have them ready for battle, to give them the rest they need, the training they need, the equipment they need and what we've been told over and over again from the testimony is, we're not. We're short-changing them on resources not on their courage. No one is questioning their courage.

General BLUM. You're actually absolutely correct there.

Senator DURBIN. That concerns me. Let me also say that I'm concerned, too, about the mental status of many of these troops and I'd like you to address it because the numbers that are coming back here tell us that not only the soldiers but their families are under severe mental stress because of these continued redeployments under these circumstances.

We are seeing alarming increases of the rate of alcoholism and drug use and the desertions that are involved, the divorces that are happening among these military families. Isn't that part of our responsibilities to take this into consideration when we ask whether a unit is ready?

General BLUM. I'm afraid so. Any time you ask an American citizen to go to war, I think the Congress of the United States ought to realize it has a responsibility to care for him and if he was injured in the war, we ought to try to make him whole any way we can. We should do it through the military and if the military can't do it, then we have to get other systems, other governmental or civilian systems to do it. That's what we owe him. I think we owe him that. He puts his life on hold and he puts his life at risk. I think we owe him that.

Senator DURBIN. Do you acknowledge, General, that the statistics that we're receiving, the information we're receiving, the Department of Defense says that the stress is starting to show in terms of these repeated deployments of soldiers into combat?

General BLUM. No question about it. There's no question this is a stressful time. Stress is produced in the most experienced combat force—but it also—but it doesn't need to be taken for granted. It's on autopilot. You have to watch it very carefully. Can the force be broken? Yes. Are we broken today? No.

Senator DURBIN. Does there come a time in the decision process of this administration whether we're talking about the redeployment of the civilian force or the escalation and surge force, when you feel duty-bound to report to the Secretary of Defense and the President that I'm sorry, we cannot meet your numbers? Has that moment ever come?

General BLUM. Yes, sir.

Senator DURBIN. Have you done that?

General BLUM. Yes, sir. So has General Vaughn. I'll give you a perfect example. The four brigades that have been called up now are my fault and his fault—like an orphan without the supervision of a battalion headquarters or a brigade headquarters and a support mechanism. When we found out about that, we tried to—and said, we're not sending our troops like this. We refused to send our

forces and deploy them that way. The Secretary of Defense supported our decision.

The Joint Chiefs supported our decision and the Department of the Army supported our decision. We're now sending four brigades with the right kind of senior leadership and the right kind of support, administrative logistics, and operations so that these companies can go out there and belong to a parent organization and be successful. If I ever get to the point where I think we've been asked to do something we cannot do, that is the day I'll—that's what they pay me for, is to tell them that and if I fail in telling that, I failed you, I've failed me and I've failed the Nation.

Senator DURBIN. I'm going to ask one last question. Do you know the current state of readiness? The equipment, the challenge—the courage and capability of our armed forces. How long can we sustain this war under these circumstances?

General BLUM. As long as the American people support the American soldier.

Senator DURBIN. General, that doesn't answer the question. The American people are behind the American soldiers, there's no question about that. The question is, is this Government behind these soldiers? Are we providing them everything they need to do their job and come home safely and how much longer can we continue this?

General BLUM. If we are provided the resources that we're asking this subcommittee today, the reason we're asking for that is so we can sustain a capable, ready, reliable, and accessible volunteer force indefinitely to do whatever this Nation needs, either here at home or abroad, to keep this Nation safe and to allow it to endure. I don't decide where we go.

I certainly have some input into how many numbers we put where and what it can sustain and I will go on record in front of this subcommittee as telling you, we can provide and maintain what we are doing on the Southwest border and what we are asked to do in Afghanistan and Iraq, the Horn of Africa, and 40 other countries around the world and at the same time, I will deliver and ensure that they have the equipment and the plans that they need to be able to respond to the hurricanes and that the Governors have what they need to respond to any unforeseen contingencies in their States.

The only thing that I don't have right now are the things that are listed on this card and the resources that will make that possible. If this were fully funded and got to where it was supposed to be going, in the next 6 years, I would stake my personal and profesional reputation on the ability of the National Guard, Army, and Air to maintain the level of effort we have right now at home and abroad and I'm not talking about whether we're doing the right thing in the right place or if that makes everybody happy. What I'm saying is, can the National Guard keep about 18 or 20 percent of its 350,000 strong force, which is postured to go by the way and I expect that we will.

Senator Inouye and Senator Stevens, we've got to keep going because this country needs a larger Guard. So we're going to keep doing that as long as we can find the young men and young women of quality and right now, our quality is second to no one. There is

not any other ground force, Active or Reserve, that can compete with the Army and Air Guard. It's at an all-time, historic high.

The hard thing is maintaining the force, not the people. The people are there. They'll do it as long as this Nation supports and believes in what they're doing. They're that kind of people but they can't do it without the resources and that's what I'm addressing today. They've got to have the tools to do the job.

Senator DURBIN. Thank you for your testimony.

General VAUGHN. Senator Durbin, do you care if I could add something? Just as an insight into the four basic combat training that you were talking about. What is going on in recruiting business today that we're in and the pride in the force and the fact that so many young soldiers want to join. Out of 13,000, roughly 8,500 of those soldiers have not deployed. We are recruiting 20 percent of the force every year now so these are new soldiers. I have real concerns that the mid level assignments and officers that are having to start out big time careers, and where they move in that pipeline. If there is a package of some way to take care of a particular group of people, you know, old folks, it's hard to drive them out. Young folks, we're tracking them because of what the States have done and the way they've appreciated them. When they come back, they want to be members of the communities.

And so, all is not quite so bleak as we're immobilizing everybody that is in that unit. We have a 20-percent attrition turnover every year—1 out of 5 gets out every year. In 5 years, roughly 100 percent turns over. Well, obviously the leadership doesn't turn over. That's what we've got to watch. That's what we've really got to be concerned about.

We can move equipment. We move equipment big time across State lines for training sets. We don't like to do that because you know the wrath we incur from the Governors when we do something that has to do with the dual purpose types of equipment, such as the trucks and transporters and what not that are short.

We've been able to do this to point and there has been adequate equipment sent overseas for us to fall into and there are some who say we didn't have to take all the equipment. But now it's replacing, replenishing equipment back to the depots and having to bring equipment back and return it.

We're seeing a regeneration deal where we have to take more equipment over, so where's the balance at? I don't know but we do have, through pulling everything across all the States and getting a lot of cooperation from the States, we do have some equipment sets out there and we train people for that wartime mission.

Senator DURBIN. Thank you.

Senator INOUYE. Senator Dorgan.

Senator DORGAN. Mr. Chairman, thank you. General—all three of you, thank you for being here and you've always been straight with us and been willing to answer our questions. We very much appreciate that.

MINE RESISTANT AMBUSH PROTECTED (MRAP)

But General Blum, you indicated that we're also calling up America when we call up the troops. Recall Colonel Hamas talking to us about the Second World War. I think it was in Hammerstein's

book, "The Boy and the Dream", described in the last year of the Second World War we produced 50,000 war planes. We had Rosie the Riveter. We had manufacturing plants just humming—50,000 war planes. We're not mobilized to do anything like that. The reason I mention that to you is I asked General Schoomaker and the Commandant Marine Corp about the MRAP (mine resistant ambush protected).

The MRAP is listed as one of the top priorities. It's a mine resistant ambush protected vehicle. It's one of the top priorities of the Commandant of the Marine Corps. It provides 40 percent increase in occupant survivability over an up-armored Humvee. They say it would reduce death by two-thirds from improvised explosive devices (IED). We're producing 40 a month. Forty a month! We're not mobilized.

And the fact is, my guess is you would prefer to have National Guardsmen who are going there to assume equipment there to be able to ride in an MRAP but we're producing 40 a month. So the fact is, America hasn't gone to war—we're sending soldiers to war. We're not mobilized the way we should be mobilized in my judgment.

Let me ask the question—well, first of all, do you agree with me with respect to the MRAP and the urgent need to mobilize to get the best equipment on the ground?

General BLUM. Absolutely. My son is deployed in Afghanistan and the best thing I could think of that he could be riding around in right now is a variant of the MRAP.

Senator DORGAN. Does it bother you that we're manufacturing 40 a month or 50 a month?

General BLUM. It bothers me that the—when most of the Nation is watching "American Idol" and "Dancing with the Stars".

Senator DORGAN. And shopping. I mean, we send soldiers to war, but then go to the mall. Not much has changed.

Did you have a list of resources that are shortfalls that you've identified? The President's supplemental request is for $1.78 billion, $1.7 billion for the Guard. That's far short of your identified shortfalls. Did you send these requests of shortfalls up the line and request that they be funded in the emergency supplemental?

General BLUM. Of course, sir. And you know I'm a title 10 officer and I'm duty-bound to support the President's budget and there is some risk assumed in every budget and if the Congress wanted to pay down the risk, I've listed risk and I've listed the cost. So that's all I can do, Senator.

Senator DORGAN. I understand, General, that you are duty-bound to support the budget as it comes to us but I was only asking if you identified for us today the substantial shortfalls that are similarly identified at the start of the budget process and denied and seen those requests denied and the budget process?

General BLUM. Yes, sir. I've never seen a budget ever that fully funded 100 percent of what everybody thought they needed.

Senator DORGAN. I understand but the subcommittee has money but the subcommittee is one of the subcommittees that routinely adds money for the Guard.

General BLUM. This document—I'm sure you can't see it from here, but I'd be happy to give it to you. What this shows is this

is one of the documents we did submit to show what is here as opposed to what we're being resourced to. This is why it is so important for the Congress to have funds go where they intended them to go, to put it in such a way and put it in such language that your team gets to where it has the impact you intend because money that just comes in is general monies. It has a tendency to go other places and then people don't understand why they thought they cured this problem and then it wasn't cured.

Senator DORGAN. But General, from our standpoint, when something isn't requested but is identified as a serious shortfall and then it is added by somebody here, it's called an earmark and then scornfully described as an earmark. My only point is, if we have shortages, I understand you can't necessarily respond to all of them immediately.

General BLUM. This goes into—this is not a complete list of everything we would like to have and need to have. These are the things we absolutely must have if we're going to be able to deliver all the capabilities that are being questioned here by this subcommittee this morning.

RETURNING SOLDIERS

Senator DORGAN. And that a requirement of the President and the President's budget and it's a requirement of the Congress to find ways to address these shortfalls.

Let me ask, General, about a call I received from a mother recently. Her son came back about 1½ years ago, 18 months ago and he was a substance abuser. He could not sleep. He would pull the covers over his head and scream at night from nightmares and so on.

They went to the VA system but couldn't get any help. Hired private psychiatrists and so on and finally after about 1 year, got him in a position where he was back in college and doing pretty well and then a couple of weeks ago, got his alert notice for June and she called me, crying and wondering, what has happened here? We spent a lot of money, a lot of time bringing our son back to health. Is he going to be sent to Iraq again?

I don't ask you about that specific case, I only ask you about the issue of seeing that this is replicated in many areas of the country. Are we able to adequately identify those young soldiers who come back with very serious issues, who are not getting the help they need in the VA system, whose parents are then hiring psychiatrists and so on, nursing them back to health and then they get a notice that they're on alert status, going to be sent back to Iraq.

General BLUM. That, Senator, I don't have the details of exactly what you were describing but if you were to take that as a generic scenario, could that be possible around the country? Absolutely. Is it possible? Absolutely. I would not present in gross numbers.

There are occasions of that happening and the unit commanders have discretion in that regard. We certainly would not take a wounded soldier and send him back and what you're describing is a very real combat wound and it would be very unlikely, I would think, that any prudent commander would even want to take a soldier like that while they were still in recovery, if they had already sustained injury. If you have details on it, pass it to me. I'll make

sure that the right judgment is placed against the facts of the situation.

But clearly, we have a system in place that watches that and what I've described to Senator Mikulski is that we do need to put additional resources against that because our caseload grows. The longer this goes on, the numbers don't get smaller, they get larger over time and we need to be able to make sure to treat these people well. There are people walking around, frankly, everybody that has post trauma type injuries that are not only the military. We have a lot of the civilian population that were witnesses to war that have exactly what you're talking about and unfortunately, I don't think they have the same safety net that we're providing in the Department of Defense. I don't think there is anybody out there that is as sensitive to that as we are.

Senator DORGAN. General I think in response to the question asked by Senator Durbin, I think we're stretching the Guard and Reserve in a way that was not previously attempted and I have enormous gratitude to the men and women who make up the Guard and Reserve and these are people who have homes and families and jobs. They are citizen soldiers. In most cases, they've been taken for 18 months, longer than the active duty soldiers and some of that has changed, I know, recently but now with the 3-month extension.

This country owes a great debt of gratitude especially to all soldiers but to the Guard and Reserve and especially their families. So I know you will express that to them from us and I know all of us serving here serve on this subcommittee for a purpose and we want to provide everything that is needed for those soldiers who are ordered into harm's way.

I want to make one final comment, if I may, to General McKinley. Thank you for your work with respect to the Fargo Air Guard, who Mr. Chairman has called the Happy Hooligans. I want to read two paragraphs before my colleagues are recognized. The Happy Hooligans have been the best Air Guard unit in the country. They've won the William Tell Award twice, which is the award for the best fighter pilots against the Air Force, against everybody. So here's something from USA Today, describing the Happy Hooligans. Now they lost their fighter planes.

They do have UAVs now but it says, quote: "Here is the bottom middle agers with chiseled faces, people whose other jobs happen to be in an insurance office, on the farm or flying for Fed Ex, members of the local church, officers of civic organizations, yet when you strap one of these senior flyers into a cockpit, into an F–16, the younger boys get out of the way." These are the Godfathers of air superiority. They won the William Tell twice as if to emphasize continued—their underdog status but one pilot was a lieutenant colonel named Peewee. The competition was for F–15s. The F–16s were at a distinct disadvantage. It was good see the F–15s this far. These guys, the Happy Hooligans, went out and beat them twice in the William Tell competition and the same year, won the Hughes Trophy for the best air combat unit in the United States Air Force. That's in the Air Guard unit in Fargo, North Dakota. That's an unbelievable legacy and I first saw it when the leader of the Air Guard unit flew over my hometown when I was a teenager

and his sister-in-law was the neighbor and she was out there waving her apron. This was in the late 1950s and he took, I'm sure he broke all the rules but he took whatever jet he was flying down over a town of 300 people and then he pulled up and went straight up into the air in the blue sky.

I guess maybe I was 10 years old. I stood there with eyes the size of dinner plates, first I'd ever seen a jet. He shook everything in that small community and I'm sure he broke all the rules but we were so proud of having somebody that we knew running the best Air Guard unit in the country. That was decades ago. And since then—the reason I mentioned this, General McKinley, because you specifically mentioned the Happy Hooligans and we appreciate very much what you and General Blum and others have done for them because that is a terrific unit of dedicated soldiers for this country. We appreciate your work.

General MCKINLEY. Thank you, sir.

Senator DORGAN. They're out there flying F–22s, by the way. But that's another subject.

Senator INOUYE. General, if I may, just to follow up on Senator Dorgan. The administration requested $1.7 billion to make up for shortfalls and this subcommittee added $1 billion. I suppose that's an add-on earmark. Senator Murray.

Senator MURRAY. Mr. Chairman, thank you. Let me further understand this as well. The President asked for $1.7 billion and we added $1 billion. Is this in the President's request? The card that you've given us? Has he requested this or are you asking for this on top on that?

General BLUM. No, this is additional resources. This list represents unfunded requirements that we need to buy down the risk, to mitigate the risk that is underaddressed.

Senator MURRAY. So the President has not requested the funds that are needed for the Guard or Reserve to be effective?

General BLUM. I wouldn't say it that way. I would say that even though there are considerable funds programmed, probably historically, high in numbers, it still does not fully address the requirements. I think that if I were asked, how we could mitigate the risk that still exists in the budget, I think that this card would answer the question.

Senator STEVENS. This is your 6 year figure, isn't it?

General BLUM. Yes, sir.

TRICARE COVERAGE

Senator MURRAY. Well, I thank you. I thank you for your candor today, gentlemen. I really appreciate your candor to tell us what you need to make sure that this problem—what this country has asked them to do.

I was at Camp Murray in my home State 2 days ago and I sat down with a large crowd of people who were Guard members. Some of them had been called up and had returned home. Some of them were about to be called up, and some of them were family and spouses.

The stress, and I'd say anger, was at an all-time high. I've talked with members of the Reserve and Guard many, many times over the last years. You talked about getting our troops ready. We've

heard a lot about equipment and I know my State is one of the red States on your chart. We have earthquakes and floods and volcanoes and I'm deeply troubled by that and I don't know which State you'd call on to help us when all the States beside us are red, too, should something like that occur.

But that's one more issue. The issue of troop readiness is much larger than that, and that is about whether or not these men and women are physically ready to go back again. The brigade that is about to be called up, the last one to be called up, haven't gotten their orders yet. I assume they'll get it in the next several weeks. I was told specifically that a number of them know that they have medical conditions that need to be taken care of before they can leave ground here.

But the fact is, they don't get covered by TRICARE until they get those orders. When they get those orders, they'll have about 4 weeks, I believe, until they are on duty. And in that 4-week time span, they'll have to get a medical appointment and get whatever issue they know they need taken care of right now.

I was told, for example, that someone who had an issue with, I believe it was a kidney, but had no personal healthcare was waiting for his orders. But once he got those orders, he needed to call TRICARE right away, which he knew he couldn't get in the few weeks' time he had. He was not deployed with his unit—because of his loyalty.

I'm deeply worried about the way that we have structured this right now with a lot of these men and women coming home with both visible and invisible wounds that are not going to be ready when we deploy them because of that condition that I just described to you. Are you hearing that?

General BLUM. Yes, I am and that's why I've brought the command sergeant major, a senior enlisted advisor, with us. That's what they watch out for. It's our obligation and it's our duty and responsibility to not take someone who is not whole to war. So if someone was to withhold and we cannot detect a fault, I guess that could occur——

DEPLOYMENT CYCLE

Senator MURRAY. I understand we don't have the medical capability——

General BLUM. That's not exactly truly accurate and I'm trying to make it totally accurate. Secretary Gates has made a very courageous decision on January 11. He made a decision that we're going to call the Guard and Reserves up for 1 year, start to finish and within that 1 year, we would alert them as far out forward as we possibly could to give them some predictability in their lives.

When they're enrolled, they get full health benefits coverage. We can identify the faults and fix them and the Government pays for it, just as if they were mobilized, in the past and we've brought them to some help station like Fort Lewis and then started working on them. So this will help them to stay healthy—healthcare in advance. What it also requires is that we train those people and equip those people during that period of time, which means that they are only there in a significant way and equipment from the past mobilization model and give it to General Vaughn to dis-

tribute to Washington State. It might help so that the year that they are alerted, they are working on the equipment they need to work on, the more equipment they have their finger on, they're getting the healthcare down.

They're getting training so the time it takes to get them ready for partial mobilization is dramatically shortened and then they have to be back in 1 year, which means they'll only been deployed on the ground hopefully somewhere between 9 to 10 months out of that year, which to me is a much more reasonable time, which is much more considerate of the wear and tear on the mind and the mind of the soldier, even if they don't get hurt. Better in a hospital environment for 9 months, it has wear and tear on the psyche and physical part of it.

Senator MIKULSKI. Well, I hope that's actually happening on the ground. It wasn't what I——

General BLUM. If you find any evidence that it's not, I would welcome you to bring it to my attention because that would get fixed immediately. That is not what Secretary Gates signed off on the 11th of January. Maybe you're talking about what was existing before and maybe not now, but that's where we are now. He made a very tough call here. He listened to the citizen soldiers and the Guard and Reserve components. He is sensitive to the partnership of the other two members of this partnership, the civilian employer and the family members and he has modified against—against the bureaucracy of the Pentagon. He is against that and he has made that decision so I have to give him credit for the State—and collaborating with the Congress and taking a bold measure to address what has been around as a problem for probably decades before he got there.

Senator MURRAY. General, I appreciate the answer. I'll just tell you that I have some concerns. But I think the original comment of post-traumatic stress disorder, traumatic brain injury, are particularly troubling. What we're hearing from Senator Dorgan is that it's a one-time, one-person injury.

General BLUM. I think it only affects about 7 out of 10 of our wounded, frankly.

TRAUMATIC BRAIN INJURY

Senator MURRAY. The problem is particularly because, as I heard them said to me, is that they don't want to be labeled with post-traumatic stress syndrome or traumatic brain injury (TBI), not because of their service but because of what they do outside the service and they don't want it to impact on their employment with some kind of a label that will cause them to have jeopardy in their lives outside the service.

General BLUM. Absolutely.

Senator MURRAY. So I think we have to be especially diligent with the invisible wounds of war, with these men and women.

General BLUM. I'm really glad you understand and appreciate that because we're on the very beginning of even understanding how to treat and make those people whole.

We're just starting to understand what traumatic brain injury really is, what it produces and how to effectively treat it to bring them back to where they were before the sustaining injury. It's not

as significant because 7 out of 10 of our injured soldiers are first injured by improvised explosive devices that go off. They don't kill them. They may look absolutely perfect but they have soft tissue brain damage that is tough to detect unless you really knew that person extremely well.

Senator MURRAY. Mr. Chairman, this is a huge issue because I had a chance to talk to the doctors there. So one simple question you can ask somebody to try and learn if they have traumatic brain injury——

General BLUM. They may not even know.

Senator MURRAY. They may not even remember the explosion and they're telling me that many of the soldiers who return are in multiple explosions and they continue to over time to have injury. They can't just say, oh, we're in trouble for getting something done. They may not even know it.

But their injury may be in a different part of the brain, the other soft tissue of this type of impact that we don't know about that will have future implications. So, there is a concern with redeployment and not having those—making sure that we have really gone above and beyond the call to make sure we're covering those injuries.

That goes to the next question I have, because with all those Guard members that I met with, there was a huge level of anxiety and stress and I'll even say anger about how they are treated when they come home in relation to the regular Army. They felt they were constantly being asked, are you in regular Army or are you in the Guard and Reserves. And the minute they answered that question, they did not get the same treatment. Whether it's real or not, it is certainly perceived. As long as that perception is there, I think that's a real issue and I'm deeply concerned about it.

General BLUM. I couldn't agree more. That is certainly not anything the senior leadership of the military wants to exist or tolerate. If you—if any member has evidence of that and you get it to us, it will immediately be addressed.

NATIONAL GUARD EMPOWERMENT HCI

Senator MURRAY. Well, in particular, I have concern for the group of people I talked to in terms of healthcare. And there are people there who have been waiting to get their medical evaluation paperwork for well over 1 year, and they were fighting with the disability ratings and expect that they are not getting granted full disability and having to fight, that to get their disability was especially troubling to these people because it affects their outside personal employment opportunities as well.

General BLUM. If I might, if I could respond to that, I'll just give you some perspective on that. I had a meeting with Secretary Gates on that very issue. He is very much aware of what you just described and he is absolutely committed to not tolerating it. He has a commission looking at that right now, and he's got a pretty quick turnaround when he wants things done. He looks at his watch, not at the calendar. He wants this done quickly.

He wants to find out if this is a cultural thing or is this because the Reserve component's medical records are on paper and the active duty are electronic. The question is asked, how to treat them differently so they can figure out how they're going to track the

records. This is not as sinister as it appears. I will tell you that there is absolutely—unfortunately, there are people that if they're not watched very carefully, you don't know what they may do. They may discriminate in their behavior. People like myself and General Vaughn and General McKinley and the Sergeant Major are committed to making sure that doesn't exist. I will also tell you that General Casey and General Schoomaker and General Cody are as well.

If you would get the scout reports from your constituents, they are both far more open and far more candid on issues sometimes than they will with us, if you can share that with us, if you want to take their name or just tell us where the facility is, we'll go there and look at it. We're committed to making sure that does not exist. There should be one standard; one standard of care and treatment.

Senator MURRAY. We have a long way to go. I can tell you, as an American, I'm very concerned. I'm concerned about the indications of our equipment and supplies. I'm concerned about how these men and women are being treated. I'm concerned that we are sending people back into conflict, especially with invisible wounds that they can't identify. The family members don't know. Traumatic brain injury is a perfect example—they might not even know it.

And post traumatic stress disorder, because of the labeling of that, there's a huge issue, especially for a Guard who—and frankly, Mr. Chairman, we are having a hearing tomorrow, a joint hearing with the DOD and VA to talk about this whole disability rating—but we have a long way to go to make sure that these men and women are not given a low disability rating that will impact their lives forever. And we shouldn't have them sitting in medical halls fighting some kind of bureaucracy to get through that. That is ridiculous. They've gone to fight a war. They shouldn't be fighting their own country when they return.

So I am very, very concerned about this and Mr. Chairman, we've got a lot of work to do on this. I want you to know those are brave men and women. They're courageous. They want to fight for their country and they want to do what's right. But I am deeply concerned that the President is not requesting what we need for facilities and we're fighting backwards to try and get them what they need and sending them into conflict. That really is just not the American way. Thank you, Mr. President.

Senator INOUYE. Thank you. Senator Bond.

Senator BOND. Thank you very much, Mr. Chairman and General Blum and General McKinley, welcome. We honestly appreciate the great work that you and the men and women in the Guard do. I want to provide a little different slant on some of the things that have been suggested. Number one, war is tragedy. Nobody ever likes war. Nobody likes to be in a war. But as I recall—al Qaeda declared war and it wasn't until the tragic events of 9/11 that it was here in the United States. We're in danger. And that's why we have active Guard and Reserves fighting in Afghanistan and Iraq and these brave men and women have helped keep our Nation free from more attacks. If they were not there, they would not forget about us. They would come after us.

I had the pleasure of visiting with members of the Guard in Iraq and Afghanistan and many senior leaders were there and a former TAG (tactical airlift group) from Missouri was there. These men and women know what they're doing. They understand the mission. The only thing that really bothers them is why the media and some in the United States Congress don't understand that they are there to keep us safe. And that, to me, the fear that I hear most often. Now, shortfalls that you've described, as I understand, we had what we thought was a peace dividend for many years prior to 9/11 and did these shortfalls not—are these not a carryover from the short funding in those years?

General BLUM. Senator, they existed before 9/11. They were exacerbated by what you just described.

Senator BOND. Well, as we have discussed here, this subcommittee put in for money that was requested in the supplemental and I'm pleased that there is $1.5 billon in that supplemental for the MRAP vehicles, which I gather is about as fast as they can be produced.

Senator Leahy and I as co-chairs of the National Guard, fought to get an additional $1 billion for equipment. I would hope this Congress would get about the job of conferencing this supplemental, taking out the things that would have micromanagement of the war and allow this money to be supplied to the Guard or Reserve or the active units so they can do their jobs.

We have had in this subcommittee continually to add dollars to the Pentagon request and that's why the National Guard Caucus has urged and demanded that we give the Guard a seat at the table so when the budgets are being discussed, the resources of these are being discussed, the Guard will have a seat at the table. And you've described the way that Secretary Gates has responded to the request to have the deployments cut back to 1 year and I am hoping that we will hear good news from Secretary Gates. I don't know what the plan will be but we and the Guard Caucus are going to continue to push for it, to push to get the Guard a seat at the table and I'm sure that this subcommittee with the great leadership that we have with Chairman Inouye and Senator Stevens, we'll do as much as we can and we're committed to getting you the equipment you need.

But as I understand it, you have said that no guardsman or woman is deployed without being fully resourced and trained. Is that accurate?

General BLUM. Yes, sir.

NATIONAL GUARD END STRENGTH

Senator BOND. I would say just for the record, the situation that you and I have discussed many times before. I know what happened before when the Guard is not adequately resourced when Katrina hit. One of Missouri's fighter engineer battalions was called up to go to New Orleans. They took their equipment down there and did a great job. They got a call from Louisiana saying we need another battalion. They said, we're sorry. We got the engineers. We've got all the personnel but we don't have the equipment. So we gave Louisiana one-half of what they needed and we

should have been able to provide because we had not been adequately resourced at the Guard.

Now, I also want to touch on Fort Stewart, where several years ago, we had a Guard Caucus about poor treatment, bureaucracy, medical holds and inadequate facilities. And our staff went down there. We had to fight to get that changed and we continue to hear of problems of bureaucracy but having visited the VA facilities in my State, the DOD facilities, the people I've talked to said they get the best healthcare available but we have to cut through the medical holds.

Let me get back to questions. General Blum, you have stated that equipment shortages, if they continue to extend a period of time, will have an impact on both the wartime and stateside nation. Can you give a little better judgment of what would happen if these shortfalls continue?

General BLUM. If the shortfalls continue, we will go further and further in the hole or we'll get further and further—we'll get more and more incapable over time because as you can see, this is having a roll-over effect. It's not a building effect.

So we have to overcome the shortfalls if we're going to stop this death spiral with capability.

Senator BOND. I want to ask General Blum this question. Some have questioned the ability of the Army National Guard to recruit an end strength of 350,000 personnel and to predict that we'll probably need to recruit additional personnel. Can you give us an update on the Guard's recruitment and retention efforts?

General BLUM. We went through 350,000 the last of March. We're sitting today around 350,500—we expect at the end of April to be at about 351,000.

Senator BOND. Part and parcel of that is the same question that I asked General Vaughn, though. We're going to have to equip them because we can't expect folks to come back from overseas having trained on the right equipment and we don't know what the right equipment looks like—they are not a second rate team. They are a first rate team but they needed to be treated like that. What kind of capability do we have?

I take that this nation needs as large a Guard force, decentralized as much as possible in as many communities as we can around the country, around this United States. I think that's our strength and I think 360,000 is very reasonable for us to be looking at early next year.

In fact, as long as someone doesn't turn off the machine, as long as we have the resources available to recruit like we do now, I think—to be around 356,000 at the end of this year.

General BLUM. Well, thank you, Senator.

Senator BOND. Knowing the Guardsmen and women who serve in my State, I can tell you that they are real fighters. They do great work and make a lot of sacrifices and the people who serve in the Guard are top flight, as you've already said.

AIR NATIONAL GUARD RESET

Now I have another question for General McKinley. Some of us are extremely concerned about the recent decision by the Air Force to modernize or reset the Air Guard. General Moseley recently

wrote to the Guard and Reserve Commissions with some suggestions as to how the Air Guard, the National Guard, could be improved.

There are things in that, that really concerned me and I would like to know, what's going on?

General MCKINLEY. Sir, I think that I concur with your assessment. I think the best way to explain it is that General Blum and General Moseley had a following meeting after those letters were written. I was present along with several other key members. I watched General Blum put the equity of the National Guard on the table. General Moseley spoke candidly too, and I think it was a very open and frank discussion.

As a result of that very negative action, I think something positive has come about. I think we're going to be able to reset our forces. We've been supplied by you, and we thank you for all the support. There are honest differences of opinion in this town over how services treat their Reserve components. I know from attending that dinner, General Bradley was there from the Chief of the Air Force Reserve, that those differences were discussed in a collegial environment and all the feelings were put out on the table.

Senator BOND. But knowing General Blum, I can only imagine that there was some frank discussion. It's probably best not to get into that frank discussion but General Blum, would you like to give us just a brief overview?

General BLUM. Sir, it was frank, and it was very candid and ultimately, it was very collegial. I think we are in a good place with total force right now, with the leadership of the Air Force, the Air Force Reserve and the Air National Guard. All of us have a more common vision than we had before that meeting.

As a former commander of one State's National Guard, I can tell you that we want the Guard to be strong and to be able to available for national security missions. We want a TAG with a deputy for Air and for Army, and keep the structure that we have, and make sure that we can make our home State missions our civil defense missions, as well as responding to the President and the Secretary of Defense call on the Guard for their overseas security efforts. By doing that, I hope you will lessen the likelihood that we will need to defend against actual terrorist activities here in the United States.

General MCKINLEY. Sir, I think not only you're right, there are 53 concurring Governors in our great Nation of the States and territories.

Senator BOND. Thank you very much for all the work that you and all the members of the Guard do. We appreciate it. Mr. Chairman, thank you.

Senator INOUYE. Thank you. In the year 2006, we heard much negative and positive rhetoric during the campaign cycle. Chairman Stevens, who was chair then of the subcommittee at that time, felt that it was incumbent upon us to send a message to the men and women in uniform that we may disagree on the war but we are supportive of them. And I just want to recall once again, the last year of the subcommittee unanimously passed the largest budget ever. The full committee followed suit with a unanimous

vote and the full Senate voted 100 to zero, something that has never happened before. And we hope to do the same thing again.

I've decided to keep the record open for 2 weeks to give all of you an opportunity to provide addendums if you so wish in light of the discussions we've had today.

First of all, I'd like to get a report on the Bureau as to what you need today and what you need to maintain 100 percent global fully equipped force. How long would that take?

General BLUM. We can have it to you this afternoon, sir.

Senator INOUYE. I'd like to know how long this would take and then how much you need to maintain this 100 percent.

General BLUM. Sir?

NATIONAL GUARD FUTURE FUNDING NEEDS

Senator INOUYE. Second, I think in your recruiting, you should note that in the Army, for example, you spent $770 million in bonuses for retention and recruiting. My question is, do we have to maintain that level indefinitely or is that a one-time thing?

General BLUM. There are a couple of variables, Mr. Chairman, that play into this. It depends on what level of commitment that we have when we deploy our troops overseas; what level of commitment that we have here at home. That would change some of the demographics of our force and the pressures on the retention bonuses. For now, I would say that they probably need to be left in place so we don't break the contract with these young men and women of America that are out there currently. Certainly, I don't see this as something that you just put in cruise control. I think it needs to be evaluated and checked on from time to time to see if it needs an adjustment down or maybe you might even need adjustment up in the out-years, I don't know.

Senator INOUYE. How much do you need for the next fiscal year? We can do that for the record unless you want to do it now.

General BLUM. Sir, we can get that to you this afternoon for the record. Is that all right?

Senator STEVENS. Could I add to that, Mr. Chairman? Given that it is a 6-year readiness concept in that pamphlet, can you add to what the chairman has asked you? How does this phase in? You're not asking for the whole thing, for the $34 billion or whatever it is, in 1 year, obviously.

General BLUM. No, sir. We can get this for you this afternoon.

Senator STEVENS. Well, I'd like to see it beyond what he has asked for 1 year. How is this going to phase in over a period of years? Thank you.

Senator INOUYE. Now, it's been a long day for the Guard. The Reserves are still waiting here. I'd too thank all of you for your testimony this morning. We appreciate you being with us and the subcommittee would wish to have you go back to the men and women under your command, and give them our deepest gratitude for their service to our Nation.

General BLUM. Thank you, Mr. Chairman, Senator Stevens and now in turn, we'd like to convey our greatest gratitude for your concern and your unwavering support for the American soldiers, airmen and Coast Guard serving our great Nation. Thank you, sir.

ADDITIONAL COMMITTEE QUESTIONS

Senator INOUYE. We'd like to demonstrate our admiration and our gratitude by providing you the funds that you need.

General BLUM. Thank you, sir.

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

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL H STEVEN BLUM

QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUYE

Question. General Blum, we've heard that the Stryker Brigades are performing well in theater—and that the National Guard may be interested in gaining two Stryker Brigades. For example, Governor Schwarzenegger recently suggested fielding a Stryker Brigade in California; we understand that other states may also be interested. Is the National Guard reviewing any proposals along this line—and are you considering increasing the number of Stryker Brigades? Are any new equipment or mission changes planned for the Guard at this time?

Answer. The mission of the Stryker was to fulfill an immediate requirement in the Army's transformation process to equip a strategically and operationally deployable brigade capable of rapid movement anywhere in the world in a combat ready configuration. The armored wheeled vehicle is designed to enable the Stryker Brigade Combat Team (SBCT) to maneuver easily in close and urban terrain while providing protection in open terrain.

The Stryker is an excellent multi-functional platform that is a good fit within the Army National Guard (ARNG) brigade structure. However, the Army has not validated or programmed any additional requirements for the ARNG beyond the one Stryker brigade stationed in the Pennsylvania National Guard.

Currently, all components of the Army have severe equipment shortages. The Army is working to alleviate these shortages and has programmed $36 billion over the fiscal year 2005 to fiscal year 2013 period for ARNG equipping priorities. It is imperative that any plan to field additional Stryker units to the ARNG not impact funding for other systems currently programmed, as these systems are critical for training and response to domestic emergencies.

Question. Are any new equipment or mission changes planned for the Guard at this time?

Answer. I will refer you to the Department of the Army (DA) for a more detailed response to this question. The Army National Guard (ARNG) works directly with DA on all matters pertaining to missioning and equipping of the ARNG. All Army National Guard programs are validated by the Department of the Army. The Guard continues to serve admirably in its dual federal/state mission as prescribed by the U.S. Constitution. While the primary mission of the Guard hasn't changed; specific roles, responsibilities and alignments are continually analyzed and modified to support the President's National Military Strategy.

Question. General Blum, a recent GAO report found that the National Guard is critically short of equipment it needs for its domestic response and homeland security missions. What items needed for domestic missions are in shortest supply, and what steps are being taken to measure and track the Guard's readiness for domestic missions?

Answer. The Army National Guard (ARNG) is in the process of converting from a Strategic Reserve to an Operational Force. As a Strategic Reserve, the Army assumed risk when equipping the ARNG because there would be sufficient lead-time to equip the deploying force. We can no longer afford to take that risk. The Department of the Army has shown a commitment to fully equip the ARNG to 100 percent of its requirement. The fiscal year 2009–13 POM (Program Objective Memorandum) "fenced" $21 billion as a down payment on fully equipping and modernizing the ARNG. This effort will require Army attention and steadfastness for several years after fiscal year 2013 to properly equip and modernize the ARNG to be fully interoperable and identical to active component units, having the ability to perform any mission in support of full spectrum operations.

In the short term, the ARNG is fully committed to ensure its units are sufficiently equipped to perform their Homeland Defense/Defense Support to Civil Authorities (HLD/DSCA) mission. The ARNG has identified critical dual use items of equipment that are useful for both war and HLD/DSCA. These items were vetted through the States and the Army G3 and validated as the HLD/DSCA requirement. This list is

currently under review to ensure that the need capabilities are reflected in the equipment list.

An Army wide effort is underway to provide equipment to the hurricane prone States, just as we did last year. Some new equipment is being diverted to these States; some depot RESET/Recap equipment is being redirected; some equipment is being loaned to the ARNG; and the ARNG is cross-leveling some equipment among the States. The ARNG is taking great care to ensure that each State has equipment on hand to respond to State missions and are ready to move equipment into non-hurricane States, if required. The States have also negotiated Emergency Management Assistance Compacts (EMAC) to provide capabilities to each other if requested. Although the Army is strapped for equipment, in the short term, all components, working in concert, will support the ARNG in its mission of aiding/assisting the States in responding to natural disasters or other State missions.

Question. The National Guard is currently performing important missions to assist in securing the southern border, including building roads, fences, and vehicle barriers. How much longer do you anticipate the mission on the border will continue, and how will this mission be funded in light of the absence of a request in the 2008 budget submission for that purpose?

Answer. This mission will be completed in July 2008. Of the $415 million reprogrammed for OJS we received $191 million for the remainder of fiscal year 2007. The $224 million left is being held in the Defense Wide Account. All the funding designated for Operation Jump Start (OJS) expires at the end of fiscal year 2007. The issue is—OSD needs to request transfer authority be forwarded to fiscal year 2008. Therefore, the unused fiscal year 2007 funding plus the $224 million can be used to support the fiscal year 2008 OJS requirements.

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

Question. Mr. Chairman, at the start of the 20th century, Theodore Roosevelt said that "all of us who give service, and stand ready to sacrifice, are the torch-bearers." Today, in these early years of this new century, the members of our National Guard and Reserve are the torchbearers of our times. They wear the uniform of this nation with pride, carrying high that torch of freedom. But what do they get in return? A system that abuses their pledge of service and jeopardizes the safety of their communities here at home?

I must ask why are the members of our National Guard and Reserves being treated so poorly? Why are they being sent back again and again to Iraq and yet being shortchanged when it comes to training, shortchanged when it comes to replacing equipment, and shortchanged when it comes to supporting them and their families?

Answer. Past resourcing of the National Guard was a direct result of the Cold War paradigm of having the National Guard serve as a strategic reserve. Only in the past decade have we seen the shift of the National Guard to be more of an operational force. The resourcing model is still catching up. As an operational force the National Guard will be equipped and trained to the same standard as that of the active component.

Currently, the National Guard is at its best level of training and equipment ever for the away game overseas, and that's how it should be. We will never deploy soldiers or units into combat that are not fully trained, equipment and ready for their assigned mission. A soldier's well-being to include family support is of the utmost priority.

Now, the home game that is a different story. We can get our mission done, but we are not at our optimum. Past resourcing practices combined with today's high operational demand in support of the Global War on Terror has left us with a diminished capacity to respond to emergencies at home. In this area we still have a way to go.

Question. General Blum: How are you planning to address all of the requirements of the National Guard, including homeland security, disaster response at home and combat operations and support, while major elements of the Guard are deployed?

Answer. Currently, when the NG deploys they have the best equipment possible, as it should be. With the Congress' help we can equip our homeland defense and training missions at home to the level that would maximize their effectiveness.

The National Guard continues to be committed to supporting the War on Terrorism in addition to providing sufficient capabilities to perform Domestic Operations. The National Guard Bureau's goal is to continue to provide a predictable model for operational unit rotations while still ensuring that sufficient unit capabilities and equipment remain under state control to perform Domestic Operations. Existing Army and Air National Guard domestic capabilities could be further leveraged

by ensuring that dual use line items remain available and ready in sufficient quantities.

Question. General Blum: How much National Guard and Reserve equipment has been left in Iraq; how many trucks, humvees, helicopters and other equipment? How much will it cost to replace them; and, given your current level of funding requests, how long will it take to replace them?

Answer. There is a broad spectrum of equipment and categories of equipment that has been left in theater. Between battle losses, normal consumption and equipment diverted by the Department of the Army, diversions of Army National Guard equipment has had the greatest impact upon Guard readiness.

Currently, we are tracking over 35,000 pieces of diverted ARNG equipment valued at over $3 billion. A critical category that has greatly impacted Guard capabilities is in Tactical Wheel Vehicles, where we have left over 7,000 of our best vehicles, 3,800 of which were our newest High Mobility Multipurpose Wheeled Vehicles (HMWWVs).

Question. Generals Blum, Vaughn and McKinley: Does your budget request to this Committee truly reflect all of the requirements necessary to accommodate your homeland security role, your disaster response role, your equipment needs, and the funding for programs necessary to provide quality support to those in the National Guard who are being called upon to serve their country, as well as their transition back to civilian life? If not, where are the deficiencies and why are they not being addressed?

Answer. The current budget request goes a long way in meeting many of our needs. However, there are challenges. The Air National Guard has a $1.5 billion shortfall in fiscal year 2008. We have challenges in Personnel & Force Sustainment, Total Force Integration, Depot Maintenance, and flying hour shortfalls. We have additional challenges funding equipment for the "Essential 10," an area tied to bringing capability to bear for the states and the governors. Finally, our information technology and installation security programs are critically under funded for fiscal year 2008.

While the budget request submitted to the Committee reflects the needs of the National Guard to be properly equipped, trained, and manned to fulfill its duty to the nation as a strategic reserve, it does not fully fund us as an operational force. The table below depicts, by year, current funding plus the additional funding needed in the National Guard Personnel, Army (NGPA), Operation and Maintenance, National Guard (OMNG), and National Guard and Reserve Equipment Appropriation (NGREA) accounts to achieve and maintain a 100 percent ready force.

—Current POM funding levels will bring the ARNG to 77 percent equipment on hand by fiscal year 2013.
—The additional $23.6 billion for equipment in the table would bring this level to 100 percent by fiscal year 2013.
—The ARNG cannot reach 100 percent readiness until equipping levels reach 100 percent.
—100 percent equipping levels will provide a robust homeland defense capability, will allow ARNG units to train for their war fighting mission prior to mobilization, and will provide the Nation and the Army with a surge capability, if needed.
—The ARNG has transitioned from a strategic reserve to an operational force and must be resourced accordingly.

[In millions of dollars]

	Fiscal year—					
	2008	2009	2010	2011	2012	2013
NGPA:						
Budget Request (~ 65 Percent Readiness Level)	5,959	6,196	6,464	6,751	6,957	7,167
Additional Requirement	2,011	2,590	3,170	3,749	4,329	4,908
Budget (100 Percent Readiness Level)	7,970	8,786	9,634	10,500	11,286	12,075
OMNG:						
Budget Request (~ 65 Percent Readiness Level)	5,840	6,065	6,021	6,031	6,278	6,382
Additional Requirement	1,322	2,493	3,665	4,836	6,007	7,179
Budget (100 Percent Readiness Level)	7,162	8,558	9,686	10,867	12,285	13,561

[In millions of dollars]

	Fiscal year—					
	2008	2009	2010	2011	2012	2013
ARNG EQUIPMENT: Add'l Requirement (100 Percent Readiness Level)	3,933	3,933	3,933	3,933	3,933	3,933

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

Question. This Critical Care team was comprised of soldiers from both the 332nd Expeditionary Operational Support Squadron and an aircrew from the 172nd Airlift Wing from Jackson, Mississippi. The crew diverted from their scheduled mission to help this seriously injured soldier. This kind of effort is something of which we can be proud.

General Blum, could you please share with the committee the importance of these Air National Guard teams in these missions? And does the budget request before us and the Emergency Supplemental provide you the resources necessary to ensure the continued response to our soldiers in need?

Answer. The No. 1 medical advancement seen during this conflict is en-route care. In Vietnam, from the time of injury till the patient was able to get back to the states averaged 43 days. Today, we're getting wounded troops back to the states oftentimes within 48 to 72 hours. Critical Care Air Transport Teams (CCATTS) are regionally responsible for patient collection, injury stabilization, airborne care en route and transfer of care to the next level of medical support. Patients can be U.S. service members, coalition forces, civilians or whoever may need help. The medical teams care for up to three critical condition patients at a time. Each team has a critical care doctor, a critical care nurse and a respiratory therapist. When an urgent trauma patient is being transported, his or her condition can go bad in a minute. Now we have critical care air transport teams that are like an intensive care unit in the sky.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

Question. With the transition of Holloman Air Force Base to an F–22A base, the Air Force plans to utilize the National Guard at Holloman. How many New Mexico National Guardsmen do you expect to use in connecting with the F–22 squadrons at Holloman, when will this associate unit be established, and where will recruits for this unit come from?

Answer. The Air Force has a Total Force Integration (TFI) initiative to form a classic associate F–22 unit with the New Mexico Air National Guard and the 49th Fighter Wing at Holloman AFB, New Mexico. This association will begin in fiscal year 2008 with the first aircraft arriving during fiscal year 2009. To date, the Implementation Plan is still in coordination with Air Combat Command. Final personnel numbers have not been determined. We will continue to work with the state leadership to facilitate adequate recruiting for the unit.

Question. As you know, a Government Accountability Office report released in January studies National Guard Domestic Equipment Requirements and Readiness and indicates that as of November 2006, nondeployed Army National Guard forces in New Mexico ranked last in the nation regarding equipment readiness, with less than 40 percent of the total amount of dual-use equipment they are authorized to have for war-fighting missions.

Your budget requests $43 billion to recruit, man, train, operate, and equip National Guard and Reserve forces. How will this $43 billion funding request be used to address the serious domestic equipment shortfalls in New Mexico and many other States, what other actions is the Department taking to ensure that New Mexico's National Guard has the equipment it needs for missions at home, and how are domestic equipment shortages affecting the National Guard's ability to respond to disasters and other emergencies?

Answer. Part of the $43 billion will be used to purchase more equipment for the Army National Guard (ARNG.) After it is received, this equipment will be issued in accordance with our priorities at that time. I am sure that New Mexico, as well as other States will benefit from the new equipment. As more units deploy, the National Guard Bureau (NGB) will be forced to cross-level equipment out of New Mexico to fix the deploying units to ensure that all of our deployed soldiers are properly equipped. We cannot afford to allow soldiers to go into battle under-equipped, if we

have the equipment available in another State. I do not believe we should entertain State by State solutions because that is not in the best interest of the entire National Guard.

The ARNG is in the process of converting from a Strategic Reserve to an Operational Force. As a Strategic Reserve, the Army assumed risk when equipping the ARNG because they knew there would be sufficient lead-time to equip the deploying force. We can no longer afford to take that risk. The Army is committed to fully equipping the ARNG to 100 percent of its requirement. In the fiscal year 2009–13 Program Objective Memorandum (POM), they are "fencing" $21 billion as a down payment on fully equipping and modernizing the ARNG. This effort will require the Army's attention and steadfastness for several years after fiscal year 2013 to properly equip and modernize the ARNG to be fully interoperable and identical to active component units, having the ability to perform any mission in support of full spectrum operations.

In the short term, the Army is fully committed to ensure the ARNG is sufficiently equipped to perform its Homeland Defense/Defense Support to Civil Authorities (HLD/DSCA) mission. The ARNG has identified critical dual use items of equipment that are useful for both war and HLD/DSCA. These items were vetted through the States and the Army G3 and validated as the HLD/DSCA requirement. We are providing equipment to the hurricane prone States, just as we did last year. Some new equipment is being diverted to these States; some depot RESET/Recap equipment is being redirected; some equipment is being loaned to the ARNG; and the ARNG is cross-leveling some equipment among the States. We are taking great care to ensure that each State has equipment on hand to respond to State missions and are ready to move equipment into non-hurricane States, if required. The States have also negotiated Emergency Management Assistance Compacts (EMAC) to provide capabilities to each other if requested. Although the Army is strapped for equipment, in the short term, all components, working in concert, will support the ARNG in its mission of aiding/assisting the States in responding to natural disasters or other State missions.

Question. Last year the President announced Operation Jump Start, an initiative in which 6,000 Guardsmen were sent to the border to assist with border patrol operations. I support this initiative and had earlier introduced border security legislation that would expand the ability of States to use the National Guard in additional border security efforts. Can you tell us a little bit about the National Guard's work as part of Operation Jump Start and what do they need from Congress to continue their worthwhile efforts there?

Answer. The President sent the National Guard to the Southwest Border in May of 2006. We put 6,000 personnel on the border in support of Customs and Border Protection (CBP). We have had over 16,000 personnel that have rotated to work in support of this operation, and as you are aware this is an all volunteer force. Our job is to bridge the gap until CBP can hire and train enough personnel to take over all operations on the border. CBP had 20 different skill sets that they needed us to work in. By us working in these positions CBP was able to return 586 agents back to the border to perform law enforcement duties. We need for Congress to continue the funding for us, and we can provide the personnel.

Question. The 150th Fighter Wing at Kirtland Air Force Base has a proud heritage as part of the Air National Guard. The 150th used to fly Block 40 F–16s, but gave them to the Active Duty force to assist in meeting mission priorities. Now the 150th flies Block 30 F–16s, which are at risk as a result of BRAC.

What are you doing to develop a new mission for Air National Guard Units that fly F–16s, are their potential new Air National Guard missions at Kirtland, and are there potential National Guard missions for Cannon Air Force Base, which will become an Air Force Special Operations base in October?

Answer. The 150th Fighter Wing "Tacos" have made great contributions to national defense. They have volunteered to participate in numerous Air Expeditionary Force (AEF) deployments to support wartime taskings. As a result of BRAC 2006, the 150th Fighter Wing increased from a 15 Primary Aircraft Authorized (PAA) Block 30 F–16 unit to an 18 PAA Block 30 F–16 unit. As the Air Force moves from older generation aircraft to fifth generation aircraft, the Air Reserve Component (ARC) will be a full participant. The current Air Force aircraft roadmap has ARC units receiving low time, fourth generation fighters and fifth generation fighters to keep the units relevant and ready to participate in AEFs.

At this time, we do not anticipate an Air National Guard mission at Cannon Air Force Base; however, as a Total Force partner, we continue to work with Air Force and all of the states to consider future missions at all locations.

QUESTIONS SUBMITTED BY SENATOR RICHARD C. SHELBY

Question. What has been the Guard's experience in establishing a Stryker brigade in Pennsylvania?

Answer. The transformation of the 56th Infantry Brigade (Divisional Brigade) to a Stryker Brigade Combat Team (SBCT) is on schedule to achieve Initial Operational Capability by September 2008. The keys to success for converting a unit to a SBCT are the fully funding of requirements, the dedication of the Soldiers and the assistance of the active component in the form of the HQDA G–8 Transformation Team. To start, the Army programmed $1.5 billion to fully equip this unit, with much of the equipment that was programmed already delivered. Additionally, the Army also fully funded the facilities, ranges and training necessary for the successful transformation of a legacy Divisional Brigade to an SBCT. HQDA G–8 provided the Army Transformation Team to assist in the transformation of the 56th Brigade. This team is chartered, placed and funded to maintain oversight of the transformation process. The team also provides the direct link between all organizations involved and maintains a position to ensure that the transformation process remains on schedule. The Pennsylvania Army National Guard received $220 million for facilities and ranges to support the 56th Brigade transformation. As for training, the Army fully funded the increased training requirements to support New Equipment Training as well as collective training. The Unit Training Assemblies and the number of Annual Training days performed by a Soldier were increased to meet the required training benchmarks. Several highly technical skilled positions require large amounts of additional training days in addition to the required equipment NET. The commitment, understanding and involvement of the leadership are imperative for the success of a transition of this magnitude. The extra training requirements placed an additional burden on the Soldiers which marks their dedication to duty and to their BCT.

The team work between the National Guard, Active Army, industry and others enabled the success of this unit. Numerous formal agreements were established to identify responsibilities in support of the transformation of the 56th SBCT. These agreements greatly assisted in the transformation process.

Question. Compare the capability of a Stryker brigade for National Guard missions to that of an infantry brigade that it replaces, such as improved command, control, and communications. Please address the Guard's combat mission in support of the active Army, and also the State missions of disaster-response and homeland security.

Answer. The Heavy, Infantry, and Stryker Brigade Combat Teams each provide unique but complimentary capabilities across the spectrum of military operations. Each Brigade relies on a suite of Command, Control, Communications, Computer, Intelligence, Surveillance, and Reconnaissance (C4ISR) assets to provide greater situational awareness that increases the lethality and survivability of each Brigade Combat Team. The Stryker Brigade, as opposed to a Heavy or Infantry Brigade Combat Team, has greater tactical agility and is better able to bridge the entire spectrum of military operations (i.e., conduct operations in support of medium to high intensity conflict [i.e., maneuver warfare] and operations in low-intensity conflicts). The wheeled-based chassis allows the Brigade to move personnel and equipment over a variety of terrain to include improved road networks. The standard family of Stryker vehicles can move at speeds of 60 plus miles per hour while containing infantry squads and equipment. This capability supports the Army National Guard's combat missions as well as disaster response in its role of support to civil authorities. The purpose of the Brigade Combat Team in Combat operations, regardless of Army Component, is to provide a Division Headquarters the ability to conduct full-spectrum military operations with organic combat and combat service support units all within the command and control of a brigade commander. The utility of the Stryker brigade extends to the low-end of military operations more suited for the Army National Guard's role in support to civil authorities. In a scenario in which the Army National Guard initially responds to a natural or man-made disaster, the family of Stryker vehicles and the Stryker Brigade's other organic tactical-wheeled vehicle fleet can easily and rapidly move the entire Brigade's personnel and equipment over the interstate highway system to the affected area. This provides the States with the crucial capability of rapidly responding to the needs of their citizenry thereby serving as a confidence building measure and promoting order as a key component to the humanitarian response.

Question. The Committee understands that DOD has committed to increase funding over the next 5 years for modernization of the National Guard. Is there any reason that a portion of these funds could not be used for transformation of National Guard infantry brigades into Stryker brigades?

Answer. Currently the Army National Guard does not have a requirement for additional Stryker Brigades. However, if the Department of the Army identifies and validates such a requirement, it is critical that separate funding be provided to convert current force structure into new SBCT structure. It is absolutely imperative that the cost of such a conversion not delay the equipping and modernization of the rest of the ARNG force.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL CLYDE A. VAUGHN

QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUYE

Question. General Vaughn, this past week the Army Guard announced the mobilization of four brigades for Iraq. For some of these guardsmen, this will be their second deployment in a few years time. A recent change in Department policy has made these second deployments possible since guardsmen and reservists are no longer limited to a total of 24 cumulative months of deployment in support of the war on terror. At the same time, the Department is decreasing the length of mobilizations for guardsmen and reservists from 18 to 12 months. But these deployments also signal a failure by the Department to meet its goal of 1 year deployed to 5 years at home for its guard and reserve troops. Are you concerned that these changes will hurt recruiting and retention? Do you believe that soldiers will prefer 12 month deployments, even if it makes the 1 to 5 deployment to dwell ratio all that much harder to achieve?

Answer. Recent changes in the mobilization policy have not hindered Army National Guard recruiting. We have recently recruited to an end-strength of 350,000, and we are moving towards 360,000. Soldiers, Families and employers prefer the 1 in 5 deployment ratio because it provides predictability. Soldiers prefer a 12-month deployment period. While it is certainly true that frequent deployments place stress on our force, I can report that recruiting and retention are strong in the ARNG. Current operations since the initiation of the Global War on Terror have not had a significant impact upon ARNG retention or the overall ARNG loss rate. Retention and attrition rates remain consistent as a testimony to the dedication and professionalism of our traditional Guardsmen. However, survey feedback from ARNG Soldiers and Family members indicates that mobilization and the associated factors including time away from family and the potential impact on the civilian career are considerations that can effect long-term commitment to the ARNG if not mitigated through leadership focus and Soldier/Family focused initiatives and benefits.

Question. General Vaughn, do you believe that the 1 to 5 deployment to dwell ratio is a realistic goal while operations continue in Iraq?

Answer. The current operational demand, although not exceeding our total force capacity, does exceed the available forces for several capabilities referred to as high demand units. These high demand units are the most likely targets of shortened dwell time, and include brigade combat teams, military policy companies, and engineer battalions. There are also high demand capabilities that are in short supply; these include specialty aviation units, specialty engineer units and military intelligence teams. For high demand units and special capabilities the cycle must be adjusted by compressing dwell time to meet the mission requirements.

While the operational demands of the current warfight remain constant, in both numbers of soldiers deployed and the types of capability required, a one in five deployment cycle is most likely not a realistic goal for high demand units.

Question. General Vaughn, the Army National Guard will soon begin receiving the Light Utility Helicopter. Has the Guard reviewed its aviation requirements to determine whether it is seeking the proper mix of Light Utility Helicopters, UH–60 Black Hawks, and CH–47s?

Answer. The Army establishes aviation organizational units across all three components based on the Army's strategic force structure requirements. The Army makes the decision as to the proper overall mix of rotary wing capability. The Department of the Army works collectively with the Army National Guard (ARNG) through the Total Army Analysis (TAA) program in establishing the right mix to meet future warfight needs. The ARNG currently owns approximately 43 percent of the total Army rotary wing aviation structure. At this time, the ARNG's number of on hand aircraft is short of the Army requirement. The ARNG agrees with the planned mix of aircraft for ARNG and what is currently planned.

Question. General Vaughn, with the increasing demand for Army National Guard aviation assets, both overseas and at home, is the Guard's helicopter fleet experiencing the same strain seen on other National Guard equipment? Has there been

a reduction of readiness for National Guard helicopters to respond to domestic emergencies?

Answer. The Army National Guard's (ARNG's) helicopter fleet is not strained as much as other National Guard equipment as aviation equipment and aircraft are much more intensely managed, scrutinized, and maintained. Also there are simply more aircraft to meet the requirements. The required ARNG rolling stock on hand is at approximately 42 percent, where the aircraft on hand is approximately 80 percent.

The ARNG readiness, as a specific maintenance term, has remained approximately the same as before OIF, however availability can be an issue for States with deploying assets. As of April 2007, the ARNG overall Operational Readiness rate was 66.23 percent. States with a mixture of airframes are effectively able to manage both deployments and domestic emergencies, and predominantly have a mutual assistance agreement with another State. For example, Georgia, which is a Hurricane State, has OH–58s, UH–1s, UH–60s, CH–47s, and C–23 assets. With some aircraft deployed in support of Operation Iraqi Freedom (OIF), and some aircraft deployed to the SW Boarder mission, GA still has sufficient assets available to assist any state in the region, such as what happened during Hurricane Katrina. Aircraft availability becomes an issue through deployment because of the long times the aircraft are unavailable due to deployment, transit, and RESET. The times involved include: a 12 month deployment, approximately 45 days in transit to ship the aircraft to or from theater, and then approximately 9 months of RESET for 25–50 percent of the aircraft post mobilization.

QUESTION SUBMITTED BY SENATOR ROBERT C. BYRD

Question. That is why the Emergency Supplemental Bill that the Senate recently approved includes a $1 billion increase above the President's request to equip the National Guard and Reserve.

Generals Vaughn and McKinley: What plans are you aware of within the active components of your respective services to address issues relating to the reliance on the National Guard to perform routine combat operation activities?

Answer.

Air National Guard Answer

For the Air Force, the Air Expeditionary Forces construct has worked well for all components (Active Duty, Guard and Reserves). Predictability is the key to mitigating the disruptive nature of mobilizations. The Air Expeditionary Force construct has helped tremendously by making it possible for Total Force members to forecast the likelihood of deployments. This affords our members the opportunity for advance planning and in many cases we can use volunteerism to decrease the number of mobilization requirements.

Army National Guard Answer

Recognizing the key role of the National Guard in the Army's overall capability to perform continuous operations for the long war, the active component is making unprecedented strides forward toward organizing and equipping National Guard forces in a like manner to the Active Component Forces. We are aware of this plan on the part of the Active Component and applaud it.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

Question. General Vaughn, according to your posture statement the Army National Guard has had positive recruiting results this past year and a large part of that success is attributed to the Guard Recruiting Assistant Program and the Every Soldier a Recruiter Program.

I have been informed that in the Guard Recruiting Assistance Program, the Recruiting Assistants are paid $1,000 when a new soldier enlists and another $1,000 when the new soldier departs for basic training. It would seem to make more sense for the Recruiting Assistant to be paid after the new soldier completes basic training. General Vaughn, can you elaborate on these programs and can you tell us if these programs are fully funded in the fiscal year 2008 budget request?

Answer. G–RAP consists of qualified individuals hired and trained by a civilian contractor to serve as part time Recruiter Assistants (RA). Each RA cultivates quality potential Soldiers from within their individual sphere(s) of influence. Once a potential Soldier enlists, the RA will receive an initial payment of $1,000. The RA will

receive an additional payment of $1,000 upon successful shipment to Initial Entry Training.

—At the end of fiscal year 2006, the ARNG had 88,984 Active Recruiting Assistants.

—The ARNG had 39,902 potential Soldiers in the enlistment process.

—G–RAP accounted for 15,106 enlistments, 92 percent are TIER I (HSG Grads), and 60 percent Test CAT I–IIIA.

—In fiscal year 2006, 4,496 accessions became RA's and loaded 1,800 Potential Soldiers who turned into 665 accessions.

The RA's mission is to find potential Soldiers, prescreen them, and facilitate a meeting with a recruiter. Once the individual enlists in the ARNG, the RA maintains contact with the recruit and has a vested interested in ensuring that the recruit ships off to basic training. This continued interest and support by the RA and Recruit Sustainment Program (RSP) Cadre ensure minimum training pipeline loses. This program has been very successful in that Soldiers are supervised throughout every step of the process until they ship. Once the recruits ship to basic training they are handed over to the Active Duty Cadre for training. Currently 9 out of 10 Soldiers who ship to training complete basic training and become Military Occupational Skill Qualified. Because the RA has no control over whether a recruit gets injured or does not complete basic training, the RA is paid when the soldier ships to basic training. Currently, the ARNG has the highest graduation rate at basic training of 98.5 percent. This is higher than the Active Duty and Army Reserve.

The GRAP program was not validated in the fiscal year 2008–13 POM and is not currently funded in the President's Budget (PB). Without this program the ARNG cannot make its accession or end-strength mission.

Question. Lieutenant General Vaughn, the Army's fiscal year 2008 budget request contains $270 million to purchase 126 lightweight howitzer systems. I am aware of the 71 system shortfall identified in the Army National Guard's fiscal year 2006 financial statement. With only 19 of the required 90 systems programmed for the National Guard, how does this shortfall impact your ability to provide 7 of 13 Field Artillery brigades as called for in the Army modernization plan?

Answer. The ARNG (Army National Guard), per Command Plan 08, is required to have 7 Fire Brigades with one BDE (Brigade) available each year of the ARFORGEN (Army Force Generation) cycle. Currently, the ARNG has a requirement for 90 M777 howitzers, with only 38 programmed and zero on hand. Our first fielding is of 19 howitzers in fiscal year 2008 that are DA (Department of the Army) earmarked for the 56th SBCT (Stryker Brigade Combat Team). In fiscal year 2012 the ARNG will receive an additional 19 M777s which will leave the ARNG short 52 from the requirement of 90 howitzers. The impact of this critical shortage is that the ARNG will have only 2 of 7 Fire Brigades equipped with modern M777s.

Question. Lieutenant General Vaughn, I understand Camp Shelby in Mississippi has been integral in preparing National Guard and Reserve Soldiers with theatre immersion training to help prepare them for conditions they may face when deployed to Iraq and Afghanistan. Would you explain to the Subcommittee the importance of the pre-deployment training Soldiers are receiving at Camp Shelby? Also, is there sufficient funding requested in your fiscal year 2008 budget request and the Emergency Supplemental request to conduct the required pre-deployment training?

Answer. First, it is absolutely essential to their effective preparation for combat operations overseas.

Second, The Department of Defense recently revised its policy with respect to the mobilization of National Guard and Reserve forces for service in contingency operations. Previously, ARNG (Army National Guard) units would spend 18 months or longer in a mobilized status in order to serve approximately 12 months of boots on the ground (BOG) in theater. The extra six months, or more, of mobilized time was consumed primarily by individual and collective training that took place at the mobilization station (Camp Shelby) prior to overseas deployment. The policy change now limits the mobilized time to no more than 12 months per specific contingency operation. The Army National Guard units doing premobilization training in fiscal year 2008 are associated with fiscal year 2009/fiscal year 2010 rotations. The basic calculations include the additional IDT (Inactive Duty Training)/AT (Annual Training)/ADT (Active Duty Training) days plus support tails. These are being considered GWOT (Global War on Terror) expenses and the fiscal year 2008 supplemental is being updated to reflect this.

The Army supports what is allocated in the fiscal year 2008 President's Budget. The new mobilization policy was enacted after the submission of the President's Budget; therefore, the ARNG pre-mobilization training requirements were not included. The Army National Guard unfunded requirement is $818 million. Current fiscal year 2008 budget funding levels allow National Guard units to achieve the

minimal training requirement for a peacetime force. This is a risk that is no longer acceptable for an operational force. Resourcing for pre-mobilization training is essential to ensure trained and ready units prior to official mobilization dates.

The majority of required individual and collective training will need to migrate to pre-mobilization, paid from the ARNG appropriations. Extra unit mandays, as well as extra OPTEMPO (Operation Tempo) and associated operations and maintenance costs, will be needed for these requirements. The approximate incremental costs for each ARNG brigade will be $68 million. The amount estimated for this new challenge will fund pre-mobilization requirements for approximately 12 brigades, the number projected to be used in contingency operations in fiscal year 2008.

The Army will not deploy a unit that is not fully manned, trained and equipped to perform their mission. There is significant risk by not addressing this challenge. Without resourcing for pre-mobilization training, units will endure increased post-mobilization training resulting in decreased boots on the ground (BOG) time performing their mission. This will significantly increase the overall stress on the force, from all components, by compressing dwell time and accelerating units through the Army Force Generation Model.

Pre-mobilization training for National Guard pay and allowances is $543 million, for operation and maintenance for the National Guard is $275 million.

Question. Lieutenant General Vaughn, I want to thank you for a fine ceremony in December accepting the first Light Utility—Lakota—Helicopter at the American Eurocopter facility in Columbus, Mississippi. Even with a delay of three months caused by the contract award being protested, the program is on schedule and on budget. It appears to me that the Army's acquisition strategy of procuring a commercial off-the-shelf platform has been successful. Would you provide this Subcommittee with a program status update and talk to the significance of the Light Utility Helicopter for Army units.

Answer. The Army National Guard (ARNG) is extremely excited about the Lakota aircraft and the capabilities it brings to the Army, our formations, and our Adjutants Generals. The ARNG begins fielding the Lakota in fiscal year 2008. The ARNG, along with the active Army, are fielding the Lakota through the fiscal year 2008–13 POM to complete the initial acquisition and emerging requirements. The Lakota will be assigned to our Security and Support Aviation Battalions. The aircraft, as planned right now, will be located in 45 states and territories. This wide distribution offers an added capability to meet many of our Domestic Support to Civil Authorities (DSCA) requirements. The Lakota with the standard aircraft equipment and the Medical Evacuation (MEDEVAC) version will assist The Adjutants General in managing the high warfight Operations Tempo (OPTEMPO) and preparing for state and domestic contingencies.

Question. Lieutenant General Vaughn, I have been informed the planned production rate for the Light Utility Helicopter is 44 aircraft in fiscal year 2008, 44 in fiscal year 2009, and 28, 23, 46, 43, and 54 aircraft in successive fiscal years. This uneven production schedule will likely result in laying-off workers in one fiscal year and bringing them back on in subsequent years. There is a high cost to conducting business in this manner, and I ask that you and the Army leadership consider a more consistent and efficient production schedule.

Answer. As you may know the Army manages the acquisition process. The Lakota is competing with ongoing war effort expenditures, other Army aviation requirements, and other platform acquisitions. We understand that the production rate could be higher and would continue to encourage the Army to increase the production rate as monies become available.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL CRAIG R. MCKINLEY

QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUYE

Question. General McKinley, the Air National Guard has greatly increased its operational tempo since 2001, and it continues to fly some of the oldest aircraft in our inventory. Are the current plans for replacing aging aircraft, such as the C–130E, adequate to meet the needs of the Air Guard's domestic and warfighting missions?

Answer. Yes, like our Air Force, we face a looming modernization and recapitalization challenge. We simply possess too many legacy platforms. Maintenance on old equipment, fuel consumption, and groundings resulting from lack of parts no longer available all degrade our readiness. They either impair our ability to train or make us unable to enter the fight because our equipment is incompatible. Airpower is a

hedge to an uncertain future and the foundation of our nation's military power. Our people need to be ready and our equipment has to be without peer.

For the foreseeable future, Air National Guard will continue to face the challenge of keeping legacy platforms relevant to meet Combatant Commander capability needs. The outstanding support Congress has given us by way of NGREA funds has been extremely successful in assisting us fielding capabilities to meet 21st century challenges such as targeting pods, engine modernization, night vision capability, defensive systems, etc. For fiscal year 2008, the Air National Guard's identified requirements of $500 million for "Essential 10" Homeland Defense operations, and over $4 billion in modernization needs.

Question. General McKinley, what is your view of the future of the C–5 cargo plane in the Air National Guard?

Answer. I am on board with the Air Force's modernization and recapitalization priorities. They intend to modernize the C–5 Fleet and will continue to assess most cost effective solution for meeting strategic airlift requirements.

Question. General, are your highest priority needs—such as defensive systems and radios—being met in the current budget?

Answer. The current budget request goes a long way in meeting many of our needs. However, there are challenges. The Air National Guard has a $1.5 billion shortfall in fiscal year 2008. We have challenges in Personnel & Force Sustainment, Total Force Integration, Depot Maintenance and flying hour shortfalls. We have additional challenges funding equipment for the "Essential 10" an area tied to bringing capability to bear for the states and the governors. Finally, our information technology and installation security programs are critically underfunded for fiscal year 2008.

Question. General McKinley, we often hear the flying hour program described as the "bread and butter" of Air Force Reserve and Air National Guard operations. Please describe the factors influencing the decision to decrease flying hours by 10 percent in fiscal year 2008.

Answer. With an overriding need to modernize and recapitalize its aging fleet, the Air Force was left with few options in a fiscally constrained environment. The 10 percent reduction to flying hours is a reduction in requirements which the Air Force believes they can mitigate through increased simulator time and Distributed Mission Operations.

Question. General McKinley, what are the risks associated with decreasing flying hours by this magnitude? Does the Air Guard plan to continue funding the program at the lower level for the foreseeable future?

Answer. A 10 percent cut to Air National Guard flying hours requirements directly impacts readiness. The 10 percent reduction to flying hours is a reduction in requirements which the Air Force believes they can mitigate through increased simulator time and Distributed Mission Operations. Our pilots receive an average of six flights per month versus 10 for AD pilots. The efficiency solutions employed by the AD (simulators/Distributed Mission Operations) are not readily available to ANG pilots/aviators. It is difficult for the Air National Guard to absorb a close to 24,000 hours reduction in Flying Hour requirements and expect this to have negative impacts on training and readiness. We will continue to work with Air Force to mitigate the negative impacts of this cut.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

Question. General McKinley, based on the success of the Army Guard Recruiting Assistant Program and Every Soldier a Recruiter program, are these types of programs being used or considered for use by the Air National Guard?

Answer. Yes, in fiscal year 2006 $3 million was directed toward funding for the Guard Recruiting Assistant Program and in fiscal year 2007 $5.1 million is allocated. We have $2.2 million shortfall in the program for fiscal year 2008.

Question. General McKinley, I understand the RC–26B aircraft is presently deployed in support of combat operations and it is also used for counter-drug operations here in the United States. Would you provide this Subcommittee with an overview of the need for the RC–26B aircraft both here and abroad and also provide your thoughts on the need to upgrade the aircraft?

Answer. Due to an urgent, short-term need for Intelligence Surveillance and Reconnaissance assets to support our troops engaged in the war fight, the National Guard Bureau has moved to deploy several of these Air National Guard aircraft and their crews overseas for approximately one year.

To prepare, 5 aircraft are being modified for their new combat mission by the ATK company of Fort Worth, TX. Four planes will deploy with one remaining state-

side to train new crews. Approximately one-third of the RC–26 crew force will be deployed at any one time, rotating through every 60–120 days.

We're optimistic that when the replacement capability the Special Operations Command has planned comes on line, our Guardsmen will have again answered our nation's call in a time of need and will resume their domestic mission at full capacity.

Additionally, the National Guard Bureau is in the process of modernizing the sensor packages and avionics for the RC–26. We anticipate the upgrades will continue into the near future based on availability of funds.

Question. Lieutenant General McKinley, I understand the Air Force and Army signed a memorandum of agreement and created a joint program office for the Joint Cargo Aircraft last year. I commend the Air Force and Army for working together and coming up with a common solution. General, can you provide this Subcommittee an update on the status of the program and highlight the importance of the joint cargo aircraft to the Air National Guard?

Answer. The JCA offers the potential for additional solutions to the Air Force's intra-theater airlift recapitalization strategy. JCA will provide a modern mobility platform suited to accessing an array of demanding and remote worldwide locations, including short, unimproved, and austere airfields. As a multifunctional aircraft, it will be able to perform logistical re-supply, casualty evacuation, troop movement, airdrop operations, humanitarian assistance, and missions in support of Homeland Security.

The Joint Service Acquisition Review Council met on April 16, 2007 to review program issues presented at the Overarching Integrated Process Team. The Army and Air Force senior leadership endorsed the decisions of the Process Team and recommended that the program proceed to the Office of the Secretary of Defense in preparation for a Milestone C review in May 2007 at which time aircraft selection will follow. A Joint Training Business Case Analysis (BCA) is scheduled for late fiscal year 2007 and will likely finish in fiscal year 2009. This will trigger the decision on training strategy and sites.

Senator INOUYE. Thank you very much and now I'm going to call upon General Stultz, Admiral Cotton, General Bergman, and General Bradley to come forward.

Thank you for waiting. I hope you understand that I felt the discussions were necessary and the issues discussed were important to us and therefore, we did not place a time limit as we usually do. I'd like to once again thank you for joining us. I can assure you that your full statements will be made part of the record. I'll now call upon General Stultz.

STATEMENT OF LIEUTENANT GENERAL JACK C. STULTZ, CHIEF, ARMY RESERVE

General STULTZ. Senator Inouye, Senator Stevens, it's an honor to be here, first of all, just to reiterate what General Blum and General Vaughn have all said, we thank you for your support of our soldiers. It is my honor to be here representing almost 200,000 soldiers and heroes of this Nation who serve in the Army Reserve.

Since 9/11, we have mobilized 168,000 Army Reserve soldiers in support of this war. On an ongoing basis, we normally keep approximately 25,000 to 30,000 Army Reserve soldiers mobilized, deployed in Afghanistan, Iraq, or other nations as well as here in the homelands, supporting this Nation.

We are dependent upon the support of this Nation and the support of this Congress for our resources. Many of the issues that you've already discussed with General Blum and General Vaughn and General McKinley apply also to us. The operational tempo that we're under is something that we've never experienced before. We are truly an operational force. We are not the old strategic Reserve that existed when I joined the Army Reserve way back in 1979.

An example of that is best exemplified in that right now, currently two-thirds of the units that I have deployed in Iraq and Afghanistan are there for the second time. We have only a 5-year rotation plan, just as Senator Stevens said, we're becoming part of the permanent force.

We're utilizing new recruits, as General Blum outlined, as well as volunteers who have stepped up to the plate to go back for a second or third tour. Currently in the Army Reserve, I have approximately 42,000 soldiers who have deployed for at least the second time. Those 42,000 deployed as volunteers for the second tour.

We're now in the process of trying to get that under control as we apply the Secretary of Defense's new policy allowing us to manage our force and maintain cohesion with the units when we call them up.

But before I go any further, what I want to do today and I'll keep it just very short because I'm very conscious of the time, is to at least recognize two of the young citizen soldiers that I have.

INTRODUCTION OF ARMY RESERVE SOLDIERS

Just to epitomize what the Army Reserve components brings to this Nation, the first soldier I have is First Sergeant Karen Henderson. Where is she? There she is. Okay. She is a graduate of Virginia Tech with a Bachelor's in Accounting. She works with Bright Point as a consultant. She was deployed to Iraq with one of our training divisions and because of her skills, she became the Associate Director of Communications for Iraq and astonishing communications with our country—and training Iraq forces on how to set that equipment up and get it running.

But also she epitomizes the dedication of our soldiers because she is a combat lifesaver and one specific incident when she was traveling with her convoy, they were attacked by, hit by a vehicle but that vehicle did not detonate but it hit the lead Humvee, the soldier in it was thrown from the turret and he was severely injured. She immediately stopped and got out and started applying the combat lifesaving skills and administered aid to that wounded soldier until they could get a medivac in. She went one step further and this is what separates our Nation from others. She then turned and started administering aid to the driver of the vehicle that rammed them, a Syrian driver, and she also took care of him until they could evacuate him and get him back to Iraqi authorities for processing. That epitomizes what our soldiers bring to this war. Dedication, loyalty, civilian skills that take care of not only our soldiers but take care of others.

The other soldier I brought with me, sir, is Staff Sergeant Martin Richburg. Sergeant Richburg works in the court systems as a supply officer. He is also a managing senior in the Reserve. He has been to Iraq where he was also working with the Iraqis, helping them to establish maintenance operations, helping the Iraqi Army get stood up and servicing them.

On one occasion when he was in one of their compounds, where we are co-occupying with them, there is an Internet café so the American soldiers over there have an opportunity to stay in touch with their families back home. There are 13, I think, 12 stations in that Internet café where 13 soldiers are waiting to log in and talk to their families.

Sergeant Richburg, the NCO, said soldiers lower ranking go first. I'll stand outside. While he was standing outside, he noticed a suspicious individual that continued to lurk around that Internet café. Then he noticed that individual place an item on the ground and leave. He knew that something was wrong. He not only chased down the individual, secured him, found out that he was a terrorist, went back to that Internet café, risking his own safety to get the people out of that café. Not only did he evacuate 12 American soldiers, he evacuated four or five Iraqi soldiers that were in that area at the same time, before the bomb detonated, destroying the café, saving their lives. Again, a great American we have serving our country in the Army Reserves.

So sir, I just wanted to recognize these two soldiers but they epitomize the 200,000 that we have in our force that are true heroes for this Nation.

PREPARED STATEMENT

I submit my statement for the record and I look forward to your questions. Thank you.

Senator INOUYE. We admire you and we thank you for your services.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL JACK C. STULTZ

PURPOSE AND ORGANIZATION OF THE 2007 ARMY RESERVE POSTURE STATEMENT

The 2007 Army Reserve Posture Statement describes how the Army Reserve continues to transform from a strategic reserve to an operational force, meeting today's challenges as it better prepares for future uncertainties. Focusing on the Army Reserve skill-rich Warrior Citizens, equipment and resources needed to support The Army Plan, the Posture Statement provides the context to examine Army Reserve initiatives, accomplishments and compelling needs. The Posture Statement begins with a look at a few of the more than 166,000 Warrior Citizens who have mobilized in support of the Global War on Terror. Then, the Posture Statement discusses Army Reserve initiatives in the following strategies: leading change; providing trained and ready units; equipping the Force; and Warrior Citizens sustaining the All-Volunteer Force. The Posture Statement concludes with a discussion on managing risk to underscore the Army Reserve's compelling needs.

All figures throughout the 2007 Army Reserve Posture Statement are current through 22 February unless otherwise noted.

MESSAGE FROM THE CHIEF, ARMY RESERVE

The Army Reserve of the 21st Century is a force facing the challenges of transforming from a strategic reserve to an operational, expeditionary, and domestic force—a transformation that is being done at an unprecedented pace. As never before, the Army Reserve is an integral part of the world's best Army. Demand for the authorized 205,000 Army Reserve Soldiers attests to that integration. Today more than 20,000 Army Reserve Soldiers are forward-deployed in Iraq, Afghanistan and 18 other countries. An additional 7,000 Army Reserve Soldiers are mobilized and are serving here in the United States. In the more than five years since September 11th, more than 166,000 Army Reserve Soldiers, including 71 general officers who either mobilized or deployed in support of the Global War on Terror, have answered the call to mobilize in defense of our Nation.

As a strategic reserve, our Warrior Citizens served one weekend a month and two weeks every summer. Due to the demands of this new century, and our transformation to an operational force, we are asking more of our Soldiers as we prepare them for the challenges they will face both overseas and domestically in this new, continuous state of mobilization. Our commitment to readiness is driving how we train, support, and retain our Warrior Citizens.

As Chief of the Army Reserve, my mission is to build and sustain our operational force into a flexible, responsive and dynamic organization that is fully manned, trained, and equipped to support our Army and our Nation. To accomplish that, we must provide our Soldiers, their families, and their employers with predictability and stability—to know when they can count on being home, mobilized, or deployed. Our goal is to mobilize Soldiers no more than once in a five-year time frame. We must also ensure the Army Reserve has the right equipment to sustain operations, the manpower to support our operations, and the resources to facilitate our operations.

The recent decisions by the Secretary of Defense to ensure access to all components of the force require significant changes that affect the Army Reserve—the duration of deployment of our Warrior Citizens and the cohesiveness of deploying units. Our Soldiers will now mobilize as cohesive units for one year only, rather than eighteen months. This new policy is designed to support the total forces with recurrent, predictable access to Army Reserve units to meet the sustained global demand for Army forces. The benefits of deploying Soldiers who have trained together cannot be overstated, even though the short-term effect is that some Soldiers, who may have previously deployed with other units, will now deploy again earlier than expected.

The Army Reserve receives resources from Congress through the President and the Secretary of Defense. Those resources historically allowed the Army Reserve to train as a peacetime strategic reserve, with some degree of risk, not as an oper-

ational force that supports the Global War on Terror and domestic requirements. Although a surge in contingency operations funding has prepared Army Reserve Soldiers and units for deployment, the discrepancy between past resourcing and operational demands has taken a toll. We will work with the Office of the Secretary of Defense to ensure that the Army Reserve forces required to meet the national security strategy are fully manned, trained and equipped to combat current and future persistent adversaries in the Global War on Terror, provide Homeland Defense, and combat proliferation of Weapons of Mass Destruction.

To prepare for future uncertainties while implementing new policy changes and sustaining the current operational tempo, the Army Reserve needs continued support and leadership from Congress to provide full, timely and sustained funding; modernized equipment for training and deployment; and support to sustain our Warrior Citizens and their families. The resources allocated to the Army Reserve in the fiscal year 2008 budget, and in supplemental appropriations, are essential for the Army Reserve to continue its mission of providing trained and ready skill-rich Soldiers to protect the freedoms and values of American taxpayers. The bright, talented men and women of the Army Reserve are part of the foundation of this century's "greatest generation" of Americans. It is an honor to serve with the men and women of the Army Reserve.

LT. GEN. JACK C. STULTZ,
Chief, Army Reserve.

ARMY RESERVE WARRIOR CITIZENS

The Army Reserve is a community-based institution with a one hundred year history of supporting the security needs of the Nation. The Army Reserve is serving our Army and our Nation at war.

Currently deployed in Iraq, Afghanistan and 18 other countries, the Army Reserve has transformed from a strategic reserve to an operational force of skill-rich Warrior Citizens. Army Reserve Soldiers' skills and backgrounds reflect the diversity of America.

Seventy-seven percent are men; 23 percent are women. They are black (23 percent), white (59 percent) and Hispanic (12 percent). They are young (46 percent are aged 17–29) and they are mature (46 percent are aged 30–49). When mobilized and deployed, they are enlisted Soldiers (81 percent), officers (18 percent) and warrant officers (1 percent).

But, when not serving in uniform, they are doctors, lawyers, mechanics, homemakers, accountants, teachers, supply clerks, elected officials and journalists, to name a few of the civilian occupations represented in the Army Reserve. Army Reserve Soldiers are your neighbors; they are the parents of your children's friends, their teachers and their coaches. They are employees and employers in our towns and communities around the Nation.

Army Reserve Soldiers are Warrior Citizens with their "boots on the ground" overseas and across the United States. They can lead a platoon, organize a social function, run a campaign, or chair a business meeting. They have all answered the call to serve our Nation.

Here are some of their stories.

Dr. Frank J. Miskena is a colonel in the 308th Civil Affairs Brigade of the Army Reserve. A veterinarian who is fluent in three languages, he has deployed to Albania, Kuwait and Iraq where he was assigned to the Coalition Provisional Authority. There, he became known as the "Voice of Baghdad," following Iraq's liberation. Coalition forces looked to him for help communicating curfews and information to the Iraqi people. He spoke their language and he understands the price of freedom.

Colonel Miskena was born in Baghdad. He earned his veterinary degree in Iraq and was drafted into the Iraqi Army, where he served for two years. In 1977 he came to America, where five years later he became a U.S. citizen. Colonel Miskena shows allegiance to one flag—the Stars and Stripes. He is the highest-ranking Iraqi-American in the U.S. military.

First Sergeant Karen Henderson is a 20-year veteran of the Army Reserve. She always knew she could be called on to deploy.

As a civilian, Karen Henderson is a consultant to one of the world's largest providers of management and technology services. Her civilian-earned skills came into play when she deployed to Iraq with the 80th Division. There, she was assigned to the Iraqi Director General of Communications, part of the Ministry of Defense, where she worked with Iraqis and the U.S. military to evaluate communications needs for the Iraqi military throughout the country.

First Sergeant Henderson is typical of Army Reserve Soldiers. She brought a unique set of civilian-earned skills to her unit. But she also acquired skills during

training, after she was mobilized. She became combat-lifesaver certified, a skill she used when an insurgent attacked the convoy in which she was riding. As the combat medic on the scene, First Sergeant Henderson treated coalition forces, the Iraqi driver and the insurgent while her unit secured the scene.

Martin K. Richburg likes people. His strong work ethic and easy-going demeanor are traits he brought to the 142nd Maintenance Company, where Staff Sergeant Richburg serves as a heavy-vehicle mechanic. In his civilian job, he is the supply clerk for the district court of a large city. But unlike many Warrior Citizens who have skills that are shared by their civilian and military careers, Staff Sergeant Richburg's two careers do not share common skill-sets. So when his call-up letter arrived, he looked forward to the intensive training he would receive prior to deployment. He knew that training would help him identify potentially dangerous situations.

When his unit was posted to an Iraqi base to provide logistics, maintenance and Soldier training to Iraqi Soldiers, some of the Iraqi Soldiers welcomed the training and guidance they received from the Americans; others did not. On the morning of March 27, 2006, 47 Iraqi Soldiers and civilians were attacked as they entered the base to work. Thirty died. So later that day, while American Soldiers were inside an Internet café on the Iraqi base, Staff Sergeant Richburg waited on guard outside for a computer terminal to become available.

His Army Reserve training taught him to observe people, their movements, and things that looked out of place. Outside the Internet café, something unusual caught his eye. He saw a man with a large blue bag peer into the café, then enter and leave the café several times. When he dragged a chair to the café's air conditioning unit, left the bag on the air conditioner, and ran, Staff Sergeant Richburg instinctively acted. He chased down the man and learned the blue bag contained a bomb that was timed to detonate while the Americans were inside the café.

Staff Sergeant Richburg ran back to the café, ordered everyone out and took cover. When the bomb exploded, no one was killed, but the café's interior and several small buildings were damaged. Staff Sergeant Richburg's actions saved the lives of 12 American Soldiers and five Iraqi citizens.

Kristen King is a college student who is scheduled to graduate in May 2008, 18 months after her classmates, with a degree in broadcast journalism. While researching a way to help defray her tuition costs, she learned about the Army Reserve's education benefits and the valuable hands-on broadcast experience she could get in the Army Reserve. When she deployed to Iraq, Specialist King learned skills that would set her resume apart from other young graduates.

For the first eight months of her tour, Specialist King was assigned to a television unit where she was an anchor, reporter, and one of two videographers assigned to Saddam Hussein's trial. During the final four months of her tour, Specialist King hosted "Country Convoy," a four-hour country music program that aired on 107.7 FM Freedom Radio, the only American-run radio station in Baghdad. Her Army Reserve broadcast experience exceeded her expectations—it was unlike anything she could ever learn in a classroom.

In 2005, Specialist King was honored as the Army Reserve Broadcast Journalist of the Year. Now back at school, she talks about her Army Reserve experience with high school and college students. Specialist King did not just bring civilian-acquired skills to the Army Reserve; she brought enthusiasm and a desire to serve. She is now a Warrior Citizen who can apply her Army Reserve-acquired skills to her civilian broadcasting career.

Chief Warrant Officer Bob Louck is a Warrior Citizen who retired from the military in 1985. After September 11th, the former instructor pilot turned pastry truck driver wanted to return to active duty. As a 57-year-old Vietnam War veteran, he thought the Army Reserve could use his skills and volunteered for retiree recall. He was right, and soon found himself at aircraft qualification school with instructors half his age.

As a member of Company B, 7th Battalion, 158th Regiment, he was scheduled to deploy to Afghanistan to support coalition operations against Taliban fighters. But when an earthquake devastated remote mountain villages in Pakistan, the unit was called up to fly medicine, food and shelters to earthquake survivors in the region. After several months of supporting relief efforts, his unit conducted a phased deployment to Afghanistan to assume their original mission.

Hostile environments are nothing new to Bob. Whether the enemy is the Taliban or the Viet Cong, Chief Warrant Officer Louck, who last flew a Chinook in 1970, knows that age is not a liability. With 1,000 hours of Chinook flight experience, this 20-year military retiree is an example of the skill-rich Warrior Citizens that make the Army Reserve "Army Strong."

These are only a few Army Reserve Soldiers' stories; thousands of others have similar stories to tell. All are evidence that Army Reserve Soldiers possess a broad range of civilian-acquired skills to complement their traditional military training and military training to complement their civilian careers. They are Warrior Citizens who have answered our Nation's call to service.

In support of the Global War on Terror, 136 Warrior Citizens have sacrificed their lives during Operation Enduring Freedom and Operation Iraqi Freedom. Additionally, two Warrior Citizens, Staff Sergeant Keith "Matt" Maupin and Specialist Ahmed K. Altaie are currently listed as missing and captured.

The Warrior Citizens of the United States Army Reserve will never leave a fallen comrade.

STRATEGIC OVERVIEW

Today's security environment is volatile, complex and uncertain. The dynamics of that environment often require the option of a rapid military response. Therefore, today's Army Reserve units must be prepared and ready to respond rapidly to our Nation's and our Army's needs.

World and national conditions that present a variety of emerging challenges to our national security interests include:

Global War on Terror	Global terrorists and their networks
Rogue states	Ad hoc coalitions
Budget pressures	Cyber network attacks
Homeland Defense	Insurgencies
Adversarial nations and leaders	Globalization
Treaty obligations	Public focus
Protracted war	Natural disasters
Ethnic and sectarian conflicts	Narco-trafficking
Propensity for military service	Declining manufacturing base
Nuclear proliferation	Failed and failing states
Regional instability	Disaster response/relief Disease
Environmental degradation	National will

Within such an environment, the Army Reserve has evolved from a strategic reserve to an operational force of skill-rich Warrior Citizens that provides unique capabilities to complement Army and National Guard partners. The Army Reserve must also complete transformation into a more lethal, agile and modular force. Today's operational tempo does not allow time for extended post-mobilization training. Army Reserve Soldiers and units are expected to be trained and ready when our Nation calls. To meet those realities, the Army Reserve is making the most dramatic changes to its structure, training and readiness since World War II. This transformation is being accomplished while Army Reserve Soldiers and units are engaged in operations at home and in Iraq, Afghanistan and 18 other countries around the globe.

Essential Functions of Army Reserve Transformation

Reengineer the mobilization process to simplify, streamline and automate procedures that are currently time sensitive, paper-based, multi-layered and occasionally repetitive.

Why? To respond quickly to domestic and combatant commanders' needs.

Transform Army Reserve command and control structure to focus functional and operational commands on training, leader development, unit readiness and shorter mobilization timelines for units within their functional scope of expertise.

Why? To focus on the Army Reserve's core mission of providing trained and ready Soldiers and units when needed.

Restructure units into a flexible and adaptable modular force that meets anticipated mission requirements. Divest structure that is not able to deploy, is habitually unready, or is too costly to modernize.

Why? To deliver maximum value and utility for the resources expended.

Improve Human Resources staff, technologies, and business practices to assist commanders and leaders at all levels to recruit, develop, train, and care for Army Reserve Soldiers, families, civilians and contractors.

Why? To support and sustain an all-volunteer force and ensure it is trained and ready when called.

Implement the Army Force Generation model, realizing that may take up to five years to attain, to create stability and predictability for Army Reserve forces so a Soldier will deploy only one year out of every five. Create additional depth in high demand capabilities.

Why? To provide stability and predictability to Soldiers, families and employers while simultaneously supporting the Global War on Terror, major combat operations, domestic operations and contingencies such as natural disasters.

Improve individual support to combatant commanders by increasing the number of trained and ready Soldiers in critical military occupational specialties available for individual augmentation.

Why? To meet the Army's demand for individual capabilities without cannibalizing existing units for those skills and threatening unit readiness.

Build mutual support between the Army Reserve and employers and communities.

Why? Combine/leverage civilian-acquired skills with leadership, maturity and experience gained in the military.

LEADING CHANGE AND SHAPING THE FORCE

Accomplishments

Some of the most significant organizational changes during fiscal year 2006 include the accomplishments listed below:

—Activated two theater signal commands and three expeditionary support commands, one of which will deploy in support of Operation Iraqi Freedom during 2007.

—Initiated actions to inactivate 10 Regional Readiness Commands and activate four Regional Readiness Sustainment Commands to reduce overhead structure and focus on supporting Army Reserve units on a regional basis.

—Applied the Army Force Generation (ARFORGEN) model to how Army Reserve units are scheduled and resourced for deployment. In fiscal year 2006, approximately 77 percent of the Army Reserve's mobilized units were from the ARFORGEN model.

—Aligned 80 percent of Army Reserve forces, to include 58 modular combat support/combat service support brigades and 8 civil affairs brigades into ARFORGEN.

—Completed the realignment of command and control of the U.S. Army Civil Affairs and Psychological Operations forces from the Army's Special Operations Command to the U.S. Army Reserve Command to improve Civil Affairs/Psychological Operations support to conventional forces.

—Completed the realignment of the U.S. Army Reserve Command—as a Direct Reporting Unit to the Department of the Army—as part of the Army's efforts to more effectively administer and support its operating forces.

—Initiated actions to restructure Army Reserve training support divisions and institutional training divisions to support the Army's individual and collective training requirements.

—Advanced plans to close or realign 176 Army Reserve facilities under BRAC, a higher percentage of real property closures and realignments than any other component of any service, and to build 125 new Armed Forces Reserve Centers to support Army Reserve units and Soldiers more effectively.

—Completed three Lean Six Sigma business projects with future cost savings and cost avoidance estimated at $47 million over the next seven years.

Transforming to meet today's demand for Army Reserve forces has led to the development of a host of strategic initiatives in support of major objectives. Some are complete, while others are still in progress. The prioritization of the Army Reserve transformation efforts will result in a complementary, operational force that is ready to support America's global and domestic commitments. The Army Reserve's strategic initiatives, when fully implemented, will accomplish the following:

—Provide the joint force and combatant commanders with ready combat support and combat service support units made up of skill-rich Warrior Citizens.

—Increase the number of Army Reserve Soldiers in deployable units.

—Reduce the time needed from mobilization to deployment.

—Provide predictability to the Army in terms of the capabilities available in the Army Reserve.

—Provide predictability to Army Reserve Soldiers, families and employers regarding deployments—allowing them to better prepare and plan for mobilization periods.

—Ensure more focused and efficient administrative management of Army Reserve forces, and increase unit and Soldier readiness.

—Provide improved facilities and more effective training to Army Reserve Soldiers.

—Streamline the command and control of Army Reserve forces.

—Increase the number of Soldiers in specialties needed to support the long war.

—Improve Army Reserve business, resourcing and acquisition processes.

—Provide better citizens to America's communities and better employees to America's employers.

The Army Force Generation Model: Predictability Through Focused, Efficient Management

The Army Reserve's wide-ranging transformation is focused on providing needed capabilities to combatant commanders as they fight the long war. As the Army Reserve continues to transform, it is implementing a system that will establish predictability, not only to those commanders, but also to Army Reserve Soldiers, their families and their employers. That system is called the Army Force Generation (ARFORGEN) model.

ARFORGEN is an Army-wide readiness model to support expeditionary deployment on a rotational basis. ARFORGEN consists of the structured progression of training, resourcing and unit readiness over time, resulting in recurring periods of availability of trained, ready, cohesive units that are prepared for an operational deployment, in support of civil authorities or combatant commander requirements. ARFORGEN is a model driven by operational requirements that facilitates assured, predictable access to the Army's active and reserve forces for future missions. That model task-organizes forces into expeditionary force packages, and manages them to progressively higher levels of capability and readiness through sequential force pools. Those pools train to corresponding metrics that ultimately provide a tailored force capability to meet an Army requirement. Packaging forces in a predictable deployment cycle, against specific requirements, will improve unit readiness as units progress through the system. Additionally, it will eliminate the old, tiered resourcing system, which included units resourced insufficiently that were never ready for deployment. The ARFORGEN strategy ensures that deploying units will be fully-trained—as cohesive units—on the most modern equipment.

When implemented fully, ARFORGEN will add a rotational depth of ready units to the force and spread the operational demand for Army Reserve forces over a manageable time period.

Increasing the Operational Force

The Army Reserve continues to improve force structure to meet the demands of current and future operations. Reorganizing command and control structure resulted in more deployable command posts, functional commands and sustainment commands that are streamlined and more efficient than former command and control organizations. Those reorganized units are tailored to provide increased combat support and combat service support to the Army expeditionary force packages. In total, the Army Reserve converted 78 units with 5,076 spaces of "non-deploying" structure during fiscal year 2006 to deployable organizations. Additional reorganizations in fiscal year 2007 are expected to yield even larger numbers of operational forces. The reorganization process has been carefully managed to maintain a high capacity of quality training support services with no diminished training capability.

The Army Reserve is adjusting its Trainees, Transients, Holdees and Students (TTHS) account from 20,500 to 12,000. These additional spaces, 8,500 Soldiers, will be converted to operational force structure, by right-sizing the TTHS account, and will be used in support of domestic and overseas missions.

Recent decisions to reduce and streamline the training structure and to shift Soldiers from non-deployable units into a deployable force structure resulted in a more efficient training base without diminishing training capacity or capability. As a result, 5,000 personnel billets have been reconfigured into the deployable force pool.

Ready Response Reserve Units

A key operational initiative for the Army Reserve is the development of the Ready Response Reserve Units (R3Us). This initiative capitalizes on Reserve Component (RC) Soldiers who are willing to volunteer to serve on part-time active duty, that is, more than the 39 days per year, but less than 365 days per year. The Army Reserve seeks to leverage these volunteers and match them against the need to fill short-notice requirements for combatant commanders and against other known requirements with R3Us. Additionally, the ARFORGEN model may identify other high-demand, low-density RC units, which may be required to rotate faster through the "Reset, Ready and Available" pools to support combatant commander and/or domestic requirements. Units matching those requirements are potential R3U candidates. Those R3Us will serve for more than the traditional 39 days per year or may be used repetitively as voluntary units in accordance with current laws and Department of the Army policy. Units that participate as R3Us may not only be short-notice deploying units but may also be used to improve the readiness of Army units and Soldiers for deployment. A test of the R3U concept has been proposed for fiscal years 2008 and 2009. The Assistant Secretary of the Army for Manpower and Re-

serve Affairs (ASA M&RA) and the Army Reserve have identified three categories of units to test in the pilot program. The three categories include: Early Entry Operations, Known Surge Operations, and Sustainment Operations. As the lead for the test, the Army Reserve will develop processes and gather "lessons learned" that will improve the readiness of the entire Army.

Improved Facilities and Training Support: Realignment and Closure

Base Realignment and Closure (BRAC) 2005 will realize significant cost efficiencies to the Army Reserve and improve the support the Army Reserve will be able to provide its Soldiers. BRAC will require the Army Reserve to create joint or multi-functional installations and improve readiness of current installations and facilities. It will provide the Army Reserve the opportunity to station forces in modern, state-of-the-art facilities and to redesign many Cold War facilities that no longer reflect current requirements. Under BRAC, the Army Reserve will close or realign 176 of its current facilities. That represents a higher percentage of real property closures than any other component of any service. In turn, Army Reserve units will move from those older facilities into 125 new Armed Forces Reserve Centers (AFRCs), many of which will be shared with at least one other reserve component, enhancing joint relationships and facility use. That construction will eliminate duplication of facilities where different components of the Armed Forces are in the same areas.

The new AFRCs will have high-tech, distance-learning and video-teleconferencing capabilities as well as fitness centers, family readiness centers and enhanced maintenance and equipment storage facilities. Those dramatic changes, closely coordinated among Army Reserve planners and the BRAC agencies, were synchronized with the Army Reserve's efforts to reshape its structure and grow war fighting forces. The Army Reserve needs support from the President's budget to ensure that base operations support and sustainment, restoration, and modernization for Army Reserve facilities remain funded to ensure force readiness.

Streamline Command and Control

The restructuring of the Army Reserve's command and control creates a more functionally-aligned force. These efforts were supported by BRAC. The Army Reserve reduced the number of administrative commands and increased the number of operational commands while maintaining the same number of general officer billets, in order to improve support for the Army. Seventy-one of the Army Reserve's 143 general officers have been mobilized or deployed to support the Army since September 11, 2001.

Ten regional readiness commands will be replaced by four more efficient regional readiness sustainment commands (RRSCs). Those RRSCs, which will be fully operational by the end of fiscal year 2009, will provide base operations, personnel, and administrative support to Army Reserve units and Soldiers within their geographic regions.

Two signal commands were converted to theater signal commands in 2006. One of those commands relocated to Hawaii to provide support to U.S. Army Pacific Command on a full-time basis. Additionally, three expeditionary sustainment commands were activated to support the Army's modular logistics concepts. The commands were activated from older structures that were designed for Cold War engagements.

Another expeditionary sustainment command and a theater aviation command will activate during fiscal year 2007. The Army Reserve training structure, which supports all Army components, is also restructuring to support the growth of more operational forces.

Increasing Civil Affairs and Psychological Operations Assets

Given the global population and urbanization trends, the importance of preparing and maintaining trained and ready civil affairs units has become increasingly evident. As the Army Reserve continues to support military operations in the long war, it is essential that Army Reserve forces are knowledgeable about the culture and customs of the people they will encounter. To address this and the numerous challenges of civil-military operations, the military uses Civil Affairs (CA) units that are focused on those operations.

Today, more than 96 percent of all CA forces are in the U.S. Army and 93 percent of those forces are in the Army Reserve. The knowledge, skills, abilities and maturity required to operate effectively in the civil environment, particularly in areas such as city management, banking, and public health administration, overwhelmingly reside in the Army Reserve and are maintained by Army Reserve Warrior Citizens. Army Reserve CA units and Soldiers are trained and ready to deploy anywhere they are needed to plan, coordinate and execute civil-military operations.

Those Soldiers set the conditions for transition to follow-on civilian government agencies, international organizations, nongovernmental organizations and private sector contractors.

In the area of psychological operations (PSYOP), the Army Reserve also provides key capabilities to the operational environment of this century. PSYOP forces help reinforce foreign attitudes and behavior favorable to our Nation's goals. More than 63 percent of the Army's total PSYOP force resides in the Army Reserve.

To meet the needs of the 21st century battlefield, over the next six years, the Army Reserve will add 904 CA Soldiers and 1,228 PSYOP Soldiers. The most significant growth will be the addition of 48 new CA companies and 10 new PSYOP companies. That will add critical skill sets at the tactical level required by the conventional force to understand, interact, and influence foreign populations and institutions.

To assist the Army Reserve's efforts to create and sustain trained and ready CA and PSYOP Forces, the Office of the Secretary of Defense approved the transfer of Army Reserve CA and PSYOP forces from U.S. Army Special Operations Command to the U.S. Army Reserve Command (USARC) last year. That move will integrate Army Reserve CA and PSYOP forces into the conventional force, providing the conventional force commanders dedicated CA and PSYOP forces consistent with the Army Force Generation model.

Improving Business Practices

A permanent Business Process Improvement/Lean Six Sigma (BPI/LSS) office was established in April 2006 at the U.S. Army Reserve Command (USARC). LSS is a business process improvement methodology that focuses on speed, efficiency, precision and accuracy. Three BPI/LSS projects were completed in fiscal year 2006 with cost savings estimated at $47 million over the next seven years.

LSS recognizes the unique skills and certifications Army Reserve Soldiers bring to the Force that are not normally found within the active components. For example, the Army Reserve has identified several Army Reserve Soldiers who are qualified as Lean Six Sigma master black belts (MBB), black belts (BB), and green belts (GB). Those Soldiers obtained LSS certification through their civilian occupations, typically investing over 200 hours in classroom instruction for the MBB, 144 classroom hours for the BB and 64 classroom hours for the GB in addition to completing projects.

By optimizing the civilian-acquired skills of our Soldiers, in combination with contractor support, the Army Reserve estimates obtaining full integration of best business practices by January 2009. The cost will be approximately $4 million, which is about 73 percent less than the cost of relying exclusively on contractors. As LSS is employed throughout the Army Reserve, other commands are recognizing the value associated with using Army Reserve Soldiers and are asking for assistance. The Army Reserve will continue to assist wherever possible.

Compelling Needs for Leading Change and Shaping the Force

Support the President's fiscal year 2008 budget which includes resources for a myriad of Army Reserve initiatives associated with the Army Force Generation model to include training, equipping and facility requirements during the "ready" phase of ARFORGEN.

Support the fiscal year 2008 budget request for resources for the Army Reserve to continue implementing BRAC-legislated projects to close installations, construct Armed Forces Reserve Centers and fund 13 Army Reserve Military Construction projects. Full, timely and predictable funding will enable the Army Reserve to institute necessary force structure changes.

Accelerate momentum established in modernization of the Army Reserve with the implementation of Ready Response Reserve Units, increased annual training requirements and upgraded facilities to train and support Soldiers.

PROVIDING TRAINED AND READY UNITS

Accomplishments

Since 9/11:

—The Army Reserve had mobilized more than 166,000 Soldiers; more than 42,000 Soldiers have served on multiple deployments.

—Ninety-eight percent of Army Reserve units have provided mobilized Soldiers or have deployed in support of the Global War on Terror.

Fiscal year 2006:

—Expanded rotational force management in support of ARFORGEN and aligned with the Army Campaign Plan.

—Mobilized 24,303 Warrior Citizens and deployed 13,240 Army Reserve Soldiers.

—Developed and executed plans to help prepare for the 2006 hurricane season. Those efforts involved regional readiness commands and units in 15 states and required that 1,996 separate items of equipment be prepositioned on the eastern seaboard and the Gulf Coast.
—Army Reserve mobile training teams developed and executed a program of instruction (POI) to train Afghan National Army noncommissioned officers (NCOs). The course blended Afghan culture and needs with material and standards of the U.S. Army Drill Sergeants School.
—Army Reserve Soldiers also continued to support the training of Iraqi Security Forces.
—Implemented the defense readiness reporting system (DRRS) that gives senior leaders knowledge of Army Reserve capabilities to support future combatant commander requirements.
—Successfully integrated the Army Reserve Training Strategy (ARTS) into the ARFORGEN training model.
—In 2006, the Army Reserve conducted Patriot Warrior and River Warrior exercises which included two eight day field training events to challenge units' collective responsiveness under stressful, contemporary operating environment conditions. The exercises included Joint and Coalition Forces.
—Two thousand Army Reserve Soldiers sharpened their technical skills in tactical environments through functional exercises.
—Sixty-one thousand Army Reserve Soldiers completed 70,000 training courses provided through the Army Reserve Virtual University.

During the 20th century, Army Reserve recruiters sought men and women willing to give up one weekend a month and two weeks every summer in return for college tuition, an interesting part-time job and an opportunity to serve their country. In return, the Nation got the strategic reserve it needed during the Cold War era. That was last century.

This century, the Army Reserve is engaged in operations across the globe as an integral part of the world's greatest Army. Army Reserve units must be prepared and available to deploy with a full complement of trained and equipped Soldiers when the Nation calls. The recent decisions by the Secretary of Defense will facilitate the deployment of trained and equipped Army Reserve units as whole cohesive units.

Operations

At the end of fiscal year 2006, more than 35,000 Army Reserve Soldiers were serving on active duty. Approximately 25,000 Army Reserve Soldiers served overseas, in Iraq, Afghanistan and 18 other countries, while another 10,000 Army Reserve Soldiers supported homeland defense missions at training centers, mobilization sites, and medical centers in the continental United States.

The Army Reserve is an integral part of the Army. Army Reserve Soldiers provide 88 unique skill sets and bring value-added experience and maturity to the joint force with their civilian-acquired capabilities. The Army Reserve force of Warrior Citizens includes surgeons, fire chiefs, teachers, city planners, waterworks directors, and police officers who have skills acquired in their civilian careers that aren't resident in the active Army. The wars in Iraq and Afghanistan have demonstrated the Nation's need for the critical capabilities of the Army Reserve Warrior Citizens.

Combined, Joint Operations

From supporting all military branches (running truck convoys of food, ammunition, fuel and other items) to conducting combat operations, responding to ambushes, and directly engaging the enemy, the Army Reserve has been an integral element of U.S. military and coalition operations.

In fiscal year 2006, Army Reserve Soldiers continued to train Afghan Security Forces. While the 95th Division (Institutional Training) from Oklahoma City, Oklahoma, administered the Afghan Drill Sergeant School, the 98th Division (IT) of Rochester, New York (which had previously supported the creation and training of Iraqi Security Forces), augmented forces standing up the Afghan National Military Academy (NMA). Additionally, more than 900 Soldiers from the 108th Division (IT) in Charlotte, North Carolina, are supporting the training and creation of Iraqi Security Forces throughout Iraq.

Domestic Operations

The Army Reserve is the Title 10 first responder to support civil authorities during a domestic emergency. Lessons learned from Hurricane Katrina relief efforts prompted the Army to ask the Army Reserve to support state and local responders during the 2006 hurricane season. In March 2006, the Army Reserve developed regional and state Hurricane Task Forces to prepare equipment and personnel for

hurricane support operations required within their regions. Task Force South supported Mississippi, Alabama, Georgia and Florida. Task Force North supported Tennessee and North and South Carolina. Each task force was headed by a brigadier general and operated out of the 81st Regional Readiness Command (RRC) in Birmingham, Alabama. The 90th RRC, in North Little Rock, Arkansas, stood up state task forces for Louisiana and Texas.

More than 1,996 separate items of Army Reserve equipment were pre-positioned along the eastern seaboard and Gulf Coast. By July 2006, the equipment and units involved in the contingency planning operations provided added capabilities to local authorities in the event of a hurricane. The Army Reserve task forces coordinated with U.S. Army North (the Army's component of U.S. Northern Command), and state and local authorities for support operations. Separate plans were developed for support to U.S. territories in the Pacific and Caribbean areas.

The Army Reserve remains committed to supporting those contingencies as the federal first responder, and has elected to keep most of the pre-positioned equipment in place for the 2007 hurricane season.

As demonstrated by the Army Reserve's support to Hurricane Katrina recovery operations (where the Army Reserve provided all of the CH–47 aircraft support, two truck companies and over 90 vehicles), the relevant and critical capabilities provided by the Army Reserve will be needed for future homeland defense and security missions. Resident within the Army Reserve structure are skilled medical professionals, hazardous material reconnaissance teams, casualty extraction, mass casualty decontamination, engineer units, aviation units and water purification units that will provide key capabilities support to both expeditionary Joint Force and National Guard partners in the United States.

Army Reserve Soldiers who deploy for civil support missions frequently do so while in a training status. In the case of Hurricane Katrina, Army Reserve support for relief efforts was possible because training funds were still available for Army Reserve Soldiers. Access to Title 10 first responders in the future cannot depend on availability of training days or training funds. Therefore, changes should be made to permit the mobilization of Army Reserve capabilities in support of domestic operations.

Army Reserve Training Strategy

To meet the demands of an operational and expeditionary force, Army Reserve units must be trained and ready prior to mobilization as cohesive units. The Army Reserve is transitioning to a train-alert-deploy training model. That training model represents an essential element of the ARFORGEN process; implementing ARFORGEN requires a fundamental change to the Army's strategy of how to prioritize limited resources.

Historically, Army Reserve units trained during two-day monthly battle assemblies and a 14-day annual training event. In support of ARFORGEN, the Army Reserve's five-year training cycle calls for an increase in unit annual training requirements in the third and fourth years. Those additional training requirements will allow units approaching their mobilization phase to conduct pre-mobilization training and participate in collective training events such as national training center exercises.

The Army Reserve Training Strategy (ARTS) establishes the fundamental concepts of the train-alert-deploy model for Army Reserve Soldiers. It includes progressive training and readiness cycles, priorities for resources, managed readiness levels, and predictable training as dictated by the ARFORGEN model. As units advance through a series of cumulative and progressively complex training events, each training phase improves the level of unit readiness. When ARFORGEN is fully matured, units in years one to three (reset/train) will reconstitute and train on basic mission-essential task list (METL) tasks. While some Soldiers complete professional education and individual training, units complete collective training in squad-to-company-level training in local areas and functional exercises. Units complete the reset/train phase of ARFORGEN with a Warrior Exercise—a multifunctional, multi-echelon event that improves unit proficiency.

In the fourth year (ready) immediately before mobilization or deployment into a theater of operations, training focuses on collective war fighting skills and theater specific mission tasks, and accounts for approximately one-third of the total 92 training days per Soldier mandated by the five year ARFORGEN model. Upon successful completion of a combat training center (CTC), or a comparable event and the validation of their combat skills, the unit will move into year five (available).

Warrior Exercises (WAREX)

Warrior Exercises produce competent, confident, adaptive Soldiers, leaders and units that are trained and ready to fight. Focusing on collective war fighting skills, these eight day, continuous operation field training exercises replicate the process of mobilization, deployment and employment in theater.

Exercises ensure Soldiers can conduct combat support and combat service support operations in a contemporary operating environment. The training is battle-focused and incorporates basic skills and lessons learned from combat zones to enhance battle drill training.

The demanding, collective training of the Warrior exercises provides unit leaders with additional training and prepares Soldiers for combat training center exercises or comparable events and subsequent deployment for contingency-expeditionary force and domestic operations.

Functional Exercises

In fiscal year 2006 the Army Reserve conducted 16 functional exercises to sharpen Soldiers' skills in a tactical environment. Functional exercises are branch specific and are held in the second year (reset/train) of the Army Reserve Training Strategy.

For example, Golden Medic 2006, the U.S. Army Reserve's largest medical command and control exercise, drew 2,000 Soldiers from units throughout the country, to Camp Parks in Dublin, California, and to Fort Gordon in Augusta, Georgia. Soldiers established and administered a makeshift medical complex equipped with facilities resident in a U.S. hospital, (ventilators, X-ray machines, dental equipment, a pharmacy, a laboratory and a triage wing). Golden Medic also tested the ability of Army Reserve units to evacuate casualties from the battlefield to a hospital outside the region, and to practice the skills they need to treat injuries sustained in battlefield conditions, such as blast injuries and severed limbs. The exercises prepared Army Reserve Soldiers for handling large numbers of patients, which is something that most medical professionals do not experience in a civilian hospital setting.

The training Army Reserve field medics receive today, coupled with advances in aero-medical evacuation systems and enroute support care, has increased casualty survival rates tremendously. With today's military medical care system, there is a 97 percent survival rate for casualties that are evacuated from the battlefield to the theater hospital. Army Reserve Soldiers, who make up 50 percent of the Army's medical capacity, are ready and answering their call to duty.

Combat Support Training Centers

After BRAC implementation, the Army Reserve will establish combat support training centers (CSTCs) at Fort Hunter Liggett, California, and at Fort Dix, New Jersey. Those centers will enhance training in the following ways:

—Provide training and maneuver space for technical and field training in austere environments.
—Allow more rigorous and realistic weapons qualification.
—Enhance Army Reserve collective training capabilities.
—Support the Army Reserve's Warrior Exercise program.

Both centers will support joint, multi-component, interagency, and convoy training up to brigade level at Fort Hunter Liggett and up to battalion level at Fort Dix.

When the combat support training centers achieve their full operational capability, units in ARFORGEN's fourth year (ready) will validate their collective mission tasks in combat training center-like rotations. They will help command, plan, prepare, supervise, and execute simulation-supported unit pre-mobilization collective training. The CSTCs will provide predictable access to state-of-the-art training centers that focus on the deployment, training, and redeployment experience for Army Reserve units.

The Army Reserve Leadership Development Campaign Plan

Updated and executed in 2006, the Army Reserve Leadership Development Campaign established requirements and integrated programs unique to the Army Reserve. Two significant components are listed below:

—*The Senior Leader Training Program.*—The Senior Leader Training Program develops the intellectual and strategic thinking skills that senior leaders need to implement change in the Army Reserve. The program focuses on general officer and colonel-level leaders with seminars that address organizational change, Army transformation and ethics-based leadership.
—*The Pre-Command Courses.*—The Army Reserve Brigade and Battalion Pre-Command Course was upgraded to enhance training that prepares field grade commanders and command sergeants major to lead Army Reserve Soldiers.

In addition to a company pre-command course for commanders, Army Reserve company command teams (commanders, first sergeants, and unit administrators) participate in new company team leader development courses to better prepare them for the challenges of leadership at the company level, which is critical to success.

Phased Mobilization

Phased mobilization minimizes unit personnel reassignments, enhances Soldier medical and dental readiness, improves unit leadership and enhances individual skills and unit collective training before deployments.

Under the phased mobilization concept, selected Soldiers and leaders mobilize in intervals before their unit's mobilization to perform Soldier leader training, Soldier skill training and unit collective training. Phased mobilization allows selected Soldiers and leaders to receive individual training according to a planned and phased schedule, to ensure they are fully-trained and mission-ready prior to deployment.

Army Reserve Virtual University

To enable commanders to spend more time with Soldiers for mission-essential training, the Army Reserve Virtual University (VU) began operating in June 2003. Since then, the VU has exceeded 155,000 student enrollments.

The VU hosts web-based training, provides valuable user tools, and has real-time reporting features that are essential to commanders. The VU is available anytime and anywhere Soldiers, civilian employees and family members have Internet access. The site is accessible to anyone with an Army Knowledge Online (AKO) system username and password. It offers 24/7/365 customer service.

As of November 2006, the VU offered 49 Internet-based courses, many of which meet the Army Reserve's mandatory course requirements, including: Information Assurance Awareness, Subversion and Espionage Directed against the Army, and Substance Abuse. It also offers course discussion threads, chat rooms, electronic libraries, collaborative learning environments (CLEs) in the continental United States and overseas theaters of operation, individual downloadable transcripts, and custom portals for each major command. The CLE provides every major subordinate command staff with a video conferencing capability that is accessible at home, school, or place of work. No special teleconferencing facilities are required.

The VU is also a place where Soldiers, civilians and family members can enhance their personal or professional knowledge about the Army Reserve. The VU is an effective and efficient vehicle for providing family readiness information and training to Army Reserve families that are geographically dispersed and located far from units and installations. Included in the online VU package is a Family Readiness Library and two Family Readiness courses within the catalog.

Compelling Needs for Providing Trained and Ready Units

Support the President's fiscal year 2008 budget initiatives for Reserve Personnel, Army (RPA) funding levels to support Army Force Generation model phased training requirements that include:

—Equipment training.
—Improved collective training.
—Warrior Exercises.
—Leader education.

Support the President's fiscal year 2008 budget initiatives for Operations and Maintenance, Army Reserve (OMAR) funding levels:

—To establish combat support training centers at Army Reserve primary installations.
—To increase emphasis and additional operating tempo for warrior task and drill training; skill reclassification training, convoy live fire training, and additional support.
—To provide training equipment sets to support Army Reserve Training Centers.
—To dedicate equipment training sets at centralized locations and training equipment sets for schools and deployable units.

Army Reserve Capabilities That Support Joint, Combined and Interagency Operations

Many of the skills unique to Army Reserve Soldiers complement joint, expeditionary and domestic operations. Examples of Army Reserve capabilities that support national objectives include:

Countering Terrorism

Highly specialized counterterrorism support to Special Operations Command (SOCOM), the U.S. Department of State's Office of the Coordinator for Counterterrorism, and other government agencies.

Units and Soldiers for combatant commands to execute their regional war on terror (RWOT) plans.

Defending the Homeland

Critical capabilities to commands with significant domestic response responsibilities: U.S. Northern Command (USNORTHCOM); U.S. Joint Forces Command (USJFCOM); Joint Task Force-Civil Support (JTF–CS); Joint Forces Command's (JFCOM) Standing Joint Task Force Headquarters; and U.S. Army North (ARNORTH).

Twenty-six Army Reserve chemical companies with specialized military and civilian response equipment that can perform mass casualty decontamination and chemical, biological, radiological and nuclear (CBRN) and hazardous materials (HAZMAT) responder operations.

Much of the Army's combat and combat service support capability to include medical, chemical, transportation, logistics, and civil affairs capabilities, all of which are available for homeland defense missions.

Aviation, Transportation, and Logistics capabilities to include 1,996 pre-positioned pieces of fully mission-capable equipment with identified crews to provide rapid domestic disaster response for the 2006 hurricane season using programmed funding. Most of those assets will remain in place for future domestic response operations.

One hundred and ninety-four emergency preparedness liaison officers (EPLOs) who are embedded in all 10 FEMA regions to support federal and state emergency managers for domestic response operations.

Support to NORTHCOM's Consequence Management Response Forces 1–3, which includes chemical, quartermaster, and medical-type units.

Shaping Choices of Countries at Crossroads

Units and Soldiers to allow geographic and functional combatant commanders to execute their theater security cooperation plans (TSCP) to build partner capacity in exercises such as Nuevos Horizontes in Guatemala and Cobra Gold in Thailand.

Preventing Acquisition of Weapons of Mass Destruction (WMD) by State and Non-State Actors

Direct support to the 20th Support Command in its lead Department of Defense role as the primary responder for CBRN consequence management operations. These capabilities are available for use in the prevention of acquisition of WMD.

Chemical units that provide unique capabilities to detect, identify, and mitigate selected WMD in support of nonproliferation activities.

While the challenges the Army Reserve faces will evolve, Soldiers with "boots on the ground" will remain vital to our Nation's solutions.

EQUIPPING THE FORCE

Accomplishments

Since 9/11:

—Cross-leveled more than 300,000 items of equipment (65,000 transactions) among Army Reserve units to support ongoing operations.

—Developed and fielded cutting-edge logistics information management programs to improve situational awareness and support decision-making.

—Developed and implemented innovative and cost-effective methods to improve logistics readiness by centralizing equipment and using centrally managed databases to manage and track equipment.

Fiscal year 2006:

—Developed and began implementation of a logistics program that directly supports the Army Force Generation (ARFORGEN) model.

—Reduced the backlog of equipment, redeployed from Iraq and Afghanistan, for inspection, repair, and/or overhaul from 14,000 items to less than 1,500.

—Achieved a maintenance readiness level of 91 percent for reportable equipment on hand as fully mission-capable.

—Provided Rapid Fielding Initiative equipment to 62,000 Army Reserve Soldiers.

—Integrated 7,014 pieces of equipment transferred from the Active Component to the Army Reserve.

—Inducted 5,337 major end items and 30,725 items for calibration into depot maintenance.

—Identified $742 million of Army Reserve stay-behind equipment retained in Iraq for replacement (such as HMMWVs, Trucks, Material Handling Equipment and communications equipment).
—Retired 6,800 M16A1 rifles from Army Reserve units in preparation for M16A2, M16A4, and M4 rifle replacement fielding.

Meeting future obligations will require the Army Reserve to do much more than focus on managing current resources. The continued high pace of operations will require additional expenditures to reset the force in addition to the costs associated with modernization and modular conversions.

The Army Reserve and the Modular Force Logistics Concept

The Modular Force Logistics Concept (MFLC) is the Army's redesign of logistics business rules, processes, and procedures to support the modular force. The MFLC seeks to integrate logistics operations, vertically and horizontally, to provide the speed and flexibility needed to deploy and sustain the Modular Force in training and combat. Vertical integration streamlines logistical support to the warfighter. The 143rd Transportation Command (TRANSCOM) based in Orlando, Florida, is transitioning to become an Expeditionary Sustainment Command. It will then be able to employ the concept of logistical integration for easier coordination between units. Horizontal integration consolidates material management centers (MMCs) and movement control centers (MCCs) into logistics headquarters support operations; logistics at the operational level are then focused on theater and brigade combat team support.

As the Army Reserve adapts to those changes and procedures, concepts such as the Army Reserve Equipping and Fleet Management Strategy (AREFMS) are evolving to integrate and complement MFLC.

The Army Reserve and GCSS–A/T and SALE

Central to the implementation of the MFLC is the development of Enterprise Resources Planning (ERP) software, which will provide the Army with a holistic, fully integrated logistics data warehouse and accompanying management and decision making tools. The current concept is to build on the development of a Global Combat Support System—Army/Tactical (GCSS–A/T) and a national level system, which will be replaced and integrated at a future date into one enterprise—the Single Army Logistics Enterprise (SALE). The Army Reserve is a full partner with the Army and defense industry leaders in the development of GCSS–A/T and SALE, providing a team to adapt current Army Reserve business rules, processes and procedures to the "best commercial" practices embedded in the ERP.

Until the new software is completed and fielded, the Army Reserve will continue to use and refine its bridging solution, the Logistics Data Warehouse (LOGDAT). LOGDAT integrates data from Army Reserve unit and command-level logistics systems at the national level. In a single warehouse, Army Reserve commanders, staffs and managers can access the data, review unit readiness and develop and implement management decisions.

Equipping Units in the ARFORGEN Cycle

As previously stated, the Army Reserve, as a full participant in the ARFORGEN model, is no longer a strategic reserve but an operational force. The Army Reserve must train under the same conditions and standards as their Active Duty counterparts, including training with the same types of equipment they are expected to operate on the battlefield. To accomplish the training necessary for units to flow through the model, the most modern equipment must be made available to Army Reserve units as they move through the pre-mobilization and deployment phases of ARFORGEN.

The Army Reserve has developed a strategy to optimize the use of its available equipment, based on the training requirements of units, as they move through the ARFORGEN cycles. Army Reserve unit equipment will be housed at respective unit home stations, collective training sites and individual training sites. That provides equipment for individual training as well as small unit training at home stations. The unit's collective training will be accomplished at the collective training sites and will be evaluated at the unit level. The Army Reserve can meet a single large contingency and continue to operate a rotational readiness model under ARFORGEN. Although military support to civil authorities (MSCA) activities do provide a collective training benefit, if there are repeated or significant domestic contingencies, such as repeated or long-lasting hurricane responses or additional foreign contingencies, collective unit training cycles at collective training sites could be delayed or canceled.

The Army Reserve requires a steady flow of procurement to reach equipment and modernization goals. If the right equipment is unavailable when needed, mission ac-

complishment and the survivability, safety and morale of Army Reserve Soldiers are jeopardized.

Compelling Needs for Equipping the Force

Procurement of equipment to support the Global War on Terror (GWOT) and the Modular Force

The modernization of light-medium trucks (75 percent are not Modular Force compatible or deployable and are not integral to training and operational efficiency).

The modernization of medium line-haul tractors (50 percent do not support single-fleet policy and are not integral to training and operational efficiency).

Medical equipment.

Night vision systems.

Chemical/biological/radiological detection/alarm systems.

Modular Force equipment needed to support designated individual and collective training locations, including unit level collective training in a field environment.

Communications and automation equipment.

Sustainment

Support Army Reserve participation in the development and fielding of GCSS–A/T and SALE.

Support initiatives to ensure depot maintenance funding at 90 percent or better.

Support recapitalization of tactical truck inventory.

Endorse retention of Army Reserve tactical maintenance contract labor to reduce mobilization and training equipment backlogs.

WARRIOR CITIZENS SUSTAINING THE ALL-VOLUNTEER FORCE

Accomplishments

In fiscal year 2006, The Army Reserve achieved over 100 percent of its goal for the reenlistment of first-term Soldiers; the first time that has been accomplished since 2002.

The Army Reserve continues to retain its career Soldiers, reaching 103 percent of the 2006 re-enlistment goal.

Despite the continued high operational tempo, the Army Reserve realized 95 percent of its overall recruiting mission, including the U.S. Army Recruiting Command, Human Resource Command-Alexandria, Virginia, and Retention-Transition Division missions.

The Army Reserve is tailoring its incentives program to the ARFORGEN model in order to realize maximum results.

In fiscal year 2006, the Army Reserve began three BRAC military construction projects and 13 conventional military construction projects that will directly enhance quality of life for more than 4,800 Soldiers in seven states.

Since its launch (in early fiscal year 2006), The Army Reserve Family Programs web portal (www.arfp.org) has recorded more than one million visitors.

The Army Reserve continues to recognize Soldiers' sacrifices via the Army Reserve Welcome Home Warrior Citizen Program. Of the 70,366 awards delivered (since the program's inception in 2004), 62,359 awards have been presented during ceremonies.

The Army Reserve's mobilization/deployment assistants made 79,913 successful telephone contacts, received 12,444 incoming emails, sent 57,027 outgoing emails, and recorded 18,982 in-person contacts in an effort to keep Army Reserve Soldiers and their families up to date on the latest deployment information.

The Army Reserve developed the Army Reserve Employer Relations (ARER) program, tailored to build relationships with civilian employers of Army Reserve Soldiers.

"Honor is never off duty" is now the Army Reserve touchstone. The Soldier's Creed and the Warrior Ethos are the bedrock of the United States Army Reserve. Warrior Citizens now entering the Army Reserve understand that mobilizations and deployments are not "possibilities"—they are "probabilities."

Fully appreciative of today's realities, the Army Reserve no longer focuses solely on pay and benefits as an incentive to serve. The Army Reserve reinforces Army Values and embraces the Soldier's Creed. While pay and other incentives are still important, today's focus is now on pride in service to community and to the Nation.

The Army Reserve also continues to ensure that the best quality of care for Army Reserve Soldiers and their families is provided and constantly works to improve the quality-of-life for Soldiers and their families. Army Reserve leadership manages Soldiers through accession and assignment, reassignment, training, and retraining or

reclassification. Additionally, the Army Reserve manages relocation to conform to the ARFORGEN model.

Recruiting

The success of bringing new Soldiers into the Army Reserve ranks reflects the patriotism of this century's "greatest generation." The U.S. Army Recruiting Command recruited 25,378 new Soldiers into the Army Reserve in fiscal year 2006; an increase of 6,000 new Soldier recruits from fiscal year 2005—a 95 percent achievement of the Army Reserve's fiscal year 2006 recruiting goal. In fiscal year 2007, the Army Reserve remains committed to garnering 100 percent of the needed Army Reserve Soldiers.

Key to meeting that goal is ensuring that filling Active Guard/Reserve recruiter positions are a top priority. Those recruiters are essential to ensure the Army Reserve supports the ARFORGEN model. Incentives are also tailored to ensure the right Soldier skills are brought into the Army Reserve's ranks for emerging missions.

Additionally, the plan ensures the maximum return on the Army Reserve's investment as part of Lean Six Sigma. The Army Reserve realizes the market is very competitive for potential recruits and tailors incentives to attract not only the right skills, but the best candidates to join the Army Reserve ranks.

Selected Reserve Incentive Program

One of the most publicized new programs in the Army Reserve is the referral bonus. The program originally offered Soldiers who referred applicants who complete their initial military training a $1,000 bonus. This bonus was later increased to $2,000 and made available to Active and Reserve component retirees.

Recruitment and Reenlistment

In addition to the bonus, a host of incentives tailored to attract specific audiences (listed below) are now being offered.

—Non-Prior Service Enlistment Bonus (6 yrs./up to $20,000).
—Prior Service Enlistment Bonus (3 yrs./$7,500 or 6 yrs./$15,000).
—Reenlistment Bonus for up to 20 years service (3 yrs./$7,500 or 6 yrs./$15,000).
—Army Civilian Acquired Skills Program (3 or 6 yrs./up to $20,000).
—Officer/Warrant Officer Accession Bonus (3 yrs./up to $10,000).
—Officer/Warrant Officer Affiliation Bonus (3 yrs./up to $10,000); given when an officer/warrant officer chooses to serve the remainder of their obligation in a troop-program unit, as opposed to going to the Individual Ready Reserve.
—Enlisted Affiliation Bonus (3 or 6 yrs./up to $20,000).

The 103 percent reenlistment rate for fiscal year 2006 highlights the success of Army Reserve incentive programs. The programs initiated by the Army Reserve during the current operations highlight the Army Reserve's dedication to taking care of not only Soldiers, but also their families and employers. Army Reserve career counselors who are geographically dispersed, including 11 in theater, exceeded their annual reenlistment mission by more than 500 reenlistments. This enables the Army Reserve to continue to meet the needs of America's expeditionary Army.

Fiscal year 2006 accomplishments highlight the Army Reserve's steady retention success in recent years. The Army Reserve reduced attrition from 24.7 percent in 2001 to 22.3 percent in 2006; expanding the reenlistment window to 12 months with incentives, coupled with continued funding, made this success possible.

Retention Initiatives

The Army Reserve places a priority on retaining Warrior Citizens after their mandatory service obligation (MSO) is fulfilled. The value these mature, trained and ready, skill-rich Soldiers bring to the total force cannot be overlooked. Resources to fund programs targeted to recruit and retain Soldiers are vital for the Army Reserve to support the total force. Some incentives to retain Army Reserve leadership and fully staff high priority ARFORGEN units are listed below:

—The Secretary of Defense has authorized Command Responsibility Pay (CRP) bonuses for officers serving in positions of special responsibility. The number of officers eligible for bonuses is capped within each officer grade.
—ARFORGEN designated unit pay. This is a key incentive to promote retention and stability. Included in the 2006 National Defense Authorization Act, this program allows payment for non-obligated Soldiers, in designated critical skills and units, such as Soldiers who belong to ARFORGEN units targeted for deployment, and who make a service commitment to the Army Reserve. The program will likely reduce the need to cross-level Soldiers by increasing volunteerism and retention in high priority Army Reserve units.

—The Army Reserve is pursuing a Critical Skill Retention Bonus for Soldiers assigned to high priority units. This bonus will be geared toward O–3 and below for Officers, E–7 and below for Enlisted, and W–3 and below for Warrant Officers with critical skills and experience that the Army Reserve must maintain for the war fight.

Mobilization Within the Army Reserve—Reflecting the Cultural Change

The number of Army Reserve Soldiers who mobilized and then volunteered for further deployments reflect the experience and patriotism of today's Warrior Citizens.

—More than 166,000 Army Reserve Soldiers have mobilized since September 11, 2001.

—More than 42,000 Army Reserve Soldiers have mobilized more than once since September 11, 2001 (as of December 31, 2006).

Full Time Support

Today's demand for the Army Reserve to meet operational requirements quickly with fully-trained Soldiers and units on an enduring basis highlights the increased importance of Army Reserve full-time support (FTS) personnel. The Active Guard and Reserve (AGR) Soldiers, Department of the Army Civilian Employees and Army Reserve Military Technicians play a crucial role in preparing Army Reserve units for war.

Full-time support personnel serve in a variety of positions throughout the Army Reserve. Operations personnel plan the training that will move the unit through the cycles of ARFORGEN. Human resources personnel direct the life-cycle management of unit personnel to ensure the right Warrior Citizen is in the right place at the right time. Human resources personnel coordinate with unit training personnel to ensure personnel are scheduled for, and attend, military schooling for career competency, progression and enhancement.

The DOD average FTS manning level in fiscal year 2005—the last year data was available—was 21 percent of end strength, while the projected fiscal year 2007 manning level for the Army Reserve is 11.7 percent, the lowest of any component of any service. As the Army Reserve transforms to an operational force and the demands for Army Reserve Soldiers increase, FTS requirements must be re-evaluated to ensure continued unit mobilization readiness.

The Army is developing new full-time support requirements; utilizing the requirements methodology validated by the U.S. Army Manpower Analysis Agency (USAMAA) in fiscal year 2006. The Army Reserve is currently applying that methodology to its ARFORGEN force structure requirements to ensure it has the personnel necessary to carry out the day-to-day workload for mobilization readiness. The Army Reserve will work with the Office of the Secretary of Defense to ensure that this "revalidation" will allow the Army Reserve to determine the right balance of full-time support personnel for an operational force.

Quality of Life and Well Being of Soldiers and Family Members

Quality of life issues directly affect the retention of Soldiers in the Army Reserve. The Army Reserve recruits Soldiers and retains their families.

General Peter Pace, Chairman of the Joint Chiefs of Staff, has said, "Taking care of our people is fundamental to the ethos of the American Armed Forces. Our men and women in uniform are our most precious resource. We must continue to ensure their welfare and that of the families who support them."

Family Programs

Support to family programs remains a top Army Reserve priority, especially during this time of unprecedented deployments for Army Reserve Warrior Citizens. Full funding of programs such as the following, are crucial to the Army Reserve's retention goals and to sustaining the All-Volunteer Force.

—Children's programs have been initiated that realize the unique pressures children of reserve component military members face, especially when their parents deploy.

—A highlight of fiscal year 2006 activities included expansion of Operation Purple Camps. These camps represent a joint effort between the National Military Family Association, the Department of Defense, the National Guard Bureau and local camp providers to help children of deployed Army Reserve Soldiers deal with deployment-related separation issues in a summer camp environment.

Health Benefits

Few programs reflect care for Soldiers more directly than health care plans. It is crucial that support for those programs continue.

—Army Reserve Soldiers who are on active duty for less than 30 days are covered for any injury, illness, or disease incurred or aggravated in the line of duty. That includes travel to and from the Soldier's duty station.
—After 30 consecutive days of active duty service, Soldiers and family members are entitled to comprehensive health care coverage. Dental coverage is also available to Army Reserve Soldiers and family members regardless of their mobilization status.
—For Army Reserve families, health care benefits begin 90 days prior to the effective date of the Soldier's mobilization orders (early TRICARE). The Soldier's location and selection of a primary care provider determines any possible deductibles and/or co-payment.
—A demobilized Army Reserve Soldier (and his/her family) is eligible for up to 180 days of transitional health care, called Transitional Assistance Medical Program (TAMP). TRICARE coverage ends when they return to their previous employer based health coverage.
—TRICARE Reserve Select has been fully implemented and is a premium based health insurance program that offers all members of the Selected Reserve an opportunity to purchase comprehensive health coverage similar to TRICARE Standard and TRICARE Extra. It is a three-tiered system of eligibility and cost shares, which also allows those benefits to be purchased by non-deployed Reserve Soldiers.
—Reserve Soldiers who are eligible for TAMP transition benefits may receive dental care at military dental facilities on a space-available basis only. Family members are not eligible for dental care at these facilities. Civilian dental care is not a covered benefit for sponsors or family members under the TAMP program. Reserve members and their families may, however, receive dental care by enrolling in the premium based TRICARE Dental Program (TDP).

Congress has supported and the Reserve community has received numerous expanded health benefits over the last year. These programs provide for TRICARE coverage options and provide additional benefits for those being activated in support of a contingency operation. DOD is evaluating the expanded healthcare programs and their impact on readiness and retention of Army Reserve Soldiers.

Well-Being Advisory Council

The new Well-Being Advisory Council (WBAC) reflects the additional support being provided to ensure the proper care for Army Reserve Warrior Citizens and their families. The WBAC is responsible to the Chief, Army Reserve for providing strategic oversight for a holistic, well-being process. Plans are underway to hold the first WBAC meeting during the second quarter of fiscal year 2007.

Child and Youth Services (CYS)

CYS programs are initiatives designed to reduce the conflict between parental responsibilities and Soldier mission requirements. When Army Reserve Soldiers are mobilized, their families and children become part of the military community. These Army Reserve families often do not live near a military installation and may not live in a community with a significant military population. Army Reserve Soldiers' families do not transfer to a military installation when the Soldier mobilizes. The transition from community lifestyle to military lifestyle often happens without the benefit of experiences and support systems available to Active Army families who often reside on Army installations. The Army Reserve recognizes the strain that mobilization puts on the Warrior Citizen family, and now has a Child and Youth Services Directorate to provide services that support the readiness and well-being of families, including those families that are geographically dispersed. Programs designed to assist Warrior Citizen families include:

—*Operation Military Child Care (OMCC)*.—OMCC is a program that "buys down" the cost of child care for military families. Families of Soldiers who are mobilized or deployed in support of the Global War on Terror receive help locating state-licensed or regulated child care services in their communities at reduced rates.
—*Operation Child Care (OCC)*.—OCC is a nationwide voluntary community based initiative that accesses local child care providers who donate their services to military families. The initiative provides short-term "respite and reunion care" for children of service members returning from Operation Iraqi Freedom and Operation Enduring Freedom for their two-week R&R leave.
—*Operation Military Kids (OMK)*.—OMK focuses on the children of "suddenly military" Army Reserve and National Guard personnel who are being mobilized in increasing numbers for extended assignments.

—*Operation Proud Partners*.—The goal of this program is to enhance the quality of selected Boys and Girls Clubs of America located in the civilian community. This organization will provide services to military youth who do not live on a military installation.

—*Army Teen Panel (ATP)*.—The Army Reserve has two seats on the ATP. The ATP was started in 1995 to help young people communicate concerns to the Army's senior leadership. The ATP promotes youth and adult partnerships.

—*Educator Training*.—The Military Child Education Coalition (MCEC) has designed training for educators. The ongoing, nationwide training focuses on the issues that Army Reserve and National Guard youth face when a parent is mobilized and deployed.

Among other activities, CYS will host a Youth Leadership Education and Development (YLEAD) conference in Tacoma, Washington, in fiscal year 2007. This conference will empower youth to become community leaders locally and within the Army Reserve through involvement, action planning, and leadership programs.

Education Benefits

Education benefits clearly enhance the development of Army Reserve Soldiers and retention activities. During fiscal year 2006, Tuition Assistance was used by 19,088 Army Reserve Soldiers and degrees were earned by 1,021 participants; clear evidence of the desire of Army Reserve Soldiers to further their education. An additional advantage the Army Reserve brings to our Nation is the induction of college students. While some college students, or prospective college students, may be reluctant to join the ranks of the active component military, many have enlisted in the Army Reserve. The benefits they gain toward their college tuition complement the military's desire to retain a high-quality pool of knowledgeable Soldiers.

Army Reserve Voluntary Education Services is a Department of Defense-mandated commanders' program that promotes lifelong opportunities for Selected Reserve Soldiers through voluntary education services that enhance recruiting, retention and readiness of Army Reserve Soldiers.

Some major educational programs are detailed below:

—The Montgomery GI Bill now has a pilot program allowing Active Army Soldiers in critical skills who reenlist, to transfer up to 18 months of their Montgomery GI Bill benefits to their spouses. This benefit is not yet available to Reserve Component Soldiers.

—The Reserve Educational Assistance Program (REAP) is an educational assistance program paying benefits to Soldiers in the Selected Reserve and to Individual Ready Reserve members who have been ordered to active duty. The allowance is a percentage of the Montgomery GI Bill active duty rate based upon the number of continuous days served on active duty.

—The Army/American Council on Education Registry Transcript System (AARTS) is a program which translates military job experience and education into college credits. The AARTS staff fills more than 2,000 transcript requests a week. Requests are processed and mailed within three business days to academic institutions, Soldiers, education counselors, and employers worldwide. AARTS transcripts are available free of charge to qualified members of the Army Reserve.

Welcome Home Warrior Citizen Award Program

The proper reception for Army Reserve Soldiers returning from deployments lets them know, in a direct manner, the Nation's appreciation for their sacrifices. The Welcome Home Warrior Citizen Award Program was created to publicly recognize the sacrifices that Army Reserve Soldiers have made in the long war. As indicated previously, of 70,366 awards delivered (since the program's inception in fiscal year 2004), 62,359 have been presented to Army Reserve Soldiers during ceremonies. The program has been expanded to include recognition items for family members and employers.

Support to Wounded Soldiers

The Army Wounded Warrior Program (AW2) assists disabled Soldiers who suffered severe injuries on or after September 11, 2001, and who have been awarded (or are likely to receive) an Army disability rating of at least 30 percent. Assistance is provided from initial casualty notification through the Soldier's assimilation into civilian community services (for up to five years after medical retirement). AW2 facilitates the linkage between the Army and organizations that stand ready to assist those Soldiers and their families, such as the U.S. Department of Veterans Affairs.

Assistance includes:

—Funding travel for family members to the Soldiers bedside (via Invitational Travel Orders).

—Resolving pay issues.

—Providing options for remaining on active duty.
—Assisting Soldiers with the tools to navigate the medical evaluation board and physical evaluation board process through information and assistance.

Some of the Soldiers in the AW2 program may be in the process of medical retirements, pending other dispositions such as being extended on active duty, or enrollment in the Community Based Healthcare Initiative. The program allows selected reserve component Soldiers to return to their homes and receive medical care in their community based on each Soldier's medical needs.

More Efficient Promotion Management

To continue efforts to keep experienced Soldiers in Army Reserve ranks, promotion policies have been updated. Recent, important changes to provide equity and increased quality to the Army Reserve's promotion policies include:

—Acceleration of promotion consideration to captain for the various competitive categories. This accelerated consideration will result in first lieutenants being considered for captain 12 months earlier than with previous boards.
—In 2007, minimum time-in-grade for lieutenant colonels before consideration for promotion increased by one year. This will allow for a greater variety of assignments, military schooling, and command time. The change should also slightly increase the overall selection rate to colonel.
—A new regulation allows enlisted Soldiers to request waivers to requirements for military schools for promotion consideration. The waivers can be requested for reasons such as deployment, operational requirements, or lack of school seats.

Enhanced Care for Professional Development

As the Army Reserve transforms, regional personnel service centers (RPSCs) are being structured to provide modernized life-cycle management services. Those centers will address issues pertaining to Soldiers' career requirements (including schools and assignments) as they progress in rank or until they retire or separate. The RPSC will actively manage Soldiers' careers even when they transfer into another civilian job—the RPSCs will find another Army Reserve unit for the Soldier to join.

Army Reserve Employer Relations

When Army Reserve Soldiers return from deployment, the experience, confidence, and leadership skills they earned on the battlefield give them a deeper appreciation for their civilian careers and opportunities in America. When Warrior Citizens return to work, employers get better employees who have renewed energy, broader perspectives, a desire for more responsibility, and are creative problem solvers.

Forging relationships with civilian employers is fundamentally important to the success of the Army Reserve's mission. Without civilian employer support it would be difficult, at best, to sustain a creditable force of Warrior Citizens; the Army Reserve shares the workforce of the civilian business community. In an effort to build positive and enduring relationships with civilian employers of Army Reserve Soldiers, Army Reserve Employer Relations (ARER) was established in 2005.

Building positive relationships with civilian employers enhances Soldier readiness and positively impacts retention. In fiscal year 2006, the Army Reserve began to focus on enhancing employer support through a systemic blending of four major objectives: mitigation, mediation, employer outreach and awareness, and Soldier-employer relations.

In fiscal year 2007, the ARER will implement, monitor, and participate in the National Committee for Employer Support of the Guard and Reserve's (ESGR) "Pinnacle Advance" campaign. Additionally, the ARER will promote and sponsor the "Patriot Partner," "Freedom Team Salute," and other ESGR recognition awards. The "Patriot Partner" program is the first official Army Reserve-specific recognition for employers—acknowledging employer sacrifices and support of Army Reserve Soldiers. The ARER will coordinate and sponsor "Meeting with the Boss" and "Boss Lift" for 5-Star employers and Army Reserve senior leaders. The Chief of the Army Reserve will engage employers in various forums to explore better ways for both the Army Reserve and businesses to work together to support Warrior Citizens. In fiscal year 2007, the ARER will build organizational structure, identify funding resources, and develop and implement an AKO e-mail account for the program.

Compelling Needs for Sustaining the All-Volunteer Force

Support initiatives in the President's fiscal year 2008 budget that fill FTS positions in priority ARFORGEN units and provide the support necessary for an operational force.

Support the President's proposal to strengthen the military with an increase in Army Reserve end strength to 206,000 in fiscal year 2013.

Support full funding for requests in the President's fiscal year 2008 budget to provide incentives to recruit and retain Army Reserve Soldiers. These incentives allow the Army Reserve to fulfill the manning requirements of ARFORGEN and to promote retention and stability for ARFORGEN units targeted for deployment.

Continued support for educational assistance benefits for Soldiers and families.

Fully fund initiatives designed to sustain the propensity for Army Reserve Soldiers to serve, and employers to support, hire and retain Warrior Citizens.

Fully fund the Command Responsibility Pay (CRP) program to increase retention of officers serving in positions of responsibility.

Support ARER program initiatives for the "Patriot Partner" program.

Support incentives to retain Soldiers who want to extend their AGR active duty commitment beyond 20 years of Active Federal Service.

MANAGING RISK

Ongoing operations at home and abroad have dramatically changed the way Army Reserve Soldiers think about and view themselves and the Army Reserve as an institution. The paradigm has changed. Mobilization is not merely a possibility; it is a likelihood that is identified and incorporated into a specified timeline.

Concurrent with Army Reserve Warrior Citizens answering the call to serve, is the urgent need to accelerate the procedural and administrative changes needed to support training, equipping, manning, and mobilization. The Army Reserve strategy directly supports the Army Plan of transforming in response to the challenges and demands of this century, as detailed in previous chapters. Those profound structural changes, occurring while the Army Reserve is simultaneously providing Soldiers and units for operations throughout the world, create an environment with many risks. Much has been done to mitigate those risks, yet more needs to be done. The Army Reserve must balance demands with operational and organizational resources. To further mitigate risk while building the Army Reserve into a flexible, responsive and dynamic organization that is well-equipped to support the Future Force, the Army Reserve requires legislative support.

The Army Reserve's fiscal year 2008 legislative priorities:

Priority: Obtain Full Funding to Sustain the Army Reserve's Global Commitments

Support for full, timely, and predictable funding of the President's fiscal year 2008 budget request is essential for the Army Reserve to provide Soldiers and units to combat traditional, irregular, catastrophic and disruptive threats; provide adequately for Soldiers, families and Army Civilians; accelerate key aspects of Army Reserve transformation and maintain the momentum of vital modernization programs and stationing initiatives. Failure to provide sustained resources jeopardizes the ability of the Army Reserve to respond when the Nation calls.

Priority: Recruit and Retain Warrior Citizens to Sustain the Long War

Invest in the Army Reserve. Support the Army Reserve's goals for attracting and retaining high-quality, skill-rich Warrior Citizens. Sustained funding will enable the expansion of the Army Reserve's operational, deployable force pool. Failure to invest in recruitment could jeopardize the All-Volunteer Force.

Priority: Transform the Army Reserve to Sustain the Army Force Generation Model

By increasing the depth and breadth of its overall capacity, Army Reserve transformation is improving the Army Reserve's ability to execute and support protracted operational requirements. Sustained resources to continue this transformation will improve the readiness of non-deployed Army Reserve forces, reduce stress on Army Reserve Soldiers, their families and employers and improve the readiness of Army Reserve equipment and facilities. Failure to support Army Reserve transformation puts the ARFORGEN model at risk and compromises the Army's ability to develop relevant capabilities, in sufficient quantities to respond to current and future operations.

Priority: Reset the Total Force

Today's Army Reserve must be prepared and available to optimize all its capabilities—both human and materiel—whenever the Nation calls. The requirement to reset Army Reserve units requires a sustained, predictable commitment of funds for several years beyond major deployments in support of the Global War on Terror. Failure to provide full resources would jeopardize the Army Reserve's ability to operate in a steady state of readiness and to execute projected operational deployments.

Priority: Improve Wartime Authorities and Resources

Earlier this year, the Secretary of Defense initiated actions to change policies and authorities on how reserve and active units are managed and deployed. While these actions will improve the Army Reserve's ability to execute ARFORGEN, changes will take time. Although the policies will facilitate the deployment of assured, predictable access to whole cohesive Army Reserve units, the effectiveness of the Army Reserve depends on a national commitment to Army Reserve Soldiers. The Army Reserve must ensure the readiness of our current force and our future force with resources that are full, timely, and predictable. Expanded authorities are needed to meet operational requirements for commanders currently fighting the long war. Additionally, failure to sufficiently fund the Army Reserve jeopardizes the current pace of operations and the implementation of changes necessary to prepare and protect Army Reserve Soldiers. Failure to fully fund Army Reserve readiness, in manpower and equipment, puts America at risk in the future.

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.

Senator INOUYE. I'll now recognize Admiral Cotton.

STATEMENT OF VICE ADMIRAL JOHN G. COTTON, CHIEF, NAVY RESERVE

Admiral COTTON. Good afternoon, Mr. Chairman and distinguished members. Thank you for the opportunity to testify. I'll keep my remarks brief because I know you have some questions.

I would say that since we were here, the operability has remained steady. It has not steadily increased, especially if—we need for the current threats. The Navy Reserve is slightly under strength but slightly above the requested end strength for next year.

We have three challenges or priorities this year. It's manpower, readiness, and operational support. We are more ready than we've ever been, 84 percent fully or partially medically ready. We've never been more integrated providing operational support to the fleet and the combatant commanders. I am concerned about where we're going to find the people to man the force in the future. I think some of your questions will be part of that.

The Army has been very successful with their finders fees. Like I asked last year, I think we're going to have to go something like that, too. You also asked about a steady state of bonuses and incentives. I think we're all competing with each other for the same individuals. In previous testimony, our Chief of Naval Personnel has used a number—that of the target recruitment operation of 17 to 24 years old, 72 percent are ineligible for military service. They don't have the qualifications or don't have the preponderancy to serve and we're finding this is increasingly tough with higher re-

tention for the active. It's tougher to find the folks that will come with the Reserve, with the Reserve component.

Now, the Army Reserve is on the ground—with over 4,000, with over 6,000 mobilized today and over 24,000 at some type of borders at their support commands.

PREPARED STATEMENT

So we're doing a great job. I look forward to your questions. Thank you, sir.

Senator INOUYE. Thank you.

[The statement follows:]

PREPARED STATEMENT OF VICE ADMIRAL JOHN G. COTTON

INTRODUCTION

Chairman Inouye, Senator Stevens, distinguished members of the committee, thank you for the opportunity to speak with you today about the readiness of the Navy's Reserve component.

After several years of emphasis on Active Reserve Integration (ARI), our Navy Reserve Force is more ready, responsive and relevant, and is a full partner in the Total Navy. Alongside Active Component (AC) sailors, Reserve Component (RC) sailors provide integrated Operational Support (OS) to the fleet, Combatant Commands (COCOMs), and other Department of Defense (DOD) agencies. With critical military and civilian skill sets and capabilities, mission-ready RC sailors and units surge to provide predictable and periodic work across the full range of operations from peace to war.

Since 9/11/2001, over 42,000 Navy reservists have been mobilized in support of the global war on terror (GWOT), representing over 80 percent of the sailors deployed on the ground in theater. On any given day, over 20,000 RC sailors are on some type of active duty (AD) or inactive duty (ID) orders at their supported commands meeting global COCOM requirements. This number includes about 6,000 RC sailors mobilized in support of Operations Iraqi and Enduring Freedom, and with this steady state requirement, we maintain the capacity to rapidly increase contingency support with more than 28,000 additional ready RC sailors that have yet to be mobilized.

Whether supporting combat operations in Iraq or Afghanistan, providing Humanitarian Assistance and Disaster Relief (HA/DR) at home or abroad, supporting daily Navy missions at every fleet and Combatant Command, or providing for Homeland Defense (HD), Navy reservists are providing unprecedented levels of OS while continuing to maintain a Strategic Reserve capability. We are very proud of their daily contributions to the security of our Nation, and are inspired by the honor, courage, and commitment with which they serve each and every day.

The Navy Reserve continues to transform to increase effectiveness and efficiency at every command, while meeting all GWOT requirements. As we respond to emergent asymmetric threats with joint and coalition forces, the readiness of RC sailors and units remains most critical. To provide sustained combat readiness, the Navy has moved away from rigid deployment cycles to a more Flexible Fleet Response Plan (FRP), under which a "Surge Navy" is able to provide a requirement-based and continually ready posture that offers greater warfighting capability at reduced cost. As part of the FRP, a fully integrated and ready Navy Reserve Force provides an enhanced surge capacity to meet requirements with Individual Augmentees (IA) and units. To maintain this posture, the Navy Reserve continues to emphasize current readiness as a more fully integrated supporting domain of the Navy, capable of engaging future geo-political challenges as an effective element of the Total Force. This task requires that we address both force readiness and family readiness, and recognize the inherent links between the two.

The Navy Reserve has the capacity to meet current and future requirements, and to continue to transform into the right force for tomorrow. We will strengthen our culture of continual readiness while balancing predictable and periodic mobilizations of individuals and units for contingencies, integrated daily OS and a strategic HD surge force, all while answering the call to "be ready."

MANPOWER

Navy continues its Total Force approach to the workforce of the 21st century by establishing an enterprise framework and providing readiness at an affordable cost. We are improving all processes to deliver increased readiness and combat capabilities, provide better organizational alignment, refine requirements, and reinvest savings to recapitalize our Navy. The Navy Reserve is a full partner of the Manpower, Personnel, Training, and Education (MPT&E) enabling domain and is working closely with the Chief of Naval Personnel to best leverage all Navy resources.

The mission of the MPT&E is to anticipate Navy warfighting needs, identify associated personnel capabilities and recruit, develop, manage and deploy those capabilities in an agile, cost-effective manner. Through this partnership, we are delivering a more mission-adaptable, responsive, cost effective workforce with new skill sets and improved, integrated training. We are establishing a "Sailor for Life" continuum of service that provides for flexibility of service in the Total Force, and allows every RC sailor to remain competitive for advancement along with their AC counterparts.

Recruiting.—Commander Navy Recruiting Command (CNRC) is responsible for both AC and RC accessions, and in the past 2 years, has focused primarily on transitioning Navy veterans (NAVET) to the RC, due to their valuable experience and skill sets. With the high cost of accessing, training, equipping, and maintaining the workforce, it makes good fiscal sense to retain qualified veterans instead of accessing many new recruits. Recent DOD data indicates that more than two-thirds of the 17–24 year old American youth cohort does not fully meet Navy standards, primarily due to medical and physical disqualifications, and has an increasing propensity to avoid military service. Thus, every veteran becomes more valuable, and must be encouraged to remain in service in the Total Force.

By providing veterans off-ramps to continue their service in the RC, we preserve the ability to surge their talents, and realize a much higher return on investment for their initial training investment. Previous force shaping efforts have been designed to achieve a specific end strength or "fill," but our focus has shifted to building a competency-based workforce with the right skill sets, or the right "fit," to more rapidly and effectively meet emergent GWOT requirements.

New programs and incentives have greatly enhanced our ability to recruit NAVETs and other highly qualified individuals. The very successful National Call to Service (NCS) and New Accession Training (NAT) programs have brought many junior sailors with high demand skill sets into the Navy Reserve. In addition, the Recruiting Selective Conversion and Reenlistment-Reserve program (RESCORE–R) provides bonuses to NAVETs who agree to train in high demand GWOT skill sets, enabling their extended service and availability for future deployments. These programs have been producing very positive results, but a larger range of tools are still necessary, including referral bonuses and expanded educational incentives.

A "Sailor for Life" Continuum of Service.—An essential element of providing this dynamic and capable work force is establishing a "continuum of service" by which a sailor may serve and Reserve over the course of a lifetime. This "sailor for life" philosophy removes administrative and policy impediments, allowing flexibility to move between statuses, manage a civilian career, pursue advanced education, and account for unique life-circumstances. In other words, we will enable sailors to take "off ramps" to the RC and "on ramps" back to the AC with seamless transitions. This framework also provides the taxpayer a better return on investment by extending the ability of the sailor to serve, thereby taking advantage of military and civilian training and experience. Simply stated, a well developed continuum of service will create a sailor for life, always ready to surge in support of our national interests and defense.

This concept is critical to developing and maintaining RC sailors who are ready to deliver the right capability at the right place at the right time. Americans are living longer lives and are more capable to serve later in life. In fact, we have had many Total Force personnel over the age of 50 or even 60 from all Services continuing to serve in the GWOT. The Navy's 21st century workforce demands sailors with more highly specialized and less readily available skill sets. Future strategies must incentivize a more senior, highly qualified workforce, and will be designed to create flexibility for future growth by way of discretion in statutory ceilings.

Navy reservists often serve as trainers for their AC counterparts based on their past service, recent GWOT experience, and civilian skill sets. Our new reality is that in an environment where the available pool of qualified recruits continues to shrink, Navy must recognize the value of the experience of more senior sailors, both active and reserve. We must provide opportunities and incentives for them to continue to serve, and maximize our investment in all essential capabilities and skill sets.

FORCE READINESS

Force readiness is comprised of two largely interdependent categories, both sailor and family readiness. Sailor readiness is defined by the medical, physical and administrative preparedness of the sailor, and in many cases, family readiness leads to sailor readiness. We must continue to provide better and more responsive service that allows families to be prepared for their sailor to serve while recognizing the fundamental contribution of the Navy family to overall readiness.

Sailor Readiness.—Measures to increase the medical, physical, and administrative readiness of the individual sailor have proven successful and we continue to improve upon them as we foster a culture of fitness and a willingness to answer the call to serve. Equally important is our ability to accurately measure that readiness, and expanded efforts in this arena are already delivering more accurate metrics.

Medical Readiness.—Navy Reserve continues to be a leader in medical readiness. Full implementation of the Medical Readiness Reporting System (MRRS) as a comprehensive tracking system for Individual Medical Readiness (IMR) has provided decision-makers an accurate and comprehensive web based system to track IMR. The MRRS has enabled leaders to identify deficiencies and promptly address them, as well as accurately predict medical readiness requirements. This process has yielded tremendous success, and the most recent data shows that the Navy Reserve IMR rate is 83 percent fully or partially medically ready for mobilization.

The success of MRRS as both a readiness tool and innovative Information Technology (IT) solution, able to provide commanders with a real-time view of force IMR, was recognized by the DON CIO IM/IT Excellence Award for Innovation in 2005. After force-wide fielding of MRRS was completed in 2006, Navy adopted it as a Total Force solution and is currently implementing it for all sailors.

In order to provide for even higher levels of medical readiness across the Reserve components, we continue to standardize medical requirements. Current RC IMR standards do not always meet the requirements of the theater to which the reservist is being mobilized. As a result, some IAs have been put through multiple medical screenings in the mobilization process, only to be informed that their current state of medical readiness does not meet the standard of the forward deployed unit. Leadership is aware of these challenges and is working on solutions. As we become a more integrated Joint Force, standardizing medical readiness requirements across DOD will further that progress.

Navy Reserve is also working within the MPT&E domain to provide flexibility of service options for RC medical professionals, who continue to be in high demand for the GWOT. Medical personnel are critical to our overall readiness, but are often unable to mobilize for extended periods due to the requirements of their civilian practices. Therefore, we are working to establish a continuum of service that provides for shorter but more frequent mobilizations. Feedback from RC medical professionals and potential recruits indicates that 90 days is optimum, but up to 6 months can be performed with adequate notification.

Physical Readiness.—Navy Reserve continues to participate in Total Force solutions to ensure the highest levels of physical readiness within the force. We have established a culture of fitness throughout the force by emphasizing both individual and command accountability for physical readiness. Every Navy unit has a Command Fitness Leader (CFL) who is responsible to the Commanding Officer to administer the unit's Fitness Enhancement Program (FEP), which emphasizes individual medical and physical readiness to every RC sailor. Navy Reserve leadership is also held accountable in their annual fitness reports for the readiness of their sailors. Commanders have visibility into the physical readiness of both individual sailors and larger units via the web based Physical Readiness Information Management System (PRIMS), which enables each CFL to enter data from Physical Readiness Tests (PRT) for each member of their command. Commanders then have the ability to accurately assess the unit physical readiness and adjust the FEP as necessary. Sailor readiness is also a primary discussion topic during weekly Reserve force communications, placing further command emphasis on the importance of medical and physical requirements.

Administrative Readiness.—Essential to sailor readiness is the ability to accurately and efficiently measure that readiness. The administrative inefficiencies created by multiple electronic pay and manpower systems create unnecessary burdens on the sailor and limits force readiness. The Navy Reserve has increased administrative readiness through the employment of the Type Commander (TYCOM) Readiness Management System—Navy Reserve Readiness Module (TRMS–NRRM), which provides a scalable view of readiness for the entire Force. Commanders can quickly determine readiness information for individuals, units, activities, regions, and any other desired capability breakouts. This Navy Reserve developed system has served

as a prototype for the Defense Readiness Reporting System—Navy (DRRS–N), which is currently under development by Commander, U.S. Fleet Forces Command (CFFC) for use by the Total Force. It will provide a database to collect and display readiness data across the force enabling commanders to make real-time capability-based assessments and decisions.

Navy is considering additional options for Total Force systems that will reduce administrative burdens and increase readiness. A common AC/RC pay system is crucial to the success of our sailor for life and continuum of service programs. Ideally, manpower transactions will someday be accomplished on a laptop with a mouse click, and data will be shared through a common data repository with all DOD enterprises. Navy fully supports the vision of an integrated set of processes and tools to manage all pay and personnel needs for the individual, and provide necessary levels of personnel visibility to support joint warfighter requirements. These processes and tools should provide the ability for a clean financial audit of personnel costs and support accurate, agile decision-making at all levels of DOD through a common system and standardized data structure. One constraint to these initiatives is the RC order writing process. The current system has multiple types of orders, including Inactive Duty for Training (IDT), Inactive Duty for Training-Travel (IDTT), Annual Training (AT), Active Duty for Training (ADT), and Active Duty for Special Work (ADSW). In addition to multiple types of orders, the disparate funding processes can be equally complex. Navy is currently evaluating options that will streamline the system and make support to the fleet more seamless. The conversion of ADSW order writing to the Navy Reserve Order Writing System (NROWS) has yielded improvements for sailors and the fleet by allowing the same order writing system to be used for both AT, ADT and ADSW. The consolidation of all RC order writing to NROWS has also been a significant evolution in Navy's effort to integrate its Total Force capabilities by aligning funding sources and accurately resourcing operational support accounts.

Family Readiness.—Family readiness is a key enabler of sailor readiness, and Navy Reserve Force family programs are continually improving with the assistance of command ombudsmen and the family support program manager. One of our biggest challenges is the wide dispersion of RC families throughout all States and territories, often without convenient access to the services provided by Navy Fleet and family support centers. To extend services to those deserving families, the Navy Reserve hired a full-time family support program manager on the Commander, Navy Reserve Forces Command (CNRFC) headquarters staff, and specific emphasis has been placed on partnering with National Guard family assistance centers. This liaison and improved cooperation with other Reserve components has greatly increased the availability and level of support for all service personnel and their families. Future consolidation of separate service facilities, especially in geographically isolated areas within CONUS, would yield great cost savings and administrative efficiencies. For example, a Navy Operational Support Center (NOSC) could easily become a Joint Operational Support Center (JOSC), providing support for all service personnel with a common pay and benefits system.

Family days are a vital link in assisting families to be ready. NOSCs hold family days to provide "one stop shopping" of services and support for sailors to get family issues in order, including administrative support to update dependency data, SGLI, family member ID card processing, legal assistance (simple wills and powers of attorney), and presentations on Military OneSource, Tricare and American Red Cross representation. Family days give family members a much better understanding of the benefits and entitlements available to them.

We have received outstanding feedback from another important initiative, returning warrior weekends. Developed in cooperation with multiple resources in a Navy region, NOSCs welcome our demobilizing sailors and families to provide vital services to enable a smooth return to their civilian lives and careers. Specific combat related issues such as the identification and treatment of Post Traumatic Stress Disorder (PTSD) are addressed with counseling services made available to families. Navy is committed to assisting our sailors and providing necessary services that enable their families to achieve a quality of service second to none. This comprehensive continuum of service for our reservists includes the transitions between active and inactive service, demobilization, and remobilization, because we are all sailors for life.

Navy Reserve ombudsmen are a vital link between the sailors' commands and their families. Ombudsmen attend annual training to understand new Navy programs and the importance of confidentiality when assisting families. They provide information and referral services on various topics, and most importantly act as a command representative focusing on effective communication. The web based Military OneSource also provides a significant level of assistance, including counseling

services when requested. In addition, a Navy Reserve family information webpage at http://navyreserve.navy.mil provides useful information and interactive communications for questions.

OPERATIONAL SUPPORT

The vision of the Navy Reserve is "support to the fleet . . . ready and fully integrated." Our overall Navy Reserve Force effectiveness is measured by the level of integrated operational support it provides to the fleet, COCOMs and other agencies. When RC sailors surge predictably and periodically to support Navy missions, they are performing integrated OS. While some RC sailors are only able to perform the minimum contract of 2 drill days a month and 2 weeks active duty each year, over two-thirds of the force are far exceeding the minimums, performing valuable OS. Navy has recognized this capability and now relies on the RC to surge to many varied requirements in their regions or at supported commands. When the work is periodic or requires special skill sets, a reservist is often the most cost efficient and capable solution. Through a well developed web based notification and order writing systems, RC sailors can rapidly surge daily to validated OS requirements.

Fully Integrated.—Active Reserve Integration (ARI) aligns AC and RC units to achieve unity of command. It leverages both budgetary and administrative efficiencies and ensures that the full weight of Navy resources and capabilities are under the authority of a single commander. Navy reservists are aligned and fully integrated into their AC supported commands, and are often "flex-drilling," putting multiple drill periods together to provide longer periods of availability when requested. RC sailors enjoy this flexibility as it enables them to better balance the schedules and demands of their civilian employers and families. The longer periods of Navy training and work at the supported commands achieves greater technical proficiency, more cohesive units and increased readiness.

Two very successful examples of ARI are Fleet Response Units (FRU) and Squadron Augmentation Units (SAU). These units are directly integrated into AC aviation commands, leveraging RC skill sets and capabilities to meet Navy mission requirements, and realizing greater ROI for taxpayers. FRUs provide fully qualified and experienced personnel to rapidly surge to deployed fleet units, and reduce training costs by enabling AC and RC sailors to train on, maintain and operate the same equipment. SAUs provide experienced maintenance personnel and highly qualified flight instructors to work at training command and fleet replacement squadrons. These fleet experienced technicians and aviators instruct both AC and RC sailors to maintain and fly fleet aircraft, providing better instruction, improved training completion rates and significant ROI.

Navy has aligned AC and RC regions under the five CONUS Navy region commanders and Naval District Washington. This alignment provides for central authority of shore-based infrastructure and significant administrative and training efficiencies. Region commanders have realized increased Total Force readiness and expanded capacity to provide OS, as well as disaster relief and consequence management under U.S. Fleet Forces Command as the Maritime Component Commander for Northern Command (NORTHCOM). Formerly known as Navy Reserve Readiness Commanders (REDCOM), Reserve Component Commanders (RCC) are responsible to the region commanders for facilities readiness and RC regional support issues. RCCs are integrating into region commanders' staffs, merging Total Force resources within their respective regions to better capitalize on the RC presence in every State. Navy is now more regionally ready to surge as first responders in the event of natural or other disasters. Of note, RC Rear Admiral Jon Bayless is recalled to active duty as Commander, Navy Region Midwest, further exemplifying the Total Navy integration and alignment.

To facilitate this alignment and clearly delineate the mission of the Navy Reserve, we have also renamed Navy Reserve Centers as Navy Operational Support Centers (NOSCs). Far beyond a mere name change, this transformational shift sends a clear message to each reservist that our mission is to meet the requirements of the fleet and COCOMs by providing integrated OS to supported commands and in their Navy region. The goal of every NOSC commanding officer is to enable RC sailors to serve at their supported commands performing Navy work when requested, 2 days, 1 week, 2 weeks, or longer. We have made significant strides toward changing the culture through continuing education and commitment, and will continue these efforts by further aligning organizations and processes to Chief of Naval Operations strategic goals and guidance.

Fleet Trained and Equipped.—ARI has aligned the Total Force so that AC supported commands determine requirements and capabilities for their RC personnel and units. We only have Navy requirements that in many cases can be met predict-

ably and periodically with RC assets that rapidly surge when needed. By combining these roles, Navy achieves greater efficiency and ROI from both equipment and manpower by taking a comprehensive assessment of the requirements and capabilities resident in the Total Force. Both AC and RC sailors maintain, operate and train on the same equipment and for the same mission. RC sailors are trained to the same standards and at the same facilities as their AC counterparts, and their prior experience, skill sets and qualifications are equally valued.

Another excellent example of effective ARI is the newly established Navy Expeditionary Combat Command (NECC), which serves as the single functional command for Navy's expeditionary forces and as central management for their readiness, resources, manning, training and equipping. NECC brings Naval Construction Force (NCF) Seabees, Naval Coastal Warfare (NCW), Navy Expeditionary Logistics Support Group (NAVELSG), Explosive Ordnance Disposal (EOD), Civil Affairs (CA), and the new Riverine Force capabilities under one commander, integrating all warfighting requirements for expeditionary combat and combat support elements. This transformation allows for standardized training, manning and equipping of sailors who will participate in global joint maritime security operations. It aligns expeditionary warfighting capabilities and enables future adaptable force packages comprised of sailors and equipment that are rapidly deployable, self-sustainable, scalable and agile, to meet the requirements of the COCOMs. Designed to fully leverage the Total Force, NECC employs roughly 50 percent RC sailors and uses their extensive experience, skill sets and flexibility to accomplish its missions. This alignment realizes large economies of scale, common processes, and fully integrates RC sailors that flexibly serve in every NECC mission area, providing tailored OS for the GWOT and HD.

Surge to requirements.—Current GWOT examples of surge support capabilities, whether on Inactive Duty (ID) drills, Annual Training (AT), Active Duty for Training (ADT), Active Duty for Special Work (ADSW) or mobilization include:

—Seabees
—Engineers
—EOD
—Supply Corps
—Coastal Warfare
—Cargo Handling
—Customs Inspectors
—Civil Affairs
—Chaplains
—Medicine/Corpsmen
—Trainers/Instructors
—JTF Staff Augmentation
—Intelligence
—Linguists
—Public Affairs
—IT/Network Support
—Anti-Terrorism/Force-Protection (AT/FP)
—Law Enforcement
—Logistics & Logistical Transport/Airlift

Navy Reserve Seabees comprise 60 percent of the Total Force NCF manpower and are organized into 12 RC battalions throughout the country that compliment the 9 AC battalions. Effective training at NOSCs and at Seabee Centers of Excellence in Gulfport, Mississippi, and Port Hueneme, California, ensures that their high demand capabilities are ready to surge to support forward deployed marines and regional reconstruction efforts. Every Seabee battalion has been mobilized and deployed to Iraq or Afghanistan for the GWOT, and they continue to be superb examples of effective phased readiness and full integration of Navy combat support forces into Joint Force packages.

Other similar RC support can be found in Embarked Security Detachments (ESD) and Provisional Reconstruction Teams (PRT). ESDs rapidly surge to provide specialized mobile maritime security capabilities to ships especially in vulnerable domains, such as while transiting straits or entering foreign ports. Many RC sailors bring valuable skill sets gained from civilian careers in law enforcement and the shipping industry, and are often the subject matter experts, providing significant cost savings as they perform integrated OS while training AC sailors. Since their inception, RC sailors have led the way in forming and deploying GWOT PRTs. Full-Time Support (FTS) CDR Kim Evans was assigned as Officer in Charge (OIC) of one of the original teams and her experiences were used to train future PRT OICs, improving the training processes, greatly increasing team safety and effectiveness.

Navy medicine greatly values its talented RC doctors, nurses and corpsmen, serving on hospital ships performing humanitarian assistance and disaster relief, and ashore with the fighting Fleet Marine Forces (FMF). RC chaplains are also serving with the marines in forward areas, providing much needed spiritual services and support. Navy Reserve Intelligence professionals are at work 24/7/365 forward deployed, and especially in the 27 CONUS based Joint Reserve Intelligence Centers (JRIC) providing real-time imagery analysis and other services to every COCOM.

SUMMARY

Our Navy Reserve Force continues to transform to meet all GWOT requirements. We are constantly improving our medical, physical, family and administrative readiness, while we also evolve as a total Navy workforce to provide the necessary joint capabilities to meet emergent fleet and COCOM requirements. Navy is better leveraging its Reserve Component to provide more effective Operational Support, and has fully integrated the Total Force in all warfighting enterprises and enabling domains. Experienced reservists continue to volunteer their valuable military and civilian skill sets when called to serve and reserve, especially in support of humanitarian assistance, disaster response, peacekeeping and nation building initiatives.

I sincerely appreciate the Congress' support for the one Budget Authority Navy Reserve Military Personnel budget structure. It significantly improves our ability to effectively execute our tight manpower budgets in the new operational Reserve environment. I thank this committee for its generous and always responsive support as our Navy Reserve continues to answer the call to "be ready."

Senator INOYE. May I call on General Bergman?

STATEMENT OF LIEUTENANT GENERAL JOHN W. BERGMAN, COMMANDER, MARINE FORCES RESERVE, UNITED STATES MARINE CORPS RESERVE

General BERGMAN. Chairman Inouye, Senator Stevens, thank you for your continued leadership. We need it. The 204 Command Corp continues to work. Today, it had 5,500 plus Reserve marines deployed worldwide. Right now, we've got two battalions getting ready to come home after their tour, the 1st Battalion, 24th Marines, headquartered in Detroit, the 3rd Battalion, 14th Marines headquartered in Philadelphia. They'll be back in the States within the month. They've done spectacular.

The New Force Federation model that has been created has given us a key essential element for sustainable onboard. Call it predictability. This predictability drives everything from recruiting to training to equipment to literally development of a force structure over a long term, so that you can support, whether it's a deployed fight or humanitarian assistance disaster relief at home. That is a key driver that is a new development within the last 6 months.

The Marine Corps buys equipment as a title force. The Army Reserve component work hand in hand with the active component on a daily basis to optimize the flow and the apportionment of that equipment. It will always have its challenges but the bottom line is, there's a mentality that seeks to balance, putting the right equipment in the right hands at the right time.

Speaking of that, we thank you for your very aggressive support of MRAP. We need it and we're looking forward to having our marines in the MRAP vehicles whatever Guard, as soon as possible.

The MRAP success is all about people. Our deployed marines are first in line when it comes to being prepared for the fight, for the deployment. They are followed closely by their families as we support them and prepare them for the separation. And support is just that support—complete, total, creative support for our marines and

our sailors, their families and their employers. I thank you for your continuing support and your leadership and I look forward to your questions.

Senator INOUYE. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL JACK W. BERGMAN

Chairman Inouye, Senator Stevens, and distinguished members of the committee, it is my honor to report to you on the state of your Marine Corps Reserve as a major contributor to the Total Force Marine Corps. Your Marine Corps Reserve today is firmly committed to and capable of warfighting excellence. On behalf of all our marines and their families, I would like to take this opportunity to thank the committee for your continuing support. The support of Congress and the American people reveal both a commitment to ensure the common defense and a genuine concern for the welfare of our marines and their families.

TODAY'S MARINE CORPS RESERVE

Recruiting, retaining, responding; your Marine Corps Reserve is steadfast in our commitment to provide Reserve Marines who can stand shoulder to shoulder with their active duty counterpart and perform equally in all contingencies, from combat on foreign soil to local humanitarian needs. As our Nation pushes on in the longest mobilization period in our history, we have maintained the pace and will continue to sustain that pace for the foreseeable future.

During this past year, over 3,800 marines from Fourth Marine Division have served in Iraq. Included are two infantry battalions, as well as armor, reconnaissance, combat engineer, and truck units. Our marines have demonstrated dynamic flexibility by performing in non-traditional roles, including military police, riverine operations, and advisory duty with Iraqi security forces. An additional 500 marines from Fourth Marine Division have deployed to Djibouti as security forces for Joint Task Force Horn of Africa.

As deployments to Iraq and Afghanistan have reduced the ability of the active component to participate in theater engagement exercises, Fourth Marine Division has filled the gap. During this past year, marines of Fourth Marine Division have conducted exercises in Morocco, Kenya, Australia, the Netherlands Antilles, and Brazil. During the upcoming year, they will visit Senegal, Mongolia, the Ukraine, Belize, Peru, Chile, Ecuador, and Argentina; and will return to Morocco, Australia, and the Netherlands Antilles.

Fourth Marine Aircraft Wing has provided necessary exercise support and pre-deployment training as the active component squadrons continued supporting deployments to Iraq and Afghanistan. Pre-deployment training events such as Mojave Viper and Hawaii Combined Arms Exercise, along with bi-lateral exercises Cope Tiger, Foal Eagle, Cobra Gold, Talisman Saber and Southern Frontier, have been the foundation upon which our Corps prepares for combat. Currently, units from Fourth Marine Aircraft Wing are supporting numerous deployments and individual augments for the long war. A civil affairs group detachment, provisional security detachment and a provisional security company from Marine Air Control Group 48 have been mobilized in support of operations in the Horn of Africa. Additionally, Marine Wing Support Group 47 has provided an engineering detachment and a motor transport detachment in support of OIF. Lastly, Marine Transport Squadron Detachment Belle Chasse has provided a UC–35 Citation Encore detachment which brings a time-critical lift capability to the Central Command's area of responsibilities.

From the spring of 2006, the Fourth Marine Logistics Group has endeavored to build upon its established history of providing the active component with highly skilled, dedicated personnel capable of delivering sustained tactical logistics support. During this time frame, Fourth Marine Logistics Group contributed over 600 marines and sailors from across the spectrum of combat service support for its ongoing support of OIF. Included in this population was a large dichotomy of occupational specialties to include motor transport, landing support, communications, and personnel recovery/processing. In addition, Fourth Marine Logistics Group deployed selected individuals to serve the commanding officer and nucleus staff for Combat Logistics Battalion 5, and to be Chiefs of Staff for the 1st Marine Logistics Group, (forward) and (rear). Throughout this period, the marines and sailors of the Fourth Marine Logistics Group demonstrated responsiveness, flexibility, and an extremely high level of professionalism in their seamless integration with the active component.

In addition to ground, aviation, and logistic elements, Marine Forces Reserve has provided civil affairs capabilities since the start of Operation Iraqi Freedom. Air-Naval Gunfire Liaison Detachments (ANGLICO) from Marine Forces Reserve have augmented the supported Marine Air Ground Task Forces and adjacent commands with air/ground fires liaison elements. Marine Forces Reserve also continues to provide intelligence augmentation for Operation Iraqi Freedom, to include human exploitation teams, sensor employment teams, and intelligence production teams.

Mobilization command, during the past year, conducted 14 Individual Ready Reserve (IRR) administrative musters, screening 6,118 IRR marines. Musters were conducted in Phoenix, San Antonio, Marietta, Richmond, Baltimore, Brooklyn, Elk Grove, Bellevue, Burlingame, Waltham, Newark, Pittsburgh, Miami, and Charlotte. Overall, mobilization command updated contact information on over 40,000 IRR marines. The Customer Service Center at Mobilization Command answered 67,300 calls from all marine components, including retirees, dealing with disparate issues, while maintaining an average wait time of 28 seconds per call. The Mobilization Command Maintenance Section performs all administrative maintenance on the service records of more than 60,000 IRR marines with a monthly turnover of approximately 2,100 IRR marines. In addition, mobilization command processed 2,643 sets of IRR orders that enabled marines to perform missions under active duty operational support, Reserve counterpart training, mobilization, appropriate and associate duty, and notice of eligibility status.

Five years into the long war, the Marine Corps Reserve continues to serve along side our active component counterparts. Operations Enduring Freedom and Iraqi Freedom have required continuous activations of Reserve Forces. Moreover, with much of the active component Marine Corps below the stated goal of 1:2 dwell ratio, active forces have been unavailable to fully support joint and bilateral exercises that are key to all regional Combatant Commanders' Theater Security Cooperation plans. Consequently, the Marine Corps Reserve has significantly increased the level of participation of non-activated units to ensure continued Marine Corps support to all regional Combatant Commanders.

While we continue to support the long war, it is not without a cost. Continuing activations and high Reserve operational tempo highlights the fact that we have personnel challenges in some areas and we are putting additional strain on Reserve equipment. While we remain close to achieving our overall end strength goals, we are facing critical shortages in high demand/low density military occupational specialties as well as in our company grade officers. Equipment requirements to support the long war have reduced "on hand" equipment for training as well as war reserve stocks. As the Marine Corps continues to provide warfighting excellence in prosecuting the long war, resetting the force is an essential element in sustaining the effort.

EQUIPMENT STATUS

The Marine Corps Reserve, like the active component, faces two primary equipping challenges: supporting and sustaining our forward deployed forces in the long war while simultaneously resetting and modernizing the force to prepare for future challenges. Our priorities for supporting and sustaining our deployed forces are: First, to provide every marine and sailor in a deploying Reserve unit with the latest generation of individual combat and protective equipment; second, to procure simulation training devices that challenge our marines to perform at higher levels and maintain an adaptive training environment in preparation for conflict; and third, to provide adequate funding to operation and maintenance accounts to sustain training and pre-deployment operations. Our priorities in support of resetting and modernizing the force include the following: First, to procure principal end items necessary to reestablish on hand equipment to the level dictated by our training allowance (T/A), which is the amount of equipment needed by each unit to conduct home station training; and, second, to procure the equipment necessary to maintain our capability to augment and reinforce the active component. Modernization efforts include the equipping of two new Light Armored Reconnaissance Companies, procuring communications equipment shortfalls, and adequately funding upgrades to our legacy aircraft.

As with all we do, our focus is on the individual marine and sailor. Our efforts to equip and train this most valued resource have resulted in obtaining the latest generation individual combat and protective equipment: M4 rifles, Rifle Combat Optic (RCO) scopes, helmet pad systems, enhanced Small Arms Protective Insert (SAPI) plates, and night vision goggles, to name a few. I am pleased to report that every member of Marine Forces Reserve deployed in support of the long war is fully

equipped with the most current authorized individual combat clothing and equipment, and individual protective equipment.

Deployed unit equipment readiness rates remain high (95 percent). Ground equipment readiness (mission capable) rates for non-deployed Marine Forces Reserve units average 85 percent based upon training allowance. This reduced readiness condition primarily results from shortages in home station training allowance equipment due to equipment demands in support of the long war. Reserve Force equipment that has been sourced to OIF includes communications equipment, crew-served weapons, optics, and one Reserve infantry battalion's equipment set. These shortages represent an approximate 10 percent readiness shortfall across the force for most equipment—more so for certain high demand/low-density, "big-box" type (satellite/long-haul) communication equipment sets.

Reduced supply availability continues to necessitate innovative approaches to ensure Reserve Marines can adequately train in preparation for deployment, until supplemental funding addresses the above issues. Despite ongoing efforts to mitigate shortfalls, delays in the procurement timelines and competing priorities for resources will continue to challenge the training and equipping of Reserve Forces for the long war.

Your continued support of current budget and procurement-related initiatives, such as the President's Budget Submissions, Supplemental Requests, and National Guard and Reserve Equipment Appropriations (NGREA), will guarantee our ability to properly equip our individual marines and sailors. Marine Forces Reserve equipment requirements are registered in each Marine Corps President's Budget Request and each Supplemental Request as part of the Marine Corps Total Force. In addition, we appreciate Congress' continued support of the Marine Corps Reserve through NGRE appropriations. Since 2002, NGREA has provided $156 million to Marine Forces Reserve. Fiscal year 2007 NGREA procurements include tactical command and control communications equipment; training simulation systems and devices; and various weapons support systems. NGREA has funded almost the entire Marine Forces Reserve Simulation Master Plan, enabling the force to obtain Virtual Combat Convoy Systems, Indirect Fire Forward Air Control Trainer Systems, Medium Tactical Vehicle Replacement Systems, and Deployable Virtual Training Environment Systems. Fiscal year 2007 NGREA has also funded the following procurements: Logistics Support Wide Area Network Packages, Defense Advanced GPS Receivers, Sensor Mobile Monitoring Systems, Litening II Targeting Pods and associated modification/installation kits, KC–130 AN/ARC–210 (V) Multi-Mode Radio Systems, and one UC–12 aircraft.

FACILITIES

Marine Forces Reserve is comprised of 184 sites spread across 48 States, the District of Columbia, and Puerto Rico. Of these sites 32 are owned, 101 are joint, 47 are tenant, 3 are stand-alone, and 1 is leased. Management of these sites requires constant vigilance and flexibility in all aspects of facilities operations. Marine Forces Reserve remains committed to environmental, natural, and cultural resource stewardship. These programs maintain, restore, and improve our natural and constructed infrastructure, while preserving the environment and historic properties, and protect the health and quality of life of our people and nearby communities. We are continually reviewing and updating our facilities master plan to ensure all Reserve sites are accurately accounted for as to condition and accuracy of their readiness status. In accordance with the Marine Corps Installation 2020 plan, in order to ensure optimal compliance with anti-terrorism and force protection standards and to maximize the efficiencies inherent in the sharing of resources between Department of Defense (DOD) organizations, we are striving to transition to joint sites and locations aboard established military bases by 2020.

Unlike DOD active component installations, which are often hidden from public view behind fences in outlying areas, Reserve facilities are often located in the heart of our civilian communities. This intimate and dynamic arrangement requires close partnering with State and local entities nationwide. As such, the condition and appearance of our facilities have a direct effect on the American people's perception of the Marine Corps and the Armed Forces in general. In addition to impacts on the safety, security and operational capability of the Total Force, the condition of Marine Forces Reserve facilities have a direct effect on recruitment and retention efforts, especially in attracting and retaining highly qualified, loyal Americans. Perception is everything. Quality facilities attract quality people.

Marine Forces Reserve Facilities Sustainment, Restoration, and Modernization (FSRM) program funding levels continue to address immediate maintenance requirements and longer term improvements to our older facilities. Sustainment fund-

ing has allowed us to maintain our current level of facility readiness without further facility degradation. Restoration and Modernization (R&M) funding continues to be a challenge, due to its current $16.5 million backlog across the Future Years Defense Plan (FYDP) and an overall backlog of $52.6 million. Currently, 12 of our 32 owned sites are rated C–3 or C–4 under the Commanding Officer's Readiness Reporting System (CORRS) for facilities. The fiscal year 2008 budget, if approved, will provide programmed upgrades for eight sites to C–2 or better, with all sites meeting C–2 or better by fiscal year 2010. However, it should be noted that POM 2008 does not address the reported backlog created by prior years funding shortfalls. To mitigate, we continue to apply internal savings to address R&M projects at the end of each fiscal year.

The movement of FSRM funding into a new "fenced" appropriation would prevent Marine Forces Reserve's ability to "buy back" the significant sustainment and R&M backlog from internal savings. This would result in an additional increase to the FSRM backlog over the Future Years Defense Plan and jeopardize our ability to meet the C–2 or better CORRS rating for quality by 2010 as mandated by OSD. Additionally, the pending sale of the former Marine Corps Reserve Center in San Juan, Puerto Rico will potentially provide funding to address nearly 50 percent of the R&M shortfall. As a result of this sale, a significant improvement in overall facilities readiness is anticipated. Use of Real Property Exchanges (RPX), and other similar laws, will be invaluable tools toward addressing shortfalls and emerging requirements. Continued support for the FSRM program is essential. Funding shortfalls will rapidly result in degradation of facilities readiness, jeopardizing the safety and health of our marines.

The Military Construction, Navy Reserve (MCNR) program, including Marine Corps exclusive and Navy led projects, is addressing critical needs for new facilities to replace older buildings and accommodate changes in Marine Corps Reserve force structure. The President's proposed fiscal year 2008 budget contains $28.8 million for military construction and $829,000 in planning and design funding. Congressional approval of this budget provides a new Marine Corps Reserve Center in Dayton, Ohio; the Marine Corps share of a new Armed Forces Reserve Center in Austin, Texas; Reserve Center additions in Miramar, California and Quantico, Virginia; and a new vehicle maintenance facility in Selfridge, Michigan. The MCNR program, combined with a strong FSRM program, is essential to addressing the aging infrastructure of the Marine Corps Reserve. With more than 50 percent of our Reserve Centers over 40 years old and 35 percent over 50 years old, support for both MCNR and FSRM cannot be overstated.

The Base Realignment and Closure (BRAC) 2005 is an area of increasing concern due to the reduction in fiscal year 2007 funding for BRAC military construction projects. The impacts of this reduction (50 plus percent of the requested Department of the Navy appropriations) are still being analyzed. Another concern to the Marine Corps Reserve is the secondary impact to our Reserve Centers that are part of Army and Navy BRAC actions. Of the 25 BRAC actions for the Marine Corps Reserve, 21 are in conjunction with Army and Navy military construction projects, reflecting Office of the Secretary of Defense (OSD) policies toward shared Joint Reserve Centers. As a result, any funding shortfalls experienced by these two services will also negatively impact the Marine Corps Reserve. If we continue to operate under the Continuing Resolution Authority at fiscal year 2006 funding levels, there will not be sufficient funding for fiscal year 2007 and shifted impact for fiscal year 2008 military construction projects. The ramification is that Marine Forces Reserve will be forced to shift projects further into the out years, thus affecting the FSRM budget and possibly the MCNR program as well. Though the 2007 Joint Funding Resolution may address some of these shortfalls, restoration of funding for the entire BRAC program is essential to meeting the statutory requirements of the 2005 BRAC Law, within the designated timeframe.

TRAINING

Thus far during the long war, several Marine Corps Reserve units have been activated to perform "in lieu of" missions. Employment of units for missions "in lieu of" their primary mission has degraded their capability to perform their primary mission. For example, as of the summer 2007, all of our artillery batteries will have been activated at least once, however, most will have performed Military Police duties. A unit will not train to primary mission standards during assignment as an "in lieu of" force. While "every marine is a rifleman" and many of the individual combat skills are common to all, primary mission occupational specialty and unit training are also required. Consequently, employing units as "in lieu of" forces degrades unit readiness to perform primary missions.

We continue to capitalize on advances in technology to enhance our training and mitigate the downside of performing "in lieu of" missions. Marine Forces Reserve's ambitious simulation program provides realistic training to increase effectiveness of our units and survivability of our marines. Simulation capabilities include the Virtual Combat Convoy Trainers and Combat Vehicle Training Systems that provide training for the M1A1 Main Battle Tank, Assault Amphibian Vehicle, and the Light Armored Vehicle. The Virtual Combat Convoy Trainer (VCCT) provides tactical training in simulated up-armored High Mobility Multi-purpose Wheeled Vehicles (HMMWVs) armed with .50 caliber machineguns. The Virtual Combat Convoy Trainer has been vital to the pre-deployment training of tactical drivers, who will be operating on the most dangerous roads in the world. The VCCT allows the most effective training to occur for both drivers and teams. A byproduct of utilizing the VCCT is a requirement for a reduced number of CONUS-based vehicles designated for training. The Virtual Combat Convoy Trainer also allows us to reach our current relatively-high equipment readiness rates by reducing maintenance man-hours and parts costs in one area and using the resources in other areas. The same holds true for the simulators for our family of armored vehicles; quality, realistic training is provided while allowing the reallocation of both the time for training and maintenance money to other units. In the next year, we will be procuring the Indirect Fire—Forward Air Control Trainer to provide realistic call-for-fire training at a reduced cost, allowing the reallocation of both ammunition and flight hours to increase training levels. With your continued support, we will expand our simulation programs to also include additional individual weapons and vehicle operator trainers, and begin procurement of combined arms trainers.

PERSONNEL READINESS

Like the active component, Marine Corps Reserve units primarily rely upon a first term enlisted force. Currently, the Marine Corps Reserve continues to recruit and retain quality men and women willing to manage commitments to their families, their communities, their civilian careers, and their Corps. Despite high operational tempo, the morale and patriotic spirit of Reserve Marines, their families, and employers remain extraordinarily high.

In fiscal year 2006, the Marine Corps Reserve achieved 100 percent of its recruiting goal for non-prior service recruiting (5,880) and exceeded its goal for prior service recruiting (3,165). Our Selected Reserve population is comprised of Reserve Unit Marines, Active Reserve Marines, Individual Mobilization Augmentees, and Reserve Marines in the training pipeline. An additional 60,000 marines are included in our Individual Ready Reserve, representing a significant pool of trained and experienced prior service manpower. Currently, the forecasted Selected Reserve end strength for fiscal year 2007 is 39,362, within the plus/minus 2 percent limit authorized by Congress. Realizing that deployments take a toll on active component marines, causing some to transition from active duty because of high personnel tempo, in June 2006 we instituted the Selected Marine Corps Reserve Affiliation Involuntary Activation Deferment policy. This program allows a marine who has recently deployed an option for a 2-year deferment from involuntary activation if they join a Selected Marine Corps Reserve unit. The intent of the 2-year involuntary deferment is to encourage good marines to participate and still maintain breathing room to build a new civilian career.

I do anticipate greater numbers of marines from the Reserve component will volunteer for full-time active duty with the active component throughout fiscal year 2007, as they take advantage of new incentives aimed at encouraging marines to return to active duty. These incentives support our plan to bolster active component end strength. The fact is we need good marines to serve longer, either active or Reserve. Our focus is to provide an environment that attracts and retains dedicated, high performing individuals. We are developing several incentives for enlisted marines to stay in the Selected Marine Corps Reserve. A first step will be increasing the initial 3 year re-enlistment bonus from the current $2,500 level to the maximum allowed $7,500. The subsequent re-enlistment bonus will increase from the current $2,000 to the maximum allowed $6,000.

Junior officer recruiting remains the most challenging area. At the beginning of fiscal year 2007, the Marine Corps modified an existing program and implemented two new Reserve officer commissioning programs in order to increase the number of company grade officers within deploying Reserve units and address our overall shortage of junior officers in our Reserve units. Eligibility for the Reserve Enlisted Commissioning Program was expanded to qualified active duty enlisted marines. The Meritorious Commissioning Program—Reserve was established for qualified enlisted marines, Reserve and active, who possess an Associates Degree or equivalent

number of semester hours. We are expanding Reserve commissioning opportunities for our prior-enlisted marines in order to grow some of our own officers from Marine Forces Reserve units and are exploring other methods to increase the accession and participation of company grade officers in the Selective Marine Corps Reserve. Through these initiatives, we estimate that we will fill 90 percent of our company grade officer billets by the end of fiscal year 2011. When coupled with the continued use of the Selected Reserve officer affiliation bonus authorized in the fiscal year 2007 National Defense Authorization Act, we believe we have the tools necessary to sustain robust, ready Selected Marine Corps Reserve units for the long war.

PREDICTABILITY FOR THE FUTURE

As we position ourselves for the long war, we recognize the challenges facing the individual Reserve Marine who is striving to strike a balance between family, civilian career, and service to community as well as country and Corps. The most difficult challenge thus far has been to provide our individual Marine Reservists with the predictability needed to incorporate activations and deployments into their long-term life planning. To provide predictability, we have developed an integrated Total Force Generation Model that lays out a future activation and deployment schedule for marine units. The model is based on 1-year activation and includes a 7-month deployment (standard for battalion-sized marine units and smaller), followed by at least 4 years in a normal drill status. The model provides for approximately 6,000 Reserve Marines on active duty at any one time (3,000 deployed and 3,000 preparing to deploy or returning from deployment). The Total Force Generation Model provides the individual marine with the confidence to plan for the future; whether going to school, building a civilian career, or making major family decisions. Furthermore, the predictability of the model serves as a tool to assist in recruiting and retaining quality marines. This is particularly true in recruiting company grade officers and junior staff non-commissioned officers who are transitioning from active duty and are attempting to establish civilian careers, but still have a strong desire to serve Corps and country.

The Force Generation Model also assists Service and Joint Force planners. It ensures a consistent flow of manned, equipped, trained, and ready Selected Marine Corps Reserve units to support future operations in the long war. Providing a predictable Reserve force package will also help our active component come closer to achieving their stated goal of 1:2 dwell time. The 1 year activation to 4 plus years in a non-activated status is both supportable and sustainable. We will begin implementing the model during the summer of 2007. As force structure increases we will be able to move toward a 1:5 dwell time for the Reserve component.

QUALITY OF LIFE

Our future success will continue to rely on your Marine Corps' most valuable asset—our marines and their families. We believe that it is our obligation to prepare our marines and their families with as much information as possible on family readiness and support programs and resources available to them.

Marine Forces Reserve Lifelong Learning Program (MFR LLL) is responsible for providing educational information to service members, families, retirees, and civilian employees. The majority of the educational programs offered are for active duty service members and these include United Services Military Apprenticeship Program (USMAP), Military Academic Skills Program (MASP), Defense Activity for Non-Traditional Education Support (DANTES), and Tuition Assistance (TA).

More than 1,800 Marine Forces Reserve Active Duty (AD), Active Reserve (AR), Active Duty Special Work (ADSW), and Mobilized Reserve Marines chose to use tuition assistance in fiscal year 2006 in order to help finance their education. Tuition assistance paid out in fiscal year 2006 totaled more than $4.5 million, funding more than 4,500 courses. Many of the marines using tuition assistance were deployed to Iraq, and took their courses via distance learning. In this way, tuition assistance helped to mitigate the financial burden of education and marines were able to maintain progress toward their education goals.

Marines and their families are often forced to make difficult choices in selecting child care, before, during, and after a marines' deployment in support of the long war. The Marine Corps has partnered with the Boys and Girls Clubs of America (BGCA) and the National Association for Child Care Resources and Referral Agencies (NACCRRA) to assist service members and their families. BGCA provides outstanding programs for our Reserve Marines' children between the ages of 6 and 18 after school and on the weekends. Under our agreement with BGCA, Reserve families can participate in more than 40 programs at no cost. With NACCRRA, we help families of our Reserve Marines locate affordable child care that is comparable to

high-quality, on-base, military-operated programs. NACCRRA provides child care subsidies at quality child care providers for Reserve Marines deployed in support of the long war and for those active duty marines who are stationed in regions that are geographically separated from military installations that have child care support. We have also partnered with the Early Head Start National Resource Center Zero to Three to expand services in support of family members of Reservists in isolated and geographically separated areas.

We fully recognize the strategic role our families have in mission readiness, particularly mobilization preparedness. We prepare our families for day-to-day military life and the deployment cycle (Pre-Deployment, Deployment, Post-Deployment, and Follow-On) by providing educational opportunities at unit family days, pre-deployment briefs, return and reunion briefs, post-deployment briefs and through programs such as the Key Volunteer Network (KVN) and Lifestyle Insights, Networking, Knowledge, and Skills (L.I.N.K.S.). Every Marine Corps Reserve unit throughout the country has a KVN program. The KVN is a volunteer-based program that serves as the link between the command and family members, providing official communication, information, and referrals. The KVN provides a means of proactively educating families on the military lifestyle and benefits, provides answers for individual questions and areas of concerns, and enhances the sense of community and camaraderie within the unit.

These programs play fundamental roles in supporting marine spouses and families. L.I.N.K.S. is a training and mentoring program designed by marine spouses to help new spouses thrive in the military lifestyle and adapt to challenges—including those brought about by deployments. Online and CD–ROM versions of L.I.N.K.S make this valuable tool more readily accessible to families of Reserve Marines not located near Marine Corps installations. We have recently updated and streamlined our L.I.N.K.S and KVN training guides to more appropriately address the challenges of remote access.

To better prepare our marines and their families for activation, Marine Forces Reserve has developed a proactive approach to provide numerous resources and services throughout the deployment cycle. Available resources include, but are not limited to, family-related publications, on-line volunteer training opportunities, and a family readiness/mobilization support toll free number. Services such as pastoral care, MCCS One Source, and various mental health services are readily available to our Reserve Marines' families.

Managed Health Network (MHN) is an OSD-contracted support resource that provides surge augmentation counselors for our base counseling centers and primary support at sites around the country to address catastrophic requirements. This unique program is designed to bring counselors on-site at reserve training centers to support all phases of the deployment cycle. Marine Forces Reserve is incorporating this resource into family days, pre-deployment briefs, and return and reunion briefs. Follow-up services are scheduled after marines return from combat at various intervals to facilitate on-site individual and group counseling.

The Peacetime/Wartime Support Team and the support structure within the Inspector-Instructor staffs provide families of activated and deployed marines with assistance in developing proactive, prevention-oriented steps such as family care plans, powers of attorney, family financial planning, and enrollment in the dependent eligibility and enrollment reporting system. During their homecoming, our marines who have deployed consistently cite the positive importance of family support programs.

To strengthen family support programs, we will continue to enhance, market, and sustain outreach capabilities. We believe current OSD-level oversight, sponsorship, and funding of family support programs properly correspond to current requirements. We are particularly supportive of Military One Source. Military One Source provides marines and their families with an around-the-clock information and referral service via toll-free telephone and Internet access for a variety of subjects such as parenting, childcare, education, finances, legal issues, elder care, health, wellness, deployment, crisis support, and relocation.

The mission readiness of our Marine Corps Reserve is directly impacted by the preparedness of our families—a 24/7 requirement. It is imperative that we continue to provide our families robust educational opportunities and support services.

EMPLOYER SUPPORT OF THE GUARD AND RESERVE

Marine Forces Reserve is acutely aware of the importance of a good relationship with the employers of our Reserve Marines. We fully support all the initiatives of the ESGR and have been proactive in providing the information to our Reserve Marines on the Secretary of Defense Employer Support Freedom Awards. This is an

excellent way to praise the employers that give that extra support to our men and women who go into harm's way.

CONCLUSION

As our Commandant has said, "Our marines and sailors in combat are our number one priority." Our outstanding young men and women in uniform are our greatest asset. Your Marine Corps Reserve has consistently met every challenge placed before it. We fight side by side with our active counterparts. Your consistent and steadfast support of our marines and their families has directly contributed to our successes.

As I've said in past testimony, appearing before congressional committees and subcommittees is a great pleasure, as it allows me the opportunity to let the American people know what an outstanding patriotic group of citizens we have in the Marine Corps Reserve. Thank you for your continued support. Semper Fidelis!

Senator INOUYE. May I call upon General Bradley?

STATEMENT OF LIEUTENANT GENERAL JOHN A. BRADLEY, CHIEF, AIR FORCE RESERVE

General BRADLEY. Chairman Inouye, Senator Stevens, thank you very much for having this hearing today. Thank you for the many years of continued support you've given us. Our 76,000 Air Force Reserve airmen, who are a vital part of our Air Force are proud to serve. They continue to stay with us. Our recruiting and retention has been strong. We will face some challenges in the future. They continue to serve as our Air Force has conducted combat operations for over 16 years.

Our Air Force Chief of Staff General Moseley and our Secretary of the Air Force, Secretary Wynne, both very much believe in our efforts, the Air Force Reserve and our Air National Guard and they want us involved in every part of every mission our Air Force conducts. So we're proud to work for leaders who believe in us and want to use us and our airmen are proud to be part of an operational Reserve.

The support that you've given us through your normal appropriations and the National Guard and Reserve equipment account have helped us immeasurably improve combat capability and take care of our airmen as they are employed in combat operations. Every dollar you give us in that very important account, I can tell you in great detail, if you want, how those funds contributed to greater combat capability that helped soldiers and marines on the ground in Iraq and Afghanistan every day and I thank you for that support and I ask that you continue to help us in that regard because we need to continue to modernize our fleet of aircraft so that we can continue to provide the right kind of close air support for those soldiers and marines.

Thank you very much again for all the support you've given us over the years and I look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF GENERAL JOHN A. BRADLEY

Mr. Chairman, and distinguished members of the committee, I appreciate the opportunity to appear before you today and I certainly want to thank you for your continued support of the Air Force Reserve. Today our country depends on the Reserve components to an extent unprecedented in history. The men and women of the Air Force Reserve are making a significant impact to the joint warfighting capability of our Nation's defense. The Air Force Reserve is proud to say we stand shoulder-to-shoulder with our Total Force partners as we jointly execute the global war on terror (GWOT).

For over 16 years the Air Force has been engaged in combat and the Air Force Reserve has been an integral part of our Nation's combat efforts. Our participation has demanded sacrifices on the part of our families, employers and reservists themselves yet we remain dedicated and committed to the same priorities as the Regular Air Force: winning the GWOT; developing and caring for our airmen; and recapitalizing and modernizing our aging aircraft and equipment.

As we fight the war on terrorism and implement our transformation initiatives we are faced with challenges that could adversely impact our overall combat capability. While we are ready today, I stress to you the urgent need to ensure we continue to be so. Readiness is the strong suit of the total Air Force and it is critical to ensure our combat capability is preserved during our transformational efforts and recapitalization of our fleets.

GWOT MISSION CONTRIBUTIONS

I am proud to say your Air Force Reserve is playing a vital role in the GWOT. We have flown over 104,850 sorties logging more than 448,202 hours of flying time all in support of the GWOT. The command supported the GWOT in most weapons systems, with crews both mobilized and performing volunteer tours. Our C–130 units maximized their mobilization authority, with the final units demobilizing at the end of fiscal year 2006. They continue to support the war effort in volunteer status, having already participated in the area of responsibility (AOR) a year longer than originally requested or envisioned. Our strategic airlift community stepped up with large numbers of volunteers providing essential support to the Combatant Commanders. In August 2006, we had 100 C–17 and C–S crews on long term active duty orders in support of the GWOT. Twenty-two Reserve KC–10 crews have been on active duty orders supporting the airbridge and other aerial refueling requirements. Our Reserve A–10s have also been very heavily involved in AOR deployments. Although Base Realignment and Closure Commission (BRAC) and Total Force Integration changes across the command disrupt our reservists' daily lives, the Air Force Reserve remains a strong partner in the Total Force, and will be until the job is done.

DEVELOPING AND CARING FOR OUR AIRMEN

The backbone of the Air Force Reserve is our people because they enable our mission accomplishment. These citizen airmen comprised of traditional unit reservists, individual mobilization augmentees (IMAs), air reserve technicians (ARTs), active guard and reserve (AGRs) and civilians continue to dedicate themselves to protecting the freedoms and security of the American people. The operations tempo to meet the requirements of the Combatant Commanders remains high and is not expected to decline significantly in the near future. The coming years bring increased opportunities and greater challenges for our dedicated airmen. The implementation of BRAC, Total Force Integration, and personnel cuts directed in the Air Force Transformation Flight Plan, may all have a negative impact on our recruiting and retention. Finding airmen to fill our ranks may become increasingly challenging as we implement these initiatives. Similarly, retaining our highly trained citizen airmen will become more critical than ever.

OUR PEOPLE: MOBILIZATION VERSUS VOLUNTEERISM

Our reservists participate in the full spectrum of operations around the world at unprecedented rates. A key metric that reflects the operations tempo is the number of days our Reserve aircrew members perform military duty. The average number of duty days our aircrew members serve has increased three-fold since the beginning of the GWOT.

Having maximized the use of the President's Partial Mobilization Authority in some mission areas, the Air Force Reserve relies more heavily on volunteerism versus significant additional mobilization to meet the continuing Air Force requirements. Several critical operational units and military functional areas must have volunteers to meet ongoing mission requirements because they have completed their 24-month mobilization authority. These include C–130, MC–130, B–52, HH–60, HC–130, E–3 AWACS, and Security Forces. During calendar year (CY) 2006, the Air Force Reserve had 2,702 mobilizations and another 9,866 volunteer tours. As calendar year 2006 closed, the Air Force Reserve had 388 reservists mobilized and 2,308 volunteers supporting the GWOT. We expect this mix to become increasingly volunteer-based as combat operations continue.

The key to increasing volunteerism and enabling us to bring more to the fight is flexibility. To eliminate barriers to volunteerism, the Air Force Reserve has several ongoing initiatives to better match volunteers' desires and skill sets to the Combat-

ant Commanders mission requirements. We must have the core capability to always match the right person to the right job at the right time. Reservists must balance the needs of their civilian employers, their families, and their obligation to the military. We are incredibly fortunate to have reservists who continue to volunteer and who put on the uniform for months at a time. Facilitating the reservists' ability to volunteer provides more control for the military member, their family, employer and commander. In turn, this predictability allows more advanced planning, lessens disruptions, and ultimately, enables more volunteer opportunities.

BASE REALIGNMENT AND CLOSURE

The 2005 BRAC had a significant impact to the Air Force Reserve. BRAC directed the realignment of seven wings and the closure of one wing, General Billy Mitchell Field, Milwaukee, Wisconsin. To our Reserve airmen, a base realignment, in many cases, is essentially a closure. When BRAC recommended the realignment of our wing at Naval Air Station New Orleans, our airplanes were distributed to Barksdale AFB, Louisiana and Whiteman AFB, Missouri, while the Expeditionary Combat Support was sent to Buckley AFB, Colorado. In another example, BRAC recommended realigning our wing at Selfridge ANGB, Michigan and directs the manpower be moved to MacDill AFB, Florida to associate with the Regular Air Force. The commute from New Orleans to Denver and Selfridge to Tampa are challenging for even the most dedicated reservist, considering we do not have the authority to PCS (permanent change of station) personnel or pay for IDT (inactive duty training) travel. These are just a few examples of how base realignments impact our reservists. In the post-BRAC environment, we continually strive to retain the experience of our highly trained personnel. We are working closely with the Air Force and the Office of the Secretary of Defense on initiatives which encourage those impacted by BRAC decisions to continue serving their Nation.

NEW MISSION AREAS (TOTAL FORCE INTEGRATION)

Sharing the tip of the total force integration spear, our focus is on maximizing warfighter effects by taking on new and emerging missions that are consistent with Reserve participation. Reachback capabilities enable Reserve forces to train for and execute operational missions supporting the Combatant Commander from home station. In many cases, this eliminates the need for deployments. The associate unit construct will see growth in emerging operational missions such as: Unmanned Aerial Systems, Space and Information Operations, Air Operations Centers, Battlefield Airmen and Contingency Response Groups. The Active/Air Reserve components mix must keep pace with emerging missions to allow the Air Force to continue operating seamlessly as a Total Force. This concurrent development will provide greater efficiency in peacetime and increased capability in wartime.

The Air Force Reserve continues to transform into a full spectrum force for the 21st century by integrating across all roles and missions throughout the Air, Space and Cyberspace domains. Our roles and missions are mirror images of the regular component. These new mission areas provide additional opportunities for our reservists to bring their expertise to the warfighting effort. Bringing Air Force front line weapon systems to the Reserve allows force unification at both the strategic and tactical levels and builds flexibility for a more vibrant and viable Air Force team—we train together, work together, and fight together; and that's the way it should be.

SHAPING THE RESERVE FORCE

As an equal partner developing the Air Force Transformation Flight Plan, the Air Force Reserve plans to realign resources to transform to a more lethal, more agile, streamlined force with increased emphasis on the warfighter. In this process, we are eliminating redundancies and streamlining organizations, creating a more capable force of military, civilians, and contractors while freeing up resources for Total Force recapitalization.

The Air Force Reserve programmed a reduction of nearly 7,700 manpower authorizations beginning in fiscal year 2008. These actions affect all categories of Air Force Reservists; IMAs, TRs, ARTs, AGRs and civilians. Over the fiscal year defense program the Air Force Reserve is planning a reduction from 74,900 authorized personnel in fiscal year 2007 to an end strength of 67,800 personnel at the end of fiscal year 2011.

While the Air Force Transformation Flight Plan directed manpower reductions, the Air Force Reserve was given latitude to take these reductions in a way that minimizes the impact to our wartime mission. Where mission requirements still exist, the experience of our reservists will be maintained by transitioning members from the Selected Reserve into the Participating Individual Ready Reserve.

RECRUITING AND RETENTION

The Air Force Reserve met its recruiting, retention, and end-strength goals in fiscal year 2006 and is on track to meet all these same goals in fiscal year 2007. I am proud of the fact our reservists contribute directly to the warfighting effort every day. When our Reserve airmen engage in operations that employ their skills and training, there is a sense of reward and satisfaction that is not quantifiable. I attribute much of the success of our recruiting and retention to the meaningful participation of our airmen.

That being said, the 10-percent reduction in personnel planned over the future years defense program (FYDP), coupled with the impact of BRAC initiatives, may present significant future recruiting and retention challenges for the Air Force Reserve. With personnel reductions beginning in fiscal year 2008 and the realignment and closure of Reserve installations due to BRAC and Total Force Integration, approximately 20 percent of our force will be directly impacted through new and emerging missions, and mission adjustments to satisfy Air Force requirements. With the Regular Air Force personnel reductions already underway, there is an even smaller active force from which to draw qualified recruits. In light of all these changes, we expect the recruiting and retention environment will be turbulent, dynamic and challenging.

Unlike the Regular Air Force, the Air Force Reserve does not have an assignment capability with command-leveling mechanisms that assist in the smooth transition of forces from drawdown organizations into expanding organizations. In drawdown organizations, our focus is on maintaining mission capability until the last day of operations, while also retaining as much of the force as possible and placing them in other Air Force Reserve organizations. To accomplish this, we need to employ force management initiatives that provide our affected units with options to retain our highly trained personnel.

This contrasts greatly with organizations gaining new missions and/or authorizations. It's important to remember, absent a pipeline assignment system, our citizen airmen are primarily a local force, living and working in the local community. Air Force Reserve Command must now recruit in new locations and for new missions, effectively increasing our recruiting requirements. We may face recruiting challenges, particularly when considering the availability of adequately qualified and trained personnel. As has always been the case, we will focus on maximizing prior service accessions. Regular Air Force reductions over the fiscal year defense program may provide some benefit to our recruiting efforts, but will not be the complete answer, since the Regular Air Force critical skills shortages closely match those in the Reserve. "Other prior service" individuals accessed by the Reserve will inevitably require extensive retraining which is costly. The bottom line is retaining highly trained individuals is paramount. Since 1993, Air Force prior service accessions have decreased 32 percent across the board. Only 9.5 percent of the officers departing the Regular Air Force join the Air Force Reserve, and of those, only 2.7 percent continue service to retirement. Retention must be considered from a total force perspective, and any force drawdown incentives should include Selected Reserve participation as a viable option. It is imperative legislation does not include any language that provides a disincentive to Reserve component affiliation. Likewise, any legislation regarding separation should encourage or incentivize continued active participation in the Reserve components. Experience is the strength of the Air Force Reserve, and recruiting and retaining our experienced members is the best investment the country can make because it ensures a force that is ready, and able to go to war at any time.

RECAPITALIZING AND MODERNIZING OUR AGING AIRCRAFT AND EQUIPMENT

The Air Force Reserve stands in total support of Secretary Wynne and General Moseley in their efforts to recapitalize and modernize our fleet. Weapon systems such as the KC–X, CSAR–X, Space Based Early Warning and Communications Satellites and Spacecraft, F–35 Lightning II, and the Next Generation Long Range Strike are critical to secure the advantage essential to combating future threats. The Air Force Reserve will directly benefit from this modernization since in many cases we fly the same equipment.

The Air Force Reserve is assuming risk in Depot Programmed Equipment Maintenance (DPEM). Funding for DPEM in fiscal year 2008 is 81 percent of total requirements, a level determined in coordination with the Air Force to be an acceptable level of risk. At this funding level, the anticipated impact is in the deferral of Programmed Depot Maintenance (PDM) for 9 aircraft and 14 engines.

ONE TIER OF READINESS

We in the Air Force Reserve pride ourselves on our ability to respond to any global crisis within 72 hours. In many cases, including our response to natural disasters, we respond within 24 hours. We train our Selected Reserve to the same standards as the active duty for a reason; we are one Air Force in the same fight. A single level of readiness in the Selected Reserve enables us to seamlessly operate side-by-side with the Regular Air Force and Air National Guard in the full spectrum of combat operations. As an equal partner in day-to-day combat operations, it is critical we remain ready, resourced, and relevant.

FISCAL YEAR 2007 NATIONAL GUARD AND RESERVE EQUIPMENT

For the Air Force Reserve, the National Guard and Reserve Equipment Account (NGREA) is the lifeblood of our Reserve modernization. I appreciate the support provided in the 2007 NGREA. The money you provide makes a difference; increasing the capability and safety of our airmen, and ultimately the security of our Nation. The fact is Air Force Reserve NGREA procurement strategy fulfills shortfall equipment requirements. The items we purchase with NGREA are prioritized from the airmen in the field up to the Air Force Reserve Command Headquarters and vetted through the Air Staff. The cornerstone is innovation and the foundation is capabilities-based and has been for many years.

I am grateful for the National Guard and Reserve Equipment Account because it enables us to remain relevant to the fight. It is absolutely essential to the modernization of our weapon systems. In fiscal year 2007, we received a total of $35 million in NGREA appropriations. A portion of those dollars is being used to modify all of our A–10 aircraft, enabling smart weapons employment and dramatically improving the precision with which we provide close air support to our joint and coalition partners. Another portion of NGREA is being used to procure defensive systems for nine of our C–5A aircraft, providing much needed protection from infrared threats and increasing the safety and security of our strategic airlift crews. These are just a few examples of how NGREA is helping us modernize our weapon systems during fiscal year 2007.

While NGREA dollars enable us to modernize our critical warfighting equipment, the challenge is the $35 million in NGREA in 2007 only allows for 4.8 percent of our planned modernization. I genuinely appreciate the appropriation because we put every dollar received toward combat capability. Continued congressional support is critical to ensure we can modernize our force with the necessary upgrades and retain the technological edge we've enjoyed in the past.

TRANSFORMING AND MODERNIZING THE AIR FORCE RESERVE

Equipment modernization is our key to readiness. The Air Force is transitioning to a capabilities-based force structure and the combination of aging and heavily used equipment requires across-the-board recapitalization. The United States military is increasingly dependent on the Reserve to conduct operational and support missions around the globe. Effective modernization of Reserve assets is vital to remaining a relevant and capable combat ready force. The Air Force recognizes this fact and has made significant improvement in modernizing and equipping the Reserve, yet the reality of fiscal constraints still results in accepting risk in our modernization and equipage programs. Funding our modernization enhances availability, reliability, maintainability, and sustainability of aircraft weapon systems and strengthens our ability to ensure the success of our warfighting commanders while laying the foundation for tomorrow's readiness.

RECONSTITUTION

With a much higher operations tempo over the past 5 years, our equipment is aging and wearing out at much faster than projected rates. Reconstitution planning is a process to restore units to their full combat capability in a short period of time. The GWOT is having a significant and long-term impact on the readiness of our Air Force Reserve units to train personnel and conduct missions. The goal must be to bring our people and equipment back up to full warfighting capability.

The rotational nature of our units precludes shipping equipment and vehicles back and forth due to cost and time-constraints, therefore, equipment is left in the AOR to allow quick transition of personnel and mission effectiveness. However, this impacts the readiness of our forces, which return to the United States without the same equipment they deployed with. We continue to address these equipment shortfalls with the help of the Air Force, the administration, and Congress, but challenges remain.

Investments in new missions and other higher priorities continue to impact our ability to recapitalize our built infrastructure. Our recapitalization rate over the fiscal year defense program averages 151 years, falling far short of the 67-year goal. Our $194 million MILCON fiscal year defense program includes $22 million in recapitalization projects, the remaining dedicated to new missions or correcting existing deficiencies. Further challenging our ability to meet mission needs are potential shortfalls in BRAC funding; further delays in BRAC facility funding may jeopardize our ability to meet statutory deadlines for BRAC execution.

CLOSING

On behalf of all Air Force reservists, I thank you for your continued interest and strong support of our readiness and combat capability. The Air Force Reserve is facing the challenges of the GWOT, BRAC, the Air Force Transformation Flight Plan, recapitalization, and modernization head on. While we maintain our heritage of providing a strategic reserve capability, today and into the future we are your operational warfighting Reserve, bringing a lethal, agile, combat hardened and ready force to the Combatant Commanders in the daily execution of the long war. We are immensely proud of the fact we provide the world's best mutual support to the United States Air Force and our joint warfighting partners.

Senator INOUYE. Thank you very much. I have a few general questions. The record will be kept open. If we may, we'd like to submit questions to you. We realize you have some other commitments this afternoon.

I know you cannot answer this but I hope you are clear about your support for psychologists or psychiatrists. During World War II and thereafter, I don't recall seeing any one of my comrades in World War II suffer from symptoms of post-traumatic stress syndrome. In fact, I don't think the word was—that phrase was conjured at that time. Would you ask them if there is some significance in that? Because I can't think of a single person who had that in World War II.

I am certain you're having problems with recruiting and retention. I'd like to have you submit a paper to us advising us what the nature of your problem is and what, if anything, we can do legislatively or funding wise to be of assistance.

And third, I look at this as a subjective question that—how would you characterize the morale of your troops? Let's go down the line.

General BRADLEY. Mr. Chairman, I'll tell you, I get out a lot. I try to visit all of my units and I'm going tomorrow on a trip to visit units. I'm going on another one Saturday to visit two other units, two of which are closing, both of whom have had significant mobilization. I go to Iraq. I go to Afghanistan. I'm headed over again in June and I get out and I don't just talk to colonels, I just don't talk to wing commanders and I don't just talk to generals. I try to get out and talk to airmen. I go out and I hold commanders calls and I try to talk to as many people at all levels as I can and I'll tell you, sir, our morale is good and I think I can reflect that in our retention figures.

Our retention is about as good as it's ever been in our history. Eighty-seven percent of our people are staying with us in the enlisted force and 93 percent of our officers are staying with us.

I'm not going to tell you that every single person is happy all the time. They are not. But they continue to volunteer for us. We try, in the Air Force, to support these combat operations through volunteers and not mobilization. We use mobilization as a last resort. Let's use volunteers.

I have F–16 units going next month. My F–16s are going to redeploy for the third time to Iraq. My A–10s have been over there three times. My C–130s have all been mobilized for 2 years and people are not leaving us in droves, even though in some cases, we're going to shut down some flying in some units because of base closure and some other Air Force personnel reductions.

Our people like being in our units. They believe we treat them fairly. We tell them thank you for what they've done. We tell them—we're going to ask you to continue to do a lot more and they're staying with us and they tell us—what they tell me is they believe they're doing something important. They're contributing to our Air Force and to our Nation.

So it is not all doom and gloom. I think there are many positive things and our people like to serve and will continue to serve.

Senator INOUYE. Did you say 87 in this group?

General BRADLEY. Yes, sir, 87 percent enlisted and 93 percent for our officers.

Senator INOUYE. Oh. General Bergman?

General BERGMAN. Yes, sir. Retention has been, for the last 4 years, at all time highs ranging in the 83 to 87 percent range. We don't see anything to indicate that that is changing because primarily our marines are young and in some cases, not so young men and women who joined a Reserve component, joined the marines to go to the fight.

We've been providing them that opportunity. So what I hear when I travel is, I'm getting to do what I signed up to do. Where we are today, 5½ years into the global war on terror, that predictability piece that has now been added so that those who have a preponderancy to continue to serve and are seeking more ways to utilize the experiences they've got, can look at a year of activation and then plan for 4 or 5 plus years of, if you will, training time between the mobilizations, between the activations, to allow them to keep their civilian careers and aspirations alive and well.

So what we didn't know at the beginning was how long this war was going to last. Now that we have a pretty good idea that there is an extended period in sight, we will be utilizing our folks. We owe them the idea to plan their lives and they're responding to that by staying.

As far as morale goes, the combatant just returned from Iraq yesterday morning and he was talking to us this morning, talking about the morale. The marines, as long as they've got plenty of what they need to prosecute their mission and they see the goodness that comes in very little bits and sometimes with one step back when they're going two steps forward, they see it. What they're concerned about is the American people and all they see is what is coming out of the tube. But their morale is high and again, it reflects on our retention rates.

Senator INOUYE. Admiral Cotton.

MORALE OF SOLDIERS

Admiral COTTON. Sir, I'd like to echo what all the generals have said and especially General Blum, in that we've never had a more experienced and reliable force. The current conflict has forced the Navy to come ashore, if you would and we have now 12,000 sailors

ashore, one-half active, one-half Reserve. It's forced us to change all our processes, how we get them there and how we demobilize them whether they are active or Reserve. That's all been very good for us.

Our morale is very good. Our retention statistics are just the same. Again, just funding the—to replace the ones that are timing out or losing their service. So I think it is two thumbs up. It's good news what we're doing right now and it is sustainable. Our requirement each year is about 9,000 mobilizations. We have 28,000 that have not been to war yet so we have the capacity to serve, if you would, sir.

Senator INOUYE. Thank you. General Stultz.

General STULTZ. Senator, I'll start with the question of the morale and I echo the comments that have already been made here. I think the morale of our Army Reserve soldiers has never been higher. I think they are proud of what they are doing. I think they feel good about their service to their country. I think we've got a lot of great young people in this country that are stepping up.

I had the opportunity to be in Iraq last November to promote two electronic maintenance soldiers to E–5. Now, one of them was a young man that has a Master's in Public Administration. He is a city planner back in North Carolina. The other was a young lady who's got a Bachelor's in Molecular Biology, working on a Masters. And I asked both of them, I said, why are you here? And they said, sir, we're here to serve our country. And we plan on staying.

So the morale is good. And the second item, we are meeting our retention goals. Traditionally, we put our retention goals on the backs of our career soldiers. They've got 12 to 15 years. They're going to stay with us to get that 20 year retirement. Recently we've made it on the backs of our first-term soldiers. So they—at about 65 percent of our goals.

Last year, we re-enlisted over 110 percent of our first-term goal. This year, we're already at 130 percent. And what that tells me is our young soldiers are sticking with us. They feel good about what they're doing. They know what they signed up for.

The challenge we've got is what was echoed—or what was already said by General Bergman—what our soldiers tell me they need is predictability in their lives. They know that they're going to have to go back on future deployments but they want to be able to set their lifestyle or their employer or their family, if they're going to college, to be able to predict what's going to happen. So they're telling us, give us some predictability. Give us some stability and the other thing we've got to give them is continuity.

What I'm talking about continuity is traditionally you have strategic levels of force—2 weeks in the summer and we won't have to go to war unless world war III breaks out, when the Russians come across the Fulda Gap back in those days. But now we're in a different war. It's the war on terror. This is not an easy war and with the amount of service support that resides in the Army Reserve, this nation cannot go to war without us. If we have an option to deploy the Army Reserve, we have to. Because we possess all the medical, the transportation, the logistics, the military police, and engineer forces. I don't have the combat brigades. I have the support brigades.

So they are never going to be used on a regular basis. So that soldier says, okay, I want to serve my country. I feel good about what I'm doing. But every time I get called up, there is a disruption in my life because one, in some cases, a loss of income, when I switch from one job to the other. But also a disruption in the life of my family because I have to switch from my employers healthcare plan to the military healthcare plan and the doctors don't match. So now I've got to go tell my spouse, we better go find a different family doctor or a different pediatrician. I think one of the things that we owe to our forces, we have to figure out how to provide continuity so that we can call upon our forces on a regular basis without disrupting their lives.

So that their healthcare system stays in place, their income level stays in place and they can go serve their country and feel good about what they're doing.

The biggest challenge I've got right now in maintaining my force structure is competing with the Active Army. And the Active Army is out trying to gather their own strength and they're trying to recruit the same soldiers that we're trying to recruit in the Reserves. So we are competing with others.

The National Guard has got a different model, which is working for them, a community base model. We're going to adopt that same model. We're going to start doing the same thing where we've got our soldiers going out and recruiting their buddies to come back and join their unit instead of having the recruiting command trying to find a pool and sort out who wants to be on active and who wants to be on reserve status. That's going to be one of the keys of success of making our end strength.

But the other thing is, we're basically trained and Senator Stevens alluded to this early on, when soldiers are trying to determine, where am I? Am I in the Reserve or am I in the Active Army because it seems like I'm always on active duty. And we're seeing more and more Reserve component soldiers going back to the active component. I've got a chart, if it's available, that illustrates just that.

This shows starting with fiscal year 2002, if you see the green, that's the number of soldiers going from the active to the Reserve versus the number going from the Reserve to the active and you can see where we're gaining about 2,000 soldiers more going into the Reserve components than we are losing from the Reserve to the active. You can see where it is now. It's going the other direction.

I'm losing many more soldiers that are going into the Reserves and going back to active duty because they're saying, that's my continuity. If I stay on active duty, I know I've got continuity in healthcare and all of that continuity. In fiscal year 2005, I had over 3,500 soldiers going from Reserve status back to active duty. This past year, I had 6,000 or more leave Reserve. So maintaining my end strength is competing with the active Army and that's a good news story for the active Army. I'm going to the active Army because I'm pulling soldiers back.

But I'm doing it because soldiers are sent out and they can have that stability and predictability in the Army Reserve. That's my challenge. That's why this Army Force Generation model that we're building is so critical. Just as Jack Bergman said, go and tell a sol-

dier, you're going to deploy for 1 year and then I'm going to give you 4 years of stability to come back and go back and get your college degree or start your civilian career.

We're not doing that because we've got to rebalance the force. We don't have enough CS/CSS (combatant support/combatant service support) in the Army. That's part of that peace dividend that we're all reaping right now, where we took down a lot of that capability and we said that if we ever had to go war, it would be a short war. We wouldn't need to sustain that for a long period of time. It's a different world now.

So morale is good. Recruiting is a challenge. We're about 13 minutes shy of where we should be right now. We're going to make that up. We're going to start this community based program as soon as I can get a contract in place. I feel confident we will make our year end recruiting goals. But there's going to be that competition of how do we keep that support at a sustained level to that soldier and his family that they deserve? Because just as the two of them that I introduced, there are 200,000 more of them out there who are sacrificing every day and we owe it to them.

Senator INOUYE. Thank you very much. Senator Stevens.

Senator STEVENS. Thank you, Mr. Chairman. I'll submit my questions, too. I do have just one or two short questions. Are you still accessing the equipment of the regular services for your training? That was what it was in the days gone by. Are you asking now for a component of equipment for the Reserve like we have for the National Guard?

General STULTZ. Sir, we're really using our own equipment. Let me just answer that in a couple of different dimensions. I was in Iraq and Kuwait for 2 years.

Senator STEVENS. I'm talking about here at home in training.

EQUIPMENT

General STULTZ. Yes, sir. But we left a lot of our own equipment just as the Guard did in that country because we did not want to transport it back and forth. So that created shortages back home. When it comes to training, we're providing our own equipment for our training of our forces for the Reserve components. What that forces me to do is, just as General Blum and General Vaughn alluded to, I've got to move equipment around. I've got to position it to get to the right units that need it to train on. I've got the same challenges they do. The equipment I've got back here that was left is not the modern equipment we need to train on.

An example I use is the trucks. We have—tactical vehicles and we were authorized to have over 4,000 of those. I've only got about 1,000 that are the modern ones. I've got almost 3,500 of the old, M–35 deuce and a halfs, the old trucks that we used back in Vietnam.

Those are not the trucks we need to train on for our soldiers because that's not the truck they'll operate in theatre. So that—I've got back here, I've got to move around to get them to the right location for the unit that is going to be going to theatre that is going to operate that.

Likewise with the Humvees. We're going to upgrade those when we get into theatre. Out of 1,000 authorized, right now, I've got 23

because all of them are over in theatre. So we try to train a soldier back here on how to operate the old one that has a different center gravity, that has a different visibility, that operates differently, it's very difficult. I've got to take what I've got and reposition it. So what is so critical for us, just as the Guard would say, to get that equipment. It is short. We're short equipment but a lot of equipment we have is not the most modern. When I'm authorized 12,000 radio systems for communication and I've only got about one-third of what I need, about—less than 8,000. But of those, only about 4,000 or less are the most modern. So I've got substitute radios but its not the ones they're going to operate in theatre.

So I'm short equipment and what equipment I've got is not the modern equipment I need. That makes it difficult to train. But to get back to your initial question, no sir, I don't have access to the active Army equipment to train on. I have to provide my own equipment to train to them.

Senator STEVENS. Is that the same for all of you?

Admiral COTTON. Yes, sir. Each one of us has a slightly different model. In the Navy, we have a wonderful spectrum of missions, all the way from the commissioning of units with equipment that we purchase through O&R funds as well as National Guard and Reserve equipment appropriations (NGREA), to manpower pools that train with their specific equipment to like CBs, where they are located and they will also have mini power pools that we mobilize to train a group to maybe do a combat service support mission in support of the forces ashore. So the Navy is really full spectrum. We have our own equipment. We use the Navy equipment and we have other people that go other places and use other services equipment. So it's really full spectrum, sir.

Senator STEVENS. Thank you. Are there any problems for the marines, sir? Or the Air Force?

General BERGMAN. Sir, as Vice Admiral Cotton said, we all vary a little bit because of how we're structured and how we deploy our folks, whether they be as units or individuals. I would suggest to you that there are certain types of equipment, let's say, comm gear, that we need in the Reserve component, to have our own, which we do because our marines can deploy either individually or as detachments and expected to go right in to theatre and operate the gear right away. So they're falling in on equipment that they need to be ready to operate.

Aviation—we're going to deploy a capability—duties, covers, C–130s. We take our own, by and large and in some cases, we're falling in on equipment that's in theatre. We don't need necessarily the most current. We need just to make sure that our air crew can operate the aircraft as it was designed, if you will, again with a nominal amount of, if you will, differences training.

So as we look at our equipment needs, I would suggest to you and listening to everybody talk about equipment, I think we're missing potentially a very, very important step with technology being the way it is today and that is the simulation piece and the way that we can most importantly train all of our people on the most current—whether it's touch screens, whether it is virtual convoy, combat training, combat trainers, without necessarily having to buy all the hardware up front. Because the key is, not about the

hardware at that point, it's about what's in the mind of that young marine or soldier or sailor or Coast Guardsman who is operating it.

We need to put them in a state of mind so that when they get into that stressful environment, they do the right thing and simulation and increased use of it—there is a lot of work being done. I've spent a lot of time down and around looking at what is being done right now. That's where we need to focus an effort and dollars behind it to increase the mission capability and survivability of our youngsters.

Senator STEVENS. Thank you.

General BRADLEY. Senator Stevens, for the most part, our Air Force Reserve units have their own equipment to train to prepare for deployment. When our flying units deploy to Iraq and Afghanistan, they take their own equipment, their own aircraft and they redeploy them after their tour is up.

There is a segment of the Air Force, about 5,000 airmen are today doing things for the Army. In lieu of Army people, they are driving trucks, guarding convoys and performing as prison guards. And we retrain for those missions that are not a normal Air Force job or mission. We use active equipment to train on that mission and the Army provides some training in some cases for some of those jobs. So that small bit, in lieu of forces where we send airmen over to do some traditional Army jobs, then we use active equipment.

We are standing up an F–22 squadron in Alaska. We already have people there and we'll start flying along with the active duty in August. But that's the way the organization was set up to operate, to share the equipment. It's more cost effective and brings a capability. So there are cases in which we do share equipment. But we also have our own as well.

Senator STEVENS. Thank you very much. My second question is just—answer me if you disagree. We've heard testimony that convinced me no one is being deployed unless they are trained and properly equipped to go into combat service. Is that true for the Reserves, too?

[Chorus of yes, sir.]

General STULTZ. I brought with me today my senior NCO, a Commander Sergeant Major Leon Caffie. We have served together in combat and he is the one that I hold ultimately responsible as the NCO Chief of Command so I want to make sure every one of our soldiers is properly trained, properly equipped before they go into combat.

He and I go out together to go visit those soldiers and visit the training, just as told you by some of the other commanders before me here. And I can assure you, from my Reserve's perspective, we do not deploy any soldier into combat without the proper equipment, both individual and unit equipment and without the proper training.

Senator STEVENS. Do you back that up, Sergeant Major?

Mr. CAFFIE. Yes, sir.

Senator STEVENS. Thank you. Thank you, Mr. Chairman.

ADDITIONAL COMMITTEE QUESTIONS

Senator INOUYE. Thank you very much, General Stultz, Admiral Cotton, General Bergman, General Bradley. We thank you for your testimony. On behalf of the subcommittee, I thank you for your service to our Nation.

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

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL JACK C. STULTZ

QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUYE

RECRUITING MISSION

Question. General Stultz, the Army Reserve fell short of its fiscal year 2006 recruiting goal and is struggling to fulfill this year's recruiting mission. Difficulty in recruiting prior-service members is a significant reason for the shortfall. What is the Army Reserve doing to attract soldiers with prior service experience?

Answer. Although the Army Reserve is responsible for maintaining a congressionally mandated end strength objective, it only controls a small portion of the recruiting mission. U.S. Army Recruiting Command (USAREC) operates a national based recruiting program and is responsible for 100 percent of the non-prior service mission. On the other hand, USAREC is responsible for 75 percent of the prior service mission, the Human Resources Command has 8 percent of the mission, and the Army Reserve has the remaining 17 percent. Additionally, USAREC maintains control of all Active Guard Reserve (AGR) Recruiters and within the last two years, their numbers increased by 734, for a total of 1,774 authorized. Despite this increase in recruiter strength, as of March 2007, USAREC achieved only 92 percent of the Army Reserve mission compared to 108 percent of the Active Component mission. In contrast, the Army Reserve's Retention and Transition Division (RTD) overachieved its portion of the prior service mission.

As a long range solution, the Army Reserve is developing a community-based recruiting program whereby recruiters will report directly to Army Reserve leadership instead of the Active Component. The Army National Guard has operated under this concept for some time with great success. This will eliminate the competition between Active Component and the Army Reserve within the same recruiting activity, allowing tailored and targeted applicant prospecting efforts on behalf of both components. The Army Reserve's recruiting program will be unit based with focus on the local community.

As a near term solution, USAREC recruiters will work closely with Soldiers from local Army Reserve units to generate leads and referrals using the newly established Army Reserve Recruiter Assistance Program (AR RAP). This program will improve the Army Reserve's recruiting success for both non-prior and prior service applicants by embedding recruiters within units to develop unit ownership of recruiting programs, supported by local communities. Additionally, the Army Reserve Retention and Transition Division (RTD) has reorganized its retention force to focus solely on strength-producing missions, reenlistments and transitioning Individual Ready Reserve (IRR) individuals into Selected Reserve (SELRES) units. As a result, RTD has achieved 107 percent of its annual enlisted prior-service mission and assumed a new officer mission from Human Resources Command—St. Louis (HRC–STL).

The Army Reserve offers a variety of prior-service enlistment bonuses to reinforce a Soldier's decision to serve in a TPU unit, i.e., a unit with regular drilling Army Reserve Soldiers. The following incentives are currently offered:

Prior Service Enlistment Bonus.—This bonus is available for individuals with up to 16 years of prior service and pays out $15,000 for a 6 year commitment and $7,500 for a 3 year commitment. This bonus was implemented on February 24, 2006 and Soldiers who sign up for this bonus have the opportunity to reclassify (change their MOS, or job specialty).

AC to RC Affiliation Bonus.—For prior-service Soldiers who transfer from the Active Component or IRR to the Army Reserve, $20,000 is available for a 6 year commitment and $10,000 is paid out for 3 years. This incentive was also implemented on February, 24, 2006.

Question. General Stultz, are you concerned that the decrease in prior-service recruits is hurting the overall experience level of Army Reservists?

Answer. The experience level of Army Reservists is at the highest level since World War II. As of April 30, 2007, 119,371 Army Reserve Soldiers have mobilized in support of the Global War on Terror. This is 63.9 percent of the current end strength of 186,828. As of April 18th, 13 percent of the Army Reserve (24,056 Soldiers) was deployed. The Army Reserve will continue to provide a key contribution to ongoing wartime operations and Army Reserve units will gain from the mission-related experience of their Soldiers when they return home.

We have not seen a reduction in prior service accessions. Since 2004, yearly missions in sequence were 16,075, 10,310, 16,032, 16,505. Bottom line, the Army Reserve is currently at 99.8 percent of our mission and expecting to achieve our mission.

EQUIPMENT

Question. General Stultz, we have heard that the Army Reserve is faced with a tremendous equipment reset problem—and that almost $1 billion is needed this year to address the shortfalls due to equipment lost in combat and equipment left behind in theater or transferred to the active component. How is the Army doing on paying back the Army Reserve for equipment? How much has been paid back so far?

Answer. The Army has budgeted $1.2 billion in the fiscal year 2007 Supplemental to address Army Reserve equipment retained in theater and used in Theater Provided Equipment sets. Funding from the bridge supplemental has been released to program managers for procurement of systems. Our concern continues to be the long lead time needed by industry to produce the equipment. This becomes a training and readiness issue. If the right equipment is unavailable when needed, mission accomplishment and the survivability and safety of our Soldiers are jeopardized.

The Army Reserve is developing a 1225.6 tracking tool to track replacement equipment returning to the Army Reserve for that which was retained in theater. To date, the Army Reserve has received a very small percentage of the total payback.

Question. General Stultz, how do you measure equipment shortfalls and the impact on unit training and readiness. What systems do you have in place to keep track of this situation?

Answer. The system for accounting and tracking equipment is the Army's standard supply system, the Property Book Unit Supply-Enhanced (PBUSE). It is a web-based system that has been fielded to all Army Reserve units. Additionally, the Army Reserve uses the Reserve End Item Management System (REIMS) which provides management tools not available in the Army system to manipulate PBUSE data. This system is being replaced by a module in the Army Reserve's Logistics Data Warehouse, an integrated, multi-functional logistics data warehouse. The Logistics Data Warehouse and REIMS allow us to move and account for equipment to support training and readiness. Information derived from these systems is compared to other Army force structure management systems to determine current and projected shortages and older equipment requiring replacement. These requirements are used at the Department of the Army G8 sponsored Army Equipment Reuse Conferences.

Question. General, what mechanisms are in place to ensure that the replacement of missing or obsolete equipment is considered and funded in the annual programming and budgeting cycle?

Answer. The Army Reserve aggressively participates in the Army Equipment Reuse Conferences (AERC) to validate requirements, both for shortages, current and projected, and for replacing older, less capable and compatible items. While the Army Reserve requirements may be validated for the Planning Program Budget and Execution System (PPBES), our concern continues to be the diversion of funds and equipment to competing Army priorities.

COMBAT OPERATION ACTIVITIES

Question. Generals Stultz, Bergman, Bradley, and Admiral Cotton: Other than the recently proposed troop level increases, what plans are you aware of in the active components of your respective services to address the issues requiring such heavy reliance on the Reserves to perform routine combat operation activities?

Answer. Since the Army Reserve retains its core competency as a provider of combat support and combat service support, we expect that the heavy reliance on the Army Reserve to support the Global War on Terrorism and other strategic missions will continue for the foreseeable future. Beyond the proposed troop level increases, which you note, and ongoing efforts to rebalance active and reserve forces, which endeavor to move high demand skills into the active duty forces, we are unaware

of any other significant initiatives that might lessen the need to rely on the Reserve Components.

EQUIPMENT

Question. Generals Stultz, Bergman, Bradley, and Admiral Cotton: Does your request to this Committee truly reflect all of the requirements necessary to accommodate your equipment needs and to adequately fund the programs necessary to provide quality support to those in the Reserve who are being called upon to serve their country? If not, where are the deficiencies and why are they not being addressed?

Answer. The Army Reserve identified an equipment shortfall of $10.73 billion that was validated in the Army Equipment and Reuse Conferences (AERC). Since the last conference, the decision has been made to right size the Army Reserve and to convert non-deploying support and Generating Force structure to deployable units. This additional deployable force structure brings an additional requirement of approximately $3.5 billion. These new equipment shortages will be addressed by the Army in the Program Budget Review 09–13.

POLICY ON MOBILIZATIONS

Question. Gen. Stultz, the Secretary of Defense has a new policy on the length of mobilizations for Reservists. What are the positives of this policy for the Army Reserves? What are the negatives?

Answer. The new mobilization policy represents a significant event in the Army Reserve's transformation from a strategic reserve to an operational force. Positive impacts for the country include more robust military capabilities able to respond to crisis at home and worldwide. Army Reserve transformation will provide the best trained citizen soldiers in modern history. A negative impact is the Army Reserve will be unable to attain a 1:5 force planning objective under the new 12 month policy, because of the high operation tempo and limited force structure for full implementation, the Army Reserves will require additional funding to sustain and support these initiatives. We believe an increase in the Army Reserve end strength should be considered.

Among the positives within this new policy is the predictability it affords our Soldiers, their Families and their employers. Also, it limits the time a mobilization interrupts the civilian lives and careers of our Soldiers. This new policy supports our present planning on generating our forces for the Long War. The Army Reserve is well positioned to implement this policy and to meet current and upcoming planned deployments. Obviously multiple deployments place stress on Soldiers, their Families, and their employers and is reflected in the force as a whole. We will closely monitor this as it relates to our recruiting or retention and take necessary action as indicated.

The new policy provides the Army Reserve a real opportunity to maintain unit cohesion, something we have had a real challenge doing over the past four years, ultimately we will have ready units to meet the requirements.

The impact to our individual soldiers is significant, potentially requiring multiple high-risk deployments over the span of a military career. Safeguards and legislation that supports the Soldier, their Family, and provides some incentive for civilian employers to hire these fine Citizen-Soldier volunteers is paramount in recruiting and retaining the Reserves Soldier of the future.

Our Citizen Soldiers must strike a balance between their civilian employment and the time they spend serving their country on active duty. Not an easy thing with the demands we place on them. By limiting mobilization to a 12 month period, we believe that the Soldier, their Families and their employers can plan for possible periods of deployment and anticipate the reintegration back in a predictable timeframe.

Previous mobilization policies, Army Reserve Units and Soldiers performed a substantial amount of their mission training events after mobilization and prior to deployment. Unit post-mobilization/pre-deployment training periods normally ranged from 75 days to 125 days, depending mission requirements. We no longer can afford to retain the 75–125 day unit post mobilization training periods under the new 12 month mobilization policy. We are, therefore, working with FORSCOM and 1st U.S. Army to shift some post-mobilization training tasks to pre-mobilization training periods. This shift will result in substantial requirements for additional training periods, equipment for training, and the need for additional training facilities. We will need to bring trainers on active duty to train to keep this momentum going. All this will require resources and we look to Congress to support these requirements.

ARMY AND MARINE CORP END-STRENGTH

Question. Gen. Stultz, can you please give me your assessment on how the surge and increase in the Army and the Marine Corps end-strength will affect your high operational tempo in supporting the global war on terror?

Answer. *Surge*.—The Army Reserve was tasked to provide 21 combat support and combat service support units for the OIF 07–09 surge. 20 of the 21 units were previously mobilized for earlier OIF/OEF rotations. These units were originally projected to mobilize for OIF/OEF in fiscal year 2008 or later. All remobilizing units will mobilize with less than the 4 years of dwell time. We understand that there will be some Soldier hardship issues, and we are working to address these. We anticipate being fully able to provide all 21 units on time and to optimum readiness standards. We further expect many of these Soldiers will be eligible for a remobilization incentive as specified in the Secretary of Defense's January 19, 2007 memorandums to Service Secretaries.

Increase in the Army and the Marine Corps end-strength.—Prior to September 11, 2001, our historical experience demonstrated that Active Duty Soldiers completed their initial tour and transferred into the Army Reserve, providing a significant source of trained and qualified Solders into the Army Reserve. Today we are seeing a reverse of this pattern; Army Reserve Soldier transferring into active duty side in much greater numbers. While good for the Army it requires the Army Reserve to recruit and retain greater numbers than before. As you are aware the Army Reserve is experiencing a personnel shortage—we are 17,000 Soldiers short of meeting Authorized End Strength levels. This certainly impacts our readiness in our non-mobilized units. Currently less than 10 percent of our non-mobilized units meet minimum Defense Planning Guidance readiness standards. To address this issue we have asked the Army Recruiting Command to increase our recruiting goals. The Army Reserve plans to supplement recruiting efforts by implementing the U.S. Army Recruiter Assistance Program. We will continue to need Congressional support to resource this successful program now and in the future. Although we continue to have challenges; our Army Reserve continues to exceed its retention goals. Continued funding of our retention initiatives (pay, bonuses and benefits) ensures the continued success of this program.

Over the years there has been much discussion surrounding retirement reform for reserve component Soldiers. I believe this concept need to be looked at closely and placed on the table for discussion.

RECRUITING GOALS

Question. Gen. Stultz, the active Army and the Army National Guard have exceeded recruiting goals, while the Army Reserve falls just short. What strategy do you employ to meet recruiting goals when competing with the active Army and the Army National Guard?

Answer. Although the Army Reserve is responsible for maintaining a congressionally mandated end strength objective, it only controls a small portion of the recruiting mission. U.S. Army Recruiting Command (USAREC) operates a national based recruiting program and is responsible for 100 percent of the non-prior service mission. On the other hand, USAREC is responsible for 75 percent of the prior service mission, the Human Resources Command has 8 percent of the mission, and the Army Reserve has the remaining 17 percent. Additionally, USAREC maintains control of all Active Guard Reserve (AGR) Recruiters and within the last two years, their numbers increased by 734, for a total of 1,774 authorized. Despite this increase in recruiter strength, as of March 2007, USAREC achieved only 92 percent of the Army Reserve mission compared to 108 percent of the Active Component mission. In contrast, the Army Reserve's Retention and Transition Division (RTD) surpassed its goals for its portion of the prior service mission.

Despite recruiting challenges, there are positive trends regarding Army Reserve retention and attrition. Army Reserve retention was 103 percent for fiscal year 2006 and Initial Military Training (IMT) attrition was reduced from 18 percent (May 2005) to 6.3 percent (August 2006).

As a long range solution, the Army Reserve is developing a community-based recruiting program whereby recruiters will report directly to Army Reserve leadership instead of the Active Component. The Army National Guard has operated under this concept for some time with great success. This will eliminate the competition between Active Component and the Army Reserve within the same recruiting activity, allowing tailored and targeted applicant prospecting efforts on behalf of both components.

As a near term solution, USAREC recruiters will work closely with Soldiers from local Army Reserve units to generate leads and referrals using the newly estab-

lished Army Reserve Recruiter Assistance Program (AR RAP). This program will improve the Army Reserve's recruiting success for both non-prior and prior service applicants by embedding recruiters within units to develop unit ownership of recruiting programs, supported by local communities.

There are a number of incentives and bonuses designed to improve recruiting and retention and help the Army Reserve meet its end strength objective (ESO):

AR-Recruiter Assistance Program (AR–RAP).—The AR–RAP is a community based Recruiting initiative that employs and trains volunteers from the AR to recruit for local units. This program is expected to positively affect AR end strength by at least 3,000 this year with much greater increases in future years. Implementation initiatives include a strategic communication plan and mandatory training and information for AR leadership.

Delayed Entry Program (DEP) to Delayed Training Program (DTP).—The AR changed the method of tracking and managing initial entry Soldiers prior to attendance at initial entry training (IET). Under the previous DEP, initial entry Soldiers were not counted in the AR end strength and were managed by USAREC recruiters until shipment to IET. The DTP assigns initial entry Soldiers to AR units immediately which enhances Soldier involvement and increases unit cohesion. Additionally, IET Soldiers will be accounted for in the AR end strength.

Critical Skills and High Priority Unit Assignment Retention Bonus (CSARB).—The purpose of the CSARB is to retain experienced Soldiers in a high priority Troop Program Unit (TPU) in order for the AR to meet critical manpower shortages and unit readiness requirements. The CSARB is authorized for Soldiers who agree to continue to serve in a high priority unit designated on the Army Reserve Selected Reserve Incentives Program (SRIP) list for not less than 3 years from the date of agreement.

Reserve-Assignment Incentive Pay.—This program could pay up to $50 per four-hour unit training assembly ($200/month) to Soldiers in high priority ARFORGEN units (those units which are likely to be sourced for deployment to man the wartime mission).

Command Responsibility Pay (CRP).—This program has DOD authorization and AR will request required funding through the POM process. Based on grade, it pays officers in key leadership positions from $50–$150 per month. Although not currently authorized, the AR will be pursuing an initiative to pay CRP to NCOs in key leadership positions.

Prior Service Enlistment Bonus.—This bonus is available for individuals with up to 16 years of prior service and pays out $15,000 for a 6 year commitment and $7,500 for a 3 year commitment. This bonus was implemented on February 24, 2006 and Soldiers who sign up for this bonus have the opportunity to reclassify (change their MOS, or job specialty).

AC to RC Affiliation Bonus.—For prior-service Soldiers, who transfer from the Active Component or IRR to the Army Reserve, $20,000 is available for a 6 year commitment and $10,000 is paid out for 3 years. This incentive was also implemented on February, 24, 2006.

EQUIPMENT SHORTFALLS

Question. Gen. Stultz, in fiscal year 2007, the Congress appropriated $35 million to you to address ongoing equipment shortfalls. How have you utilized that money to meet your service's needs?

Answer. The Army Reserve used the funding to fill critical shortages to support the Global War on Terror (GWOT) and to enhance readiness. Examples of equipment we are procuring are: Family of Medium Tactical Vehicles (FMTVs), Truck Tractors, Line haul (M915/M916), Small Arms Weapons (M4), Night Vision Goggles, Movement Tracking Systems (MTS), Maintenance Support Devices (MSD) and LCU 2000 Command and Control systems.

EQUIPMENT

Question. Gen. Stultz, have your units encountered a shortage of equipment in the United States for training? What sort of equipment are you lacking most?

Answer. The Army Reserve requires 100 percent of its authorized equipment, both on-hand and Modular Force compatible, to meet training, mobilization and maintenance requirements. Our top shortages are:

NOMENCLATURE	SHORT
FMTV:	
LMTV, (2.5 TON TRK)	5,281

NOMENCLATURE	SHORT
MTV, (5 TON TRK)	9,141
Truck Tractor Line Haul (M915A3)	2,127
Armored Security Vehicle	256
Multi-band SHF Terminal (Phoenix)	48
HEMTT Load Handling System (LHS)	39
High Frequency Radio	1,856
Joint Svc Trans Decon System (JSTDSS)	842
Movement Tracking System (MTS)	5,894
Light Type 1 Yard Loader (2.5 Yard)	30
TSEC-Army Key MGT Sys (AKMS)	11,922
Log Automation (SAMS E)	2,586
Log Automation (CAISI)	257
Log Automation (VSAT)	71
Battle Command Sustainment Support System	456
Rough Terrain Container Handler 53K	198
HEMTT Based Water Tender	42
Trailer Cargo: FMTV W/Dropsides	3,540
Light Tactical Trailers: ¾ TON	2,476
PLS Trailers	577
Truck Cargo PLS 10×10 (M1075)	283
Truck Dump 20 TON (M917)	90
M4 Carbine (Rifle)	10,005
Small Arms	13,764
Night Vision Devices	27,447
Thermal Weapon Sight	81
High Mobility Engineer Excavator	158
HMMWV	6,565
Up-Armored HMMWV	1,584
Tactical Electrical Power (5–60 KW)	3,680
Tactical Electrical Power (3 KW) TQG	2,907
Power Dist & Illum System, Electrical	4,050
Semi-Trailer 5,000K Gal Fuel Bulk Haul	1,201
Defense Advanced GPS Receiver	10,697
Detecting Set Mine (AN–PSS–14)	98
Joint Network Node (JNN)	3
NBC Reconnaissance Vehicle	120
SINCGARS	8,022
Alarm: Chemical Agent Automatic	5,778
Monitoring Chemical Agent	1,492
Decontaminating Apparatus	464
Semi-Trailer Low Bed: 40 TON	422
Central Communications: AN/TSQ–190(3)	12
All-Terrain Crane (ATEC) 25 TON	9
Truck Transporter Common Bridge (CBT)	189
Test Set Radio: AN/USM–626(v)1	22
Detecting System: Countermeasures	24
Central Office: Telephone Automatic	8
Radio Set: AN/PSC–5	196
Small Arms Simulation Devices	200
Deployable Medical Systems (DEPMEDS)	121
Distributor Water Self-Propelled 2,500 Gal	5
Dry Support Bridge (DSB)	12
Tent Expandable Modular (SURGICAL)	63
Shelter Tactical Expandable	113

This equipment shortage list does not include new Army Reserve growth in force structure for fiscal year 2009–13 that will produce further equipment requirements.

QUESTIONS SUBMITTED TO VICE ADMIRAL JOHN G. COTTON

QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUYE

RESERVE RECRUITING AND RETENTION GOALS

Question. Admiral Cotton, in fiscal year 2006, the Naval Reserve fell 13 percent short of its recruiting goal for enlisted personnel and 48 percent short for officers.

Attrition rates were also 10 percent above targeted levels. Again this year the Reserve is struggling to meet recruiting and retention goals. What are you doing to address this problem?

Answer. One factor that played an important role in Navy Reserve missing recruiting goal is that the skill sets of Sailors leaving the Active Component (AC) do not always match the prior service accession requirements for Navy Reserve. This is clearly evident in the limited number of AC personnel transitioning to RC career fields that are most needed for support of the Global War on Terror (GWOT). Navy is analyzing the dynamics of Reserve recruiting and has implemented several initiatives to improve recruiting performance:

—A Fleet-to-NOSC (Navy Operational Support Center) program that streamlines the process for enlisting a Sailor who is leaving the AC into Navy Reserve.

—Additional flexibility in New Accession Training (NAT) and Prior Service mission to meet critical skill requirements and accelerate Navy Reserve personnel through the training pipeline.

—Implementation of a pilot to retrain prior service Sailors currently in the AC to obtain skill sets required for Navy Reserve GWOT support.

—Revitalized the direct procurement enlistment program to take advantage of acquired civilian skills when recruiting Reserve Sailors. This program also offers these individuals entry into the Navy Reserve at an advanced pay grade commensurate with their level of experience.

—Expanded Reserve enlistment incentives for both officer and enlisted programs.

—Increased the number of officer recruiters by 22 personnel.

—Increased recruiting advertising resourcing

These actions provide increased flexibility and are expected to yield higher recruiting numbers in the future. Based on current projections, we are cautiously optimistic that these initiatives will result in achieving the recruiting goals for enlisted personnel this year. Navy Reserve does not expect to reach the officer recruiting goals for fiscal year 2007.

Navy Reserve attrition (loss from pay status) rates have decreased over 2 percent for Enlisted personnel and nearly 5 percent for Officers compared to the historical average. The latest attrition rates (calculated as a 12-month rolling average) reflect an improving trend and Navy Reserve is expected to meet its planned attrition level for fiscal year 2007. The most recent attrition data is below:

ATTRITION (LOSS FROM PAY AS OF 1 APRIL, 2007)

[In percent]

	Historical	Goal	Achieved
Enlisted	30.4	22.0	28.2
Officer	19.2	16.0	14.8

FUNDING REQUEST FOR OFFICER BONUSES

Question. Admiral Cotton, in fiscal year 2006, the Naval Reserve fell 48 percent short of its officer recruiting goal and this year has only achieved 16 percent to date. The fiscal year 2008 request includes $4.8 million for officer bonuses which is the same amount as was provided in fiscal year 2007. Considering the ongoing officer shortage, why was more funding not requested?

Answer. In fiscal year 2007, the Navy Reserve has more than doubled the number of skill sets eligible for the officer $10,000 affiliation bonus, from 5 to 14, to attract a broader spectrum of officers. In addition, the Navy Reserve has increased the incentive level for bonuses in the Critical Wartime Specialties within the medical community from $10,000 to $20,000 for authorized physicians, dentists and nurse anesthetists; and from $5,000 to $10,000 for nurses.

As you know, we are under significant budget pressure across all Navy appropriations. Without fiscal constraints, we would have increased funding for Officer bonuses and additional operational support. But given the current fiscal constraints and prior/predicted Recruiting Command success for officer accessions, we believe that this will fund our basic requirements.

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

HEAVY RELIANCE ON THE RESERVES

Question. Generals Stultz, Bergman, Bradley, and Admiral Cotton: Other than the recently proposed troop level increases, what plans are you aware of in the active components of your respective services to address the issues requiring such heavy reliance on the Reserves to perform routine combat operation activities?

Answer. After several years of emphasis on Active Reserve Integration (ARI), our Navy Reserve Force is responsive, relevant, and a full partner in the Total Navy. Alongside Active Component (AC) Sailors, Reserve Component (RC) Sailors provide integrated Operational Support (OS) to the Fleet, Combatant Commands (COCOM), and other Department of Defense agencies. With critical military and civilian skill sets and capabilities, mission-ready RC Sailors and units surge to provide predictable and periodic work across the full range of operations from peace to war.

Since 9/11/2001, over 42,000 Navy Reservists have been mobilized in support of the Global War on Terror (GWOT), representing over 80 percent of the total number of Sailors deployed on the ground in theater. On any given day, over 20,000 RC Sailors are on some type of Active Duty (AD) or Inactive Duty (ID) orders at their supported commands meeting global COCOM requirements. This number includes about 6,000 RC Sailors mobilized in support of Operations IRAQI FREEDOM and ENDURING FREEDOM, and with this steady state requirement, we maintain the capacity to rapidly increase contingency support with more than 28,000 additional RC Sailors that have yet to be mobilized.

Current operational support provided by the Navy Reserve is at a sustainable level due to recent initiatives and changes made to the mobilization and deployment policies. Rotations are more periodic and predictable, providing our Sailors with the stability and necessary dwell time to support the Navy mission while balancing commitments to their employers and families. Additionally, the Navy Reserve provides a two-year deferment from involuntary mobilization for any Sailor who enters the Navy Reserve from the Active Component. These initiatives have resulted in improved quality of service for our Sailors as we continue to support the Fleet as a fully integrated and relevant Force.

NAVAL RESERVE EQUIPMENT AND PROGRAM FUNDING

Question. Generals Stultz, Bergman, Bradley, and Admiral Cotton: Does your request to this Committee truly reflect all of the requirements necessary to accommodate your equipment needs and to adequately fund the programs necessary to provide quality support to those in the Reserve who are being called upon to serve their country? If not, where are the deficiencies and why are they not being addressed?

Answer. To support hardware procurement, each Navy Warfare Enterprise (Air, Surface, Subsurface, Expeditionary, and Networks) identifies Reserve Component (RC) requirements for new equipment as part of the Navy's resource allocation process. Funding for equipping the RC is provided through the Department of the Navy's President's Budget request, Congressional Adds, and National Guard and Reserve Equipment Appropriation funding. All known deficiencies have been addressed through the Navy Warfare Enterprise process. Deficiencies have been prioritized and presented to Congress in the form of the Chief of Naval Operations Navy Reserve Unfunded Priority List (UPL), submitted March 2007 (Table 1, below). This UPL was derived from the annual National Guard and Reserve Equipment Report UPL, table 8, developed October 2006 and submitted February 2007.

As of fiscal year 2007, RC major hardware is valued at approximately $11.5 billion. More than $485 million has been provided in fiscal year 2005-fiscal year 2007 for RC hardware procurement through the budget process. This is $50 million more in RC procurement than the three previous years fiscal year 2002-fiscal year 2004. The Navy is committed to keeping the RC properly equipped.

TABLE 1.—FISCAL YEAR 2008 NAVY RESERVE UNFUNDED PRIORITY LIST

[Dollars in millions]

APPN	TITLE (Program)	FISCAL YEAR 2008	COMMENTS
APN	C–40A	$332.0	Funds 4 additional C–40 aircraft in fiscal year 2008. Legacy C–9 aircraft cannot meet operational requirement for range/payload without significant modernization investment.

TABLE 1.—FISCAL YEAR 2008 NAVY RESERVE UNFUNDED PRIORITY LIST—Continued

[Dollars in millions]

APPN	TITLE (Program)	FISCAL YEAR 2008	COMMENTS
OPN	Naval Coastal Warfare Equipment	11.0	Funds procurement of new Table of Allowance equipment. Equipment replacement required due to accelerated wear in OIF/OEF. Includes individual support equipment, C4ISR and maintenance of all equipment.
OPN	Explosive Ordnance Disposal Table of Allowance Equipment.	4.9	Funds replacement of worn/outdated tactical vehicles and Civil Engineering Support Equipment (CESE).
OPN	Naval Construction Force Equipment.	16.1	Funds replacement of tactical vehicles, CESE, and communications equipment improving operational support of OEF and OIF.
OPN	Navy Expeditionary Logistics Support Group Equipment (NAVELSG).	6.0	Funds Navy Reserve tactical vehicles, CESE, communications equipment, material handling equipment, and rough-terrain cargo handling simulators/small arms simulators—all improve operational support of OEF and OIF, not covered in Supplemental request.
APN	C–130 Upgrades	33.3	Supports Navy Reserve squadrons. Upgrade required to comply with Communication, Navigation and Surveillance (CNS)/Air Traffic Management (ATM) International Civil Aviation Organization (ICAO) requirements.
APN	C–9 Upgrades	32.0	Supports Navy Reserve Squadrons. Required to meet International Civil Aviation Organization (ICAO) standards due to 2009, 2012, and 2014. Includes procurement of kits and installation.
APN	C–40A spare parts	4.2	Supports Navy Reserve squadrons. Funds spare components and repair parts to support the deliveries of new production aircraft as well as contractor spares and required support equipment.
	Total	439.5	

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

DOD POLICY ON THE LENGTH OF MOBILIZATIONS FOR RESERVISTS

Question. VADM Cotton, the Secretary of Defense has a new policy on the length of mobilizations for Reservists. What are the positives of this policy for the Navy Reserves? What are the negatives?

Answer. The mobilization policy issued by the Secretary of Defense stipulates that an involuntary mobilization period may not exceed 12 months, excluding time for individual skill training and post-mobilization leave. Mobilizations should also not occur more frequently than a 1:5 ratio (one year mobilized: five years demobilized). Navy Reserve Sailors mobilized to support Navy or Marine Corps missions have historically been mobilized for one year or less. The involuntary mobilization periods for Reserve Sailors who support the Army have matched the Army's requirement, and in some cases these periods have exceeded 12 months. The new Secretary of Defense policy ensures that the quality of service for our Sailors remains high as it ensures they will have a predictable and periodic deployment schedule. The Secretary of Defense's mobilization policy does not have any negative consequences for Navy Reserve.

ARMY AND USMC END-STRENGTH AFFECT ON NAVY RESERVES

Question. VADM Cotton, can you please give me your assessment on how the surge and increase in the Army and the Marine Corps end-strength will affect your operational tempo in supporting the global war on terror?

Answer. Since 9/11/2001, over 42,000 Navy Reservists have been mobilized in support of the Global War on Terror (GWOT), representing over 80 percent of the total number of Sailors deployed on the ground in theater. This number includes about 6,000 RC Sailors currently mobilized in support of Operations IRAQI FREEDOM and ENDURING FREEDOM, and with this steady state requirement Navy Reserve maintains the capacity to rapidly increase contingency support with more than 28,000 additional RC Sailors that have yet to be mobilized. With the increase in

Army and Marine Corps end-strength, operational support provided by the Navy Reserve will remain at a sustainable level.

Recent initiatives and changes made to the mobilization and deployment policies will improve the quality of service for Navy Reserve Sailors. Deployment rotations are more periodic and predictable, providing our Sailors with the stability and necessary dwell time to support the Navy mission while balancing commitments to their employers and families.

NAVY RESERVE RECRUITING GOALS

Question. VADM Cotton, the Navy Reserve was the only Reserve component to not meet their recruiting goal in fiscal year 2006. What incentives are you implementing to meet your goals in fiscal year 2007? Do you anticipate meeting your goals in fiscal year 2008?

Answer. One factor that played an important role in Navy Reserve missing recruiting goal is that the skill sets of Sailors leaving the Active Component (AC) do not always match the prior service accession requirements for Navy Reserve. This is clearly evident in the limited number of AC personnel transitioning to RC career fields that are most needed for support of the Global War on Terror (GWOT). Navy is analyzing the dynamics of Reserve recruiting and has implemented several initiatives to improve recruiting performance:

—A Fleet-to-NOSC (Navy Operational Support Center) program that streamlines the process for enlisting a Sailor who is leaving the AC into Navy Reserve.
—Additional flexibility in New Accession Training (NAT) and Prior Service mission to meet critical skill requirements and accelerate Navy Reserve personnel through the training pipeline.
—Implementation of a pilot to retrain prior service Sailors currently in the AC to obtain skill sets required for Navy Reserve GWOT support.
—Revitalized the direct procurement enlistment program to take advantage of acquired civilian skills when recruiting Reserve Sailors. This program also offers these individuals entry into the Navy Reserve at an advanced pay grade commensurate with their level of experience.
—Expanded Reserve enlistment incentives for both officer and enlisted programs.
—Increased the number of officer recruiters by 22 personnel.
—Increased recruiting advertising resourcing.

These actions provide increased flexibility and are expected to yield higher recruiting numbers in the future. Based on current projections, we are cautiously optimistic that these initiatives will result in achieving the recruiting goals for enlisted personnel this year. Navy Reserve does not expect to reach the officer recruiting goals for fiscal year 2007.

Navy Reserve is unable to comment on the potential to attain the recruiting goals for fiscal year 2008 since these goals have not been determined to date.

NAVY RESERVE EQUIPMENT SHORTFALLS

Question. VADM Cotton, in fiscal year 2007, the Congress appropriated $35 million to you to address ongoing equipment shortfalls. How have you utilized that money to meet your service's needs?

Answer. To support hardware procurement, each Navy Warfare Enterprise (Air, Surface, Subsurface, Expeditionary, and Networks) identifies Reserve Component (RC) requirements for new equipment as part of the Navy's resource allocation process. All known deficiencies have been addressed through the Navy Warfare Enterprise process. Deficiencies have been prioritized and presented to Congress in the form of the Chief of Naval Operations Navy Reserve Unfunded Equipment Program Requirements List (UPL), submitted March 2007. Please see Table 1 for the UPL list.

The Navy is committed to keeping the RC properly equipped. The $35 million National Guard and Reserve Equipment Appropriation (NGREA) is being used to address the following RC equipment requirements:

FISCAL YEAR 2007 NGREA

Program	# Units Needed in Fiscal Year 2007	Cost per Unit in Fiscal Year 2007	Cumulative Cost	Justification
Naval Coastal Warfare	Various	Various	$5,946,000	Replacement of over-aged tactical vehicles, CESE, and communications equipment are needed to improve operational support of OEF, OIF and Homeland Defense.
Explosive Ordnance Disposal	Various	Various	$2,315,000	EOD reserve personnel require dive and protective gear, up armored vehicles, boats and communications gear to improve operational support of OEF, OIF and Homeland Defense.
Naval Construction Force	Various	Various	$12,258,000	Tactical vehicles, CESE and communications equipment are needed to improve operational support to OEF, OIF and Homeland Defense.
Naval Expeditionary Logistics Support Group.	Various	Various	$3,223,000	Tactical vehicles and CESE are needed to improve operational support to OEF, OIF and Homeland Defense.
C–130/C–9 Upgrades	Various	Various	$11,258,000	Upgrade C–130 and C–9 aircraft to enhance air logistics capability.
Total			$35,000,000	

NAVY RESERVE EQUIPMENT SHORTFALLS IN THE UNITED STATES FOR TRAINING

Question. VADM Cotton, have your units encountered a shortage of equipment in the United States for training? What sort of equipment are you lacking most?

Answer. The Navy manages Total Force equipment inventories to provide the most capable systems to meet mission requirements and minimize the effects of equipment shortfalls and incompatibility. Navy stresses interoperability as part of the Total Force concept and makes no distinction between the Active Component (AC) and the Reserve Component (RC). Equipment acquisition, upgrade programs and equipment redistribution from the AC to the RC has reduced problems in reserve equipment compatibility and capability with both active and joint forces.

The Navy Warfare Enterprises are establishing requirements and funding for RC readiness and training in accordance with the Chief of Naval Operations (CNO) Strategic Guidance and consolidating AC and RC equipment where feasible, enhancing RC equipment training throughout the Navy.

Deficiencies have been prioritized and presented to Congress in the form of the CNO's Navy Reserve Unfunded Equipment Program Requirements List (UPL), submitted March 2007 (See Table 1), which includes training equipment required to meet the Navy's RC mission.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL JACK W. BERGMAN

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

RELIANCE ON RESERVES FOR COMBAT OPERATIONS

Question. Generals Stultz, Bergman, Bradley, and Admiral Cotton: Other than the recently proposed troop level increases, what plans are you aware of in the active components of your respective services to address the issues requiring such heavy reliance on the Reserves to perform routine combat operation activities?

Answer. The USMC considers both Active Component and Reserve Component units as part of the Total Force. Under the Total Force Concept, there is very little difference in the capabilities or deployability of Active and Reserve units. The Marine Corps understands there are significant differences in the make-up of both the Active and Reserve components. For this reason the Marine Corps has instituted a Reserve Force Generation Plan to effectively train and utilize our reserve forces while maintaining their readiness for subsequent tasking and providing predictability to our Reserve Marines. Under the Reserve Force Generation Plan, our Selected Marine Corps Reserve units maintain a 1:4 deployment-to-dwell ratio. By

comparison the Active component is currently experiencing a 1:1 deployment-to-dwell ratio.

In order to relieve the pressure on both the Active and Reserve components, the Marine Corps is seeking to increase our Active Component end strength to 202,000 Marines. This will allow the Active Component to move towards a 1:2 deployment-to-dwell ratio and the Reserve Component to move towards a 1:5 deployment-to-dwell ratio.

EQUIPMENT

Question. Generals Stultz, Bergman, Bradley, and Admiral Cotton: Does your request to this Committee truly reflect all of the requirements necessary to accommodate your equipment needs and to adequately fund the programs necessary to provide quality support to those in the Reserve who are being called upon to serve their country? If not, where are the deficiencies and why are they not being addressed?

Answer. We believe that all of our Training Allowance deficiencies have been identified in our Program Objective Memorandum, fiscal year 2007 Supplemental request, fiscal year 2007 National Guard & Reserve Equipment Appropriations, fiscal year 2007 Unfunded Priorities List, and fiscal year 2008 Supplemental request. If funding is both received and executed as currently planned for all of these, we believe that all of our current Training Allowance deficiencies will be filled. However, if new equipment is not fully procured for our reserve component, if requirements increase for current equipment and additional equipment is not procured for our reserve component, if additional equipment is cross-leveled from our reserve component to our active component, or if the identified funding is not received or—for whatever reason—is not executed the way they are currently planned, then we will still have shortfalls in Training Allowance equipment. We will continue to pursue procurement of our full Training Allowances within our Total Force effort to equip our Total Force Marine Corps. For non-Table of Equipment training systems and simulators, we continue to work with our active component to define the requirement and identify additional funding needs. As of this date, our training systems and simulator requirements have been identified and, in conjunction with our active component, we are currently pursuing funding.

PACE OF CONTINUING OPERATIONS AND STRAIN ON FORCE

Question. General Bergman, the Marine Forces Reserve recently called up 1,800 Individual Ready Reserve Marines. In addition, many Marines in the selected reserve have already been deployed more than once. Are you concerned that the pace of continuing operations is straining your force and could hurt retention levels?

Answer. Our Marine Reserve is an operational force, and our Reserve Marines know, and in fact expect, that they will be called upon in time of war. That having been said, every leader, from the fire team on up, understands that an important part of sustaining and conserving a unit is to include time for rest and resupply in operational planning. We have done so within Marine Forces Reserve by creating a Force Generation Model that will allow our reserve Marines appropriate dwell time between activation periods, along with the ability to predict the timeframe when their respective units will be activated. This Force Generation Model will enhance our ability to continue to sustain the current pace of operations, and prevent excessive strain upon our force. As of yet, we have not discerned any significant negative trends with respect to retention. We remain vigilant and are continually monitoring that important benchmark.

STRAIN ON FAMILIES

Question. General Bergman, what is being done to ease the strain on families as Marine Reservists are deployed to Iraq and Afghanistan, often for the second time?

Answer. Marine and Family Services Programs are available at all Marine Corps Installations and also serve Independent Duty and Reserve units within a 100-mile radius surrounding the installation. These programs, which include prevention and counseling services and mobility support, can be tailored to meet the needs and desires of Marines and families at a specific location and have been appropriately updated to support Global War on Terror and other deployment requirements. State of the art on-line and by telephone information and referral services are the cornerstone of Marine and Family Services Programs and the most easily accessed touch point for families of Marine Reservists. Military OneSource is a free support service with professionally trained consultants that can be reached on-line or by telephone 24/7 and provides wide-ranging information and referral services, program education materials and resources, and counseling services. Moreover, Marine Forces

Reserve maintains an information and referral telephone contact line to facilitate requests for support.

The Lifestyle Insights, Networking, Knowledge, and Skills (L.I.N.K.S.) and Key Volunteer Network (KVN) Programs also play fundamental roles in supporting Marine spouses, regardless of duty station or residence. L.I.N.K.S. is a training and mentoring program designed by Marine spouses to help new spouses adapt to challenges and thrive in the military lifestyle. The KVN, with the unit Family Readiness Officer, supports the spouses of the unit Marines by providing official communication from the Command and disseminating important referral information. Our L.I.N.K.S. and KVN training guides have been updated and streamlined to more appropriately address remote access and the special challenges of Reserve families. Training for these programs is available on-line. Reserve unit Key Volunteers can contact Military OneSource and request a "Know Your Neighborhood" report on all available community support resources to be used as part of the "Local Resources" portion of their KVN education.

The Marine Corps has also partnered with the Boys and Girls Clubs of America (BGCA) and the National Association for Child Care Resources and Referral Agencies (NACCRRA). Under our agreement with BGCA, Reserve families can participate in programs at no cost. With NACCRRA, we help Reserve families locate affordable child care that is comparable to high quality on-base, military operated programs. We have also partnered with the Early Head Start National Resource Center Zero to Three to expand services in support of family members of Reservists in isolated and geographically separated areas.

SURGE AND END STRENGTH INCREASE AFFECT ON OPTEMPO FOR GWOT

Question. Lt. Gen. Bergman, can you please give me your assessment on how the surge and increase in the Army and the Marine Corps end-strength will affect your high operational tempo in supporting the global war on terror?

Answer. The surge presents no foreseen negative impact to MFR operational tempo because we are using the Force Generation Model for current and future sourcing of Marine Corps units in the global war on terror. Once the Marine Corps end-strength increase is realized, the operational tempo of MFR units should begin to taper off due to less need for augmentation/reinforcement of the active component.

RESERVE MOBILIZATION LENGTH

Question. Lt. Gen. Bergman, the Secretary of Defense has a new policy on the length of mobilizations for Reservists. What are the positives of this policy for the Marine Corps Reserve? What are the negatives?

Answer. The positive aspect of the new policy is that it provides a concrete timeline and level of predictability for our Marines, their families, and employers of what will be expected of their service in the Selected Reserve. It also fits in well with our service deployment policy/philosophy in relations to 7 months boots on the ground. As a service and for the majority of our Reserve units we were already activating them for the period of one year to account for pre-deployment training/prep (approx 3 months), 7 months boots on the ground, and then a month or so of deactivation/decompression.

As for negatives, those remain to be seen. My primary concern was creating a policy written with a focus on predictability for Marines in war fighting units. The new policy very positively assists in recruiting, equipping, training and sustaining our Marine Reserve Force.

RESERVE EQUIPMENT

Question. LtGen Bergman, in fiscal year 2007, the Congress appropriated $35 million to you to address ongoing equipment shortfalls. How have you utilized that money to meet your service's needs?

Answer. In fiscal year 2007, the Marine Corps Reserve received $35 million in National Guard and Reserve Equipment Appropriations (NGREA). For fiscal year 2007, the Marine Corps Reserve was able to procure communication upgrades, a variety of simulators to enhance and sustain its individual/unit level readiness and survivability, and critical aviation equipment.

A Communications Package [$4,901,050] was procured for those units within each of Marine Forces Reserve's Major Subordinate Commands: the 4th Marine Aircraft Wing (MAW); 4th Marine Logistics Group (MLG); and, 4th Marine Division (MARDIV). This procurement will ensure MFR units receive adequate and effective training on current communications technology before deploying for operations. The Communications Package includes:

—*Enhanced Communications Equipment [$1,436,050]*.—This package encompasses the communications requirements for several units within MFR's major subordinate commands (MAW, MLG and MARDIV). Over the past decade the requirements on communications systems have increased significantly. In order to meet these requirements, modernization of current communications equipment is needed. This package will ensure MFR units receive sufficient and valuable training before overseas deployments in support of the GWOT and improve data network storage, information restoration capability, and network speed for critical MLG data networks. Improved storage capabilities enhance hardware and information survivability in extreme environments.

—*Logistics SWAN (LSWAN) Package (MLG units) [$3,465,000]*.—The LSWAN provides an organic, long haul, over the horizon satellite system providing wideband C4 transmission paths to support internal communications requirements within the MLG's area of operations.

In comparison with the Active Component, Reserve Component training is severely limited by time, geography, and training evolution availability.

Furthermore, Reserve Training Centers are not equipped with the hardware assets to allow group and/or non-NMCI compliant computer-based training. Successful mitigation of these deficiencies has involved an increased investment in simulation. Broad advances in quality of simulation technologies combined with live training have proved to be a wise course of action. The Simulation Package [$11,895,000] includes:

—*Deployable Virtual Training Environment (DVTE)[$1,170,000]*.—The DVTE allows deploying units at their home station to take full advantage of the numerous Marine Corps program of record software that is currently non-NMCI compliant as their training schedule permits. The DVTE also provides Marines with access to electronic courseware while they are deployed aboard ship or from remote locations ashore.

—*Virtual Combat Convoy System (VCCS) [$4,900,000]*.—The VCCS trains Marines in basic and advanced convoy skills using variable terrain and roads in a variety of weather, visibility, and vehicle operational conditions. It incorporates small arms and crew served weapons response training, provides mission preview/mission rehearsal capability, provides training on fire coordination between vehicles, call for fire, close air support coordination, communication, and MedEvac.

—*Basic Indirect Fire and Forward Air Control Trainer (IFACT) [$1,875,000]*.—The IFACT reduces geographic and training time constraints at a significant cost savings when compared to live fire exercises. Using computer generated video simulation in conjunction with computer simulated aircraft control stations; IFACT provides the capability to train Forward Observers, Naval Gunfire Liaison Officers, Fire Support Planners, Joint Tactical Air Control Operators, and pilots.

—*Medium Tactical Vehicle Replacement—Training System (MTVR–TS) [$3,950,000]*.—MTVR–TS is a vehicle simulator used for training Marines in the operation of the MTVR. Procurement of this mobile simulator will allow MTVR equipped Reserve units to receive essential training in a safe and controlled environment, regardless of training range availability or weather conditions, thereby better preparing Marines for operating a MTVR in combat conditions.

Aviation equipment [$17,023,000] was procured to ensure aircraft component compatibility with our Active Duty counterparts as well as provide a critical upgrade to KC–130T communications systems. The Aviation Package includes:

—*Litening II Targeting Pod & modification/installation kits [$7,308,000]*.—The capability and functionality of the Litening AT/ISR generation Pod provides Air-to-Ground Electro-Optical (EO) and Infrared (IR) Targeting; Air-to-Ground Laser Designation, Ranging, and Marking; Laser Spot Tracker (LST) targeting in support of Forward Air Controller/Airborne (FAC/A) Missions and Laser Guided Weapon Delivery. This purchase will ensure Reserve F/A–18A+ aircraft can effectively and competently support the Litening II mission, when activated.

—*KC–130T AN/ARC–210(V) Multi-mode Radio System [$1,715,000]*.—The AN/ARC–210(V) multimode integrated communications system is designed to provide multimode voice and data communications in either normal or jam-resistant modes in line-of-sight or satellite communications modes. Procuring this radio system upgrades all 28 Reserve KC–130T assets to a common operational SATCOM configuration.

—*UC–12+ Aircraft [$8,000,000]*.—The current UC–12 aircraft's shortcomings, such as the inability to carry outsize cargo due to lack of a cargo door, insufficient self protection, and the lack of unprepared landing capability negatively impact short haul Operational Support Airlift (OSA) missions in theater. The

purchase of the UC–12+ aircraft will alleviate these shortcomings and provide the required support for urgent intra-theater lift.

Other equipment [$1,180,950] was procured to ensure systems compatibility with our Active Duty counterparts as well as provide critical systems for SMCR units. The other equipment includes:

—*Defense Advanced GPS Receiver (DAGR) [$280,950].*—The DAGR provides real-time position, velocity, navigation, and timing information for the conduct and support of operations by SMCR units.

—*Sensor Mobile Monitoring Systems—2nd Generation (SMMS II) [$900,000].*—SMMS II provides our Ground Sensor unit with improved communications capabilities, organic mobility to support maneuver elements, and the ability to monitor sensors while on the move. Procurement of this equipment ensures parity with active component counterpart units, commonality of training, and production of the full range of Ground Sensor unit capabilities.

The continued appropriation of NGREA dollars allows us to react when certain essential equipment requirements fall below the priority funding line.

RESERVE RECRUITING

Question. Lt. Gen. Bergman, it was noted that the Marine Corps Reserve had exceeded recruiting goals so far this year. What specific tools do you believe have been the most effective for recruiting?

Answer. The Marine Corps sustains success through sound leadership, effective training and our most effective asset ("tool")—THE MARINE RECRUITER. Your continued efforts to provide budget support for recruiting initiatives also help your Marines win on the recruiting battlefield.

TRAINING EQUIPMENT

Question. LtGen Bergman, have your units encountered a shortage of equipment in the United States for training? What sort of equipment are you lacking most?

Answer. Due to equipment provided to OIF, we have incurred an approximate 10 percent degradation to our Training Allowance across all commodity areas. The most critical of these is in communications assets. However, some of this will be alleviated with the fielding of new communication equipment expected this fall. For aviation assets the F/A–18A+ LITENING Pods remain our main concern. fiscal year 2007 NGREA dollars have funded three of 10 required.

SUBCOMMITTEE RECESS

Senator INOUYE. Our next meeting will be on Wednesday, April 25 at 10:30 a.m. At that time, we will receive testimony for the fiscal year 2008 budget from the Missile Defense Agency. Until then, we stand in recess.

[Whereupon, at 12:45 p.m., Wednesday, April 11, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, April 25.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2008

WEDNESDAY, APRIL 25, 2007

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

The subcommittee met at 10:35 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Dorgan, Feinstein, Mikulski, Stevens, Cochran, and Shelby.

DEPARTMENT OF DEFENSE

MISSILE DEFENSE AGENCY

STATEMENT OF LIEUTENANT GENERAL HENRY A. OBERING III, UNITED STATES AIR FORCE, DIRECTOR

STATEMENT OF SENATOR DANIEL K. INOUYE

Senator INOUYE. I am pleased to welcome Lieutenant General Obering, Director of the Missile Defense Agency (MDA) and Lieutenant General Campbell, who wears three hats—Commanding General of the U.S. Army Space and Missile Defense Command, the U.S. Army Strategic Forces Command and the Joint Functional Component Command for Integrated Missile Defense. They are here before the subcommittee today to discuss the fiscal year 2008 budget request for missile defense.

Gentlemen, it's been a banner year for missile defense. After nearly 25 years and over $90 billion spent, I believe we can finally say, with confidence, that we have turned the corner. The United States has a system in place that could be operational if needed. Indeed, when North Korea tested multiple missiles last January, parts of the missile defense system were on alert, tracking, and ready to respond.

You should be proud of the agency's accomplishments. In the past year alone, the ground-based missile defense (GMD) interceptor, the aegis sea-based missile defense system and the terminal high altitude area defense (THAAD), the theatre high area altitude defense system all succeeded as designed at intercepting targets which simulated attacking missiles.

Today we face a new challenge. It is time to get these missile defense capabilities operational and fielded. It's time to move from research and development to fielding a system that is fully tested

and fully capable. We have the pillars in place to do this with GMD, aegis, and THAAD. These programs require our full attention.

It is these programs that will serve as a basis for our missile defense capabilities for decades to come and I'm pleased to see that the fiscal year 2008 budget request goes a long way toward accomplishing this. However, there are many issues that I hope you will address today regarding the nearly $9 billion budget request before the subcommittee, including the need for the European Third Site, our progress and cooperation with the Japanese on missile defense and the introduction of a space test bed in the missile defense program.

I thank both of you for appearing before the subcommittee and I look forward to hearing your remarks but before we do, may I call upon the vice chairman, Senator Stevens.

STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Thank you very much, Mr. Chairman and Generals. I apologize for being a little late. You've heard the chairman's statement and if there is anything that stands out about this program is that it's been totally supported on a bipartisan basis by this subcommittee and I stand by and endorse everything that the chairman has said. I look forward to some questions when we get to that point. But I too, congratulate you on the continued success of this program and I look forward to working with you on it. Thank you.

Senator INOUYE. Thank you. Senator Shelby.

Senator SHELBY. Thank you, Mr. Chairman. I'll be brief. I just want to welcome both General Campbell and General Obering and I agree with you, Chairman Inouye, that we have turned the corner after many years and I look forward to their testimony today. I think we will see more progress in this same area. Thank you, Mr. Chairman.

Senator INOUYE. Thank you, Senator. General Obering.

General OBERING. Good morning, Mr. Chairman, Senator Stevens, Senator Shelby. I'm honored to have this opportunity. I ask that my written statement be entered into the record.

This morning, I would like to emphasize very briefly, four key points. First, the ballistic missile threats are real and growing. Now is not the time to cut back America's efforts to defend our homeland, deployed forces, allies, and friends from these threats.

Second, the integrated layered missile defense system that thousands of Americans have been developing, fielding and deploying, works and is having an impact. Third, we are developing and fielding missile defense capability at an unprecedented pace within our budget constraints, using the flexible acquisition authorities that you have given us.

And fourth, we are gaining widespread international support and cooperation. In the last year, as you said, we have seen aggressive ballistic missile development and test efforts in North Korea and Iran as well as terrorist use of ballistic rockets in attacks against Israel.

So far this year, the pace of foreign ballistic missile testing is roughly twice that of last year, reflecting a determination to ac-

quire these valuable weapons, a value generated by the historical act of deployed defenses against them. Therefore, it is critical that we continue to develop, field, and deploy missile defenses to devalue these weapons.

Last summer, when North Korea launched several missiles capable of striking our allies and deployed forces in the Pacific with an intercontinental ballistic missile (ICBM) believed capable of striking the United States, we were able to provide the President an option—an option to activate an integrated missile defense system, a system that I have confidence in. This confidence is borne in our test program, which accounts for almost $2 billion per year.

We have taken on the challenge of realistically testing a complex system that covers more than 10 time zones and that intercepts warheads, both in the atmosphere and in space. The Director of Operations Test and Evaluation and I have approved an integrated master test plan, which includes criteria for operational realism.

In particular, this past September, we conducted a long-range intercept flight test that involved the use of operational crews, operational fire control, and fielded software. We also used operational sensors and an operational interceptor launched from an operational missile field. Over the past year, the Missile Defense Agency has conducted more than 35 major tests and successfully met our primary test objectives in 15 of 16 flight tests and yesterday, we successfully launched the near field experimental satellite into low Earth orbit.

Overall, since 2001, we have built a record of 26 successful hit to kill engagements and 34 attempts. This does not mean that there may not be setbacks in the future, because our test schedule remains very aggressive. For the remainder of this year, we plan to conduct two more long-range intercept flight tests, four aegis flight tests, two terminal area defense flight tests, one Israeli arrow test, and dozens of ground tests.

We have also been successful in the unprecedented fielding and deployment of capability to the warfighter, thanks to an underlying acquisition approach that gives us the flexibility to manage risk while continually upgrading the program.

As a result, in just over 30 months, since June 2004, we have in place 17 long-range interceptors in Alaska and California, modified 16 aegis ships for missile tracking with 7 of those ships able to launch the 20 sea-based interceptors that we have fielded. We have upgraded three land-based early warning radars, delivered two transportable radars and one massive sea-based X-band radar and we fielded command and control capabilities in Hawaii, Alaska, Colorado, Nebraska, Washington, and the United Kingdom. Using our approach, we have achieved in 2½ years what would have taken two or three times longer with the standard process.

Our acquisition flexibility has also allowed us to implement numerous cost saving measures. We have reduced unneeded overhead by approximately $1.8 billion from 2006 to 2011. More specifically, we saved enough money in the ground-based mid-course program alone to purchase four more interceptors. I believe that rolling back this flexibility would be a grave mistake for the warfighters and for the taxpayers.

The inclusion of U.S. Strategic Command and the other combatant commands in our development, testing, training, and fielding activities has been another key to the success. We worked with them closely and the services from defining and prioritizing requirements to transition and transfer plans for operations and support.

Based on this solid foundation, we are now requesting $8.9 billion for 2008, with more than 75 percent of those funds or $7.1 billion going to near-term capabilities and the remainder of $1.8 billion allocated to develop defenses against the threats that may loom tomorrow.

This budget reflects a three-part strategy. First, we seek $5.9 billion to maintain and sustain an initial capability that includes the fielding of up to 44 long-range interceptors in Alaska and California, deployment of up to 132 sea-based interceptors on 18 aegis ships, deployment of two mobile terminal air defense fire units with 48 interceptors and expanding our critical command, control, battle management and communications element. Sustaining its overall capability is approaching $1 billion per year.

Second, we seek $1.6 billion to close the gaps and improve our capability to keep pace with growing threats. This objective does include the fielding of 10 long-range interceptors and a mid-course radar in Europe to defend our deployed forces and allies in that theatre as well as providing additional protection to the United States. We have entered into discussions with Poland and the Czech Republic to host these assets and we have been engaged with our North Atlantic Treaty Organization (NATO) partners and the Russians.

In fact, just last week, I appeared before both the NATO Council and the NATO Russia Council to brief our proposals for missile defense. The Secretary General said it best afterward when he stated that the NATO Alliance is in absolute agreement that there is a shared perception of the threat, which must be addressed, and that NATO is committed to indivisible security. He went on to state that there were no objections voiced in the Alliance to the United States, Czech, and Polish proposal and that the proposal would not change the strategic balance between the United States and Russia.

Finally, we request $1.4 billion for the third component of our strategy to develop options for future threats, options which include boost phase defenses and the ability to provide persistent space-based global detection and tracking. Missile defense is global in nature and we have an increasing number of allies and friends joining us in our efforts.

Japan remains one of our closest partners in missile defense. Together, we have successfully flight-tested new nose cone technologies and agreed to co-develop a larger version of the standard missile 3. We are working closely with the United Kingdom and Denmark to upgrade existing early warning radars. We have also signed cooperative agreements with Australia and Italy and continue to work with Israel on both medium- and short-range missile defenses. And we have begun collaborating on missile defense with many, many other nations.

In closing, I want to emphasize that the threat we are facing from ballistic missiles is real and growing. As we look to the gathering clouds of the threat on the horizon, I believe that we are reaching a critical point. Moving ahead strongly with our allies in building missile defenses, we can send a strong message to our enemies. Investing in ballistic missiles is just not worth it. We can and will destroy them if used against us or our allies. But if they continue to threaten us or our allies, I want to ensure that we have an answer for the people when they ask us, as they did last summer, can you defend us against these weapons?

We have overcome setbacks and technical hurdles, as you said but thanks to the support from this subcommittee and Congress, we are succeeding in our mission and we have absolutely no reason to slow down. Thank you very much for the opportunity to appear before you and I look forward to your questions.

Senator INOUYE. I thank you very much, General Obering.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL HENRY A. OBERING III

Good morning, Mr. Chairman, Senator Stevens, distinguished members of the committee. It is an honor to present the Department of Defense's fiscal year 2008 Missile Defense program and budget.

I am pleased to report that 2006 was a year of significant accomplishment for all aspects of our missile defense program. We made substantial progress in developing, testing and fielding an integrated, layered Ballistic Missile Defense System (BMDS) to defend the United States, our deployed forces, and our allies and friends against ballistic missiles of all ranges in all phases of their flight.

Of the $8.9 billion we are requesting in fiscal year 2008, we will allocate $7.1 billion for near-term efforts and $1.8 billion for longer-term programs. In the near-term, we seek to build on, and sustain, our current capability to defend the homeland against limited long-range ballistic missile threats and protect allies, friends and deployed forces against short- to medium-range threats. To achieve this goal, we intend to complete by the end of 2011 the fielding of up to 44 Ground-based Interceptors (GBIs) in Alaska and California; enhance our early warning radars in Alaska, California and the United Kingdom; integrate the Sea-based X-band (SBX) radar into the BMD system; deploy up to 132 sea-based Standard Missile-3 (SM–3) interceptors on 18 Aegis engagement ships; and expand our command, control and battle-management network by establishing three new command and control suites at U.S. Strategic Command, U.S. Pacific Command and U.S. Northern Command.

We also seek to close gaps and improve our capability to defend against a growing Iranian threat. We will continue the initiative we began this year to field 10 long-range interceptors and a midcourse radar in Europe beginning in 2011. This initiative is essential for a robust, layered defense of the homeland against long-range threats from the Middle East. It will also extend this defense to our deployed forces, allies and friends in the region who currently have no defense against longer-range ballistic missiles. To improve our capabilities to defeat more complex threat suites, our Multiple Kill Vehicle (MKV) program will allow us to engage multiple warheads and countermeasures with a single interceptor launch. Delivering this volume kill capability is important to the warfighter and is one of our top priorities.

For the longer-term, we are developing the Space Tracking and Surveillance System to provide a persistent, near-real-time global detection, tracking and fire control capability. This system will significantly increase the BMD system's agility and flexibility to respond to future worldwide emerging threats. We also continue to pursue boost-phase intercept capabilities in order to increase the "depth" of our integrated, layered system. Boost-phase defenses promise to increase our intercept opportunities and destroy enemy ballistic missiles when they are most vulnerable. The Airborne Laser (ABL) remains our primary boost-phase program. Based on the Defense Science Board's recommendation, we're continuing the high-acceleration Kinetic Energy Interceptor (KEI) booster development effort as an option in the event ABL does not meet critical knowledge points in its test program. The United States-Japanese cooperative development of a follow-on SM–3 interceptor to give the Aegis system an intercontinental ballistic missile (ICBM) intercept capability, a robust

sea-based terminal capability to defeat shorter-range threats, a modest experimental Space Test Bed, and our continuing advanced technology efforts all support the goal of closing capability gaps in the system.

THE EVOLVING SECURITY ENVIRONMENT

This past 4th of July, millions of Americans were made aware of just how real the threat from ballistic missiles is and how vital the missile defense program is to our national security. With the launches of the short-, medium- and long-range missiles by North Korea, missile defense became an urgent matter overnight. Because of the efforts of thousands of Americans dedicated to this program, we were able to activate a missile defense system to protect the United States had a threat emerged.

In November 2006 and January 2007 Tehran conducted several short- and medium-range ballistic missile and rocket launches. In the November exercises Iran demonstrated for the world its offensive capabilities via televised broadcasts.

North Korea and Iran dedicate significant resources to acquiring ballistic missiles, to include new medium- and intermediate-range systems capable of reaching forward-deployed U.S. forces and our allies and friends. North Korea continues to work on intercontinental-range systems capable of reaching the United States. In addition, our intelligence community assesses that Iran would be able to develop an ICBM before 2015 if it chose to do so.[1] With the missile firings over the past year, they have also demonstrated the ability to conduct coordinated launch operations. But they are not alone.

In 2006 there were about 100 foreign ballistic missile launches around the world. This year to date, the pace of testing is about twice that of last year—a trend reflecting the determination of many countries to acquire these capabilities.

The actions of North Korea and Iran this past year demonstrate the determination of these rogue regimes to achieve this capability and potentially weapons of mass destruction to further aggressive ends. With the proliferation of ballistic missile technology, we expect to be surprised by unexpected and more robust threats. The missile defense development program recognizes that we must stay a step ahead of a dynamic threat.

U.S. BALLISTIC MISSILE DEFENSES—A REPORT CARD

In January 2002, just a little more than 5 short years ago, the Secretary of Defense directed the agency to restructure the missile defense program to deal with the urgency, enormity and complexity of developing, testing and building a missile defense system. This bold initiative required the adoption of an evolutionary acquisition strategy to be executed by a single agency, a strategy that relies on continual assessments of the threat, available technology, and what can be built and fielded to provide a militarily useful capability in an urgent manner.

Having capitalized on our steady progress since the 1980s, the dedicated men and women of the Missile Defense Agency and our industrial partners delivered to the Combatant Commanders in 2004 an initial missile defense capability to defeat the near-term long-range missile threat. Supported by an extensive command, control, battle management and communications (C2BMC) infrastructure, we connected additional system elements to the fire control system and put in place trained system operators, the logistics support infrastructure and support centers required for this limited operational system.

To date, we have made significant, and in many ways, unprecedented strides to deliver a capability where none existed before. Since 2002 we have fielded and completed the initial integration of land- and sea-based interceptors, mobile and fixed sensors and command, control, battle management, and communications suites to deliver one of the most complex and comprehensive defensive capabilities ever envisioned. And we did so while sustaining an aggressive development program that continues to feed new technologies into the system.

Mr. Chairman, the missile defense investments of 4 administrations and 11 congresses are paying off. With the initial deployment of a limited missile defense capability, the era of absolute vulnerability of our country to a long-range missile attack came to a close. This is important, because I believe a capability against even a single reentry vehicle has significant military utility. The modest long-, medium-, and short-range defensive capabilities we have today can help reduce the more immediate threats to our security and enhance our ability to defend our interests abroad.

[1] Vice Admiral Lowell E. Jacoby, USN, Director, Defense Intelligence Agency, "Current and Projected National Security Threats to the United States," Statement before the Senate Armed Services Committee, 17 March 2005, p. 11.

Long-Range Defenses.—As part of our strategy to protect the United States from ballistic missiles launched from North Korea or Iran, we have emplaced high-performance interceptors in missile fields at two sites and integrated them into the system. The system's Ground-Based Interceptors use hit-to-kill technologies to destroy intermediate- and long-range ballistic missile warheads in space, in the midcourse phase of flight. These are the only weapons we have available today to defeat longer-range threats once they have been launched. With 18 interceptors emplaced today, we plan to increase interceptor inventories at Fort Greely, Alaska and Vandenberg Air Force Base, California up to 24 by the end of this year.

The system today will receive a cue from Defense Support Program satellites or from one of 16 long-range surveillance and track Aegis destroyers that could be stationed near the threat region. These satellites and ships can pass detection or cueing data across communications lines into BMD system communication and battle manager nodes located in Fort Greely and Colorado Springs. Today we stand ready to locate and track threats coming out of East Asia using the Cobra Dane radar in the Aleutians and the upgraded early warning radar at Beale Air Force Base, California.

Powerful X-band radars located on a mobile platform in the Pacific Ocean and at Shariki, Japan can provide precise tracking and discrimination to increase the probability we will destroy any lethal target. A 2006 independent assessment concluded that the Sea-Based X-band radar, which deployed to the Pacific at the end of 2005, is sufficiently rugged to operate in the rough seas of the northern Pacific. These conditions were validated this past winter when the SBX experienced extremely hazardous weather with negligible impact. Also in 2006, we deployed the first forward-based X-band radar to Japan, accelerating its deployment and supporting C2BMC equipment to its operational location in Shariki Japan, achieving partial mission capability in October 2006.

Short- to Medium-Range Defenses.—Since 2004 we have expanded and improved terminal and midcourse defenses to defeat short- and medium-range threats from land and sea. Aegis ships have been periodically put on station in the Sea of Japan to provide long-range surveillance and tracking data to our battle management system. We began fielding Standard Missile-3 interceptors in 2004, evolving to a more capable interceptor. With our growing inventory of Standard Missile-3 interceptors on Aegis ships, we can provide a flexible sea-mobile capability to defeat short- to intermediate-range ballistic missiles in their midcourse phase. In 2005 we upgraded the first Aegis cruisers for the engagement mission. Today we have available three Aegis BMD engagement cruisers and four engagement destroyers.

Having successfully transitioned the Patriot Advanced Capability-3 (PAC–3) to the U.S. Army in March 2003, we continue to maintain configuration control and work with that service to improve and upgrade PAC–3 and Medium Extended Air Defense System (MEADS) performance. Today, PAC–3 fire units are being integrated into the forces of our allies and friends, many of whom face immediate short- and medium-range threats.

Integrating the System.—For the ballistic missile defense system to work effectively, all of its separate elements must be integrated across several Combatant Commands. This capability allows us to mix and match sensors, weapons and command centers to dramatically expand detection and engagement capabilities over what can be achieved by the system's elements operating individually. Combatant Commanders can use the C2BMC infrastructure to enhance planning, synchronize globally dispersed missile defense assets, and manage weapon inventories. These capabilities also can provide our senior government leadership situational awareness of ballistic missile launches and defense activities. Today we have in place a planning capability within U.S. Strategic, Northern, and Pacific Commands.

Supporting the Warfighter.—This past year we continued work with U.S. Strategic Command and other Combatant Commands to train missile defense crews at all echelons, ensuring that they can operate the ballistic missile defense system if called upon to do so. We established a BMD operations watch officer to provide real-time BMD situational awareness, operational status, and coordinate the configuration of the system and have executed a series of exercises, which involve temporarily putting the system in a launch-ready state.

We have set up a process to collaborate with the Combatant Commanders and the military services to define and prioritize requirements as the system evolves. For example, we did not have a sea-based terminal layer planned for the program until the Commander of U.S. Strategic Command identified this as a desired capability. Once this need was identified, we worked with the Navy to define and budget for near- and far-term programs for a sea-based terminal defense. We also have worked closely with the services and the Office of Secretary of Defense on transition and transfer activities to address operations and support of the system elements. The

Deputy Secretary of Defense identified lead military departments for eight elements of the BMDS, and the Navy has just agreed to take on lead service responsibility for the Sea-Based X-Band Radar. We have developed transition and transfer plans with the services and the Combatant Commands. These plans capture both agreements and the roles and responsibilities associated with evolving operations and support activities. This collaboration with the warfighter includes training, testing, wargaming, and conducting exercises and simulations, all of which help demonstrate and improve the capability and reliability of the missile defense system.

BMD System On Alert.—As I stated earlier, when the North Koreans conducted their launches last summer, for the first time in the history of the United States, we had the capability to defend our people against a long-range missile had it been necessary. Working closely with U.S. Strategic Command's Joint Functional Component Commander for Integrated Missile Defense, we successfully took the system out of the development mode and handed it over to the warfighter for operation. This activation of the system last June helped us to refine procedures and taught us invaluable lessons about system operations.

Alert activities included activation of the ground-based midcourse defense and the deployment of a missile defense capability to the Sea of Japan. We had Aegis long-range surveillance and track ships stationed east and west of Japan during the missile firings. Data collected from these sensors would have helped identify whether the long-range launch was a ballistic missile or a space launch vehicle and would have provided tracking data to the system. The C2BMC situational awareness displays were operational and being monitored at the various commands.

We also accelerated the capability of the forward-based X-band radar in Japan for data collection. The Sea-Based X-band radar was stationed off Hawaii and similarly standing by for data collection. At the time, the forward-based radar and the sea-based radar were not integrated into the system. Given these events from last summer and our ability to bring the system on line and prepare it for emergency use, I am very confident that the system would have operated as designed had the Taepo Dong-2 threatened the United States.

We have an operational system today because of the capability-based acquisition approach we have followed since 2002. This approach leverages collaboration with the warfighter community throughout development and testing to the point where we transition or transfer capabilities to the operators. Some have asserted that our non-traditional approach lacks discipline, transparency, and/or accountability. I do not agree. I think the progress we have made to date in fielding a missile defense capability speaks for itself and justifies the continuation of this approach. Had we followed the traditional acquisition approach, we would not have had an operational capability to respond to the potential threat from North Korea. Had we followed the traditional approach, I believe we truly would have "delivered less at a higher cost."

The missile defense program is highly scrutinized by the Department of Defense, the Congressional Budget Office, the Government Accountability Office, and the Congress. In 2004 Congress required the Missile Defense Agency to submit a cost, schedule and performance baseline for each block configuration of the BMDS being fielded. We have complied with this law every year, describing our baseline in terms of 2-year increments of capability called fielding blocks. From an acquisition process perspective, I understand that we are blazing new trails, and the information we provide is therefore different from what people are used to seeing. I understand the onus is on us to clearly convey to Congress that we are fielding ballistic missile defense capability in a responsible and transparent manner, and I am committed to doing that. I have therefore directed my staff to complete a review of our current approach and look at ways to better describe our baseline program.

USE OF PROCUREMENT FUNDS WOULD SET BACK MISSILE DEFENSE PROGRESS

In 2002 the Department of Defense directed the Missile Defense Agency to use research, development, test and evaluation (RDT&E) funding to develop and field a single integrated missile defense system outside the traditional acquisition process. This direction gave MDA the ability to make knowledge-based decisions and incrementally fund system element and component quantities, combinations, and upgrades to support accelerated fielding and keep pace with an evolving, uncertain threat.

The use of RDT&E funds makes possible a development and fielding approach that: provides flexibility to pursue multiple development paths, reducing risk inherent in BMD system engineering by allowing MDA to scale back on less promising efforts; demonstrates what works and what does not; allows for flexible responses to changes in the evolving threat; and facilitates technology-based improvements during development and fielding phases.

The flexibility in the current missile defense program was highly advantageous for the Nation this past summer when the North Koreans launched short-, medium-, and long-range ballistic missiles, making missile defense an urgent matter overnight. If we had used procurement funding at the start of the missile defense program in 2002, we arguably would not have had a system to activate to meet the possible threat to our security this past July. The average major defense acquisition program has a cycle-time of 6 years between Milestone B (program start) and Milestone C (authorization for production). Assuming the BMDS had received Milestone B approval in 2002, MDA would have been seeking Milestone C approval in 2008 before it could begin procurement and fielding of the long-range missile defense system. The traditional acquisition process simply does not accommodate the development and fielding of a complex and military useful ballistic missile defense capability on an urgent timeline.

However, if we were told today to use procurement funds to field BMDS assets rather than incrementally fund them across the fiscal year defense program, as we have done for the last 4 years with congressional support, I think it is important to understand the impacts. Procurement funding would complicate the ability to respond with agility to the evolving threat and limit MDA's ability to implement efficiencies and improvements in the BMD system.

The required use of procurement funding also would narrow significantly the content of program work (decreasing our development options for meeting future threats). For example, MDA would be forced to pay for all current on-going fielding programs in 1 fiscal year or stretch out the fielding of near-term assets over a longer period of time than currently planned. This requirement could add as much as $3.3 billion in additional cost to our projected budget in fiscal year 2009 alone. To pay for this shortfall in one fiscal year, MDA would have to terminate, for all practical purposes, most of its development efforts, eliminating options for future capabilities and compromising the current system engineering and testing processes. The alternative would be to delay current fielding activities of critical assets such as the Ground-Based Interceptors, the Standard Missile-3 and the Terminal High Altitude Area Defense System. And this would only be the start.

Changing the funding approach also would restrict or eliminate the agency's ability to make responsive schedule and funding adjustments, as was done with the flight-test stand-down in early 2005. Another example was the adjustment we made to the Standard Missile-3 missile fielding as a result of design issues associated with the third stage rocket motor and the Divert and Attitude Control System. The ability to make these adjustments allowed the agency to implement key recommendations of the Mission Readiness Task Force that have since put the long-range test program back on track. The restrictions in program flexibility imposed by the use of procurement funding would have greatly limited the agency's ability to accelerate last year's deployment of the forward-based X-band radar to Japan and hindered the actions it took to recover Ground-Based Interceptor and THAAD interceptor production capabilities following the 2003 booster motor plant explosion at a key contractor facility.

I remain committed to working with the Congress to develop a new approach allowing the continued use of RDT&E funding while providing Congress with the information it needs to ensure accountability and oversight.

BUILDING CONFIDENCE THROUGH SPIRAL TESTING

Testing under operationally realistic conditions is an important part of maturing the system. We have been fielding test assets in operational configurations in order to conduct increasingly complex and end-to-end tests of the system. While the BMD system is a developmental system, it is available today to our leadership for activation to meet real world threats. Given this dual function of the test bed, the operational test agencies and the warfighting community are very active in all phases of our test planning, execution, and post-test analysis.

Using criteria established by the agency's system engineers and our warfighters, all system ground and flight tests provide data that we and the operational test community use to verify the system's functionality and operational effectiveness. Our flight tests are increasing in operational realism, limited only by environmental and safety concerns. Each system test builds on the knowledge gained from previous tests and adds increasingly challenging objectives, with the downstream goal of devising scenarios that test elements of the system from end-to-end. This spiral test approach increases knowledge of, and confidence in, the system performance while maintaining safety and minimizing artificiality.

Last year I explained that we had several concerns with quality control and reliability that led to two successive Ground-based Midcourse Defense test aborts, prob-

lems that we have since comprehensively addressed. The independent review team concluded that the deficiencies in systems engineering, ground qualification testing, flight test readiness certification, contractor process control and program scheduling were not systemic and did not compromise initial defensive capabilities. I testified last year that I did not view the failures as major technical setbacks.

Coming off the very successful fly-out of the operational configuration long-range interceptor in December 2005, we conducted a long-range intercept flight test last September that exceeded our objectives. That complex test involved an operationally configured interceptor launched from an operationally configured silo at Vandenberg Air Force Base, operational sensors, and operationally trained crews manning the fire control consoles. The test demonstrated the functionality of the Exo-atmospheric Kill Vehicle and the ability to engage a threat-representative target using the Upgraded Early Warning Radar at Beale Air Force Base in California. After the kill vehicle acquired the target launched out of the Kodiak Launch Complex in Alaska nearly 3,000 km away from the engagement zone, it successfully intercepted it. While it was not hooked into the system, we also demonstrated the powerful contributions the Sea-Based X-band radar can make in the areas of tracking and discrimination. This was our most operationally realistic, end-to-end test of the system involving the Ground-based Midcourse Defense element to date.

Over this past year the Missile Defense Agency conducted more than 35 major tests and successfully met our primary test objectives in 14 out of 15 flight tests. In fact, during a 90-day period last summer, we achieved successful hit-to-kill intercepts in the lower atmosphere with the Patriot Advanced Capability-3, in the upper reaches of the atmosphere with the Terminal High Altitude Area Defense element, and in space with the Aegis Standard Missile-3 and the Ground-Based Midcourse Defense elements. Including tests of the Patriot Advanced Capability-3, we achieved seven hit-to-kill intercepts of ballistic missile targets in eight attempts in 2006. Since 2001, we have built a record of 26 successful hit-to-kill engagements in 34 attempts. Our test plans for 2007 and 2008 will continue to use more complex and realistic scenarios for system-level flight tests.

We plan three more long-range interceptor flight tests by the end of this year that continue to push the edge of the envelope in testing complexity. All tests will continue to use operationally trained crews and the operational launch site at Vandenberg. We plan to integrate the Sea-Based X-band radar into the system for the intercept test in late summer as we continue to expand the number of sensors available to us to cue the system and engage targets.

On June 22 of last year, we successfully used a U.S. Navy Aegis cruiser to engage a separating target carried on a threat-representative medium-range ballistic missile. As we had done in the past three flight tests, we did not notify the operational ship's crew of the target launch time, and they were forced to react to a dynamic situation. The role of the crew is an important part of our ability to engage hostile missiles, and last December we increased test complexity by attempting a simultaneous engagement of aerial and ballistic targets and by using operator-selectable parameters to allow for automatic identification of targets. A crew member changed the ship's doctrine parameters just prior to target launch. This modification prevented the ship's fire control system from conducting the planned ballistic missile and aerial target engagements. The primary target was a very short-range ballistic missile, and thus there was insufficient time for manual engagement. When the Standard Missile-3 interceptor failed to launch, we aborted the launch of the Standard Missile-2 interceptor. This is another example of why we conduct tests—to expose flaws in the system and wring out operational procedures. We are working to resolve the problem we experienced in the test last December and expect to conduct it again this spring.

We plan four more Aegis intercept flight tests in 2007. We will again demonstrate the integration of the Aegis BMD weapon system into the overall BMD system and evaluate the ship crew's performance in executing an operationally realistic BMD mission. Early this summer, we will attempt an intercept of a separating, medium-range target using the Standard Missile-3 Block IA interceptor. Later this year, we will demonstrate the ability to engage two near-simultaneous short-range unitary targets. Also late in 2007, as part of our growing partnership with Japan, a Japanese Maritime Self Defense Force Kongo-class ship will attempt to engage a medium-range ballistic missile separating target using the Block IA Standard Missile-3 interceptor. This will be the first such firing by a maritime ally. In 2008 we will engage a separating intermediate-range ballistic missile target using off-board sensor information to launch the interceptor. We will also attempt a second sea-based intercept test with our Japanese partners.

As I mentioned earlier, flight-testing involving the redesigned Terminal High Altitude Area Defense (THAAD) interceptor continued last July with a successful en-

gagement of a unitary target high in the atmosphere. In September we again sought to demonstrate the performance of the new missile and the ability to integrate it into the BMD system, but we were unable to do so following the failure of the target missile. This past January and earlier this month, we again successfully destroyed short-range targets. These endo-atmospheric engagements were the first such tests of the THAAD interceptor at the Pacific Missile Range Facility. To demonstrate the capability of the THAAD fire unit to intercept at different altitudes in the atmosphere and in low exo-atmosphere, we plan one more intercept test in space later this year against a unitary target. In 2008 we plan to demonstrate interceptor capabilities against more stressing targets. We will conduct two intercept tests involving the THAAD interceptor, one against a separating target in space, and the other against a separating target high in the atmosphere. Further, the first test in 2008 will include the launch of two THAAD interceptors. The Missile Defense Agency will also participate in Patriot combined developmental/operational tests as well as Air Force Glory Trip flight tests.

In 2007 we will continue with our successful ground testing, which involves warfighter personnel and test hardware and software in the integrated system configuration to demonstrate system connectivity and interoperability. Upcoming tests will verify integration of the sea-based, forward-based, and Fylingdales radars. The funds we are requesting will support additional capability demonstrations and readiness demonstrations led by the warfighting community. We currently cannot test and train on the system while it is in full operational mode. To address this problem, we are developing a capability to support continued research, development, test, evaluation, and maintenance while concurrently sustaining operational readiness.

Based on the many tests we have conducted to date, we maintain our confidence in the BMD system's basic design, its hit-to-kill effectiveness, and its inherent operational capability. We continue to work closely with the Director, Operational Test & Evaluation, Operational Test Agencies, and Combatant Commanders to characterize the effectiveness and readiness of the system at every stage in its development and fielding. We are developing the capability to conduct concurrent test, training, and operations, which will allow Combatant Commanders to keep the system in operational mode while we test, train, and make improvements to the system.

BMD SYSTEM FIELDING PLANS

Maintaining and Sustaining the Capability.—The top priority of the Missile Defense Agency is to maintain and sustain the deployed initial capability to stay ahead of the North Korean and Iranian threats. This means improving long-range capabilities for homeland defense and moving forward with initial defenses to protect allies and U.S. interests abroad against shorter-range ballistic missiles.

Our program strategy completes the fielding of ground-based interceptors in Alaska and California. We will begin construction in 2007 of a third missile field at Fort Greely and accelerate delivery of interceptors. We also will begin increasing the number of interceptors available at Vandenberg Air Force Base from two to four. An additional fifth silo at Vandenberg will be dedicated to testing. We will have up to 30 long-range interceptors deployed by the end of 2008. For midcourse capability against the long-range threat, the Ground-based Midcourse Defense element budget request for fiscal year 2008 of about $2.5 billion will cover continued development, ground- and flight-testing, fielding and support.

To address short- to intermediate-range threats, in 2006 we added one Aegis engagement cruiser, for a total of three, and three Aegis engagement destroyers. As we convert destroyers this year to add the engagement capability, the number of long-range surveillance and track (LRS&T) ships will fall from 10 at the end of 2006 to 7 and our total number of fully BMD-capable Aegis engagement ships (cruisers and destroyers) will climb to 10. By the end of 2008, we plan to have delivered 13 Aegis engagement destroyers and 3 engagement cruisers and 40 interceptors to inventory. System tests will involve further demonstrations of the sea-based interceptor, and we will continue enhancing the system's discrimination capability. For fiscal year 2008, we are requesting approximately $1.044 billion to continue Aegis BMD development and testing.

To supplement the Cobra Dane and Beale radars, we will finish the integration work on the Royal Air Force Fylingdales early warning radar in the United Kingdom. It will be fully operational by the end of this year. This radar will provide coverage against Middle East launches against the United States and our allies in Europe. Our fiscal year 2008 budget request for BMD radars is $758 million. These funds will continue forward-based radar integration work and complete construction

of a permanent basing site at Shariki Air Base. We will also have available for deployment a second forward-based X-band radar.

With this year's budget request of $247 million for the C2BMC activity, we will continue to use spiral development to incrementally develop, test, and field hardware and software improvements leading to a robust, net-centric missile defense capability that fights as a system. We have made incredible progress in this area despite decrements in funding over the past couple of years. Our ability to defend against highly lethal threats or operate in a very complex, stressing battle environment spanning multiple theaters requires all missile defense elements, which may be spread over thousands of miles, to work together as a "team." Today we can do that. I am very proud of what our national team for integration has achieved. We will press on with the development of the Global Engagement Manager at the Pacific Air Operations Center and integrate into the system the forward-based radar in Japan, the Sea-Based X-band radar, and the Fylingdales radar. We plan to install additional planning and situational awareness capabilities to facilitate executive decision-making in the European Command and the Central Command by 2009.

Closing Capability Gaps.—Our long-term strategy is to make the system more robust, reliable and flexible in order to close gaps in our missile defense capabilities. In line with our multilayer approach, the missile defense program in fiscal year 2008 and beyond will expand terminal defense protection, upgrade and improve midcourse discrimination and firepower, strengthen the capability of the BMDS to defeat coordinated attacks, and place increasing emphasis on boost phase defenses.

The missile defense program will improve coverage of the United States and, for the first time, extend coverage to Europe against longer-range ballistic missiles by forward-deploying BMD assets to Europe. Currently, our allies in Europe do not have defenses against Iranian medium- and long-range ballistic missiles, and the BMD system currently deployed to counter the North Korean long-range threat is not technically configured to protect cities in Europe. Therefore, a number of allied governments have expressed interest in deploying defenses against this threat. We have agreed with Poland and the Czech Republic to begin focused discussions on the deployment of long-range interceptors and a midcourse discrimination radar. If negotiations are successful, we plan to modify the X-band radar currently located on the Kwajalein Atoll and relocate it to a site in the Czech Republic.

The deployment of this X-band radar in Europe will complement sensor assets deployed in the United Kingdom and Greenland. In addition to increasing the number of long-range interceptors emplaced at missile fields in Alaska and California, we are hopeful that successful completion of negotiations with the government of Poland will allow us to start emplacing 10 two-stage configurations of our flight-proven ground-based interceptors in Poland beginning in 2011. Central Europe provides an optimal location for the interceptors and radar to protect all European countries threatened by threats greater than 1,500 km out of Iran. These missile defense assets would complement and enhance future North Atlantic Treaty Organization missile defense systems. By devaluing Iran's longer-range missile force, European missile defenses could help dissuade the Iranian government from further investing in ballistic missiles and deter it from using those weapons in a conflict.

There has been some discussion that the defense of all of Europe from ballistic missile attack would be more cost-effective if we were to replace the fixed missile field, midcourse radar and forward-deployed radar currently planned for Europe with mobile missile defenses. By our calculations, this is clearly not the case. There are serious drawbacks to planning an architecture of mobile systems in lieu of the currently planned fixed architecture.

First, the current configurations of Aegis BMD and terminal high altitude area defense do not have the ability to counter intercontinental ballistic missiles (ICBMs) without extensive and costly modifications. Likewise, mobile system sensors for Aegis BMD and THAAD cannot provide equivalent radar coverage of Europe. They are designed to be augmented with other sensors, like the European Midcourse Radar, and their interceptors are designed to engage slower short- to medium-range ballistic missiles systems. Without sensor augmentation, Aegis BMD ships, using the SM–3 Block IIA (currently under development and not available until after 2015), would protect approximately only half of Europe against longer-range missiles. Furthermore, the THAAD interceptor would require extensive redesign to be able to intercept long-range threat missiles. Importantly, if these mobile short-range systems achieved an intercept, the intercept would occur in the lower parts of the atmosphere where post-engagement effects, such as chemical, biological, or nuclear weapon fallout and electro-magnetic pulse effects would be of great concern to cities and other civilian areas.

Second, the protection of Europe with mobile systems such as Aegis BMD and THAAD would come at a cost that is more than five times greater to field and sus-

tain when compared to the fixed BMD site plan. It will require 10 Aegis ships on station with SM–3 Block IIA interceptors to provide 40 to 60 percent coverage of Europe (central Europe would not be protected). To provide this persistent partial coverage, it would require four rotations for a total of 40 ships dedicated to the European defense. Assuming 20 interceptors per ship, we would need 200 SM–3 interceptors for the ships on station and 200 SM–3 interceptors for rotation. This mobile system alternative will initially cost $17 billion, with recurring costs around $600 million per year. The command and control infrastructure required to support this mobile alternative would make this approach even more cost-prohibitive. Of note, we did not consider the significant impact on our Aegis ship force levels in this calculation.

The cost for deploying 80 THAAD batteries (the minimum estimate to protect key assets Europe) would be approximately $40 billion with recurring costs at roughly $2.4 billion per year. The cost to field this additional force structure and the need to negotiate with each host nation also makes this option prohibitively expensive and not viable.

I believe our current proposed architecture will provide the best, most cost-effective protection for our European allies, and it can be deployed beginning in 2011. It would protect all European nations threatened by longer-range weapons from Iran. The cost of our European missile defense component proposal of $3.5 billion non-recurring, and $250 million per year to operate and maintain, is far less expensive and more effective than the $16 billion, or more, and the $600 million per year required for a less-effective mobile ballistic missile defense architecture for Europe. The mobile alternative also would not provide any additional protection for the United States.

We also are developing the Multiple Kill Vehicle (MKV) system to upgrade long-range interceptor performance by attaining a volume kill capability to defeat multiple reentry vehicles and midcourse countermeasures. We have restructured the MKV program to develop land- and sea-based interceptor payloads by the middle of next decade. Besides bringing several kill vehicles to the fight, the MKV system will provide critical tracking and discrimination information to other system sensors and interceptors and assist with kill assessment. We have requested $265 million for this work in fiscal year 2008.

This budget submission also continues the upgrade of the Thule early warning radar in Greenland and its integration into the system by 2009. Together with the radars in California, Alaska and the United Kingdom, the Thule radar will ensure full coverage of the United States against threats from the Middle East. We will also continue to enhance additional forward-based X-band radar capabilities in Japan and other operating locations to meet warfighter needs.

We also will bolster defenses against short- to medium-range threats by increasing the inventory of Aegis BMD sea-based interceptors from 86 to 132 by 2013. Upgrades to the Standard Missile-3 include improvement of the Divert and Attitude Control System and discrimination performance. We also will provide a full upgrade of the Aegis BMD weapon system to improve its ability to detect, acquire, and intercept more diverse, longer-range threats. At the end of the decade we will integrate Aegis BMD with the Navy-developed Open Architecture system to remain compatible with Navy ships following modernization.

We will field two, and future plans call for four, Terminal High Altitude Area Defense (THAAD) fire units, which consist of radars and 96 interceptors. THAAD will provide transportable terminal protection for our troops and areas along the U.S. coasts or on the territories of our allies. The first unit will be fielded in 2009, with subsequent units fielded by 2012. We are requesting $858 million in fiscal year 2008 for THAAD development and fielding.

DEVELOPING OPTIONS FOR THE FUTURE

We do, of course, need to address far-term threats. In simplest terms, that means managing a program that balances initial, near-term fielding of system elements with long-term development. I continue to be a firm believer in the balanced program, because it neither compromises our security in the present nor short-changes our future safety. This approach recognizes the urgency of fielding capabilities to address threats we face today and the necessity of continuing support for vigorous development activities to prepare for tomorrow's ballistic missile challenges to our security.

I am in strong agreement with the members of the House Armed Services Committee, who recently concluded that the country's missile defense program "must be

scalable in response to the evolution of the threat."[2] The Missile Defense Agency plans to develop options for incrementally fielding elements of the ballistic missile defense system. We will do this by leveraging a key U.S. strength, our technological advantage, and by building with our allies a foundation of global access and response.

In executing our program we continue to follow a strategy of retaining alternative development paths until capability is proven—a knowledge-based funding approach. That means we are setting specific targets, or knowledge points, that the development efforts have to reach to demonstrate a specific capability.

There are several important development efforts funded in this budget. A significant part of missile defense investment has been devoted to the development of terrestrial boost phase defenses to supplement currently fielded midcourse and terminal defenses. An operational Airborne Laser (ABL) could provide a valuable boost phase defense capability against missiles of all ranges. We restructured the Kinetic Energy Interceptor (KEI) activity to focus on development of a high-acceleration booster, one that is more capable than any booster we currently have in inventory. Either ABL or the Kinetic energy booster will be selected as the primary boost phase program upon completion of critical knowledge points before 2010.

Over the past two years we have demonstrated in ground tests the power and reliability of the ABL high energy lasers. We also have tested the command and control and passive target detection systems in flight. In 2006 we refurbished the high energy laser optics and completed integration and ground testing of the low-power tracking and beacon illuminator lasers. This year we will flight test the beam control and atmospheric compensation lasers against a cooperative airborne target. Earlier this month, we reached an important milestone in this program when we conducted the first in-flight test of the laser targeting system, successfully demonstrating a technology that will help track a boosting ballistic missile and identify the most vulnerable sections on the rocket motor case to be hit by the high energy laser. We recently completed major structural modifications to the Boeing 747 aircraft to support installation of the high energy laser, which will continue in 2008. The $516 million we request in fiscal year 2008 will complete integration of the high energy laser modules with the modified aircraft as we prepare for a lethal shootdown of a ballistic missile target in 2009. Despite the continued technical challenges we face, I remain optimistic that we can produce an operationally effective directed energy capability.

We have made good progress in our high-acceleration booster development effort. This past year we successfully conducted the first static firings of the first and second stage boosters and demonstrated overhead non-imaging data fusion processing within the prototype fire control component. This high acceleration booster also would enhance the performance of the currently deployed ground-based interceptor. Within the restructured program we will maintain options to develop a land-mobile launcher and fire control system as well as an option for a sea-based capability. We are requesting $214 million in fiscal year 2008 for this activity.

We plan to develop space-based sensors to provide a persistent identification and global tracking capability. A small constellation of Space Tracking and Surveillance System (STSS) satellites will enable operation of the missile defense system worldwide, independent of terrestrial-based sensors along the threat trajectory. These sensors will be able to detect and track enemy ballistic missiles and payloads through all phases of flight and close the system fire control loop globally. We are on track to launch two demonstration satellites in November 2007. Next year, following on-orbit check-out, these demonstration satellites will perform live target acquisition, tracking and handover. We are requesting approximately $319 million in fiscal year 2008 to execute the Space Tracking and Surveillance System activity.

We have learned a great deal from the ground-testing of the STSS Block 2006 sensors in representative, thermal vacuum conditions. We have proven that this class of sensor will achieve the necessary sensitivity to support intercepts. Given the long design timelines for space systems, we are requesting funding in fiscal year 2008 to begin work on the follow-on constellation. Postponing the start of this phase of the program will delay our ability to achieve a necessary global sensor and fire control capability.

This month we are launching a satellite, the Near Field Infrared Experiment (NFIRE), to collect high resolution infrared phenomenology data from boosting targets. Following preparation of the satellite once it is on-orbit, in August and October 2007, we will conduct tests using live ballistic missile targets. The data from NFIRE will be fed into simulation models and contribute to future sensor designs.

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[2] House Armed Services Committee, *Committee Defense Review Report*, December 2006, p. 104.

We will continue work with Japan to increase Standard Missile-3 range and lethality. The development of the 21-inch Standard Missile-3 Block IIA interceptor will increase our capability to engage longer-range ballistic missiles from Aegis BMD platforms and help close a capability gap around 2015. We have requested $74 million in fiscal year 2008 as part of our cooperative work with Japan to purchase long-lead items required for the development of this interceptor.

Another capability gap exists in terminal defense against short- and medium-range ballistic missiles. For the past 2 years, the Navy and the Missile Defense Agency (MDA) have collaborated on plans for a sea-based terminal defensive layer. In May 2006 we demonstrated the feasibility of developing a limited near-term capability against a short-range ballistic missile using a modified Standard Missile-2 Block IV interceptor. Based on this demonstration, we are upgrading the Aegis weapon system, and the Navy is upgrading the SM–2 Block IV missile, the goal being to install a terminal engagement capability on 18 Aegis BMD ships beginning in 2009. We also are examining with the Navy options for developing a far-term improved capability to address short- and medium-range threats. Our fiscal year 2008 request for sea-based terminal development work is $75 million.

The next generation of C2BMC capability will be essential if we are to close gaps in our command seams. As we deliver more sensor and interceptor capability into the hands of the warfighters, they are faced with several more options to defend their areas of responsibility. We must continually refine our C2BMC capability to allow the warfighters to rapidly process all of the available options, plan for the employment of BMDS assets, and globally manage the execution of the system on tight timelines. The battlefield effect is that the integrated BMD system can defend against more missiles simultaneously, reduce risk of missiles leaking through our defenses, conserve more interceptor inventory, and defend a larger area.

Finally, I am deeply concerned about future threat uncertainty and worldwide ballistic missile proliferation. I believe the performance of the BMD system could be greatly enhanced by an integrated, space-based layer. Space systems could provide on-demand, near global access to ballistic missile threats, minimizing the limitations imposed by geography, absence of strategic warning, and the politics of international basing rights. A space layer would apply pressure on launches from land or sea, depriving the adversary of free rides into midcourse with advanced countermeasures. While deployment of such a system must be preceded by significant, national-level debate, that debate must be informed by science. To that end, we are ready to begin a focused investigation of the feasibility of having an integrated space-based layer, and I am requesting $10 million for fiscal year 2008 to begin concept analysis and preparation for small-scale experiments. These experiments will provide real data to answer a number of technical questions and help the leadership make a more informed decision about adding this capability.

We have had to restructure some development activities and cancel others as a result of congressional and departmental reductions in the Missile Defense Agency budget. The following program activities have been delayed: delivery of the first operational STSS satellite has slipped from 2012 to the 2016–2017 timeframe, prolonging the time we will be without a capability to integrate the system globally; and the scope of the KEI activity has been reduced to focus on booster development and delay work on system integration, battle management, and fire control. The reductions also have impacted work in the area of innovative technology development. I regret that we have had to cancel the advanced technology development work associated with our micro-satellite activities and eliminate funding for the High Altitude Airship beyond fiscal year 2007.

INTERNATIONAL PARTICIPATION

The global nature of the threat requires that we work closely with our allies and friends to develop, field, and operate missile defenses. I am pleased to report that many governments share our vision for missile defense. This past year we continued to build on a very successful program to involve more countries and forge international partnerships. Without the participation of our allies and friends, the ballistic missile defense system would look very different.

The government of Japan remains solidly behind missile defense and has even accelerated its program to field multilayered missile defenses that are interoperable with the U.S. system. Japan continues to upgrade its Aegis destroyers and acquire Standard Missile-3 interceptors. In March 2006 we successfully flight-tested new nosecone technologies developed in cooperation with Japan. Additionally, the Missile Defense Agency and Japan have agreed to co-develop a Block IIA version of the Standard Missile-3, which will improve our defensive capabilities against longer-range missiles. Japan also is upgrading its Patriot fire units with Patriot Advanced

Capability-3 missiles and improved ground support equipment. In 2008 Japan is expected to begin co-production of the PAC–3 missile.

The upgraded Royal Air Force Fylingdales radar in the United Kingdom will undergo operational testing this year. Once we certify the radar, it will provide the system critical early warning, tracking and cuing data needed to defeat threat missiles coming out of Iran. We are working closely with Denmark to upgrade the Thule early warning radar in Greenland to improve its capability to detect and track ballistic missiles.

Later this year we will conduct satellite-to-ground and satellite-to-satellite communication experiments with a German-built Laser communications terminal installed in the NFIRE satellite. Together with an identical terminal on a German satellite, the United States and Germany will perform joint experiments to validate the use of laser technology for high speed space communications.

The United States and The Netherlands have been working together to modify Dutch frigates with a combat system to enable ballistic missile detection and tracking. An upgraded air command and defense frigate from The Netherlands successfully detected and tracked the targets in the December 2006 Aegis ballistic missile defense flight test.

We are continuing work with Israel to implement the Arrow System Improvement Program and enhance its capability to defeat longer-range ballistic missile threats emerging in Iran. We are also conducting a feasibility study on a joint development program called David's Sling for shorter-range missile defense.

We continue to support our North Atlantic Treaty Organization (NATO) partners in advancing the dialogue on the political-military implications of defending European population centers against longer-range missile threats. The Missile Defense Agency is supporting the NATO Active Layered Tactical Ballistic Missile Defense Program Office to develop a capability to protect deployed forces by 2010.

I am also pleased to announce that this past February we put in place a Framework Memorandum of Agreement with Italy and we can now begin to develop opportunities for missile defense technology sharing, analysis, and other forms of collaboration. We have other international interoperability and technical cooperation projects underway, for example with Australia, and are working to establish formal agreements with other governments.

CLOSING

Mr. Chairman, in closing, some have said that the Defense Department's investments in missile defense are misdirected, that other threats are more pressing. Others have said we are spending too much money on missile defense and that it is too expensive. And still others have claimed that we should slow down fielding activities until the technologies are more mature.

I disagree with these critics, Mr. Chairman. We must meet the rising threats posed by ballistic missiles. We have seen rogue nations test these weapons in the past year. Ballistic missile defense is expensive, but the dollar investment in this Nation's security pales in comparison to the overwhelming price this Nation would pay in lives, social dislocation, and economic devastation from a single missile impacting an American metropolitan area. Indeed, the success we have seen in our comprehensive test program indicates that there is no reason to slow down.

In less than 3 short years, thanks to the dedication of thousands of men and women across this country and a first-class, cutting-edge defense industry, we have deployed missile defenses to protect our homeland, our troops deployed to dangerous regions around the world, and our allies and friends. But we have a long way to go. So now is not the time to cut back missile defense. Now is the time to accelerate it.

Thank you and I look forward to your questions.

Senator INOUYE. Now may I recognize General Campbell.

STATEMENT OF LIEUTENANT GENERAL KEVIN T. CAMPBELL, COMMANDING GENERAL, U.S. ARMY SPACE AND MISSILE DEFENSE COMMAND/U.S. ARMY FORCES STRATEGIC COMMAND AND JOINT FUNCTIONAL COMPONENT COMMAND FOR INTEGRATED MISSILE DEFENSE

General CAMPBELL. Chairman Inouye, Senator Stevens, members of the subcommittee, thank you for your support and invitation to appear. I want to briefly address my role as the Joint Functional Component Command (JFCC) for Integrated Missile Defense Com-

mand. I'll give you a quick assessment of the capabilities to meet the threat. I'll talk briefly about the role of the warfighter in the development process and our ability to shape what General Obering is producing and last, my role as the Army Senior Commander for Space and Missile Defense.

Senator INOUYE. General, could you pull that microphone toward you, please?

ARMY SPACE AND MISSILE DEFENSE COMMAND COMMANDER'S ROLE

General CAMPBELL. Yes, sir. In my role as the Joint Component Commander for Integrated Missile Defense, we're responsible for planning, integrating, and coordinating missile defense across the combatant commanders. To translate this, this means that we develop concept plans and that we create exercises for exercising the system across all of the combatant commanders.

Last year when the North Koreans conducted their ballistic missile test, I think this did a number of things for us in our ability to operate the system. We demonstrated that we could operate the system on a sustained basis and that we could, across several combatant commanders, dynamically plan, integrate, and coordinate the missile defense system.

I really think the success that we enjoyed was a result of the Missile Defense Agency test program and our involvement in it and also the warfighter exercises that we've put together over the past few years that allowed us to exercise our concepts and our tactics techniques and procedures and it certainly improved our ability to operate the system.

In terms of an assessment of the near-term missile defense forces, I think it is limited. However, the limitation is usually related to missile inventory. I think there is also a requirement for additional systems as well as sensors. And I think with the fielding of THAAD in the near future and the addition of aegis ballistic missile defense capability, we're going to overcome those limitations that we face today.

In my view, the expansion of the system into Europe is an important step that expands not only defense of our friends, allies and our deployed forces but also thickens the defense over the United States. So in my view, this is an essential step in the development of the program.

I really don't think we can do global missile defense without our allies. We're going to need their involvement every step of the way. Along the path into the future, I think it's important that we maintain a balanced program in our ability to address the ICBMs as well as the shorter-range ballistic missiles.

In terms of our ability to shape the future system and what General Obering produces, we have a mature process that involves all of the combatant commanders and we present General Obering with a prioritized list each year of what we think should be introduced into the system in his block development program. This has been successful. I think there is great cooperation amongst the combatant commanders and General Obering and producing what the warfighter needs.

As the Army's Senior Commander for Space and Missile Defense, our job is to ensure that the warfighters have the tactical systems

to delete the short-range threats and deliver space capability to them. We're transforming those forces. We're integrating them into a net centric environment so that these forces are more tailorable and scaleable for combatant commanders to meet their needs. Systems such as Patriot, the elevated netted sensor, and the surface launched advanced air-to-air missile in THAAD are the type of systems that we're networking together.

With the help of this subcommittee, I think we're going to continue to make good progress into the future, especially progress in defending forward-based forces and allies. I appreciate the opportunity to speak to you on these important matters and look forward to your questions. Thank you.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL KEVIN T. CAMPBELL

INTRODUCTION

Chairman Inouye, Ranking Member Stevens, and Members of the Committee, thank you for your ongoing support of our military and for the opportunity to appear before this panel. In my view, this Committee is a strong ally of the Army and the missile defense community, particularly in our continuing efforts to field missile defense forces for the Nation and our allies. I consider it a privilege to be counted in the ranks with my fellow witnesses as an advocate for a strong global missile defense capability.

My current responsibility entails two roles. The first is as the Army's senior commander for space and missile defense. The second role is as a Soldier on the Joint Missile Defense Team and Commander of the Joint Functional Component Command for Integrated Missile Defense, a part of the U.S. Strategic Command. In this role, I serve as the Joint user representative working closely with the Missile Defense Agency (MDA), other services, and Combatant Commanders to ensure that our national goals of developing, testing, and deploying an integrated missile defense system are met in an operationally sound configuration.

Chairman, as proven during last year's July 4th North Korean missile launches, Army Soldiers are trained and ready to operate the Ground-Based Midcourse Defense (GMD) Element of the Ballistic Missile Defense System (BMDS) at Fort Greely, Alaska, and the Joint National Integration Center at Schriever Air Force Base in Colorado. These Soldiers, as part of the Joint team, continue to serve as our Nation's first line of defense against a rogue nation's launch of an intercontinental ballistic missile toward our shores. I am proud to represent them along with the other members of the Army and Joint integrated missile defense community.

UNITED STATES STRATEGIC COMMAND JFCC–IMD

The Joint Functional Component Command for Integrated Missile Defense (JFCC–IMD) was established in January 2005 as one element of the U.S. Strategic Command (USSTRATCOM) and reached full operational capability early in 2006. The JFCC–IMD is manned by Army, Navy, Air Force, Marine Corps, and civilian personnel. This joint-manning arrangement and our strong partnership with our collocated MDA team enable us to execute the integrated missile defense mission by leveraging the existing robust infrastructure.

USSTRATCOM, through the JFCC–IMD, continues to aggressively execute its mission to globally plan, integrate, and coordinate missile defense operations. Through stressing operational scenarios, integrated missile defense has experienced robust growth and maturity and has improved its ability to defend this nation. Although, there is much work yet to be done, JFCC–IMD continues to lead the Department's transformation toward more robust integrated missile defense capabilities. The Soldiers, sailors, airmen, Marines, and civilians of this Joint warfighting organization execute our mission to plan, integrate, and coordinate global missile defense operations and support by operationalizing new capabilities from MDA, developing global missile defense plans in collaboration with the Geographical Combatant Commanders, and conducting cross-geographical combatant commander exercises to eliminate seams and gaps to maintain a strong defense against changing threats. Execution of the essential mission includes providing warning of missile attack to other Combatant Commanders and providing assessment of missile attack.

In all, JFCC–IMD continues to build operational competence of the integrated missile defense capability and warfighter confidence in executing our mission.

Ballistic Missile Defense System Progress

This past year has been a year of operational achievement for integrated missile defense as we successfully placed the Ballistic Missile Defense System (BMDS) on alert in response to a credible ballistic missile threat from North Korea. This limited defense capability marked the beginning of global missile defense as warfighters from three combatant commands and allies integrated respective assets and personnel toward a single mission against a common threat. The scale of this integration is unprecedented—non-missile defense assets were integrated with legacy and state-of-the-art technologies to provide a shield to protect our homeland. Additionally, we achieved unparalleled integration of the Department's intelligence capabilities to enable timely and responsive indications and warning to support missile defense readiness. We expect the warfighting capability provided by such integration of assets, platforms, doctrine, and personnel to continue to grow in coming years.

The North Korean incident last summer also underscored the growing maturity of the cross-JFCC integration within USSTRATCOM in executing its global mission. JFCC–IMD collaborated closely with the JFCCs for Intelligence, Surveillance and Reconnaissance (JFCC–ISR) and Space (JFCC-Space) to integrate the intelligence, surveillance, reconnaissance, and space assets for the missile defense missions. This effort afforded the use of intelligence, surveillance, reconnaissance, and space assets that previously had not been included in the missile defense mission. Similarly, JFCC–IMD collaborated closely with JTF-Global Network Operations to maximize availability of a robust communication network to link the decision-makers in Washington with commanders across the globe. We have also integrated our planning efforts with the JFCC for Global Strike and Integration (JFCC–GSI) to ensure we integrated both offensive and defensive capabilities into potential courses of action. Our approach today for a missile defense contingency is designed to examine and integrate a broader array of capabilities into our planning and execution. In short, JFCCs are maturing in a deliberate and coordinated pace to extend the New Triad in its global mission.

JFCC–IMD's readiness demonstrated during last summer's incident is a testimony to the robust warfighter exercise and test program. During the past year, we planned and conducted three major combatant command-level exercises involving U.S. Pacific Command, U.S. Northern Command and U.S. Strategic Command. These exercises enabled combatant commanders to exercise concepts of operations and tactics, techniques, and procedures, and improve our planning and execution of missile defense operations. These activities enhance warfighter competence in prosecuting a global missile defense capability. JFCC–IMD's global missile defense exercise program also extended to our coalition partners. These international exercises further bolstered our allies' resolve in conducting combined missile defense operations and extending partnership into co-development of future capabilities.

Warfighter Contributions to System Development

Warfighters participate in key BMDS tests to build confidence in its capabilities. JFCC–IMD led warfighter participation in the first distributed ground tests on the operational BMDS, geographically distributed from Colorado to Alaska, and Washington to Japan. This test demonstrated the growing sophistication and complexity of BMDS assessments that are increasingly operationally relevant. Furthermore, warfighters collaborated with MDA to successfully conduct key flight tests to bolster our Nation's confidence in the effectiveness of the integrated missile defense capabilities.

Within a 90-day period, we successfully intercepted ballistic missiles at low and high altitudes; in midcourse and terminal phases; and, in endo- and exo-atmospheric environments with the PATRIOT Advanced Capability-3 (PAC–3), the AEGIS Standard Missile-3, the Terminal High Altitude Area Defense (THAAD), and our long-range Ground-Based Interceptor. Conducting these system-level flight and ground tests required the use of operational assets, the very assets that would be used to defend this nation against a possible North Korea missile attack. JFCC–IMD worked closely with the Combatant Commanders and MDA to coordinate the availability of these assets to ensure sustained operational readiness during the conduct of the system-level tests.

The JFCC–IMD was able to balance the requirements of both operations and tests, but this period of robust achievements underscored the warfighter's requirement to expedite development and deployment of a concurrent testing, training, and operations capability. Concurrent test, training and operations will permit developers and operators to maintain full operational mode of the BMDS while simulta-

neously developing, testing, or training on the system. The need for the concurrent test, training and operations capability is especially pronounced for the one-of-a-kind assets that are shared between the warfighter, developer, and trainer communities.

Absent a mature concurrent test, training and operations capability, JFCC–IMD aggressively conducts an asset management process to ensure the highest level of operational readiness during conduct of materiel development and tests. Supported by an indications and warning system, the asset management process has been the key enabler to operationalize new capabilities, perform operationally relevant tests, and conduct system-wide upgrades. During the past year, the asset management process facilitated warfighters and materiel developers in optimizing the use of the deployed elements while fielding additional assets. In addition, warfighter participation in the flight and ground testing increased our confidence in the system's performance.

Increasing the Capability of the System

JFCC–IMD, in partnership with MDA and the Services, has integrated additional missile defense sensors and shooters to enhance theater and strategic mission capabilities. We have increased the robustness of our sensor capability by deploying a mobile sensor in Japan, increasing the number of AEGIS ships enabled with the long range search and tracking capability, and are deploying a midcourse discrimination sensor in the waters of Alaska. We have continued deployment of the Navy's Ballistic Missile Defense AEGIS Standard Missile-3, PATRIOT Advanced Capability-3 missiles, and increased the number of Ground-Based Interceptors. Additionally, in my role as the JFCC–IMD Commander, I have been in discussion with European Command to build a stronger partnership with our Allies and to host a midcourse radar and interceptor site to counter the Iranian threat.

The Command, Control, Battle Management, and Communications System is an essential evolutionary component of the BMDS that greatly enhances both planning and execution capabilities. The command and control system contributes to all phases of integrated missile defense from optimizing planning to synchronizing the automated execution of the BMDS. During the past year, upgrades to the command and control system have extended situational awareness, planning, and sensor management capability to key components of US Strategic Command, U.S. Northern Command, and U.S. Pacific Command. Additionally, critical command and control system situational awareness nodes are utilized by the White House, National Military Command Center, and Secretary of Defense Executive Support Center.

As we move forward in the next year, much work remains to be done. We will continue to integrate and conduct cross-geographic combatant commander planning and exercises, deploy new capabilities, and increase allies' involvement in global missile defense. We will continue to advocate for system improvements that close capability gaps and improve system performance. Fielding more capable command and control systems, sensors, and kill vehicles, such as the Multiple Kill Vehicle, will provide the warfighter with a system capable of addressing a broad range of threats. Our continuing goal is to develop a seamless missile defense system, that integrates all available capabilities, to deter and dissuade the proliferation of missile threats, and if necessary, defeat them to protect our Nation, deployed forces, friends, and allies.

AIR AND MISSILE DEFENSE—AN OVERVIEW OF THE FISCAL YEAR 2008 ARMY BUDGET SUBMISSION

In addition to deploying the BMDS, MDA, the Services, and the Combatant Commanders continue to focus on improving theater air and missile defense capabilities. Both the Ground-Based Midcourse Defense and Theater Air and Missile Defense Systems are vital for the protection of our homeland, deployed forces, friends, and allies. Air and missile defense is a key component in support of the Army's core competency of providing relevant and ready land power to Combatant Commanders.

As you are aware, real world events over the past year have increased the relevance, urgency, and importance of theater air and missile defense as well as cruise missile defense. Medium and short-range ballistic missile and cruise missile threats continue to grow, especially in light of increased proliferation of missile defense technology. These threats, combined with Iran's and North Korea's increased interest in nuclear capabilities, are of particular concern.

As highlighted in the 2006 Quadrennial Defense Review, a number of potentially hostile states possess or seek weapons of mass destruction. This is especially troubling when considered along with ballistic and cruise missile proliferation. For these states, weapons of mass destruction—particularly nuclear weapons—provide the means to assert regional domination and intimidate others. As such, the Quadren-

nial Defense Review specifically highlighted the need for integrated defenses against short-, intermediate-, and intercontinental-range ballistic and cruise missile systems.

The House Armed Services Committee Defense Review Report, released in December of 2006, concluded that the U.S. force structure must expand and U.S. capabilities must improve to reduce the risk to the security of the American people to an acceptable level and noted that a robust BMDS is critical to defeat strategic threats to the United States and its allies. The report also noted that Operation Enduring Freedom and Operation Iraqi Freedom are consuming key missile defense capabilities, leaving other worldwide commitments under-resourced.

In light of these reports and their findings, the Army, in concert with the Department of Defense and MDA, is taking the necessary steps to ensure that the U.S. homeland, allies and deployed forces are provided the necessary protection from these threats. With that as a background, I would now like to focus on the Army's fiscal year 2008 budget submission for air and missile defense systems. The President's Budget, presented to Congress on February 5th, includes approximately $1.75 billion with which the Army proposes to execute current Army air and missile defense responsibilities and focus on future development and enhancements of both terminal phase and short-range air and missile defense systems. In short, the Army is continuing major efforts to improve the ability to provide warning, acquire, track, intercept, and destroy theater air and missile threats.

The Army, as part of the Joint team, continues its transformation of air and missile defense forces to meet the increasingly sophisticated and asymmetric threat environment encountered by the Joint and Allied warfighter. The air and missile defense force will meet this threat by adhering to the following imperatives: One seamless integrated force; advanced engagement concepts; defense in depth; 360-degree defense; early and continuous engagements; assure friendly use of airspace; and support information dominance.

Integrated Air and Missile Defense

In order to fulfill these imperatives, the Army is transforming its air defense force from its current separate systems architecture to a component-based, network-centric, Integrated Air and Missile Defense system of systems. The Integrated Air and Missile Defense Program focuses on systems integration, common battle command and control, joint enabling networking, and logistics and training to ensure operational requirements, such as force lethality, survivability, transportability and maneuverability, are achieved. Benefits of developing and fielding such a capability include: Expanded defended areas against the full-spectrum of threats; integrated defense design which eliminates single nodes of failure; flexibility in choice of interceptors; ability to battle manage weapons, sensors, and inventories; seamless training adjustments for battle managers across the Integrated Air and Missile Defense Force; and closing current capability gaps.

The Integrated Air and Missile Defense Program employs an evolutionary acquisition strategy that leads to the objective net-centric system of systems plug-and-fight capability. The approach calls for a restructuring of current Army air and missile defense systems into components of sensors, weapons, and battle management command, control, communications, computers, and intelligence with a standard set of interfaces among the components using a standardized communications network. This modularization of missile defense capabilities will allow Joint Forces Commanders to scale and tailor assets and forces based upon the specific operating environment in which they are employed.

Technology insertions to the Integrated Air and Missile Defense will continue throughout each increment as high-payoff technologies mature and are ready for integration. Incremental development of the program allows the Army to more quickly field new and improved capabilities to the warfighter. The proposed fiscal year 2008 President's Budget supports the evolution of an Integrated Air and Missile Defense capability.

Air and Missile Defense Organizational Structure

As part of air defense transformation, the Army has created composite air and missile defense battalions. These battalions address capability gaps, permitting us to defeat cruise missiles and unmanned aerial vehicles while maintaining our ability to defend critical assets from the ballistic missile threat. Composite air and missile defense battalions will capitalize on the synergies of two previously separate disciplines: short-range air defense and high-to-medium altitude air defense. Additionally, the Army no longer provides an organic air defense artillery battalion to its Divisions. Instead, divisional air defense artillery battalions are pooled at the theater-level to provide air and missile defense protection based on situation and mis-

sion requirement. The pool of Army air and missile defense resources will address operational requirements in a tailored and timely manner. This pooling concept supports the Army's effort to move to modular designs that allow force tailoring of units better sized to meet the Combatant Commanders' needs and homeland security and defense requirements.

Within the context just provided, allow me to briefly discuss the three main component areas of the Army's air and missile defense construct: Terminal Phase Ballistic Missile Defense, Cruise Missile Defense, and Force Protection.

TERMINAL PHASE BALLISTIC MISSILE DEFENSES

The PATRIOT/Medium Extended Air Defense System (MEADS) capability is designed to counter theater ballistic missile threats in their terminal phase in addition to cruise missiles and other air-breathing threats. Combining these systems with the Terminal High Attitude Area Defense System capability being developed by MDA with a planned fielding in fiscal year 2009, brings an unprecedented level of protection against missile attacks to deployed U.S. forces, friends, and allies well into the future.

PATRIOT/PAC 3 Overview

Chairman, since the combat debut of the PATRIOT Air and Missile Defense System during Operation Desert Storm, the Army has continued to implement a series of improvements to address the lessons learned. During Operation Iraqi Freedom, we saw the debut of the improved PATRIOT Configuration-3 system, including the effective use of the Guidance Enhanced Missile and the PATRIOT Advanced Capability 3 (PAC–3) Missile. PAC–3 is the latest evolution of the phased materiel improvement program to PATRIOT. Combining developmental testing and operational data, this program enables the development and deployment of a new high-velocity, hit-to-kill, surface-to-air missile with the range, accuracy, and lethality necessary to effectively intercept and destroy more sophisticated ballistic missile threats. Today's PATRIOT force is a mixture of PAC–2 and PAC–3 configured units. To maximize the full advantage of the PAC–3 capabilities, the Chief of Staff of the Army has directed the Army to pure-fleet the entire PATRIOT force to the PAC–3 configuration. In response to Combatant Commanders' requirements, the Vice Chief of Staff of the Army directed the creation of two additional Patriot battalions to help relieve the stress on the PATRIOT force and increase the Army's strategic responsiveness in the area of terminal ballistic missile defense. These directives underscore the importance of PATRIOT to the nation's overall National Military Strategy and are necessary to maximize the capabilities for protecting the security interests of both the United States and our allies.

While PATRIOT saved many lives defending against Iraqi ballistic missile attacks during Operation Iraqi Freedom, there were some operational deficiencies. The Army has undertaken steps to correct them and address lessons learned. The Army has pursued two thrusts—identification and execution of a $41.6 million program for nine specific Operation Iraqi Freedom fixes and continued aggressive participation in Joint interoperability improvements in situational awareness. The development, testing and materiel release for the nine enhancements is on schedule to be completed by the end of this fiscal year. Several enhancements have already completed fielding. The remaining enhancements are either currently being fielded or are planned to start this spring. Based on the current fielding schedule, all remaining Operation Iraqi Freedom fixes will complete fielding to the units by fiscal year 2009.

The PATRIOT system remains the Army's mainstay Terminal Air and Missile Defense System and our Nation's only deployed land-based short-to-medium range BMDS capability. The current PATRIOT force must be sustained and recapitalized until MEADS is completely fielded. Fielding of MEADS is scheduled to begin in 2015 and be completed by 2028.

Combined PATRIOT/MEADS Approach

With the approval of the Defense Acquisition Executive, the Army embarked on a path that merged the PATRIOT and MEADS programs, establishing the PATRIOT/MEADS Combined Aggregate Program with the objective of achieving the MEADS capability through incremental fielding of MEADS major end items into PATRIOT. PATRIOT/MEADS Combined Aggregate Program is an important capability that will operate within the BMDS. It is, in fact, a top Army priority system for defense against short- and medium-range tactical ballistic missiles and air breathing threats. The PATRIOT/MEADS Combined Aggregate Program will be an integral part of the Integrated Air and Missile Defense System of Systems and capable of operating within a Joint, interagency, intergovernmental, and multinational

interdependent operational environment. It will provide wide-area protection at strategic, operational, and tactical levels.

The PATRIOT/MEADS Combined Aggregate Program will also provide battle management command and control in accordance with the IAMD provided common battle command system, introduce lightweight deployable launchers, upgrade the PAC–3 missile, and eventually provide the full MEADS capability to the entire force. By establishing the PATRIOT/MEADS Combined Aggregate Program, the Joint integrated air and missile defense architecture will become more robust in key ways. First, MEADS enhancements are integrated into the existing system. Second, as lessons are learned from the present missile defense capability, they will be incorporated into the MEADS follow-on system.

MEADS is a cooperative development program with Germany and Italy to field an enhanced ground-mobile air and missile defense capability. The MEADS program, which supports the President's goal for international cooperation in missile defense, will enable the joint integrated air and missile defense community to operate more effectively on future battlefields. MEADS will provide theater level defense of critical assets and continuous protection of a rapidly advancing maneuver force as part of the Joint integrated air and missile defense architecture. Major MEADS enhancements include 360-degree sensor coverage and a strategically deployable and tactically mobile air and missile defense system that can be deployed and controlled as part of the integrated air and missile defense architecture. The PAC–3 Missile Segment Enhancement is currently under development and will be integrated into the MEADS program. The Missile Segment Enhancement Missile will provide a more agile and lethal interceptor that increases the engagement envelope. We are confident that this path will provide our service members, allies, friends, and our Nation with the most capable air and missile defense system possible.

Terminal High Attitude Area Defense System Overview (THAAD)

The Department of Defense is committed to fielding an advanced capability to defend against tactical ballistic missiles as soon as possible. THAAD is designed to provide critical defense against short and medium range ballistic missiles. As a result, MDA is funding and manufacturing four THAAD fire units for the Army in an accelerated fielding that will begin in 2009. This investment represents an initial THAAD capability for the warfighter and the next major step towards a comprehensive, layered theater ballistic missile defense. Follow-on THAAD upgrades are planned in future budgets to meet an ever increasing and evolving threat.

CRUISE MISSILE DEFENSE

In the world today, there exists a real and growing threat from land attack cruise missiles. Cruise missiles are inherently very difficult targets to detect, engage, and destroy because of their small size, low detection signature, and low altitude flight characteristics. When armed with a weapon of mass destruction warhead, the effects from a cruise missile could be catastrophic. The Army's Cruise Missile Defense Program is an integral piece of the Joint cruise missile defense architecture. Critical Army components of the Joint cruise missile defense architecture are provided by the Joint Land Attack Cruise Missile Defense Elevated Netted Sensor System (JLENS), the Surface-Launched Advanced Medium Range Air-to-Air Missile (SLAMRAAM), the Patriot Missile Segment Enhancement Missile, and an integrated fire control capability inherent in the Integrated Air and Missile Defense System of Systems. We are also working closely with the Joint community to assure development of doctrine that synchronizes our military's full capabilities against the cruise missile threat.

The Joint Land Attack Cruise Missile Defense Elevated Netted Sensor System brings a critically needed capability to detect, track, and identify cruise missile threats. The system will support engagements using the Surface-Launched Advanced Medium Range Air-to-Air Missile, the Navy Standard Missile, and the PATRIOT/MEADS weapon systems by providing precision tracking and 360-degree wide-area and over-the-horizon surveillance of land-attack cruise missiles. The Surface-Launched Advanced Medium Range Air-to-Air Missile will provide maneuver forces with a critical, beyond line-of-sight engagement capability to counter the cruise missile threat, as well as unmanned aerial vehicle threats, over an extended battlespace. The Surface-Launched Advanced Medium Range Air-to-Air Missile uses the existing Joint Advanced Medium Range Air-to-Air Missile currently used by the Air Force and the Navy, thereby capitalizing on Joint commonality on the battlefield.

FORCE PROTECTION

A significant danger in Operation Iraqi Freedom and Operation Enduring Freedom is posed by insurgents employing indirect-fire tactics of quick-attack, low-trajectory, urban-terrain-masked rocket, artillery, and mortar strikes against U.S. forward operating bases in Iraq. To combat this threat, the Army developed Counter-Rocket, Artillery, Mortar (CRAM), an integrated solution of capabilities to provide warning and intercept of rocket, artillery, and mortar threats. CRAM provides a holistic approach to this emerging menace. Horizontal integration across the core functions—command and control, shape, sense, warn, intercept, respond and protect—is providing an integrated modular and scalable capability. This capability provides timely warning of mortar attacks, intercept and defeat of incoming rounds, and accurate location of insurgent mortar crews, enabling a rapid, lethal response. CRAM takes advantage of existing systems and capabilities, combining them in a system of systems architecture to support the warfighter on today's battlefield. The current CRAM solution is truly Joint, in that it uses fielded systems from the Army, Navy and Air Force along with a commercial-off-the-shelf system. To date, CRAM has been supported solely through supplemental appropriations. Recognizing the enduring nature of the rocket, artillery, and mortar threat, the Army is exploring ways, to include the use of directed energy, to enhance this capability across all of the core functions, thereby making it even more relevant to the future modular force.

CONCLUSION

Chairman, the Army, a fully contributing member of the Joint team, is relevant and ready, fighting the war on terrorism, and deterring aggression throughout the world, while transforming to meet future threats. With its responsibilities for Ground-Based Midcourse Defense, THAAD, and PAC–3/MEADS Combined Aggregate Program, the Army is an integral part of the Joint team to develop and field an integrated missile defense for our Nation, deployed forces, friends, and allies. In my role as the Joint Functional Component Commander for Integrated Missile Defense, I will continue the development of a Joint BMDS capability to protect our Nation, deployed forces, friends, and allies. The Army has stepped up to the land-attack cruise missile defense challenge by aggressively developing the Joint, integrated, and networked sensor-to-shooter architecture necessary to defeat the emerging threat. The fiscal year 2008 budget proposal continues the transformation of the Army's air, space, and missile defense force to support the Army's future force, the Joint Integrated Air and Missile Defense System, and our global BMDS. Transformation will continue to define the characteristics of the emerging air, space, and missile defense force and determine how it can best support the future force operating in a Joint, interagency, intergovernmental, and multinational environment.

I appreciate having the opportunity to speak on these important matters and look forward to addressing any questions you or the other Committee members may have.

Senator INOUYE. Well, thank you very much. Senator Stevens.

STATUS OF GROUND-BASED MIDCOURSE DEFENSE

Senator STEVENS. Thank you very much. You know, I really think we should add to our congratulations to both of you. Because this system is going forward so successfully, I think the problem is how to handle success. But we have a test of the ground-based midcourse defense (GMD) program. As I understand it, you have one scheduled in May and September. Any obstacles to those tests?

General OBERING. No, sir. We emplaced the interceptor in the silo this last week for that test and usually once we get to that point, we go very quickly in terms of through the preparations. We delayed the test—originally, it was to be flown in December and we had to delay it to May because we discovered in the flight test that we flew last September that we had an issue with part of the telemetry system. That is, part of the test unique hardware on the missile that had to be replaced because there was a chance that we would lose all of our data in flight and we did not want to do that. So this was a configuration that has to do with the test not with

any of the operational interceptors and so that was what delayed it to May, to have to replace that piece of hardware and then do all the testing associated with it. But we're on track and we should be flying in May and then the next test, as you said, sir—by the way, we're going to bring in the sea-based X-band radar (SBX), that very large radar. That will be integrated into the test in September. It's going to be in a shadow mode for this one in May and be fully integrated in the one in September.

We have now delivered our second forward deployed radar like the one that we have in Japan and we are proposing to take that radar and move it to Alaska. It is currently in California in testing. We'd like to move it to Alaska so it can be as realistically positioned as soon as possible and use it also in that flight test. That's what we're planning right now.

Senator STEVENS. I had several questions about the reports of water in the facilities at Fort Greeley. Now, I can tell you, there has been a heavy snow here and because of piling up the snow from cleaning the driveway, we had about 14 feet of snow around our place up there. But was that a result of snow or what caused that flooding in the Fort Greeley area?

General OBERING. Sir, we had flooding last summer that occurred. That's when we were going on alert for the North Korean missiles. We had part of Missile Field No. 3 that had been completed and we had several silos, about seven, that had not been completed. They were in a transient condition at that point. We had, as you may remember, torrential rains that came through. In fact, it was an all-time record for the amount of rainfall that occurred there and because of the state of construction at that time, we had water that got into the silos. There was nothing that the contractor or that the warfighters could have done about it at that point.

Senator STEVENS. They were empty silos, weren't they?

General OBERING. Yes, sir. They were empty silos. They were not part of the operational capability and we—in order to make sure that we save money on the construction of the silos, we ship basically prefabricated components into the missile field and it was those components that ended up getting flooded. So we have now begun the repairs. We will have the first one of those silos back on line in April, the second one in August, and then we'll have three more this year for a total of five completed and then—I'm sorry, four total this year and three more next year to have them repaired.

EUROPEAN SITE NEGOTIATIONS

Senator STEVENS. Shifting to the Poland situation—thank you for mentioning that. As I understand, you're going to have some exchange of diplomatic notes with Poland and the Czech Government but you've had some criticism about this, too. Can you tell us, what's the status of that now?

General OBERING. Yes, sir. In fact, I just returned from Warsaw last week and from Prague. I was there Monday. We have had an exchange of diplomatic notes. We believe that the formal negotiations with both countries should begin in about the mid-May timeframe. We believe that we're getting strong support from within

the governments there in Poland and the Czech Republic. During the visits that I've had there, what we have discovered is a lot of the popular objections that are occurring are because the people don't realize—don't have good information in terms of the extent, the details and that type of thing and so we are working with those governments to put together the materials that would be required to educate and to better inform the people in both those countries.

But I did address the parliament in both countries. We met with both the majority as well as opposition party members, we met with all of them. In the case of the Czech Republic, they actually sent a parliamentary delegation to Kwajalein to look at the radar and to see how it operates and to see what effects it has and they were very, very pleased when they left there. In fact, we had been telling them what to expect and the headline in one of the popular Czech papers was that the Americans are telling the truth. That came from that visit. And that included one of the opposition party members.

So I think we're making great, steady progress. I also briefed the NATO Council, as I said in my statement, and the NATO Russia Council on Thursday and Friday. As the Secretary General stated, we are now getting unanimity in the NATO Council on the perceptions of the threat and that we have to move ahead. I believe that we're also finding a great way to move ahead in terms of integrating this system within a NATO framework and we've educated them on how that could be done. We ran simulations. And to give you an idea of the popularity of this and the interest, we actually took a technical team over and we had set up simulations of missile attacks into Europe, into the United States and how the system—what would happen if we did not have a European component, what would happen if we did have a European component of the long-range protection, and what would happen if we have the European component tied to a NATO deployable capability. We had almost 200 people come through those exhibits in 2 days and so there was an incredible amount of interest. Every country, just about, in the Alliance was represented there.

AIRBORNE LASER

Senator STEVENS. That's good. One last question, Mr. Chairman and then I'll move on. I know there are others. The airborne laser (ABL) program seems to be making great strides. It's been some time since we went out there. How much can you tell about this in an open session?

General OBERING. Quite a bit, sir, if you like. The aircraft actually, when it's complete, will have three lasers onboard the aircraft. It will have a tracking laser that it uses for very precise tracking. It has an atmospheric compensation laser that goes out along that track and measures the distortion in the atmosphere and feeds that into a fire control system that then uses that information to deform mirrors onboard so that the high-energy laser, the laser that actually destroys the boosting missile, when it goes out, it goes out in a deformed state and then uses the atmosphere to focus the energy. We now have two of those three lasers onboard the aircraft—the tracking laser and the atmospheric compensation laser. We have actually lased with the tracking laser and we've been successful in

that. Now we're coming up on the atmospheric compensation laser to be able to fire and to use that as well. So we're going to achieve some very successful knowledge points in that regard in the next several weeks. In addition, we have fired the very high-energy laser over 70 times in a 747 mockup. It was successful in the testing so now we have dismantled that laser and we're going to reinstall it or install it on a flying 747 this next year. So it is making great progress. It is incredible. It is just remarkable to see what American technology and ingenuity can do. It would make you very proud, as you know, when you visit that. But they are making great strides. It is tough. It's tough technical work but they are making great strides.

Senator STEVENS. I look forward to seeing it. Thank you very much, Mr. Chairman.

Senator INOUYE. Thank you. Senator Shelby.

BASE REALIGNMENT AND CLOSURE

Senator SHELBY. Thank you, Mr. Chairman. General Campbell, with the 2005 base realignment and closure (BRAC) announcement, much of the missile defense research and development is in the process of being consolidated. What are the resulting benefits to the missile defense program that will be realized as a result of this consolidation? You'll be right in the midst of it.

BENEFITS OF CONSOLIDATING ARMY BALLISTIC MISSILE DEFENSE ACTIVITIES AS A RESULT OF BASE REALIGNMENT AND CLOSURE

General CAMPBELL. Yes, sir. I think what that's going to do for us is bring the developers—General Obering's folks together with those that are working some of the basic technologies. And there is a synergy there of being able to gather together and really get a better understanding between the communities and where we need to go in the future. So from my perspective, it offers the opportunity for the Missile Defense Agency and Space and Missile Defense Command to have a joint venture as we move forward in developing a missile defense system.

RELATIONSHIP BETWEEN NEAR-TERM AND LONG-TERM BALLISTIC MISSILE DEFENSE EFFORTS

Senator SHELBY. General, would you discuss briefly the priorities of the near-term missile defense capabilities such as Patriot, THAAD, and the GMD system as they relate to the need to pursue more advanced systems such as kinetic energy interceptor (KEI) and the multiple kill vehicle (MKV).

General CAMPBELL. In my view——

Senator SHELBY. Can you do that here?

General CAMPBELL. Yes, sir. I think generally in my view, we should continue to mature the GMD system. We should move ahead with the plans we have for Patriot, which include advancing Patriot from its configuration today to the Patriot advanced capability 3 (PAC–3). I think it's vitally important that we continue with fielding the THAAD system to meet threats that we anticipate will be evolving over the next 7 or 8 years. In terms of other capabilities that General Obering is working on, the KEI and ABL, I

think it's important that we continue to invest in those programs and he'll reach a decision point in about the 2009 timeframe to decide which way to go but I think it's a hedge against future threats.

Senator SHELBY. As far as the PAC–3 Pure Fleet, if fully funded, what increase in capabilities would this initiative bring to the Army and how might this benefit the combatant commanders?

General CAMPBELL. Today we have a shortage of Patriot capability around the world to meet combatant commanders' requirements so it's essential, in my view, that we go ahead and pure fleet the system. In fact, the Army has committed to developing and standing up an additional 2 battalions and once we've achieved that, we'll have 15 battalions and that will basically meet combatant commanders' needs and this gives us extended range, greater lethality against the type of threats we expect to see in the future.

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

Senator INOUYE. Thank you. Senator Feinstein.

TESTING

Senator FEINSTEIN. Thank you very much, Mr. Chairman. I wanted to ask questions, if I might, about the test coming up in May or September because the prior tests haven't been very successful in many ways. The question is, how realistic these tests really are going to be, whether you're going to employ countermeasures, whether they are really geared to intercept a real scenario or whether they are highly structured just to hit the mark. So I'd like to ask both of you if you could tell us a little bit more about what these tests are going to be and what they're not going to be.

General OBERING. Thank you very much, Senator. Yes, ma'am. First of all—I'll focus just on the long-range system. We were very successful in 2000 and 2001 where we flew the long-range interceptor, a prototype of the kill vehicle and we had a target launch vehicle, we called it, for the booster, to keep it within the range of safety constraints that we were exercising at the time. We were so successful that my predecessor stopped that program and had us go ahead and transition to the operational configuration for the booster and we went into produce-ability for the kill vehicle.

When we came back into flight test in late 2004 and early 2005 is when we had the two failures of the interceptor to leave the silo and those were—in one case, it was a configuration issue associated with the test, not with an operational configuration, and in the other, it was a minor software timing issue that actually happens on rare occurrence. It just so happened to occur during that countdown. It was only one line of code that changed for the missile. Since then, we have flown successfully twice and one of those was an attempted intercept, which did occur last September.

Now, there is a misconception and if you bear with me, that test was a threat representative target. It flew what we would expect a missile launch from North Korea in the United States designed to basically emulate a threat missile coming from North Korea and an interceptor coming out of Alaska. So that geometry we can match by launching a target out of Alaska and an inceptor out of California. In this test, we did have a threat representative target. We had an operational radar at Beale in California and we had sol-

diers manning the consoles. They were not aware, by the way, of the time of the target launch. All they knew is that there was a period of interest, as we call it that was opening up, which is not unusual.

They roughly knew not the trajectory but the azimuth in terms of the direction. But that is also something you would expect in a realistic scenario because if they are launching from North Korea, we generally know the fan spread that would be coming toward the United States. So that all is realistic as well.

We actually used the operational fire control system, the hardware and the software. We used an operational interceptor and the operational kill vehicle. Now, the fact that we did not have countermeasures on that—we did fly countermeasures in 2000 and 2001. The reason we did not have it on the left several tests was because coming out of those interceptor failures, we wanted to make sure that we were taking this a step at a time based on the independent review team's recommendations that I chartered back during those initial failures in 2004 and 2005.

By the way, just because you do not have countermeasures does not mean that it's not realistic. It's not something you would assume could happen all of the time with respect to missiles.

In addition, I think a program that is widely recognized to be very operational and realistic is our aegis program and that is a midcourse interceptor as well and we haven't flown against countermeasures in that program either. But that's not because of the capabilities, it's because of how we are approaching our testing as we go through. So to say that just because you don't have countermeasures is unrealistic. I don't agree with, Senator.

POTENTIAL THREATS

Senator FEINSTEIN. Okay. Other than Russia and China, which countries do you view as a realistic threat at this time, with the will, the financial background, et cetera, the ability?

General CAMPBELL. Well, first of all, the system that we're developing is strictly intended to counter two countries of particular note—North Korea and Iran. We have watched——

BALLISTIC MISSILE THREATS AGAINST THE UNITED STATES

Senator FEINSTEIN. You view Iran as a realistic threat against the United States. A ballistic missile threat against the United States?

General CAMPBELL. Yes, and I'll explain that statement.

Senator FEINSTEIN. Okay.

General CAMPBELL. If you look at what happened in the 1990s in North Korea, we saw them acquire Scud technology, which is a shorter range missile technology and they began to grow that. They grew into a NODONG, which is a medium-range missile and then they began to improve that and to develop longer-range weapons and they flew two of those. They flew one in 1998, which was a TAEPODONG 1 and they flew a TAEPODONG 2 last summer that failed shortly after liftoff and we know that they are continuing that move.

Now, we're seeing the very same evolution in Iran. We're seeing them take shorter-range missiles and grow them to longer and

longer range weapons. They are already testing weapons that are of much greater range than they would need in a regional fight, for example. So why are they are doing that? We have to be concerned about that, especially considering the statements that they've made about the aggressiveness toward the United States and Israel.

Senator FEINSTEIN. Let me just stop you there. You view the TAEPODONG 2—not the 3 but the 2—as a realistic threat to the United States?

General OBERING. I believe the TAEPODONG could be a very realistic threat to the United States. It would be—most of the experts agree that it would be capable of reaching the United States.

Senator FEINSTEIN. In part.

General OBERING. We don't know precisely and we don't know that much—all we know is based on what we have observed and what we believe. We believe it would be capable of reaching the United States.

Senator FEINSTEIN. Okay. Would you relate that now to the Iranian missiles, please?

General OBERING. Well, first of all, in 1998, the intelligence experts said that the North Koreans would not be capable of flying a long-range weapon for 5 or 8 years. That's what their predictions were. They flew one the next month. It surprised everybody. Right now, the experts are saying that Iran will not have an ICBM until 2010 to 2015 timeframe. But it's going to take us at least that long, until 2011 or 2012, to get a first capability in the ground to be able to protect our European allies from that potential and that growing threat. But we're seeing again the same evolution.

Iran also stated, as the North Koreans did, that they want to develop a space launch capability. And if they do that—we believe that could occur imminently. If they do that, they will have demonstrated all of the building blocks for an ICBM capability. So what we're trying to do is stay ahead of what we believe to be an emerging threat because we can't wait until they actually demonstrate and then say, now let's go find a way to counter it because we'll be 3 or 4 years behind the power curve at that point.

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

Senator INOUYE. Thank you very much. Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you very much for convening this important hearing. We appreciate the cooperation of our witnesses today and the hard work being done to help ensure we are protecting the security of our country against a missile attack. We have deployed forces around the world, too, who benefit from our capability to protect our troops against harm from missile attacks.

There has been some who have said that our Defense Department has exaggerated the threat that we face from missile attack. Could you put that in a context of the realities? I know this is not a closed hearing and we can't go into classified material, but to the extent that you can, is there a way to explain this so we can explain to our constituents why it is necessary to spend so much money to develop a ballistic missile defense capability and deploy these defenses now?

General OBERING. Well, sir, I'll try a first crack at that and then, Kevin, if you'd like to add on.

First of all, ballistic missiles are very attractive to countries like North Korea and Iran. We also saw them used in the first gulf war and against our forces in Operation Iraqi Freedom, in which the Iraqis fired ballistic missiles at the Coalition Forces and by the way, they were completely defended by the Patriot system that we had deployed. The reason that they are so valuable is they see a way of basically leap-frogging and countering what they see to be overwhelming conventional capability on the part of the United States and our allies. So when you combine a ballistic missile with a weapon of mass destruction, either nuclear, biological, or chemical, it gives them that leverage.

What they would like to be able to do is to use that to coerce us or our allies or to drive wedges between us. Because if you don't have a defense against a missile like that, then there is that possibility for that. We saw the hostage taking that took place with our British allies by the Iranians, for example. You can imagine how that scenario may play out if they were equipped with a long-range missile that was capable of reaching capitals of Europe with a nuclear warhead. We know that there has been this growth in North Korea with respect to nuclear capability and they, in fact, tested a device, we believe last fall. We know that there is collaboration between the North Koreans and the Iranians. So we have to, as I said earlier, we have to be very attentive to that.

If we can—and I sincerely believe this—if we can join together with our NATO partners and deploy effective missile defenses on a widespread basis, I think it begins to devalue these weapons tremendously because now they realize that they can be destroyed. They can be effectively countered so they lose that attraction that we've seen. And I think this fits very nicely into a spectrum of deterrents on one hand, where you can deter countries that are deterrable. Arms control measures, both positive and negative sanctions for those countries that can be affected like that, such as Libya, but we have to face the fact that in the 21st century, we may run into the equivalent of a nation state, suicide bomber or the lack of control of these weapons as they develop them within a country to where we have to be prepared to be able to actually knock down a missile in flight.

So I believe it is something that we need to do, not just to counter them in an operational sense but also to prevent them from being used here politically to be able to intimidate our allies and our friends.

Senator COCHRAN. General Campbell.

TERRORIST MISSILE THREATS AGAINST THE UNITED STATES

General CAMPBELL. Yes, sir. If you look at inventories of missiles within those particular countries of Iran and North Korea, if you look at the testing trends inside those countries, it's not a marathon, it's a sprint to get to what their objective is. And if you begin to look inside war fighting doctrine for North Korea—I mean, it's one of their principle elements that they are going to use in wartime, with their short-range and medium-range ballistic missiles.

So in my view, our adversaries are in a sprint to develop their capabilities.

TERMINAL DEFENSE

Senator COCHRAN. The emerging new capabilities that we have, the THAAD system, for example, is capable of being deployed several different places and Europe is one of those areas where we are exploring possibilities for deployment. What is the status of the actual execution of the plan for deployment of that system?

TERMINAL HIGH ALTITUDE AREA DEFENSE PROGRAM STATUS

General CAMPBELL. Well, sir, we've got the first two fire units under contract and they will be delivered in the next 2 years, 2008 and 2009, those two fire units. We have two more that we've added to the program as a result of the recommendations from Strategic Command as well. By the year 2013, we should have four fire units that would consist of almost 100 missiles available with respect to THAAD. It is a key element of an overall layered defense because it operates both inside as well as outside of the atmosphere in that region, which is attractive from a defender's perspective. It is very useful with respect to deployed forces and as you said, in terms of that defense in the terminal phase.

It has been proceeding very nicely with its test program. We have now had three of three successful intercepts with that missile this past year and this year. We had a successful test just 2 weeks ago and we have two more tests this year. One is a fly-out basically in the atmosphere, a very, very high speed to determine the ranges of the test envelope and then another intercept of a separating warhead this year as well. So the program is on track. We have a great relationship with both Strategic Command as well as the Army in how we do the transition transfer of that program. So I'm very pleased with that.

Senator COCHRAN. In connection with the testing that you're doing on all of our defensive systems, is the budget request consistent with what your needs are?

BALLISTIC MISSILE DEFENSE BUDGET ACCURACY

General OBERING. Yes, sir. We believe so. Like I said, we're spending almost $2 billion of our budget on testing every year now, across the board. The constraints that we have primarily have to do with range infrastructure in terms of—for example, in Hawaii, we have the Pacific missile test facility there completely maxed out. We're basically—we have them engaged almost around the clock with our testing between the THAAD program and the aegis program and then support of long-range test as well, and they are doing a great job.

But we also like to make sure that we have enough time between these tests to evaluate all of the data and to be able to make any adjustments in how we conduct the next test. So there is a serial nature to this.

Senator COCHRAN. Is there cooperation among other departments and agencies and services in the Department of Defense in your plans for an aegis deployment? Do you have the ships that you

need and the other ingredients or elements of that system in place or does this budget contain requests for additional funding for those items?

DEGREE OF INTERSERVICE COOPERATION IN BALLISTIC MISSILE DEFENSE SYSTEMS DEVELOPMENT

General OBERING. Well, it contains requests for additional funding, for example, of the aegis. We're actually ramping up the interceptor production as well on the aegis program for the standard missile 3s (SM–3s) and we will have more than 132 of those in the—as I mentioned, on 18 ships in my opening statement.

We have worked very successfully with the Navy in planning for the transition of the Block 1 missiles, the first version of that. Now, in those 132 missiles, that will consist of three different configurations—Block 1, Block 1A, Block 1B. So there are always changes that we're making to improve the performance, the capabilities, et cetera. But I've been very pleased with the Navy and how we have been working together in planning that transition transfer.

INTERNATIONAL COOPERATION

Senator COCHRAN. My question is on the extent of cooperation we're getting from European allies in the placing of radars and other systems that are essential to the success of these programs. Is that improving or do you have problems there that we need to know about?

EXTENT OF ALLIED COOPERATION IN BALLISTIC MISSILE DEFENSE RADAR AND INTERCEPTOR PLACEMENT

General OBERING. Well, sir, both the Czech Republic Government and the Government of Poland have been extremely forward-leaning with us and as I said earlier, we've exchanged diplomatic notes. We believe the formal negotiations will begin here about the mid part of May and we hope to conclude those this year so that we can begin site preparation work next year. That will allow us to have an initial placement of an interceptor, for example, in Poland in the latter part of 2010 or the first part of 2012, and complete that work in 2013. And as I said earlier, that gives us a very narrow path, really, with respect to the ambiguity in an Iranian development program. We believe that's why we need to get started and continue that. And we are getting strong support.

By the way, I met with the President and the prime minister of the Czech Republic on Monday and also with members of their parliament. I addressed their parliament and I also talked to the leader of the opposition party there and again, I believe that we see a really strong support among the government and we're seeing good support within their parliament and so I'm very optimistic there.

Senator COCHRAN. Thank you. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF SENATOR THAD COCHRAN

Mr. Chairman, I am pleased to join you in welcoming General Obering to this hearing.

I would like to thank him, and the men and women he represents, for their important service to our Nation. The Missile Defense Agency plays a major role in pro-

tecting the United States and our deployed forces from missile attack. North Korea's missile tests last year and Iran's nuclear activity provide clear examples of the need for the United States to continue to develop and deploy our ballistic missile defense capability.

I very much appreciate the efforts of the Missile Defense Agency and I look forward to this opportunity to review the progress we are making to defend against threats to our security from missile proliferation.

DEGREE OF CONFIDENCE IN BALLISTIC MISSILE DEFENSE SYSTEM EFFECTIVENESS, WHEN DEPLOYED

Senator DORGAN. Mr. Chairman, there are only 5 minutes remaining on the vote so I will be brief. But let me submit some questions, Generals.

Thank you for being here. Let me ask quickly, assuming that you have deployment of all that which you intend to deploy, with what confidence will these defensive systems operate against an offensive threat? Some, as you know, suggest that offensive systems almost always overcome defensive systems over time and there are some who suggest that upon deployment, the issue of dummy warheads and tumbling warheads and a whole series of issues will allow some to overcome a defensive system. So with what confidence at this point, does the deployment perceive?

General OBERING. Well, sir, I will say that first of all, I have a lot of confidence based on the test results that we've seen so far. To address the countermeasures issue—which is what you are referring to, the dummy warheads, decoys, and that type of thing, we have two efforts that are underway. The first major improvement in that will be the massive SBX radar, for example, that we have now deployed to Adak, Alaska, and has been—we've moved it down just off the coast of California now, to participate in our test program. That represents a capability that is unmatched and it will be able—and you've probably heard me say this before—if we place it in the Chesapeake Bay, we could actually discriminate and track a baseball-sized object over San Francisco. So it has the ability not only to track but to image the threat sweeps. So we believe that will add a tremendous capability and the radar algorithms to support that—we're going to deploy both to that radar as well as to the forward deployed smaller versions of the radar, like we have in Japan.

The second thing we're doing because that is still a very tough problem, is that we're developing an MKV program. That means that for every one interceptor, it would actually be able to take out what we call credible objects, which could be warheads or could be balloons or decoys or dummy warheads for each one of the interceptors. It doesn't mean that we can counter a massive raid attack like you may encounter from a country like Russia or something, which this system is not designed for but it does help us with countries like Iran and North Korea, who are going to get better in terms of being able to use countermeasures. It allows us to take care of those.

Senator DORGAN. My question was designed more to—and it may be a classified answer. I assume that one approaches this not just with the "I have confidence" but with "we have a——

General OBERING. We have data, yes. We have the data but I can't go into what it is.

Senator DORGAN. That is classified?

General OBERING. It is. But suffice to say that based on everything that we have seen, it's very high confidence in that capability.

Senator DORGAN. All right. I'm going to submit some questions on the ABL. I went out and visited that, I guess, 6 years ago or so and it slipped, I think, 4 or 5 years in that period. It seems to me to be a fascinating, interesting technology but it continues to slip. I heard your answer on that as I walked in the room. I apologize for having been late but I'm going to submit some questions on the ABL and also the issue of protection against cruise missiles, which you referred to some. And because of the vote, Mr. Chairman, I will have to hustle along in order not to miss it, but let me thank you for appearing and I will submit my questions in writing. Generals, thank you very much.

BALLISTIC MISSILE DEFENSE SENSORS

Senator STEVENS [presiding]. That's why Senator Inouye and I run the relay to make sure that we don't delay the Generals by our voting schedule. But we appreciate your courtesy.

I do think we ought to schedule a classified briefing on some of these questions and I'll ask the chairman to see if that's possible. But within what we can talk about here now, how many radars are parts of these integrated systems?

DESCRIPTIONS OF RADARS USED IN BALLISTIC MISSILE DEFENSE

General OBERING. Sir, currently we have a forward deployed radar in Japan that have been tested and integrated in the system. We have the Cobra Dane radar that you're very familiar with in Shemya, Alaska. We have the Beale radar in California that has been tested and integrated into the system. We have the SBX that has been tested and we're almost done with that testing and then that will be integrated later this year in the coming months. We have also almost completely finished the testing on the Fylingdales radar in the United Kingdom and gone through the initial integration testing with that as well. So we are incorporating these sensors as they are available and as they are able to be deployed. And by the way, just on a side note, so far, the performance of the radars has exceeded our expectations with respect to accuracy and performance.

Senator STEVENS. I'd like to go into a classified discussion on those in terms of their interoperability and vulnerability. Those are questions I think should be explored by members of the subcommittee. But beyond that, there is a redundancy in it, isn't it? In the system?

DESIGN REDUNDANCIES TO OVERCOME BALLISTIC MISSILE DEFENSES VULNERABILITIES

General OBERING. Yes, sir. We're adding more and more layers of redundancy every year and that is important as we go through because as you well know, on any type of a defensive system, you need to have that type of redundancy.

Senator STEVENS. The NODONG 2 would certainly reach Shemya, couldn't it?

General OBERING. Well, the TAEPODONG 2—yes, sir. Yes, sir. We believe it would have certainly the range to do that.

AEGIS BALLISTIC MISSILE DEFENSE

Senator STEVENS. What about the aegis—the standard missile program? I'm told that you have several control systems and the third stage rocket motor. The overall status of this aegis system, is it disclosed in your statement or in General Campbell's?

General OBERING. Sir, I talk about that a little bit in my written statement but I'll be happy to answer a couple of things. There were two issues that we were having to address as part of our development on the aegis SM–3. One was the third stage rocket motor and the other was the solid divert anticontrol system module for the interceptor. We have now flown the third stage rocket motor and we have shown that it does and can do the pulsing that was designed. That was the hang-up in some of the previous testing. The solid divert matching control module, we have also tested that. We've gone through exhaustive testing on the ground. That is planned for the next flight testing in terms of whether or not they are flight proving that that design change is working well. But all indications from our ground testing and hot fire testing are that we have solved the problem that was hanging that up.

Senator STEVENS. Will that be tested on the ship this year?

General OBERING. Yes, sir. It will be tested in our flight test.

Senator STEVENS. Are there any major challenges to that test?

General OBERING. I'm sorry, sir?

Senator STEVENS. Are there any major challenges to that test?

General OBERING. No, sir. In fact, we're planning to conduct that test tomorrow.

TERMINAL HIGH ALTITUDE AREA DEFENSE SYSTEM TRANSITION TO THE ARMY

Senator STEVENS. General Campbell, you mentioned THAAD. When is that going to—that transition soon—when is that?

General CAMPBELL. Sir, that will transition approximately 2010 to the Army and then we'll have some decisions to make about the actual deployment sites for those particular batteries.

Senator STEVENS. Are you developing milestones—up our way, we call them mileposts. Milestones get covered with snow—but mileposts for that program?

General CAMPBELL. Yes, sir. General Obering has milestones specifically for the development and we have milestones now that we are working for developing the concept of operations to employ the system.

Senator STEVENS. And you expect to be able to use it in 2010?

General CAMPBELL. Approximately 2010, sir, yes. In fact, there is a possibility that we'd be able to use it in an exercise in 2009 if the development continues on its current path.

AIRBORNE LASER

Senator STEVENS. Go back to the ABL, if you would. Do you expect any delays in that program?

General OBERING. Sir, the delays that Senator Dorgan was referring to earlier, about November 2004, we really did, I believe, turn a corner on the program. Before that time, the program schedule was basically unstable. We were losing 2 days for every 3 days that we would attempt on a program. We have addressed that. The team pulled together. They focused on the technical programs and began to really resolve those.

I will tell you that what I have seen since November 2004 is a steady progression. There have been some minor delays here and there as they work through—mainly these are integration issues now. The actual functioning of the components, the laser modules themselves, the optical train and everything else, they have pretty much knocked down the technical issues. That is not to say that they are out of the woods. There is still work to be done. As I said, we should have some significant knowledge points on the program in the coming weeks, especially by the end of June, if they stay on the schedule that they're on. We should be able, by that time, to know whether the tracking laser works properly. As I said, we tracked the target 75 kilometers away and closed that fire control loop. We should know if the beam illumination laser, the atmospheric compensation laser, is working properly and feeding that information into the system and we actually have a surrogate of the high energy laser on the aircraft as well. So we should know if the entire system is working the way that it is designed by the end of June. That will be a significant look ahead.

And then if all of that is successful, we will dismantle—we will put the aircraft back on the ground. We will open it up and we'll reassemble the high-energy laser onboard the aircraft and get that back in the air next year so that we can attempt to shoot down a boosting missile in the mid part of 2009.

Senator STEVENS. All three components will be back together onboard by 2009?

General OBERING. Yes, sir, and flying.

Senator STEVENS. Is that at Vandenberg?

General OBERING. We're actually doing that work between Wichita and Edwards Air Force Base, California and also I should say, Sunnyvale, California as well.

MIDCOURSE DEFENSE

Senator STEVENS. To go back to that GMD system, I'm told we've got about $2.7 billion allocated to this program through 2008. But my staff tells me that we were short $1.1 billion in 2007. Now, does that 2008 figure play catch up or are we still going to be short in that system?

TERMINAL HIGH ALTITUDE AREA DEFENSE SYSTEM TRANSITION TO THE ARMY

General CAMPBELL. No, sir. I think that we will be caught up in terms of how we have managed the program and tried to bring the costs under control. It also adds more interceptors to the inventory.

It begins to work down some of the costs variances that occurred. When we had, for example, if you remember, we had the explosion in California back in August 2003 that wiped out one particular configuration of our booster. We lost six interceptors as a result of that explosion.

Also, I diverted four more interceptors from the inventory into our flight and ground test program 2 years ago to address the initial failures that Senator Feinstein referred to and we will have caught back up on our original target inventory of 30 by virtue of being able to basically put the resources where we need to within the program and like I say, we cut out some unneeded overhead to buy back at least four more of the interceptors this last year.

Senator STEVENS. I'll shift again. The chairman is here. One last question. On the aegis ballistic missile defense system, am I to understand that by the end of this year, all three services will be involved? The Air Force, the Army and the Navy?

General OBERING. In terms of the transition transfer of components, yes, sir. We have the early warning radars being transitioned to the Air Force. The aegis ships and their interceptors will be transitioned to the Navy and the Army is picking up responsibility for the forward deployed radars as well as the operation of the GMD system, so we have all three services engaged and we just got a letter from Admiral Mullins several weeks ago saying that the Navy would be the lead service for the massive SBX radar that I talked about that is going to be deployed to Alaska and California and we believe that's great news because that is an incredibly designed system. Just to let you know how well designed it is, when we moved it from Hawaii where we were doing the final radar calibration and some of the corrosion control work that we had delayed to get it out of the gulf in the summer of Katrina, in the hurricane season then. As it was moving from Hawaii up to Alaska, for a 72-hour period, it encountered continuous 70-foot waves and 75 mile an hour sustained winds with gusts up to over 100 miles an hour and it did beautifully. I went and visited the crew when they were in Alaska and they were just amazed at how stable the platform was and how seaworthy and how well it performed. So we have very good news from that.

Senator STEVENS. I hope you're not around when a storm takes place up there.

They did have a typhoon just north of that in 2005.

General OBERING. Yes, sir.

Senator STEVENS. Senator, thank you very much.

SPACE TEST BED

Senator INOUYE [presiding]. Thank you very much. In my opening remarks, I said that the GMD, THAAD, and aegis, if need be, can be operational and it costs us about $90 billion to get to this stage. There is a small item in this fiscal year 2008 request, $10 million for a space test bed. How much would that cost?

COST OF A TERMINAL HIGH ALTITUDE AREA DEFENSE SPACE TEST BED

General OBERING. Well, sir, we have a very small amount allocated across the entire defense program out through 2013 that is, I think it totals around $300 million for that space test bed.

What we're doing there, if I could elaborate there a little bit. We believe that it is always prudent to continue to think about the future and what you may need in the future. We believe that space offers a lot of flexibility. It offers a lot of attraction with respect to that flexibility and the access, et cetera that can be accommodated from space.

So we allocated this very small amount to do foundational testing, to see whether or not you could apply missile defense from space. It's in keeping with the President's space policy and it is in keeping with this idea of trying to balance the future versus the near term. I'll give you an example of why that is important, I think. If we had only concentrated on the near term back in the early 1990s, then about the systems that we would have would be probably the Patriot, since that was underway and the THAAD program, which was also underway. But programs like the GMD, at that time, were considered futuristic and if we had not maintained that balance overall in the agency at the time, then we would not have had a system to turn on last summer when North Korea did what they did.

So it is a very, very—as you say, very small amount out of the $8.9 billion that we've requested. But we think it's prudent to do that experimentation. Now this does not buy any hardware, the $10 million. It does not start any type of an interceptor program. What it is doing is funding experimentation, analysis, and studies so that we can engage with our contractors to understand what is within the realm of the possible and what is not. For example, if you were to add a space-based layer other than sensing, you would need to really understand weight and the cost per pound to orbit and what kind of improvements can be made there. You really need to understand the kinetic control and battle management concept of operations and how would that be done. You need to understand the differences in sensing from space as well as from the ground. So there is a whole host of questions that would be answered with this very small experimentation.

We think that there will be a healthy debate—should this country decide that it needs to do that in the future; there will be a healthy debate as to whether we actually go ahead with that type of capability. We believe that this would help to inform that debate because it may be such a technical challenge that it may not be worth pursuing and that's the type of thing we're trying to answer.

COOPERATION WITH JAPAN

Senator INOUYE. So this phase of the program will not be carried out at the expense of what you're doing now. Our largest partner in missile defense is Japan and the total contribution, I think, is about $5 billion and there are plans to spend more than $1 billion to co-develop the standard missile block for sea-based missile defense. I'm concerned that MDA's abrupt decision to move away from this upgrade could affect the relationship. Am I correct?

JAPANESE BALLISTIC MISSILE DEFENSE DEVELOPMENT PARTICIPATION

General OBERING. Well, sir, let me talk to that. First of all, I talked to Senator Feinstein and Senator Durbin about the threat maturation, we know that we are going to be faced with threats in

that timeframe, meaning in the next decade, that are, in fact, going to be complex. They are going to be able to use decoys and countermeasures and that type of thing and you're going to have to have the ability, working with the radars as well, to be able to counter those decoys and that type of thing. So you're going to have to have an ability to kill more than one object with an interceptor or it won't be cost effective in terms of the number of interceptors you'd have to fire at any given threat missile. We have been—this is a deviation in terms of the kill vehicle planning that we agreed upon with the Japanese, the initial analysis now almost 2 years ago. So what we're doing is we have launched another analysis, working with the Japanese so that they can understand the rationale—they can understand the threat maturation that we see. They can understand the need for this and they have shown us that they are interested in the looking at the results of that analysis. We've gotten positive answers back on that.

I'm sure it is a concern to them because it is a change to the program, but when we first started the program back in June, when we kicked this off, I told them at that point that there are two things we have to be careful of. One is, we want to be able to take advantage of technology improvements that may come out and number two, we have to be able to address maturations in any evolving threat. So from the beginning, we've talked about this. It's a matter of making sure that they stay on board with us through these analyses, these studies and these engagements. So I believe that once they understand the facts and the figures, as we can present them, I think they will feel better about this.

And by the way, as you state, that is a very strong relationship. It is a very strong partnership. They are developing those co-technologies that we've been co-developing with them already, as I stated in the opening statement. We have a very strong co-test program, participation in testing. In fact, they intend to have a flight test this year, which they will use Japanese SM–3 in that flight test. So we're—it's a very strong relationship and we stay engaged with them on a regular basis. I'll be headed back to Japan here in just the next month or so.

Senator INOUYE. A recent test of the THAAD has been successful. What's the next step?

TERMINAL HIGH ALTITUDE AREA DEFENSE SYSTEM TESTING

General OBERING. The next step is, we will fly a test missile at the White Sands Missile Range that allows us to explore further elements of the envelope, meaning we will fly at lower altitudes much longer to see how well the missile performs. That will not be against a target. But then later in the year, we plan to fly against a separating target—that means a warhead that is separated from a booster, to be able to engage that and that would occur in the Pacific.

ADDITIONAL COMMITTEE QUESTIONS

Senator INOUYE. General Obering, General Campbell, I have several other questions I'd like to submit but we have another meeting so if we may, can we just submit our questions for your responses?

General CAMPBELL. Yes, sir.

Senator INOUYE. I would appreciate that and with that.

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

QUESTONS SUBMITTED BY SENATOR DANIEL K. INOUYE

Question. The interceptors in Europe will be downsized versions of the ones currently in Fort Greely and Vandenburg. How much development and testing needs to be done on these two-stage interceptors in order to ensure that they are capable of intercepting a ballistic missile? Are we moving too rapidly on fielding this capability before this development and testing takes place?

Answer. The interceptor planned for deployment in Europe is a 2-stage configuration of the currently deployed and flight-tested 3-stage booster at Fort Greely and Vandenberg Air Force Base. The common components between the 2-stage and the 3-stage booster have undergone significant, ground, flight, and qualification testing as part of the 3-stage development effort. Because the 2-stage interceptor planned for Europe has fewer components than its 3-stage predecessor, the planned 2-stage variant is a less-complex version of the successfully tested and fielded 3-stage interceptor.

The 2-stage interceptor program includes rigorous component qualification, integration testing, ground testing, and flight testing. The current flight test plans for the 2-stage variant feature two flight tests prior to completion of the first 2-stage interceptor for deployment, one of which includes EKV intercept of a threat-representative target. The Ground-Based Midcourse Defense (GMD) Fire Control (GFC) and Command and Launch Equipment (CLE) software adapted for the 2-stage interceptor will also be included in the 2-stage intercept flight test. The 2-stage intercept flight test is tentatively scheduled for 2QFY11 with initial interceptor emplacement in 4QFY11. Prior to the intercept flight test, we will perform a booster verification flight using an EKV mass simulator.

The Missile Defense Agency has identified and is currently working to mitigate risks for 2-stage interceptor development. Overall, the development and fielding for the 2-stage interceptor is low risk. The most noteworthy risks are with the software changes and integration required with the 2-stage interceptor, the CLE, and the GFC in order to optimize the interceptor's performance envelope. These risks will be mitigated through our ground and flight test programs.

Booster modifications (3-stage to 2-stage) are neither uncommon, nor unprecedented. In fact, the Payload Launch Vehicles (PLVs) flown in the GMD program's first ten Integrated Flight Tests (January 1997 through December 2002) were 2-stage variants of the standard 3-stage Minuteman boosters. So, the Missile Defense Agency has successful prior experience in modifying 3-stage boosters to fly 2-stage missions.

Given our experience in booster modifications and integration, 3-stage leveraging and lessons-learned, and the planned 2-stage qualification, ground, and flight testing prior to the first European emplacement, the Missile Defense Agency does not believe that we are moving too rapidly in fielding this critical capability.

Question. How many Standard Missiles are we buying in fiscal year 2007 and how many are we planning to buy in fiscal year 2008? Why does MDA incrementally fund its missile programs, and when will they be budgeted for in procurement accounts?

Answer. MDA is planning to deliver 13 Standard Missile-3 Blk IA's in fiscal year 2007 and 20 additional Blk IA missiles in fiscal year 2008. MDA currently has authority to use RDT&E funds to develop and field missile defense capability. Incremental funding provides the flexibility to procure more diverse warfighting capability for the same investment. An element of the BMDS, the SM–3 Blk IA, is a developmental asset that has not reached the level of technical maturity required to support use of procurement funding.

The Agency's plan is to transfer and transition certain elements and components of the BMDS to the Military Departments for production, sustainment and operation. At that time, the Military Departments will budget and request procurement and O&M funding to acquire and sustain these systems. In the case of the SM–3 Blk IA, the sustainment responsibility will transfer to the Navy in fiscal year 2008 in accordance with the Aegis BMD Block 04 Transition Memorandum approved by the Deputy Secretary of Defense on March 9, 2007.

MDA will continue to develop the BMDS using a capabilities-based, spiral development approach that gives the Agency the flexibility to use developmental assets

such as the SM–3 Blk IA to provide initial ballistic missile defense capabilities to the warfighter while concurrently continuing our development and testing regimen.

Question. A study is underway to look at sea-based platforms to host the Kinetic Energy Interceptor. However, there are challenges associated with each ship or submarine platform being considered. Can you update the Committee on the study and tell us what platforms are best suited to host the KEI?

Answer. The Kinetic Energy Interceptors Sea-Mobile Platform Alternatives Assessment is conducting a detailed analysis of six specific ship and submarine classes: DDG–51, flight IIA (surface combatant), LPD–17 (amphibious assault ship), T–AKE (support ship), CV–2500 (commercial container ship), SSGN (OHIO class SSBNs converted for non-strategic missions), and a conceptual SSXN (potential conversion of OHIO class SSBNs to the missile defense mission). Prior related studies have indicated that these ship classes provide a broad range of benefits and challenges in supporting Kinetic Energy Interceptor's missions. This study will greatly reduce the risk of a costly booster vehicle redesign should the Agency decide to field the Kinetic Energy Interceptors on ships or submarines.

The Alternatives Assessment will be completed in September 2007 with an assessment of each platform's mission performance, cost, and risk across the entire Kinetic Energy Interceptor mission space: boost, ascent, and midcourse. Near term, the results of the Alternatives Assessment will be used to help ensure that the Kinetic Energy Interceptor booster design is compatible with likely sea-based platforms and inform Agency trade studies on investments in future capabilities. The specific sea-based platforms on which Kinetic Energy Interceptor is fielded will be determined when there is an Agency decision to develop sea-mobile Kinetic Energy Interceptor capability.

GROUND-BASED MISSILE DEFENSE

Question. What milestones and testing events need to occur prior to announcing an initial operating capability of the ground-based missile defense system?

Answer. Today, the Ballistic Missile Defense System (BMDS) could provide a limited defense if called upon as the initial set of capabilities necessary to defeat an incoming ballistic missile have been fielded and demonstrated. These capabilities are currently in a "shakedown period" under which our crews are gaining valuable experience in their operations, and should some threat arise, we could transition from a test phase to an operational phase in a matter of hours. MDA is working with the warfighters to ensure they are ready to operate the system when directed as well developing the capability to operate and test the BMDS concurrently.

A Secretary of Defense decision to put the system on a higher level of alert will be based on a number of factors. These factors include: the advice he receives from the Combatant Commanders, and other senior officials of the Department; our confidence in the operational procedures we have developed; demonstrated performance during both ground and flight tests; modeling and simulation; and the threat.

Question. If the third stage rocket motor is removed from the ground-based interceptor, can it do boost phase intercept? What would its capabilities and characteristics, including size and mobility, be in comparison to the Kinetic Energy Interceptor?

Answer. [Deleted.]

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

Question. General Obering, since, as you testified, the current Ballistic Missile Defense (BMD) initiatives are designed to counter the asymmetrical threat from Iran and North Korea, what formal negotiations are currently underway to obtain acquiescence from the Russian Federation for the deployment of these systems? Does the Department of Defense intend to proceed with the stationing of missiles and radars in Eastern Europe independent of Russian Federation acceptance of the deployments?

Answer. The deployment of Ground Based Interceptors and a Mid-Course Radar to Europe is critical to the defense of the United States, its deployed forces, and its European friends and allies. We do not believe Russia ought to be able to exercise a "veto" over our decision to proceed. However, the Department will continue its efforts to explain the non-offensive nature of the Ballistic Missile Defense system to the Russian Federation and will continue to provide transparency into our efforts and seek ways in which we may cooperate with Russia on missile defense.

Question. General Obering, the proposed missile defense deployments in Poland and the Czech Republic have sparked a great deal of public debate, and the bilateral agreements you reach with those countries will be subject to approval by their re-

spective Parliaments. In light of the fact that it is far from certain that both countries' governments will approve these deployments, how do you justify the large funding request in the fiscal year 2008 Budget for this program? Would it be more prudent to first ensure that this project will be allowed to proceed before committing these funds?

Answer. There are two principal agreements under negotiation with the Czech Republic in support of the European ballistic missile defense sites in the Czech Republic (radar) and in Poland (ground-based interceptors): a Defense Basing Agreement (status of forces and general basing provisions) and a Ballistic Missile Defense Agreement (provisions for the construction, maintenance, sustainment, and operation of the sites). Progress on these agreements has been timed to support the approved program of record resourced in the fiscal year 2008 President's Budget request.

Since the 2nd quarter of fiscal year 2006, our approved program of record has specified major construction contract award in the 4th quarter of fiscal year 2008. Negotiations of the two agreements with each country began in May 2007 with a goal completion by Fall 2007, well before the need date of 4th quarter of fiscal year 2008. Based on the approved program of record, negotiation of the Defense Basing Agreement and Ballistic Missile Defense Agreement with both the Czech Republic and Poland are proceeding on schedule. The Polish and Czech governments publicly support this initiative, and we are confident that the governments will work with us to conclude the agreements as soon as possible.

Question. General Obering, you testified that a ballistic missile defense deters nations from developing weapons that can be countered. You also testified that Iran and North Korea currently are developing missile technology at a "sprint pace." Since the United States claims to have a functioning missile system defense against limited attacks in place, why is this not deterring their development efforts? What evidence is there that a missile defense program will serve as an active deterrent to a rogue nation missile or nuclear development program?

Answer. My testimony made the point that missile defenses could help dissuade a government from further investing in ballistic missiles and deter it from using those weapons in a conflict. But the threats posed by rogue nations such as Iran and North Korea continue to challenge our notions of deterrence and defense. Surprise—strategic, tactical, and technical—is an expected feature of today's security landscape. While deterrence remains the cornerstone of our strategy, we recognize an increased risk that deterrence may fail. The actions of North Korea and Iran this past year demonstrate the determination of these rogue regimes to achieve a ballistic missile capability and potentially weapons of mass destruction to further aggressive ends. Under such circumstances, missile defenses are highly desirable as a hedge against the failure of deterrence. As the robustness of the capability fielded increases, we could expect that the deterrent effect of this initial capability would grow by reducing an adversary's confidence in the success of an attack.

Question. General Obering, what missile system is being considered for the Polish deployments and are the development schedules and the deployment schedules in sync?

Answer. The interceptor planned for deployment to Poland is a 2-stage variant of the currently deployed and flight-tested Ground-Based Midcourse Defense (GMD) 3-stage Ground Based Interceptor (GBI) deployed at Fort Greely and Vandenberg Air Force Base. The development and deployment schedules are synchronized.

The GMD 2-Stage booster development strategy starts with the currently deployed and flight-tested 3-stage booster. Boeing and its booster subcontractor, Orbital Sciences, began working 2-stage development activities on February 23, 2007. In fiscal year 2007 and early fiscal year 2008, the booster contractor will conduct design trade studies and electronic piece/part level testing. A Program Critical Design Review is scheduled to occur December of 2008. In fiscal year 2009, the booster contractor will complete design modifications and component-level qualification to eliminate the third stage rocket motor and repackage the booster electronics that were located on the third stage. Additionally, navigation and guidance software changes will be implemented to enable the interceptor to perform mission profiles for two stages of flight versus three.

The GMD 2-Stage booster test program includes both ground and flight tests. Two Ground Test Missiles (GTM) will be delivered in the second quarter of fiscal year 2010. Ground tests begin in the third quarter of fiscal year 2010. Two flight tests are planned to prove out the GMD 2-Stage booster performance prior to deploying any of the ten 2-Stage GBIs (interceptor numbers 45 through 54). A booster verification flight using an Exoatmospheric Kill Vehicle (EKV) mass simulator will precede a flight test with intercept from the same location utilizing a flight qualified EKV against a threat-representative target. The booster verification flight is sched-

uled for the fourth quarter of fiscal year 2010 and the flight test with an intercept is scheduled for the second quarter of fiscal year 2011, both from Vandenberg Air Force Base in California. Interceptor deployment into the European Site is scheduled from the fourth quarter of fiscal year 2011 through the second quarter of fiscal year 2013.

Question. General Obering, will a 10 missile deployment be adequate to counter the potential threat from Iran or North Korea if long-range missiles being developed by these nations are used in conjunctions with decoys? What integrated system testing has been done to simulate this challenge? What testing is being planned?

Answer. [Deleted.]

Question. General Obering, since command and control of the Eastern European deployments will be in the United States, what involvement will NATO, the Czech Republic or Poland have in the command and control of these systems? Will NATO support the deployment of this system?

Answer. Our NATO Allies understand that the time available to react to a hostile missile is measured in minutes, not hours. Further, they understand this requires the system to be highly automated with engagement procedures worked out in advance. We have assured our NATO Allies that they will be consulted as these engagement procedures are developed.

Further, we have considered offering situational awareness nodes to Poland and the Czech Republic, and suggested that a similar node could be provided to NATO. The situational awareness node will provide a status of the system so that the viewer will be constantly apprised of the system status. The United Kingdom already has a situational awareness node because it hosts the Fylingdales Upgraded Early Warning Radar.

Finally, we will work with our NATO Allies to develop crisis management/decision procedures to be implemented during times of increased tension that may result in the launch of ballistic missiles against the United States or Europe.

We are actively working with NATO so that it will not only support but will welcome the deployment of a U.S. missile defense system to Europe because the Allies agree there is a threat and understand that the planned U.S. assets in Europe would be highly complementary to any future NATO missile defense effort. NATO is already developing ways to link Allies' short- and medium-range missile defense assets through its Active Layered Theater Ballistic Missile Defense (ALTBMD) system. The U.S. system provides a defense to Europe and the United States against long-range ballistic missiles. Combined, the two systems could begin to defend all of Europe from the full range of threats. Over the last six months officials from the Missile Defense Agency, Office of Secretary of Defense, and State Department have met numerous times with our NATO Allies to explain the threat and proposed U.S. deployment.

Question. General Obering, what type of NATO missile defense deployments are currently being planned and how much is being invested by European nations in such a venture?

Answer. NATO currently has an Active Layered Theater Ballistic Missile Defense (ALTBMD) program to develop a command and control capability to link NATO countries' short range missile defense assets together to protect deployed NATO forces and other high value assets from short and medium range missile attacks. The ALTBMD Program will upgrade existing NATO command and control systems, and will create ALTBMD defense capability at all NATO command levels, from the strategic to the tactical levels.

The ALTBMD Program Office signed a contract worth approximately $95 million with an international consortium led by Science Applications International Corporation to develop and operate an integration test bed for developing and testing the integration/linking of different short range missile defense architectures.

Several NATO member countries currently possess missile defense assets that will be contributed to NATO and linked together via the ALTBMD program. Germany has the Patriot system and is a partner, along with the United States and Italy, in the Medium Extended Air Defense system. The Netherlands also has the Patriot system and is developing a long-range capability for maritime search and track of ballistic missile threats. France is currently developing the SAMP–T air defense system, which will have capability against ballistic missiles in future upgrades. Greece has Patriot systems that could be upgraded to have ballistic missile engagement capability. Denmark and the United Kingdom agreed to allow the United States to upgrade early warning radars on their territory and use these radars for BMD.

Question. General Obering, in addition to the threat of nuclear weapons, the threat of chemical and biological weapons has been put forward as a rationale for the deployment of a ballistic missile defense system. Is there evidence of Iranian

or North Korean research to develop inter-continental ballistic missile weapons or warheads capable of both the accuracy and payload survivability to support these concerns?

Answer. [Deleted.]

Question. General Obering, what are assessed to be the most realistic current threats from Iran: short, medium, or long range missiles? What coverage against an Iranian launch will the Eastern European ballistic missile defense deployment provide that cannot be covered by THAAD, PAC–3, and Aegis deployments?

Answer. In November 2006 and January 2007 Tehran demonstrated that it has short and medium range ballistic missile capabilities by conducting several short- and medium-range ballistic missiles and rocket launches. In the November exercises Iran demonstrated for the world its offensive capabilities via televised broadcasts. Iran dedicates significant resources to acquire ballistic missiles, to include new medium- and intermediate-range systems capable of reaching forward-deployed United States forces and our allies and friends. Our intelligence community assesses that Iran would be able to develop an ICBM before 2015 if it chooses to do so. With the missile firings over the past year, they have also demonstrated the ability to conduct coordinated launch operations.

The capability provided by a GBI site located in Poland, a European Midcourse Radar located in the Czech Republic, and a forward deployed radar could provide redundant protection coverage of 90 percent for the United States and Canada and 100 percent coverage for the territory in NATO that is threatened by long range missiles from Iran, but only by intermediate and short range missile defense forces, such as PATRIOT PAC–3. U.S. missile defense forces such Aegis SM–3 and THAAD (supported by an AN/TPY–2) could be deployed in a crisis to fill any coverage gaps.

Question. General Obering, what is the timeline for Aegis equipped-vessels to have counter-ICBM capabilities and what are the greatest technological challenges to the development of this system?

Answer. The 21-inch diameter Standard Missile-3 (SM–3) Block IIA interceptor paired with the Aegis BMD 5.1 Weapon System will increase our capability by defeating longer-range ballistic missiles, up to and including some Inter-Continental Ballistic Missiles. We have requested funding in fiscal year 2008 to support concept development and complete a System Design Review in fiscal year 2008.

The primary technological challenges are the Lightweight VLS Canister and integrating the Aegis BMD 5.1 Combat System and BMDS to achieve the necessary "quality of service" required to extract the optimum SM–3 Block IIA performance through "Engage on Remote" operations. A lighter canister is necessary to offset the additional weight of the larger missile. The Lightweight VLS Canister will be the first one made with composite materials.

The remainder of the SM–3 Block IIA missile, as funded in the program of record, is a scaled up version of the SM–3 Block IB and integrated into the Aegis BMD 5.1 Weapon System, thereby leveraging the legacy and investment in technological missile propulsion and warhead development. We are confident that these challenges can be met to support initial deployment in 2015.

Question. General Obering, what are the current lift-phase intercept capabilities, what programs are currently underway to develop this capability, and what are the greatest hurdles to developing that capability?

Answer. There is currently no operational boost phase intercept capability.

We are developing two potential boost phase intercept capabilities to supplement currently fielded midcourse and terminal defenses. The Airborne Laser (ABL) element of Ballistic Missile Defense is the primary effort currently underway to address boost phase ballistic missile threats of all ranges. The high-acceleration Kinetic Energy Interceptor (KEI) booster (KEB) development effort, continuing on the recommendation of the Defense Science Board's, is an option in the event ABL does not meet critical knowledge points in its test program.

The greatest hurdles to develop an operational ABL capability are:

—Flight test of beam control and atmospheric compensation lasers against a cooperative airborne target.

—Integration of high energy laser modules with the modified Boeing 747 aircraft in preparation of a lethal shoot-down of a ballistic missile target.

—Maintainability—Demonstration of routine safe processes for handling of corrosive on-board chemicals for extended flights.

—Reliability of optical system performance, including compensation for atmospheric effects, aircraft induced optical jitter, and ensuring high beam quality in an operational environment.

—Realization of producing additional ABL units within cost and schedule to demonstrate readiness for weaponization.

The greatest hurdles to develop an operational Kinetic Energy Interceptor capability are items such as booster fly-out meeting the high performance, high maneuverable requirements, the trapped-ball thrust vector control, or the ability to get and process data in a operationally useful timeline as potential technical hurdles for KEI. Additionally:

—Maintaining flexibility to integrate with Multiple Kill Vehicle capability in the future and/or using the KEB as a replacement booster for our other kinetic energy components;
—Maintaining options to develop a land-mobile launcher and fire control system as well as an option for a sea-based capability;
—Mitigate critical risk areas prior to making full budget commitments;
—Flight test of high acceleration booster.

QUESTIONS SUBMITTED BY SENATOR BYRON L. DORGAN

AIRBORNE LASER

Question. When I visited the Airborne Laser program at Kirtland AFB in January 2000, I was told that the Airborne Laser program was on schedule to do a lethal shoot-down in 2003 and that the first aircraft of a seven-aircraft fleet would be deployed in 2007. Now the first shoot-down attempt is scheduled for 2009 and there seems to be no plans for deploying the system.

Can you explain to me in layman's terms what has caused the program to slip so much?

Answer. In January 2000, the Airborne Laser (ABL) Element of the Ballistic Missile Defense System (BMDS) was scheduled to conduct lethal shootdown in 2003 and to deploy the first of a seven-aircraft fleet in 2007. However, the ABL Element has evolved considerably since 2000 in response to technical and programmatic challenges in developing this powerful, revolutionary, speed-of-light weapon system. Major adjustments to the program and its schedule have arisen primarily from:

—Technological complexity of the program's revolutionary capabilities: a high-power chemical laser and associated beam control optics on a flying platform;
—Risks associated with rapid prototyping during the early part of the program;
—Prior to 2004, programmatic focus on a single objective of shootdown, rather than incremental successes in proving technology and capability (i.e., knowledge points); and
—Unforeseen technical discoveries during development, integration and test, especially during hardware/software integration.

In 2004, the MDA Director refocused the ABL Element and directed the use of an incremental, knowledge-based acquisition approach, a change which shifted lethal demonstration from December 2004 to late 2008. The ABL Element has recognized more efficiency both in terms of schedule and costs as a result of this change. Technical discoveries since the 2004 restructure have only recently pushed the projected shootdown date to 4QFY09.

ABL is on the cutting edge of technology in almost every aspect of its development. Each component of the ABL has overcome significant technical challenges, often through the invention of "first-ever" technological achievements. Moreover, the rapid prototyping approach prior to the 2004 restructure offered the prospect of quick operational capability but also carried a higher risk of re-design and rework as many processes were attempted in parallel rather than in serial. The new restructured approach slows the development process down, but also significantly reduces risk. After all, the integration of the laser, optics, and software on a flying platform represents a level of complexity never before attempted in an airborne optical system.

In summary, the ABL Element of BMDS is successfully developing a revolutionary, speed-of-light capability that will prove invaluable to the nation's defense against ballistic missiles and will establish a role for Directed Energy weapons in the future defense of the United States.

CRUISE MISSILE DEFENSE

Question. What capabilities do the ballistic missile defense systems that you are developing offer for defending against cruise missiles?

Answer. The Ballistic Missile Defense System (BMDS) currently under development has been designed for defense in depth against short-, medium- and long-range ballistic missiles. Some of the elements designed for short- and medium-range ballistic missile defense also provide a capability for cruise missile defense. Chief

among these are the Patriot Air and Missile Defense System and the Aegis Weapon System, upon which the Aegis Ballistic Missile Defense capability is built.

The Patriot Air and Missile Defense System, being procured by the Army, provides a capability to detect, track and engage aircraft, cruise missiles, and tactical ballistic missiles in their terminal phase. These different target types can be engaged simultaneously. A Patriot Fire Unit is deployed with an AN/MPQ–53/65 phased array radar, an Engagement Control Station, and multiple missile launchers. Each launcher contains up to sixteen Patriot PAC–3 missiles. While the fly-out of the PAC–3 missile limits Patriot engagements to fairly short ranges, a Missile Segment Enhancement currently under development by the Army will significantly increase the engagement ranges for all target types. This enhancement will form the basis for the Medium Extended Air Defense System (MEADS), being jointly developed by the United States, Germany and Italy, which will also have the capability to engage aircraft, cruise missile and ballistic missile targets.

The Aegis Weapon System, deployed on Aegis-class Cruisers and Destroyers, also provides the capability to detect, track and engage aircraft, cruise missiles and ballistic missiles. These targets can be engaged simultaneously, as was demonstrated in the recent FTM–11 test of the Aegis Ballistic Missile Defense system. Unlike Patriot, Aegis is capable of engaging ballistic missiles in the ascent, midcourse and descent phases of their trajectories. The Aegis Weapon System is comprised of the AN/SPY–1 phased array radar, a Command and Decision system, and a Weapon Control System, capable of controlling the launch of multiple Standard Missiles from vertical launch cells. Different Standard Missile variants are currently used for the engagement of air and ballistic missile targets. The SM–2 Blk III and Blk IV missile variants developed by the Navy are used for the engagement of aircraft and cruise missiles, while MDA-developed variants to the SM–3 missile are used for the exoatmospheric engagement of ballistic missiles. Recently, MDA has funded modifications to the SM–2 Blk IV missile which will provide an endoatmospheric Sea-Based Terminal defense against ballistic missiles, making it dual-use for both air and ballistic missile targets. In addition, a new missile variant under development by the Navy, the SM–6, will replace the SM–2 for defense against aircraft and cruise missiles, and is under consideration for use by MDA as part of the Sea-Based Terminal ballistic missile defense capability.

The Missile Defense Agency has recently been tasked by Congress to assess candidate architectures for the defense of the U.S. Homeland against asymmetric threats comprised of cruise missiles or short-range ballistic missiles launched from a ship off the U.S. coastline. Some of the elements of the BMDS described above would most likely have a role in such an architecture. In particular, while additional sensors would most likely be needed to detect and track low-flying cruise missiles over wide areas, the Patriot PAC–3 and the SM–6 Standard Missiles could potentially provide the engagement capability needed to counter both the asymmetric cruise and ballistic missile threats.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

COST

Question. A November 2006 report by the Congressional Budget Office states that the annual cost of missile defense could reach $18 billion by 2016. Is this an accurate assessment? If so, how can you justify spending so much on national missile defense given the number of national defense priorities we face? If not, what is a more realistic assessment and where did the Congressional Budget Office go wrong?

Answer. The CBO estimate for total investment in missile defense programs for 2016 was about $15 billion and the estimate was based on carrying out all projected development and acquisition programs. The CBO noted that if cost risk is taken into account, the amount "might be about $3 billion higher each year."

It will be several years before the Department of Defense Comptroller issues official fiscal guidance to MDA that includes fiscal year 2016. However, even without seeing future year fiscal guidance, it is safe to say that we do not anticipate our fiscal requirement for fiscal year 2016 will approach $18 billion as the recent CBO report suggests. We believe that the Department will likely maintain MDA's current "top line". Accordingly, this would amount to a funding level of approximately $10–$11 billion for fiscal year 2014 and beyond. Within this top line constraint, the Director, MDA, would recommend to the Department leadership the best course of action for balancing investments across the missile defense program that would allow us to continue to meet the priorities of the President, the Department, the Congress, and the Warfighter.

PERFORMANCE AND TESTING

Question. In March 2005, you were quoted as asserting that "We could certainly shoot down an incoming missile if we needed to" with the ground-based mid-course (GMD) system. Is that still your assessment?

Answer. Yes, that is still my assessment for threats launched from North Korea to the United States. On July 4, 2006, North Korea did launch seven missiles capable of striking our allies and deployed forces in the Western Pacific, and also launched a Taepo Dong 2 long-range missile believed to be capable of striking the Western United States. Our confidence in our assessment stems from the fact that we have successfully completed numerous ground tests, to include hardware in the loop, culminating in a flight test (FTG–02) that demonstrated a representative engagement.

Question. We have deployed a missile defense system without any operational testing of the system. The system is not on alert. Is that accurate?

Answer. Currently the fielded Ballistic Missile Defense System (BMDS) is not on alert at all times, but it is available to be placed on alert as demonstrated when we converted the system to alert mode prior to North Korea's missile launches on July 4, 2006. Transition to alert status is periodically exercised when STRATCOM conducts unannounced system readiness demonstrations. There is no need to keep the BMDS on continuous alert because it is continuously subject to recall, in response to changes in real world events, based upon changes in defense readiness conditions specified by U.S. Strategic Command.

The fielded BMDS has been subjected to operationally-realistic combined developmental and operational testing, and we work closely with the Director, Operational Test & Evaluation, Operational Test Agencies, and Combatant Commanders to incorporate operational test objectives and include operational personnel, to the maximum extent possible, in all of our flight tests. We also work together to characterize the effectiveness and readiness of the system at every stage in its development and fielding.

Testing under operationally realistic conditions is an important part of maturing the system. We have been fielding test assets in operational configurations in order to conduct increasingly complex and end-to-end tests of the system. Our flight tests are increasing in operational realism, limited only by environmental and safety concerns.

For example, in September 2006, we conducted a long-range intercept flight test that exceeded our objectives. That complex test involved an operationally configured interceptor launched from an operationally configured silo at Vandenberg Air Force Base, operational sensors, and operationally trained crews manning the fire control consoles. The test demonstrated the functionality of the Exo-atmospheric Kill Vehicle and the ability to engage a threat-representative target using the Upgraded Early Warning Radar at Beale Air Force Base in California. After the kill vehicle acquired the target, launched from the Kodiak Launch Complex in Alaska nearly 3,000 km away from the engagement zone, it successfully intercepted it. This was our most operationally realistic, end-to-end test of the system involving the Ground-based Midcourse Defense element to date.

Based on the many tests we have conducted to date, we maintain our confidence in the Ballistic Missile Defense System's basic design, its hit-to-kill effectiveness, and its inherent operational capability.

Question. The system was put on alert when North Korea conducted missile tests in July 2006. At that time, the Missile Defense Agency stated: "we currently do not have a capability to concurrently maintain the [Ballistic Missile Defense System] in full operational mode while simultaneously developing, testing, or training on the system." In other words, the Missile Defense Agency cannot walk and chew gum at the same time. If we have the system on alert, we have to stop testing, development, and training. Is that still your assessment? If it is, would you agree that it calls into the question the whole notion of "spiral development", that is fielding a system before it has been actually been operationally tested?

Answer. The United States has the ability to put a Ballistic Missile Defense System (BMDS) on alert today because of the capability-based, spiral development acquisition approach the Missile Defense Agency (MDA) has followed since 2002. This approach leverages collaboration with the warfighter community throughout development and testing to the point where we transition or transfer militarily useful capabilities to the operators.

For the first time in the history of the United States when the North Koreans launched several ballistic missiles last summer, we had the capability of defending our people against a long-range missile.

The issue of testing and training while the BMDS is in operational mode is complex and involves safety considerations as well as other technical matters. We are actively addressing this issue by developing the capability to conduct Concurrent Test, Training, and Operations. This capability will allow Combatant Commanders to keep the system in operational mode while we test, train, and make improvements to the system. Our spiral development strategy has allowed us to field an initial capability in record time and to improve that capability over time. Without spiral development, we would not have had any capability fielded last July.

Testing under operationally realistic conditions is an important part of maturing the Ballistic Missile Defense System (BMDS). MDA is using a combined Developmental and Operational Testing (DT/OT) approach that uses Operational Realism criteria developed by MDA and Director, Operational Test & Evaluation (DOT&E). In fact, MDA has been fielding test assets in operational configurations to provide an initial capability while allowing us to conduct increasingly realistic and complex end-to-end tests of the system.

Question. Is it your view that the American people are, at this moment, safer from a ballistic missile attack with a national missile defense system that is not on alert and has not been operationally tested?

Answer. I believe the American people are safer at this moment because we have in place today a limited defensive capability to engage, with a high degree of confidence, a North Korean intercontinental ballistic missile. Prior to December 2004, the United States had no capability in place to intercept a North Korean warhead and prevent it from detonating in or over an American city. With the deployment of an initial defensive capability just under three years ago, we have begun to close a gaping hole in our defenses.

We are able to monitor global missile launch activities continually using national intelligence, reconnaissance, surveillance and tracking assets, which are able to provide significant data on announced and unannounced launches and support missile defense readiness. We are able to focus many of these assets on countries of greatest concern, and, based on the commendable record of reporting from the Intelligence Community to date, I believe that we will have reliable, timely, and responsive indications and warning of potential and imminent ballistic missile launches out of North Korea.

We demonstrated this past summer that we are able quickly to activate the Ballistic Missile Defense System and prepare it for emergency operations. We worked closely with the U.S. Strategic, Northern, and Pacific Commands, the Intelligence Community, and our allies during this real world event to ensure that the system was ready to engage the North Korean long-range ballistic missile, if necessary.

The system available for emergency use today has undergone significant testing, with our most recent tests focused on demonstrating the functionality of the system under operationally realistic conditions. Over the years we have tested many of the hardware and software components of the Ground-based Midcourse Defense (GMD) system. In the September 2006 test of our GMD long-range defense capability, we used an operationally configured interceptor launched from an operationally configured silo at Vandenberg Air Force Base, operational sensors, and operationally trained crews manning the fire control consoles. Continuing our close working relationship with the warfighter community, operational test agencies, and the Pentagon's Director of Operational Test and Evaluation, we will configure the next test and subsequent tests of the GMD element, to similarly mirror a realistic operational event and feature greater test complexity. The growth in our confidence in this system's effectiveness is directly tied to our ability to practice with it in operationally realistic ways.

We ought not discount the deterrence and dissuasion effects of what we have deployed. By fielding a system we can put on alert on very short notice, we deploy a defensive capability, the performance of which the enemy cannot possibly know with any degree of confidence. Having a system that can be activated shifts a portion of the risk to the enemy.

Question. The Ground-based Midcourse Defense system (GMD) has only intercepted a target in 6 out of 11 highly scripted attempts. When is the next intercept attempt? Will it use countermeasures? Will any test in the near future incorporate countermeasures?

Answer. The next intercept attempt, GMD Flight Test-03 (FTG–03), is planned for May 2007 and will not use countermeasures on the target reentry vehicle. The subsequent flight test, FTG–04, is currently scheduled for September–October 2007 and test plans currently include countermeasures. However, MDA has successfully tested GMD intercepts in a countermeasure environment in the past and we are confident, based on modeling and engineering, that we will continue to do so.

(See attached two charts: GMD Flight Test Summary)

GMD Integrated Flight Test Summary
(1 of 2)

	IFT-1/1a (6/24/1997)	IFT-2 (1/16/98)	IFT-3 (10/03/1999)	IFT-4 (01/19/2000)	IFT-5 (07/08/2000)	IFT-6 (7/14/2001)	IFT-7 (12/03/2001)	IFT-8 (03/15/2002)
Test Event								
Test Objectives	• Demonstrate Boeing EKV sensor • Collect target signatures and phenomenology data • Exercise the GMD Test infrastructure	• Demonstrate Raytheon EKV sensor performance • Collect target signatures and phenomenology data • Exercise the GMD Test infrastructure	• Demonstrate EKV performance • Target complex acquisition • Track file and field of view management • Real-time on-board discrimination • Endgame performance	• Demonstrate integration of system elements and functionality • Demonstrate EKV flight test performance	• Demonstrate integration of system elements and functionality • Demonstrate KV flight test performance	• Demonstrate EKV flight test performance • Demonstrate sensor operations • BMC3 operations	• Demonstrate integration of system elements and functionality • Demonstrate sensor operations • Demonstrate BMC3 operations • Demonstrate KV flight test performance	• Demonstrate integration of system elements and functionality • Demonstrate sensor operations • Demonstrate BMC3 operations • Demonstrate KV flight test performance
Test Results	• IFT-1 No Test due to power supply anomaly • IFT-1A successful seeker fly-by and data collection Simulated	• Successful seeker fly-by and data collection Simulated	• Successful intercept • Successful system test 	• Unsuccessful intercept due to seeker anomaly • Successful integrated system test up to intercept	• Unsuccessful intercept due to no separation of booster / interceptor • Successful integrated system test up to separation	• Successful intercept 	• Successful intercept • Successful system test 	• Successful intercept • Successful system test
	Success	**Success**	**Success**	**Test Failure**	**Test Failure**	**Success**	**Success**	**Success**
	MRV w/Penaid	*MRV w/Penaid*	*MRV w/Penaid*	*MRV w/Penaid*	*MRV w/Penaid*	*MRV w/Penaid*	*MRV w/Penaid*	*MRV w/Penaid*

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GMD Integrated Flight Test Summary
(2 of 2)

	IFT-9 (10/14/2002)	IFT-10 (12/11/2002)	IFT-13B (01/21/2004)	IFT-13C (12/15/2004)	IFT-14 (02/13/2005)	FT-04-5 (09/26/2005)	FT-1 (12/13/2005)	FTG-02 (09/01/2006)
Test Event								
Test Objectives	• Demonstration integration of system elements and functionality • Demonstrate sensor operations • Demonstrate BMC3 operations • Demonstrate KV flight test performance	• Demonstration integration of system elements and functionality • Demonstrate sensor operations • Demonstrate BMC3 operations • Demonstrate KV flight test performance	• Characterize booster/ kill vehicle environments • Engage a simulated target • Demonstrate integration of system elements and functionality • Demonstrate CLE and OBV performance capability • Demonstrate GFC/C Ops	• System phenomenology test • Target launched from Kodiak Launch Complex (KLC) • Exercise GBI Engage On Cobra Dane surrogate • Demonstrate GBI Engage On Aegis BMD (simulated intercept post-test) • OBV booster • Exercise IDT	• Demonstrate hit-to-kill with improved kill vehicle • Target launch from Kodiak • Exercise GBI Engage On Cobra Dane surrogate • OBV booster	• Collect data to support verification of GBI Engage On Cobra Dane ESG: - Launch sensor verification - Surveillance/initial track - Engagement sppt - Sensor • Long-Range Air-Launched target • Simulated GBI	• Demonstrate GMD can launch GBI and deliver EKV to desired point • Demo OVV/EKV separation • Demo EKV DACS and cryo operation • Demo EKV booster-aided navigation • Demo Comm event 1 and EKV divert/ Step Stare • Demo GS software engagement planning	• Demonstrate ability of Beale UEWR to provide weapon task plan • Demo Beale UEWR track and classification data in message interfaces • Demo GMD readiness functionality, transition to alert, planning ops, sensor tasking, engagement ops • Collect M&S data
Test Results	• Successful intercept • Successful system test 	• Unsuccessful intercept due to no separation of booster /interceptor (Not related to IFT-5 failure) • Successful integrated system test up to separation	• Successful GBI/OBV operations • Successful integrated system test	• Unsuccessful missile launch due to OBV BIT failure • All other system objectives through WTP generation were successful	• Unsuccessful missile launch due to GBI abort just prior to launch • All other system objectives through WTP generation were successful	• Successfu V&V data for M&S anchoring • Risk reduction for Cobra Dane ESG for future flight tests	• Successful demonstration of OBV to support future flight tests and of GMD system integration, interface and performance 	• Successful demo of GMD GFC ability to generate a real-time weapon system task plan using Beale UEWR and of West Coast infrastructure
	Success	**Test Failure**	**Success**	**Test Failure**	**Test Failure**	**Success**	**Success**	**Success**
	MTRV w/Penaid	*MTRV w/Penaid*	*MTRV (Simulated)*	*GROW w/Dynamics*	*GROW*	*LRALT*	*STARS/GROW (Simulated)*	*STARS/GROW*

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Question. Why is there no operational testing planned? Isn't it useful to test a system under operationally realistic conditions, i.e., operational testing, to determine the true effectiveness of the system?

Answer. MDA has conducted operationally realistic tests in the past and plans to conduct additional operationally realistic tests in the future. Testing under operationally realistic conditions is an important part of maturing the Ballistic Missile Defense System (BMDS). MDA has been fielding test assets in operational configurations primarily to provide an initial capability and to conduct increasingly complex and end-to-end tests of the BMDS.

MDA has an Integrated Master Test Plan (IMTP), which emphasizes operationally realistic test and criteria as directed by congressional language. This plan is revised annually in coordination with the Department's Director, Operational Test and Evaluation. The plan will continue to expand on the combined Developmental and Operational Test (DT/OT) approach which focuses on increasing operational realism as we move from subsystem to fully integrated system-level testing for each block of fielded capability. The testing progression that we have defined in the IMTP builds upon increasing levels of operationally realistic scenarios, targets, and warfighter interaction. Every Ballistic Missile Defense System ground and flight test will include operational test objectives to provide data for an operational assessment.

Using criteria established by the Agency's system engineers and our warfighters, all system ground and flight tests provide data that we and the operational test community use to verify the system's functionality and operational effectiveness. Our flight tests are increasing in operational realism, limited only by environmental and safety concerns. Each system test builds on the knowledge gained from previous tests and adds increasingly challenging objectives, with the goal of devising scenarios that test elements of the system from end-to-end. This spiral test approach increases knowledge of, and confidence in, the system performance while maintaining safety and minimizing artificiality.

For example, in September 2006, we conducted a long-range intercept flight test that exceeded our objectives. That complex test involved an operationally configured interceptor launched from an operationally configured silo at Vandenberg Air Force Base, operational sensors, and operationally trained crews manning the fire control consoles. The test demonstrated the functionality of the Exo-atmospheric Kill Vehicle and the ability to engage a threat-representative target using the Upgraded Early Warning Radar at Beale Air Force Base in California. After the kill vehicle acquired the target launched out of the Kodiak Launch Complex in Alaska nearly 3,000 km away from the engagement zone, it successfully intercepted it. While it was not hooked into the system, we also demonstrated the powerful contributions the Sea-Based X-band radar can make in the areas of tracking and discrimination. This was our most operationally realistic, end-to-end test of the system involving the Ground-based Midcourse Defense element to date.

Question. If we are concerned about the treat posed by ballistic missiles, why is the system not on 24/7?

Answer. [Deleted.]

Question. What specifically is the time frame for researching and developing the two-stage interceptor that the Missile Defense Agency wants placed in Easter Europe? What is the testing schedule? What level of reliability must it meet before it will be deployed? What will happen if the European nations decide not to accept missile defense interceptors?

Answer. The interceptor planned for deployment in Europe is a 2-stage configuration of the currently deployed and flight-tested 3-stage booster at Fort Greely and Vandenberg Air Force Base. The booster contractor will complete design modifications to eliminate the third stage rocket motor and repackage the booster electronics that were located on the third stage. Additionally, navigation and guidance software changes will enable the interceptor to perform mission profiles for two stages of flight versus three. The common components between the 2-stage and the 3-stage booster have undergone significant, ground, flight, and qualification testing as part of the 3-stage development effort. Because the 2-stage interceptor planned for Europe has fewer components than its 3-stage predecessor, the planned 2-stage variant is a less-complex version of the successfully tested and fielded 3-stage interceptor.

The GMD 2-Stage development activity has started and a Program Critical Design Review is scheduled to occur in December of 2008. Two flight tests will be conducted, both from Vandenberg Air Force Base in California, prior to deploying interceptors at the European Site. The two flight tests include a booster verification flight with an Exo-atmospheric Kill Vehicle (EKV) mass simulator, scheduled for the fourth quarter of fiscal year 2010, and an integrated flight test with an EKV and a threat-representative target vehicle scheduled for the second quarter of fiscal year

2011. The Ground-Based Midcourse Defense (GMD) Fire Control (GFC) and Command and Launch Equipment (CLE) software adapted for the 2-stage interceptor will also be included in the 2-stage intercept flight test.

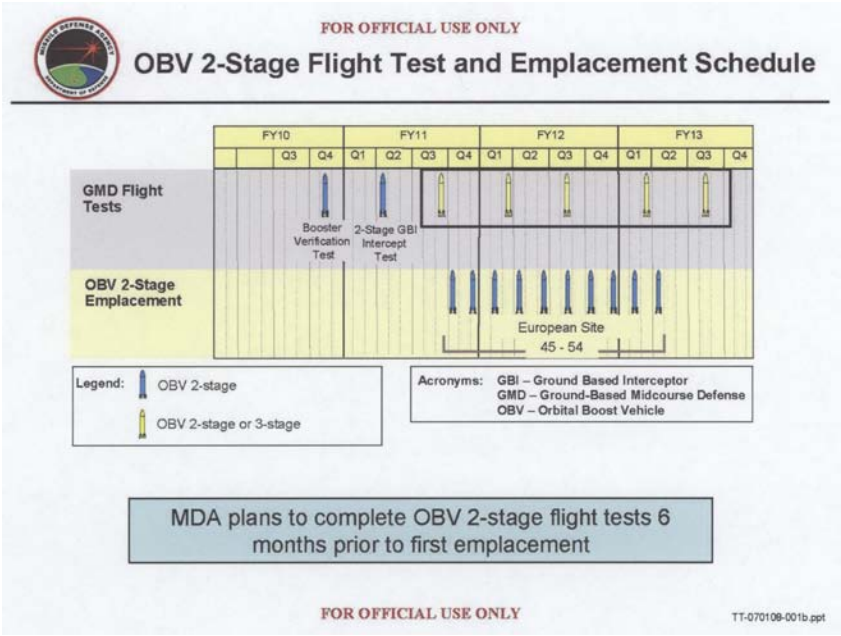
The Missile Defense Agency has identified and is currently working to mitigate risks for 2-stage interceptor development. Overall, the development and fielding for the 2-stage interceptor is low risk. The most noteworthy risks are with the software changes and integration required with the 2-stage interceptor, the CLE, and the GFC in order to optimize the interceptor's performance envelope. These risks will be mitigated through our ground and flight test programs.

Booster modifications (3-stage to 2-stage) are neither uncommon, nor unprecedented. In fact, the Payload Launch Vehicles (PLVs) flown in the GMD program's first ten Integrated Flight Tests (January 1997 through December 2002) were 2-stage variants of the standard 3-stage Minuteman boosters. So, the Missile Defense Agency has successful prior experience in modifying 3-stage boosters to fly 2-stage missions.

The non-recurring engineering funding for the GMD 2-Stage development totals $15 million and is located in the Ground Based Interceptor portion of project 0008 of the GMD Program Element. Boeing and its subcontractor Orbital Sciences began working 2-stage activities February 23, 2007.

The 2-stage interceptor reliability will be demonstrated through rigorous component qualification, integration testing, ground testing, and flight testing.

Interceptor deployment into the European Site is scheduled for the fourth quarter of fiscal year 2011 through the second quarter of fiscal year 2013. A detailed schedule is presented in the attachment. If the decision were made not to deploy GBI's 45–54 in Europe, we could use those interceptors at Fort Greely.



EFFECTIVENESS

Question. In March of 2003, Edward "Pete" Aldridge, who was then the undersecretary of defense for acquisition, technology and logistics, testified before the Senate Armed Services Committee that the ground-based interceptor system would be 90 percent effective. On July 21, 2005, you stated that there is a "better-than-zero chance of successfully intercepting, I believe, an inbound warhead." Can you explain the differences in your assessments? Since you made that statement, have our chances improved at all?

Answer. Since I made that statement, we have made substantial progress in developing testing and fielding an integrated, layered Ballistic Missile Defense System (BMDS). As commentary on our progress, I would point to testimony by the Direc-

tor, Operational Test and Evaluation on March 27, 2007 that the "BMDS has demonstrated a limited capability against a simple foreign threat" and that "MDA's ground test program was active, robust, and disciplined, demonstrating BMDS capability and interoperability." And as our testing and fielding continues, our confidence in the reliability and maintainability of the BMDS increases. The BMDS is on track to reach its specification values in the 2010–2012 timeframe. This means the system effectiveness would be in the range of 90 percent for certain threat class and launch locations. Our current system capability against North Korean threats ranges from 80 percent-90 percent for the defense of the United States. This is defensive capability we have not previously had and one which the warfighters have deemed useful to have as we continue testing and progress toward planned system effectiveness.

Question. Will we ever come close to 100 percent? How much will it cost to get there? Where will we be at the end of this fiscal year?

Answer. Complex weapon systems rarely achieve 100 percent effectiveness. Nevertheless, the GBI element of the Ballistic Missile Defense System is highly effective in performing its mission since we commit two interceptors to every threat missile in order to approach 100 percent effectiveness. At the end of the fiscal year with our current shot doctrine, we achieve greater than 90 percent effectiveness for the interceptor. In addition, the GBI is a component of a layered BMDS which will allow for even greater performance. Furthermore, over the past five years we have made substantial progress in developing, testing, and fielding an integrated, layered Ballistic Missile Defense System (BMDS) to defend the United States, our deployed forces and our Friends and Allies against ballistic missiles of all ranges in all phases of flights. As our testing and fielding continues, our confidence in the reliability and maintainability of the BMDS increases.

Question. Do you believe that our program has served as a deterrent on the nuclear weapons aspirations of either the Iranian or the North Koreans?

Answer. The threats posed by rogue nations such as Iran and North Korea continue to challenge our notions of deterrence and defense. Surprise—strategic, tactical, and technical—is an expected feature of today's security landscape. While deterrence remains the cornerstone of our strategy, we recognize an increased risk that deterrence may fail. The actions of North Korea and Iran this past year demonstrate the determination of these rogue regimes to achieve a ballistic missile capability and potentially weapons of mass destruction to further aggressive ends. Under such circumstances, missile defenses are highly desirable as a hedge against the failure of deterrence. As the robustness of the capability fielded increases, we expect that the deterrent effect of this initial capability will only increase.

SPACE TEST BED

Question. The Missile Defense Agency has requested $10 million for the Space Test Bed. What does the system architecture look like? What would prompt you not to go forward with this program? Do you agree that this may amount to the weaponizing space? Would it compel other countries to move forward with their own systems?

Aanswer. The Space Test Bed is not an acquisition program with a set architecture. It is a proving ground for concepts and technologies that might some day be integrated into a space-based missile defense layer should the data indicate feasibility (survivable, affordable, deployable, operable) and if future policy decisions permit. Exploration of alternative implementation architectures is a critical part of the Space Test Bed.

The Space Test Bed is not an acquisition program. It is a proving ground for determining the feasibility of concepts and technologies. Activities would cease if undeniable showstoppers were discovered through analysis, experimentation and demonstration or if significant breakthroughs in global terrestrial engagement made space defenses unnecessary.

No, we do not. Space "weaponization" arguments are not helpful, due to the complexities in defining what constitutes a "space weapon," as well as the inability to identify meaningful and verifiable compliance mechanisms without artificially limiting peaceful and practical uses of space.

The concept of the space test bed as a vehicle to conduct research and development of advanced technologies for space is consistent with the existing legal regime, based primarily on the 1967 Outer Space Treaty and with the President's recently-released National Space Policy. The Department has not made a decision to pursue space-based interceptors. However, should it consider deploying missile defense interceptors in space in the future, the debate will be greatly improved by a quantitative understanding of the issues.

Space based defenses are inherently global and could serve the interest of mutual security. There may be powerful incentives to develop space based capabilities within the framework of international cooperation.

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

Question. Over a year ago, the graham panel recommended intensifying your flight and ground testing, while recently the Inspector General pointed out issues with your network communications security. How has your confidence in our deployed system, including the interceptors Fort Greely and Vandenberg, changed? Your plan calls for only one ground based missile defense intercept test in fiscal year 2006; are you comfortable with that level and rate of testing?

Answer. The Missile Defense Agency's confidence in our deployed BMDS is growing. If the deployed system were called upon in an emergency we believe that it would work based on the testing we have conducted to date. Recent tests conducted over the past year bolster our confidence as we have successfully flown the operationally configured interceptor. We hope to gain further confidence in our system's capability when we conduct an intercept flight test with an operationally configured GBI later this year.

We are successfully executing our plan of continued laboratory and distributed asset testing at the component and system level, and are conducting a regimented flight test schedule with well-defined entrance and exit criteria in accordance with the recommendations of the Independent Review Team (IRT) and the Mission Readiness Task Force (MRTF). We have instituted a stringent pre-mission ground test program prior to our Ground Based Midcourse Interceptor flight test missions which allows us to fully exercise the ground components at Fort Greeley and Vandenberg prior to a flight test event. In addition, we have successfully demonstrated the ability to launch, fly and separate the Ground Based Midcourse Interceptor's Exo-atmospheric kill vehicle, thereby validating the modifications we made after previous flight tests. We have also recently conducted live tests of other key BMDS assets demonstrating the system's ability to detect and track live targets in flight using operational sensors, operational networks, and our operational battle management and fire control nodes.

Our disciplined path to returning to a flight program required specific technical criteria to be met before the flight test could occur. This approach limited us to one intercept flight test in fiscal year 2006, but provided us with key insights to bolster confidence in each and every subsequent event. We plan to maintain this strategy as we strive to increase the flight test tempo in subsequent years, improve integration of Information Assurance (IA) Controls, and believe that this strategy helps balance the technical risks with additional confidence that comes from testing in more stressful intercept environments.

Concerning the Department of Defense Inspector General (DOD IG) report on the Ground Based Midcourse Defense Communications Network (GCN), MDA is confident that the GCN will continue to perform safely, securely, and efficiently when called upon to defend this nation, our friends and allies against missile threats. The IG recommendations are matters that need attending to, and are being appropriately addressed.

GROUND-BASED MISSILE DEFENSE

Question. I'm pleased that the airborne laser has made technical strides during the last year. Will this program have the funding to meet its key milestones in 2007?

Answer. The program has sufficient funding to accomplish the projected milestones in 2007. ABL is a high-risk/high-payoff program based on cutting edge technology in developing and integrating advanced optics and lasers on a flying platform. The program has made significant progress by successfully demonstrating long-duration lasing at lethal power levels in ground tests and completing flight testing of the integrated beam control/fire control and battle management systems on board the ABL prototype aircraft. The program is following a very aggressive schedule to complete both ground and flight tests of the beacon and tracking illuminators (including demonstration of atmospheric compensation) before the end of CY06, and completion of low power system testing in CY07, while the high energy laser component is refurbished in preparation for installation on board the aircraft in CY07. All these efforts are leading up to a lethal shoot-down of a ballistic missile in the 2008 timeframe.

Question. Fielding Aegis and Ground Based Midcourse Defense are priorities for this committee. Can you assure this committee that the Missile Defense Agency has

adequate resources allocated to the testing, fielding and operational aspects of the current system before embarking on the development of new capabilities?

Answer. I share your views on the importance of fielding the Ground-based Midcourse and Aegis BMD elements of the Ballistic Missile Defense System (BMDS).

In fiscal year 2007 we plan to continue the incremental fielding and sustainment of Ground-based Midcourse Defense interceptors; additional SM–3 missiles and upgrades to Aegis BMD ships; and the supporting sensors, command, control, battle management and communication capabilities required to integrate these interceptors into the BMDS. We have been steadily increasing the operational realism of Aegis BMD flight tests leading to deployment of a certified tactical capability later this year. In Aegis BMD, the Navy's Operational Test and Evaluation force is conducting concurrent testing as part of Aegis BMD flight test missions. We will also be pursuing a comprehensive and integrated approach to increasing the operational realism of our GMD and BMDS flight tests as well as making our ground testing program more robust. At the same time, we are not wavering from our commitment to sustaining these systems once they are in the field.

The resources included in our fiscal year 2007 President's Budget request, as well as throughout the FYDP, are adequate to support our fielding, sustaining and testing commitments. Currently, we are fielding missile defense assets about as fast as we can and I can assure you that our budget request represents an appropriate balance between providing near term missile defense capabilities and preparing for the emerging threats of the future through our evolutionary development programs.

Question. The radar at Shemya and the sea based X-Band are key elements of the ground based missile defense system. As such, they are likely high value targets in the initial phases of an attack. Does the Missile Defense Agency plan to protect these assets from our adversaries? Can you provide us that plan in a classified session?

Answer. The overall protection strategy for the Cobra Dane Radar on Shemya Island, Alaska and the Sea-Based X-Band (SBX) is based upon an assessment of the current threat, the application of security measures to deter identified threats and appropriately protect the radar and personnel, and the Combatant Commanders planned response to actual threats.

Cobra Dane

U.S. Strategic Command (USSTRATCOM) Strategic Directive 538–2, "Global Ballistic Missile Defense Systems (GBMDS) Physical Security Program" directs protection standard at the SSL–A level. This specifies protection commensurate with assets for which loss, thefts, destruction or compromise would cause great harm to the strategic capability of the U.S. Cobra Dane does not currently meet all SSL–A protection requirements. Remoteness of the asset, severe weather conditions, and cost vs. risk are considerations being evaluated towards a decision to properly updated existing security. MDA is working with USSTRATCOM and Pacific Air Forces (PACAF) to conduct a security assessment and develop a risk mitigation plan to identify security systems suitable for the Eareckson environment, including enhanced security for the Cobra Dane radar.

SBX

SBX is currently protected as a System Security Level-A asset in accordance with DEPSECDEP direction, as implemented by U.S. Strategic Command (USSTRATCOM) Strategic Directive 538–2. USSTRATCOM has endorsed MDA security and force protection measures as consistent with 538–2 for SSL–A.

Geographic Combatant Commands (GCC) are responsible under the Unified Command Plan (UCP) for force protection oversight of SBX–1 when operating in their area of responsibility. While MDA is responsible for antiterrorism/force protection (AT/FP) of the vessel, the GCC is responsible for responding to attacks by adversaries during increased threats/wartime. Based on the Force Protection Condition (FPCON) and current intelligence, GCCs will direct assigned forces or request additional forces to protect the SBX operations, as required.

Question. Your agency is in the initial development stages of the Kinetic Energy Inteceptor, which appears to offer improved performance during boost and ascent phase engagements. For commonality, supportability, and cost have we examined all avenues of improvements, or modifications, to the existing ground based interceptors to provide this capability?

Answer. The Missile Defense Agency did examine the possibility of improving or modifying the existing Ground-Based Interceptor to enable boost and early ascent phase defenses prior to starting the Kinetic Energy Interceptors program in 2003. What we and multiple industry teams determined is that a mobile, fast-burning, high acceleration booster capability is required to meet boost/ascent phase mission

requirements. The Kinetic Energy Interceptor booster has approximately three times the acceleration of a Ground Based Interceptor with a similar payload volume and weight capacity. The Kinetic Energy Interceptor is also half the weight of a Ground Based Interceptor; its physical size (length and diameter) is constrained to allow rapid transport on a C–17 aircraft and future integration on a sea-based platform. The only way to achieve this mobile weapon capability is to design, develop, integrate and test new booster motors. The development of this unique booster vehicle capability is the primary focus of the Kinetic Energy Interceptors program through the 2008 booster flight knowledge point.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

VALUE OF TEST RANGES TO MISSILE DEFENSE AGENCY (MDA)

Question. White Sands is perhaps the most unique installation in all of DOD and, when combined with Fort Bliss (most of which is located in New Mexico) and Holloman Air Force Base, it gives the Department a highly valuable venue for combining operations and testing.

Can you describe the value MDA places on its access to an installation like White Sands with its enormous geographic size and unrestricted airspace?

Answer. MDA values access an installation like White Sands Missile Range (WSMR) for testing of Ballistic Missile Defense (BMDS) elements due to its geographic size and airspace. However, WSMR is not well suited for MDA test engagements across multiple time-zones which are necessary to increase confidence in the whole BMDS. We continue to integrate theater and regional missile engagement capabilities into the Ballistic Missile Defense System with a strategic engagement capability demonstrated for Block 04. With its size and airspace, WSMR will contribute to the success of the BMDS in future testing involving PATRIOT integrated with Command Control Battle Management and Communications (C2BMC) and the Theater High Altitude Area Defense system (THAAD). PATRIOT testing is required to assist in maintaining the Limited Defensive Capability of the BMDS as well as the development of future Blocks of the BMDS.

Question. Does this access provide the type of realistic testing environment needed to collect accurate data for your systems?

Answer. Yes, at the developmental testing level, but not as much for operational testing:

—*Airborne Laser (ABL).*—WSMR is well suited for firing the laser in flight at diagnostic missiles during beam characterization, and for some test sorties where active laser operation is not required.

—*THAAD.*—For ground testing, THAAD will conduct a total of 26 activities comprised of tests, demonstrations and New Equipment Training/Collective Training. These activities will exercise the Launcher, Radar, and Fire Control and Communication components of the THAAD element, at WSMR and other ranges, from 2007 through 2011.

—*PATRIOT Advanced Capability (PAC)-3.*—In fiscal year 2007 and fiscal year 2008 there will be a total of two BMDS tests that use the Army's PATRIOT tests at WSMR. The first test, set for 2QFY07, will bring C2BMC and THAAD Hardware-In-the-Loop (HWIL) to exercise the latest PATRIOT and C2BMC software. MDA will collect data on communications between THAAD and PATRIOT and will test PATRIOT's ability to receive C2BMC engagement-coordination direction. For the second test, set for 1QFY08, MDA will bring C2BMC and THAAD HWIL to the PAC–2 Guidance Enhancement Missile (GEM) P6X–2 test to accomplish the same objectives. It should be noted that the Army will be conducting PATRIOT tests at WSMR in addition to MDA specific tests.

Question. How will White Sands contribute to the success of the Ballistic Missile Defense System in the future?

Answer. In Block 06 and beyond, the MDA has planned engagement sequences that include THAAD engagement on its X-band radars and on system-level tracks. The WSMR flight campaigns will contribute to proving key functionality and interfaces as the BMDS extends to integrated, layered, worldwide-defensive capabilities. Accordingly, the MDA testing program includes THAAD flight tests and Patriot flight tests to demonstrate early interoperability, then integration with the BMDS. The C2BMC element will participate in these flight tests to demonstrate the situational awareness and planning functions that are needed to conduct regional missile defense operations.

Question. A range-wide environmental impact statement has not been completed for WSMR in more than ten years. Would the Missile Defense Agency benefit from such an EIS?

Answer. A decision to conduct a range wide EIS at the Army's White Sands Missile Range would be made by the Army and White Sands Missile Range, and any value to the Missile Defense Agency would be indirect. The Missile Defense Agency (MDA) coordinates test planning at White Sands Missile Range with the Army, and as new missile tests are identified to meet our testing goals, and as the proponent of those tests, the Missile Defense Agency would initiate the necessary level of compliance with the National Environmental Policy Act for the specific action. Current planned Missile Defense Agency testing at White Sands Missile Range is compliant with the National Environmental Policy Act.

Question. What does the Missile Defense Agency need from White Sands Missile Range and New Mexico?

Answer. THAAD returned to flight testing in 2005, and the second flight test of five at WSMR occurred on May 11, 2006. The THAAD program currently plans to conduct three additional flight tests at WSMR over the rest of this year and into fiscal year 2007 before moving future testing to the Pacific Missile Range Facility (PMRF) at Barking Sands, HI, where we can conduct tests of more challenging engagement scenarios.

WSMR provides support for many other MDA flight tests via our Pacific Range Support Teams (PRST) which are teams composed of staff from multiple DOD ranges to support broad ocean area tests, and to specific MDA dedicated mobile test assets. We need the WSMR team to continue their outstanding support of our MDA PRST, providing critical mobile equipment and expertise to remote locations around the Pacific. While the WSMR geography seems substantial for tactical systems, MDA systems must demonstrate their capabilities on both a broader theater and global scale. This large-scale testing will require us to use large areas within the Pacific oceans.

MDA and DOD continually seek more commonality of testing processes and tools across the Major Ranges and Test Facility Base, to enable more efficient and flexible testing in the future. WSMR's continued support of these activities is crucial.

The C2BMC element participates in THAAD and PATRIOT testing from WSMR to achieve early demonstrations of element interconnectivity and data message transfer during live fire events. This interconnectivity testing is made easy by WSMR's SIPRNET on-range connectivity and ease of set-up and troubleshooting.

MDA's programs take advantage of a substantial amount of infrastructure and technical expertise from across New Mexico. Some of the other areas include: Holloman High Speed Test Track and WSMR for lethality and survivability testing; Kirtland Air Force Research Labs and the ABL program office support to our Directed Energy activities; and Sandia National Labs for support to our FT targets, threat analyses, survivability, among others.

SUBCOMMITTEE RECESS

Senator INOUYE. The hearing is recessed.

[Whereupon, at 11:45 a.m., Wednesday, April 25, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2008

WEDNESDAY, MAY 9, 2007

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

The subcommittee met at 10:34 a.m., in room SH–216, Hart Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Byrd, Leahy, Dorgan, Feinstein, Mikulski, Kohl, Murray, Stevens, Cochran, Specter, Domenici, Shelby, and Gregg.

DEPARTMENT OF DEFENSE

OFFICE OF THE SECRETARY

STATEMENT OF HON. ROBERT M. GATES, SECRETARY OF DEFENSE

ACCOMPANIED BY HON. TINA JONAS, COMPTROLLER

STATEMENT OF SENATOR DANIEL K. INOUYE

Senator INOUYE. Before we proceed, I must announce that the leadership has scheduled four bills for consideration and the voting will commence at 11:30. So, reluctantly I must insist upon the 5-minute rule. Otherwise some Senators will not be heard.

I would like to welcome you, Mr. Secretary and General Pace. I will abbreviate my statement and put the full statement in the record.

Your budget request of $481 billion is the highest we have ever had, so it would appear logical that the request would be sufficient to meet all needs. However, we have found several serious shortfalls. For example, a critical shortfall in the healthcare system; the Air Force planned termination of the C–17 fails to take into consideration the need for more aircraft due to overuse in Iraq; the National Guard and Reserves have testified that equipment levels are shockingly low; and I think events in Kansas recently demonstrated that.

So we see that funding problems still exist, Mr. Secretary. My colleagues have also raised a question of recent changes to our deployment plans of our National Guard and active duty forces. Healthcare experts are now raising questions about the impact of lengthy tours on the mental health of these men.

So, Mr. Secretary, General Pace, we appreciate your attendance here.

I would like to now recognize the vice chairman of the subcommittee.

[The statement follows:]

PREPARED STATEMENT OF SENATOR DANIEL K. INOUYE

Good morning Mr. Secretary. I want to welcome you and General Pace as the subcommittee continues its Defense Department hearings on the fiscal year 2008 budget request.

During our hearings this year we have received testimony from various components and activities of your Department.

Each of the military departments, the National Guard and Reserves, the Missile Defense Agency, the Surgeons General and representatives from the intelligence community have all provided their input to the committee.

Next week we will conclude our hearings as we receive testimony from members of the general public.

The fiscal year 2008 DOD budget request of $481 billion is at record high levels, so it seemed logical for us to assume that funding levels in the request would be sufficient to meet all the needs of the Department. In fact, that is not the case. We have found a number of areas where surprising shortfalls remain.

In health care, your budget includes savings for assumed legislative changes to increase beneficiary co-payments and forced efficiencies in our military treatment facilities. At the same time, the problems found at Walter Reed demonstrated that there are critical shortfalls in our health care system.

We have learned that the Air Force planned termination of the C–17 fails to take into consideration the need for more aircraft due to its overuse in Iraq, as well as a newly planned increase in Army force structure, and the recommended retirement of the older C–5A airlifter.

The National Guard testified its equipment levels are shockingly low and events in Kansas last weekend confirmed that.

So even in these times of record budgets, not even including wartime supplementals, we see that funding problems still exist.

My colleagues have also raised questions on recent changes to our deployment plans for our National Guard and active duty forces.

This is of some concern to us as we hear that health experts are raising questions about the impact of lengthy tours on mental health.

So Mr. Secretary, General Pace, we appreciate your attendance here today.

We hope we can have in depth discussions on these and many other subjects. Please be advised that your remarks will certainly aid us in the preparation of the fiscal year 2008 defense appropriations bill.

We thank you very much and look forward to your testimony.

Let me begin first by recognizing the vice chairman, Senator Stevens.

STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Thank you, Mr. Chairman.

In the interest of time, I will put my statement in the record and welcome the Secretary and General Pace and Ms. Jonas. We are pleased to have you here today.

[The statement follows:]

PREPARED STATEMENT OF SENATOR TED STEVENS

I join the Chairman in welcoming our witnesses here today. Thank you all for your service and for appearing here to discuss the fiscal year 2008 budget request.

We face a difficult task in balancing the military's competing requirements for modernization, maintaining force readiness, and improving the quality of life for our military service members and their families. As we all know, the demand for funding far surpasses the amounts available. We look forward to working with you to meet the most pressing needs. I look forward to hearing your testimony here today.

Thank you, Mr. Chairman.

SECRETARY GATES' OPENING STATEMENT

Senator INOUYE. Mr. Secretary.

Secretary GATES. Thank you, Mr. Chairman, members of the subcommittee. Thank you for the opportunity to discuss the fiscal year 2008 defense budget, which includes the base budget request and the fiscal year 2008 global war on terror (GWOT) request. My statement which has been submitted for the record includes additional information and details.

In summary, the budget request submitted by the President will modernize and recapitalize key capabilities in the armed forces, to include funding increases for the next generation of ships, strike aircraft, and ground combat systems, sustain the all-volunteer military by reducing stress on the force and improving the quality of life for our troops and their families, improve readiness through additional training and maintenance and by resetting forces following their overseas deployment, build the capabilities of partner nations to combat extremists within their own borders by using new train and equip authorities, thus reducing the potential demand for U.S. troops in the future, and fund U.S. military operations during fiscal year 2008 in Iraq, Afghanistan, and elsewhere in the ongoing campaign against violent jihadist networks around the globe.

I believe that it is important to consider the request, the budget request submitted to the Congress this year, the base budget, and war-related requests in some historical context, inasmuch as there has been understandably some sticker shock at their combined price tags of more than $700 billion.

But consider that at about 4 percent of America's gross domestic product (GDP), the amount of money the United States is projected to spend on defense this year is actually a smaller percentage of GDP than when I left Government 14 years ago following the end of the cold war and a significantly smaller percentage of GDP than during previous times of war, such as Vietnam and Korea.

Since 1993, with a defense budget that is a smaller relative share of our national wealth, the world has gotten significantly more complicated and arguably more dangerous. In addition to fighting the global war on terror, we face the danger posed by Iran's and North Korea's nuclear ambitions and missile programs and the threat they pose not only to their neighbors, but globally because of their records of proliferation, the uncertain paths of Russia and China, which are both pursuing sophisticated military modernization programs, and a range of other flash points, challenges and threats.

In this strategic environment, the resources we devote to defense at this critical time should be at the level to adequately meet those challenges. The costs of defending our Nation are high. The only thing costly ultimately would be to fail to commit the resources necessary to defend our homeland and our interests around the world and to fail to prepare for inevitable threats in the future.

As Sun Tzu said more than 2,500 years ago, "The art of war teaches us to rely, not on the likelihood of the enemy's not coming, but on our own readiness to receive him, not on the chance of his not attacking, but rather on the fact that we have made our position unassailable."

Another perspective in this regard, closer in time and place to today, is that of George Washington, who said in his first State of

the Union Address: "To be prepared for war is one of the most effectual means of preserving peace."

PREPARED STATEMENT

Thank you, Mr. Chairman, for the support this subcommittee has provided to the men and women of our armed forces over the years, and we look forward to your questions.

Senator INOUYE. Thank you, Mr. Secretary.

[The statement follows:]

PREPARED STATEMENT OF ROBERT M. GATES

Mr. Chairman, members of the Committee: I thank the Committee for all you have done to support our military these many years, and I appreciate the opportunity to provide an overview of the way ahead at the Department of Defense through the President's fiscal year 2008 Defense Budget, which includes the base budget request and the fiscal year 2008 Global War on Terror Request.

I believe that it is important to consider the budget requests submitted to the Congress this year—the base budget and the war-related requests—in some historical context, as there has been, understandably, sticker shock at their combined price tags—more than $700 billion total.

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

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

—The danger posed by Iran's and North Korea's nuclear ambitions and missile programs, and the threat they pose not only to their neighbors, but globally, because of their records of proliferation;

—The uncertain paths of China and Russia, which are both pursuing sophisticated military modernization programs; and

—A range of other potential flashpoints and challenges.

In this strategic environment, the resources we devote to defense should be at the level to adequately meet those challenges.

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

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

As Sun Tzu said more than 2,500 years ago, "The art of war teaches us to rely not on the likelihood of the enemy's not coming, but on our own readiness to receive him; not on the chance of his not attacking, but rather on the fact that we have made our position unassailable."

A perspective in this regard—closer in time and place to today—is that of George Washington who said in his first inaugural address, "To be prepared for war is one of the most effectual means of preserving peace."

FISCAL YEAR 2008 BASE BUDGET

The President's fiscal year 2008 base budget request of $481.4 billion is an increase of 11.4 percent over the enacted level of fiscal year 2007, and provides the resources needed to man, organize, train, and equip the Armed Forces of the United States. This budget continues efforts to reform and transform our military establishment to be more agile, adaptive, and expeditionary to deal with a range of both conventional and irregular threats.

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

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

INCREASE GROUND FORCES

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

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

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

STRATEGIC INVESTMENTS—MODERNIZATION

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

—*Future Combat System ($3.7 billion)*.—The first comprehensive modernization program for the Army in a generation.

—*Joint Strike Fighter ($6.1 billion)*.—This next generation strike aircraft has variants for the Air Force, the Navy, and the Marine Corps. Eight international partners are contributing to the JSF's development and production.

—*F–22A ($4.6 billion)*.—Twenty additional aircraft will be procured in fiscal year 2008.

—*Shipbuilding ($14.4 billion)*.—The increase of $3.2 billion over last year is primarily for the next generation aircraft carrier, the CVN–21, and the LPD–17 amphibious transport ship. The long-term goal is a 313-ship Navy by 2020.

MISSILE DEFENSE

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

SPACE CAPABILITIES

The recent test of an anti-satellite weapon by China underscored the need to continue to develop capabilities in space. The policy of the U.S. Government in this area remains consistent with the longstanding principles that were established during the Eisenhower administration, such as the right of free passage and the use of space for peaceful purposes. Space programs are essential to the U.S. military's communications, surveillance, and reconnaissance capabilities. The base budget requests about $6 billion to continue the development and fielding of systems that will maintain U.S. supremacy while ensuring unfettered, reliable, and secure access to space.

RECAPITALIZATION

A major challenge facing our military is that several key capabilities are aging and long overdue for being replaced. The prime example is the Air Force KC–135 tanker fleet. With planes that average 45 years of age, the fleet is becoming more expensive to maintain and less reliable to operate. The Air Force has resumed a transparent and competitive replacement program to recapitalize this fleet with the KC–X aircraft. The KC–X will be able to carry cargo and passengers and will be

equipped with defensive systems. It is the U.S. Transportation Command's and the Air Force's top acquisition and recapitalization priority.

TRAIN AND EQUIP AUTHORITIES

Recent operations have shown the critical importance of building the capacity and capability of partners and allies to better secure and govern their own countries. In recent years we have struggled to overcome the patchwork of authorities and regulations that were put in place during a very different era—the Cold War—to confront a notably different set of threats and challenges.

The administration has, with congressional support, taken some innovative steps to overcome these impediments. A significant breakthrough was the Section 1206 authority, which fills a critical gap between traditional security assistance and direct U.S. military action. It allows the Defense and State Departments to build partner nations' security capacity in months, rather than years. The program focuses on capacity-building in places where we are not at war, but face emerging threats or opportunities. DOD and State cooperation in executing this program has been excellent and serves as a model for developing other whole-of-government approaches to complex security problems.

Section 1206 projects approved last year are already helping partners reduce threats to global resource flows, narrow terrorists' freedom of action, and increase stability in sensitive regions. The Chairman of the Joint Chiefs and the combatant commanders regard this program as the most important authority the military has to fight the War on Terror beyond Iraq and Afghanistan, because it allows us to help others get ahead of threats, exploit opportunities, and reduce stress on our active duty, reserve and National Guard servicemen and women.

For fiscal year 2007, combatant commanders and country teams have identified nearly $800 million in projects globally. We sought $300 million in the Supplemental and are seeking dedicated funding of $500 million in the fiscal year 2008 base budget to provide the combatant commanders with the resources to implement this authority.

Building the capacity and capability of partners and allies to better secure and govern their own countries is a central task to counter terrorism. Dedicated funding will help us accomplish this task without disrupting other vital DOD programs. It is much more effective for partner countries, rather than U.S. forces, to defeat terrorists operating within their borders. We strongly urge your support for this critical program.

QUALITY OF LIFE—SUSTAINING THE ALL-VOLUNTEER FORCE

Our nation is fortunate that so many talented and patriotic young people have stepped forward to serve, and that so many of them have chosen to continue to serve. So far, all active branches of the U.S. military exceeded their recruiting goals, with particularly strong showings by the Army and Marine Corps. The fiscal year 2008 request includes $4.3 billion for recruiting and retention to ensure that the military continues to attract and retain the people we need to grow the ground forces and defend the interests of the United States.

We will continue to support the all-volunteer force and their families through a variety of programs and initiatives. The budget includes:

—$38.7 billion for health care for both active and retired service members;
—$15 billion for Basic Allowance for Housing to ensure that, on average, troops are not forced to incur out-of-pocket costs to pay for housing;
—$2.9 billion to improve barracks and family housing and privatize an additional 2,870 new family units; and
—$2.1 billion for a 3 percent pay increase for military members.

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

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

GLOBAL WAR ON TERROR REQUEST

The President's fiscal year 2008 Global War on Terror request for $141.7 billion complies with Congress's direction to include the costs of ongoing operations in Iraq and Afghanistan in the annual Defense Department budget. Given the uncertainty of projecting the cost of operations so far in the future, the funds sought for the fiscal year 2008 GWOT request are generally based on a straight-line projection of cur-

rent costs for Iraq and Afghanistan. This request includes $70.6 billion to provide the incremental pay, supplies, transportation, maintenance and logistical support to conduct military operations.

Reconstitution

The fiscal year 2008 GWOT request includes $37.6 billion to reconstitute our nation's armed forces—in particular, to refit the ground forces, the Army and Marine Corps, who have borne the brunt of combat in both human and material terms. These funds will go to repair or replace equipment that has been destroyed, damaged, or stressed in the current conflict. In many cases, reconstitution funds will provide upgraded and modernized equipment to replace older versions. The $13.6 billion in reset funds in the fiscal year 2008 GWOT request for the U.S. Army will go a long way towards replacing items, one for one, that were worn out or lost during operations to ensure force readiness remains high.

Force Protection

This fiscal year 2008 GWOT request includes $15.2 billion for investments in new technologies to better protect our troops from an agile and adaptive enemy. Programs being funded would include a new generation of body armor, vehicles that can better withstand explosions from Improvised Explosive Devices (IEDs), and electronic devices that interrupt the enemy's ability to attack U.S. forces. Within this force-protection category, the fiscal year 2008 GWOT request includes $4 billion to counter and defeat the threat posed by IEDs.

Afghan/Iraqi Security Forces

The fiscal year 2008 GWOT request includes $4.7 billion to stand up capable military and police forces in Afghanistan and Iraq. The bulk of these funds are going to train and equip Afghan National Security Forces (ANSF) to assume the lead in operations throughout Afghanistan. As of February, over 90,000 have been trained and equipped, an increase of more than 33,000 from the previous year.

In Iraq, approximately 334,000 soldiers and police have been trained and equipped, and are in charge of more than 60 percent of Iraqi territory and more than 65 percent of that country's population. They have assumed full security responsibility for four out of Iraq's 18 provinces and are scheduled to take over more territory over the course of the year. These Iraqi troops, though far from perfect, have shown that they can perform with distinction when properly led and supported.

Non-Military Assistance

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

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

CONCLUSION

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

Senator INOUYE. General Pace.

STATEMENT OF GENERAL PETER PACE, UNITED STATES MARINE CORPS, CHAIRMAN, JOINT CHIEFS OF STAFF

General PACE. Mr. Chairman, Senator Stevens, members of the subcommittee. Thank you. It is a great honor to sit before you this

morning to represent the 2.4 million men and women in your armed forces who serve this country so nobly. On their behalf, I would like to thank you all for your very strong bipartisan support, not only from the standpoint of funding, but also the visits that you make to the field and the visits you make to the hospitals. The word gets around to the troops that you are out visiting. It makes a difference, and for them and for myself I want to say thank you, sir. I also want to say——

Senator INOUYE. Thank you very much, General Pace.

[The statement follows:]

PREPARED STATEMENT OF GENERAL PETER PACE

Chairman Inouye, Senator Stevens, distinguished members of the Committee, it is my privilege to report to you on the posture of the U.S. Armed Forces. On behalf of 2.4 million Active, Guard, and Reserve Soldiers, Sailors, Airmen, Marines, and our families, thank you for your continued support. Your visits to troops in Iraq, Afghanistan, and beyond; comfort to the wounded; and funding for transformation, recapitalization, pay and benefits are deeply appreciated.

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

Winning the War on Terrorism is and will remain our number one priority. At the same time, we will continue to transform our Armed Forces, strengthen Joint Warfighting capabilities, and improve the Quality of Life of our Service members and their families.

STRATEGIC ENVIRONMENT

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

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

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

—Iran sponsors operations in Lebanon and Iraq that are destabilizing those governments. In addition, Iran's drive to enrich uranium highlights its desire to assert greater influence in a region of vital interest to our Nation.

—North Korea's pursuit of nuclear weapons and associated missile technologies poses another strategic challenge. The launch of multiple ballistic missiles on the fourth of July 2006 coupled with the apparent successful detonation of a nuclear device in October 2006 undermines counter-proliferation efforts, threatens many, and could provoke a regional arms race.

—China's military build-up continues unabated, to include offensive strike missiles, expanded sea and air control capabilities, anti-satellite systems, cyber-attack technologies, and an increasingly capable Navy and Air Force.

—Pakistan requires continued international support to maintain stability. Given its possession of nuclear weapons and pivotal location, a stable government in Pakistan is critical to guard against transnational terrorism and ease tensions with neighboring India.

—The Abu Sayaf Group in the southern Philippines and Jemaah Islamiyah in Indonesia remain terrorist threats in the region and continue to exploit security

gaps in the largely maritime tri-border region of southern Philippines, Indonesia, and East Malaysia.

—Narco-terrorists in Latin America destabilize societies, harm nations, and hold American citizens hostage.

—The governments of Venezuela and Cuba are openly anti-United States. Together, they actively seek to create alignments to oppose us throughout the region.

—Succession questions in Cuba may lead to mass migration.

—Political and humanitarian challenges in Africa are myriad, including the specter of growing instability, genocide, civil war, and safe havens for terrorists.

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

We also submitted an amendment to the fiscal year 2007 supplemental. The proposal reallocated $3.2 billion within the pending fiscal year 2007 request to fund our new way forward in Iraq and Afghanistan. The revised request better aligned resources to meet our goals without increasing the Supplemental.

WIN THE WAR ON TERRORISM

We must prevail in the Global War on Terrorism. Sustaining operations in Iraq and Afghanistan, while maintaining readiness to respond to new contingencies around the globe, is a heavy burden for our current force structure. Nearly a million American men and women in uniform have deployed to Iraq and Afghanistan, and more than 400,000 have been deployed more than once. Presently, more than 200,000 troops are deployed to the Central Command area of responsibility; another 210,000 are elsewhere overseas. Most of our Army Brigade Combat Teams and their Marine Corps regiment equivalents receive only one year at their home station before deploying again—and that year is spent actively preparing to redeploy overseas to fight. We will have twenty Brigade/Regimental Combat Teams deployed to Iraq, with another three in Afghanistan, one in Korea, and one in Kosovo. This drives our units to operate at about a 1:1 "deployed:at-home" ratio—which is about half the time we believe is necessary to sustain readiness for the long term.

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

Army units are now deployed to the Central Command area of responsibility for fifteen months. They will be at home for not less than twelve months. This initiative reflects both the challenge we face and our commitment to success in Iraq and Afghanistan. This policy is designed to ensure our troops have a year at home before returning to the fight. That year is important. It allows a predictable amount of dwell time for Soldiers to be with their families as well as to train with their units for combat. This decision asks much of our Soldiers and their families. We are deeply grateful for the service and sacrifice of our men and women in uniform and their commitment to accomplishing our mission.

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

Our weapons, equipment, and supplies have been reduced by combat loss and consumption in Iraq and Afghanistan during the past five and a half years. We have also used significant resources in disaster relief operations responding to the Asian

Tsunami, Hurricane Katrina, and Pakistan's earthquake. The fiscal year 2007 supplemental and fiscal year 2008 Global War on Terrorism request include a total of $51.5 billion to reconstitute our Joint Forces. While it will take some time for newly authorized troops to become available for deployment and for reconstitution of equipment to take effect, our men and women in uniform are grateful for the much needed additional manpower and resources that are on the way.

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

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

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

At its most basic level, winning the War on Terrorism means defending our homeland. To better protect the United States from direct attack, our Armed Forces are working closely with civilian leadership in federal, state, and local governments to provide an effective response in time of crisis. The Navy and Coast Guard are strengthening maritime domain awareness. The Air Force maintains surveillance and interceptor alerts to provide air sovereignty protection. The Army is investing in expanded biological weapons detection equipment and vaccines. And we are continuing to increase the capability of our Chemical Biological Radiological Nuclear and High Yield Explosive Consequence Management Response Forces and seeking more resources to better respond to multiple events in different locations. Contingency plans are continually refined so that the Armed Forces are prepared to assist civil authorities in the event of another terrorist attack. We are creating additional Weapons of Mass Destruction response teams. Moreover, we are working with coalition partners, through intelligence sharing, coordinated planning, and agreements such as the Proliferation Security Initiative to prevent the spread of Weapons of Mass Destruction.

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

ACCELERATE TRANSFORMATION

The evolving diverse threats to our Nation make it imperative that we adapt and innovate. Transformation is a continual effort to significantly increase our ability to deter and defeat America's foes. It is an ongoing process of rethinking our doctrine and operational concepts; fashioning professional education and training to meet new challenges; restructuring our organizations and business practices to be more agile; improving our personnel policies; adapting our planning systems to be more

responsive; reforming our acquisition and budget processes; and harnessing advanced technology. It is not an end state. It is a mindset and a culture that encourages innovation and fresh thinking.

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

First, we must improve our ability to build partnership capacity. Our struggle against violent extremists requires that we fight people who hide in countries with whom we are not at war. The best way to do this is by augmenting the capacity of those countries to defeat terrorism and increase stability—helping them overcome problems within their borders and eliminate terrorist safe havens. Building partnership capacity leverages the local language, knowledge, and culture of indigenous forces, which reduces requirements for our own forces. To this end, I support legislation to extend and expand past enacted 1206 and 1208 authorities for educating, training, and equipping foreign forces for counter-terrorism operations. Such authorities increase our ability to share resources among agencies. Additionally, I support authorization for a National Security Initiative Fund, under Congressional oversight and managed jointly by the Departments of State and Defense. Such a fund enhances our agility in coordinating and harnessing resources to address changed circumstances and policies, and will complement congressionally granted transfer authority and emergency supplemental appropriations.

Second, we need greater expeditionary capabilities in U.S. government civilian agencies for stabilization and reconstruction operations. The Global War on Terrorism requires all instruments of national power—not just the military. U.S. government civilian agencies have a vital role to play in overseas operations. Greater investment in these agencies is required if they are to be more effective. To increase their expeditionary capability, the President has proposed the creation of a Civilian Reserve Corps for the State Department. We strongly support this initiative to boost our Nation's capability to deploy civilian expertise in tandem with our military.

Third, we must enhance interagency effectiveness. Today's many national security challenges cross the boundaries of specific government departments. We need to improve our collective approach and ensure decisions are implemented in a coherent and timely manner across agencies. Just as the Goldwater-Nichols Act established a system of incentives and requirements to foster Jointness among military officers, we need to find ways inside of our government to encourage interagency expertise. Rewarding interagency education, interagency experiences, interagency collaboration, and interagency planning will facilitate better synergy between departments. We can go beyond the education we provide our military and civil servant professionals by integrating our National Defense University within a National Security Education Consortium. We can strengthen and institutionalize mechanisms for interagency coordination by building on the success of interagency centers such as the National Counter Terrorism Center and Combatant Command Joint Interagency Coordination Groups. We can expand our interagency exercises. And, we can increase planning capacity in civilian agencies to improve our execution of operations.

STRENGTHEN JOINT WARFIGHTING

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

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

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

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

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

IMPROVE THE QUALITY OF LIFE OF OUR SERVICE MEMBERS AND OUR FAMILIES

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

The funding of the fiscal year 2007 Military Construction, Quality of Life, and Veteran's Affairs appropriation by House Joint Resolution caused a $3.1 billion shortfall in the Base Realignment and Closure (BRAC) appropriation. This shortfall jeopardizes our ability to complete BRAC actions within statutory deadlines and creates negative effects on the movement of our troops and their families in support of our global defense posture restructuring. I urge the Congress to correct this shortfall by providing the necessary funds at the earliest opportunity.

Predictability of deployments for all Service members is a key factor to quality of life. Sustainable force rotation policies are needed to spread the burden across the Active and Reserve Components. Greater mobilization predictability for Reserve Component members, and their families and employers is required. To accomplish this, the Secretary of Defense has established a new Total Force Policy. The mobilization of Reserve Component forces will be managed on a unit, instead of an individual, basis—and with a goal of one year maximum mobilization, followed by five years at home. This predictability will improve the quality of life in our Guard and Reserve while fostering greater unit cohesion. Stop Loss for both Active and Reserve forces will be minimized.

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

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

Severely Injured Center and the Services' wounded warrior programs, help our wounded return to society empowered to make a positive difference.

CONCLUSION

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

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

Thank you for your support.

Senator INOUYE. Senator Stevens.

Senator STEVENS. Thank you very much, Mr. Secretary, General. I know we are on the 2008 bill, but I would like to inquire, what is going on now in the Department because of the delay in getting the supplemental through? Are you actually reprogramming moneys and is there a deadline here of when you are going to run out of money? I want to know, what is the urgency for getting another bill to the President?

Secretary GATES. Senator, the Army already is slowing spending in a number of areas here at home to provide money to fully fund the war. We just, this committee just yesterday, I believe, approved a $1.6 billion reprogramming from the Air Force and the Navy to the Army. We will probably have another reprogramming up here in a few days. That kind of a reprogramming will extend us about a week.

The disruption to the Department and programs here at home in order to fully sustain the troops abroad and particularly in Iraq and Afghanistan has a growing impact here at home in terms of contracts not let, civilians not hired, programs where the spending is slowed or stopped. We were already doing month to month service contracts for services and supplies and things like that on the basis—so the Army is already trying to cope with this.

We will probably—if we pulled out all the stops, used everything possible available to us, we could probably fund the war into July. But I would tell you the impact on the Department of Defense in terms of disruption and cancelled contracts and programs would be huge if we had to do that.

Senator STEVENS. I would like to go some time into the increased cost of delaying it that long, because when you cancel a contract you have termination costs and everything else. It is just going to increase the overall costs.

IRAQI FORCES

General Pace, I know it is early on. General Petraeus told us his estimate and asked for time to have the surge concept work. Can you tell us, are the Iraqi forces coming into place as we thought they would as this surge goes forward?

General PACE. Sir, the Iraqi forces have come in place, but there has been a mixed quality to the troops that have arrived. Prime Minister Maliki promised his three additional brigades in January and February and those three additional brigades did in fact show up in Baghdad. Initially the brigades came in at about 60 percent

strength. Once that was pointed out to the prime minister, he and his leaders got together and the remaining units that showed up arrived beginning around 80 percent and the last two units showed up at over 100 percent. So the leadership has taken action with that regard.

But the Iraqi forces that had been promised have been delivered on the time lines that they were promised they would deliver them.

KEEPING WALTER REED OPERATIONAL

Senator STEVENS. Secretary Gates, and maybe Ms. Jonas might want to get into this, but what steps are being taken to assure that Walter Reed will stay at an operational level and meet all the needs of these people that need special treatment until the new facility at Fort Belvoir is ready?

I get the feeling, and some reports, that to a certain extent the quality of treatment and the ability to maintain that treatment would go downhill as we are moving more and more emphasis to Fort Belvoir. Is there a timing here and are we going to protect the Walter Reed facility until it is totally replaced?

Secretary GATES. The short answer to your question, to your final question, is yes, Senator. I have given direction that Walter Reed will be maintained fully funded and fully staffed until the new facilities at Bethesda and at Fort Belvoir are ready. If that requires for some reason going beyond the time allocated under base realignment and closure (BRAC) and we see that is going to happen, we would come back up here to the Congress and ask for your approval to do that.

But my view is that everybody have the assurance that Walter Reed, particularly once we have made these fixes that are underway right now, will remain at full capability until literally the day the various capabilities can be moved either to Bethesda or Fort Belvoir.

BUDGET SUPPORT FOR END STRENGTH INCREASE

Senator STEVENS. Thank you.

This will have to be my last question. We are told the Army is going to grow by 65,000 soldiers and the Marine Corps by 27,000 marines. Now, is this bill before us now for 2008, is it capable of initiating that growth? Are we going to have the ability to have the facilities for these people, the training capability to handle them, and really all it takes to initiate this expansion?

I support that expansion. I just want to know, do we have to add any money to this bill to carry forward this new announcement?

Secretary GATES. I think that the fiscal year 2008 request, Senator Stevens, takes those needs into account. There is about $12 billion in this budget to fund the first year's increment of 7,000 in the Army and 5,000 in the Marine Corps. We have also asked the services to come to us and make clear where they intend to base the additional troops so that we can ensure that the funds are allocated to make sure the barracks and other facilities are available when those troops come on board.

Senator STEVENS. Do you agree, General Pace?

BUDGET

General PACE. I do, sir. It codifies the 30,000 increase that the Army has already sustained and adds the money for the 7,000 for next year. It codifies the 5,000 that the Marine Corps has already increased and gives them money for 5,000 for next year and allows them to build 7,000 per year for the Army and 5,000 per year for the Marine Corps out until they get the 65,000 and the 27,000.

Senator STEVENS. Thank you. It is nice to have you here.

Thank you, Mr. Chairman.

Senator INOUYE. Thank you.

Senator Leahy.

NATIONAL GUARD SHORTFALL

Senator LEAHY. Thank you, Mr. Chairman.

You turn on the news and you see the makings of a tropical storm over the southeast coast. Hurricane season has not even started. Kansas is depending upon Guard resources in the aftermath of a terrible, deadly disaster. I mention this because the domestic demands of the National Guard go on unabated no matter what is happening overseas. They go on unabated, whether it is fires, hurricanes, earthquakes, and so on.

Now, over the next 5 years the Army and the National Guard agree the Guard faces a $24 billion shortfall in National Guard equipment. I have got the long list that they put out. There are no funds, no funds in here to meet the shortfall. It seems like the kind of a hole that you could drive a Humvee through—well, if they had the Humvees. They are going to be hard-pressed in these basic emergencies without trucks, generators, communications, and so on.

Mr. Chairman, I would ask unanimous consent that the detailed description of the shortfalls be included in the record.

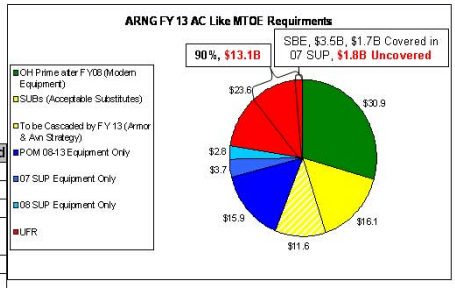
Senator INOUYE. Without objection, so ordered.

[The information follows:]

ARNG Equipping Requirements Overview

ARNG Total Requirement for FY13 AC Like MTOE & TDA: $104.6B

ARNG FY13 AC Like MTOE Rqmnts	$B	% OF Rqd
Total Required $B	$104.6	100%
OH Prime after FY08 (Modern Equipment)	$30.9	30%
SUB (Acceptable Substitues)	$16.1	15%
To be Cascaded from AC by FY 13 (Armor & Avn Strategy)	$11.6	11%
POM 08-13 Equipment Only	$15.9	15%
07 SUP Equipment Only	$3.7	4%
08 SUP Equipment Only	$2.8	3%
Value On Hand + Pgmd + Cascade	$81.0	77%
Total UFR	**$23.6**	**23%**
UFR to Reach 90%	**$13.1**	



FY13 ARNG AC Like MTOE Requirements
The ARNG has a **$23.6 UFR** after FY13
$13.1B against this equips ARNG to 90%

* "Equipment Only" Only includes funds that purchase new equipment.
* On Hand Equipment does not include Unacceptable Substitutes (Example- M35s and 800s)
* Does not Include "Grow the Army" and all costs are based in FY08 dollars

ARNG UFR TO REACH 90 PERCENT: $13.1 BILLION

Equipment Category	Required Quantities (000)	On Hand Quantities (000)	Quantities Delivered Fiscal Year 2007–08 (000)	Shortfall Quantities Before Fiscal Year 2008–13 (000)	Shortfall Before Fiscal Year 2008–13 ($M)	Procurement Program Fiscal Year 2008–13 ($M)	Post Fiscal Year 2008–13 Shortfall ($M)	UFR to S–1 Floor (90 percent) [1]
Armor-Hvy T/W	15.04	8.58	.59	5.87	$1,949.18	$2,312.76	.....	.....
AVN	60.58	29.84	.36	30.38	$12,928.15	$3,596.72	$9,331.43	$5,528.87
C2	189.68	17.02	23.95	148.71	$1,917.63	$2,021.18	.....	.....
Communicate	589.81	336.90	15.52	237.39	$3,009.98	$1,512.38	$1,497.60	$891.07
Engineer	30.97	14.42	.79	15.76	$1,655.52	$851.72	$803.80	$478.26
Force Protection	476.50	356.94	20.29	99.27	$996.37	$122.89	$873.48	$519.72
ISR	5.65	2.22	.93	2.50	$381.96	$787.05	.....	.....
Logistics	588.11	137.45	3.07	447.59	$1,637.92	$648.38	$989.54	$588.78
Maintenance	19.25	3.25	2.29	13.71	$281.19	$36.50	$244.69	$145.59
Medical	25.14	10.24	6.19	8.71	$15.98	$101.67	.....	.....
Precision Strike	27.51	10.49	.91	16.10	$1,975.81	$2,474.67	.....	.....
Security	1,730.86	819.94	135.94	774.97	$3,561.81	$1,543.94	$2,017.87	$1,200.63
Transportation	179.61	51.20	17.61	110.80	$10,163.36	$5,178.90	$4,984.46	$2,965.76
Other	262.05	72.35	.....	189.70	$1,451.32	.....	$1,451.32	$863.54
Totals	4,200.75	1,870.85	228.23	2,101.46	$41,926.18	$21,188.76	$22,194.19	$13,182.22

[1] In addition to the fall current funds programmed through fiscal year 2013, an additional UFR of $13.18 billion is required to get the ARNG to 90 percent EOH (S–1). It will take approximately $24 billion to reach 100 percent. All figures are based on fiscal year 2008 Costs and don't include "Grow the Army" Costs.

FISCAL YEAR 2008 ARNG TOP 25 EQUIPMENT MODERNIZATION SHORTFALL LIST

[Dollars in millions]

	Quantity Required	Quantity Shortage	Shortage	POM 2008–13	APPN	UFR 2008–13
HMMWV	48,715	18,611	$4,039	$1,647.0	OPA	$2,392.0
Family of Medium Tactical Vehicles	37,995	30,140	$7,267	$1,689.9	OPA	$5,577.1
HTV—HEMTT/LHS/PLS	21,180	14,796	$1,652	$1,059.3	OPA	$592.7
M916A3 Light Equipment Transporter	1,591	794	$180	$152.4	OPA	$27.6
Tactical Trailers	5,699	2,984	$177	$10.6	OPA	$166.4
M917A2 Dump Truck	544	334	$67	.....	OPA	$67.0
CH–47F Chinook	159	159	$6,678	$670.6	ACFT	$6,007.4
Comm Systems (JNN, SINCGARS, HF)	143,615	62,613	$3,997	$968.7	OPA	$3,028.3

FISCAL YEAR 2008 ARNG TOP 25 EQUIPMENT MODERNIZATION SHORTFALL LIST—Continued

[Dollars in millions]

	Quantity Required	Quantity Shortage	Shortage	POM 2008–13	APPN	UFR 2008–13
UAV Systems (Shadow, Raven)	586	575	$462	$307.1	OPA	$154.9
Small Arms	209,098	99,129	$360	$240.0	OPA	$120.4
ABCS (Suite of Systems)	1,399	800	$166	$20.7	OPA	$145.3
Digital Enablers (Log Automation)	12,167	7,873	$196		OPA	$196.0
Movement Tracking System	16,711	12,588	$302	$203.4	OPA	$98.6
Night Vision (AN/PAS–13, AN/VAS–5)	41,912	33,170	$640	$241.5	OPA	$398.5
Tactical Water Purification System	131	128	$61	$38.9	OPA	$22.1
Tactical Quiet Generators	19,611	12,748	$324	$118.1	OPA	$205.9
All Terrain Crane (ATEC)	174	29	$7		OPA	$7.0
M9 ACE SLEP	114	90	$80		OPA	$80.0
Route and Area Clearance Systems	138	138	$203	$167.8	OPA	$35.2
Horizontal Construction Systems	587	332	$141	$111.0	OPA	$30.0
Howitzers (M777A1, M1 19A2)	498	342	$4,259	$477.4	WTCV	$3,781.6
Profiler	65	63	$57	$57.2	OPA	
LLDR	1,099	1,034	$362	$187.5	OPA	$174.5
Gun Laying Positioning System	455	208	$20		OPA	$20.0
Chemical (Detectors, Decon & Shelters)	65,719	52,433	$669	$107.5	OPA	$561.5
TOTALS	629,962	352,111	$32,367	$8,476.5		$23,890.1

Quantity Required=Endstate Fiscal Year 2008 ARNG Requirements (MTOE or like AC) to fully modernize the ARNG.
Quantity Shortage=Quantity Required minus On-Hand minus Programmed (2-year Equipment Distribution Plans).
Shortage ($M=Quantity Shortage times Per Unit Cost.
POM 2008–13 ($M)=Total procurement funding stream from FDIIS (dtd 10 JAN 07), by Army Program Element (APE) for respective equipment systems.
APPN=Type of Appropriation (OPA minus Other Procurement Army, ACFT minus Aircraft, WTCV minus Weapons & Tracked Combat Vehicles).
UFR 2008–13 ($M)=Shortage dollar amount minus POM 2008–13 dollar amount.

ESSENTIAL 10 KEY ENABLERS: DSCA PRIORITIZED BUY LIST

Item	Priority 1	Priority 2	Priority 3	Priority 4	Rationale/justification
Joint Force Headquarters: Miscellaneous Equipment	$5,000,066	$5,000,027	$5,000,126	$5,000,111	
Command and Control (C2):					
Joint Network Nodes (JNN)	$33,300,000	$16,650,000	$16,650,000	$16,650,000	Provides the tactical user with an interface to strategic data networks; and interoperability with commercial, joint, combined and coalition communications systems across multiple security levels

Army Battle Command Systems (ABCS)	$7,808,500	$7,233,500	$5,638,100	$6,458,800	Provides enhanced situational awareness via a suite of systems that receive and transmit C4ISR information
Standard Army Management Information System (STAMIS)	$25,727,920	$20,550,610	$21,595,610	$15,953,980	Provides logistics management/automation systems and electronic information exchange capability via both tactical and commercial networks
Unmanned Aerial Vehicle—SHADOW	$15,000,000	$15,000,000	$15,000,000	$15,000,000	Without funding the ARNG will be unable to provide commanders superior situational awareness, information flow, and adequate Force Protection in urban and conventional tactical environments
Communications: HF Radios/Equipment	$16,288,475	$17,445,135	$15,435,815	$18,785,815	Provides secure, long-range voice and data capability
Aviation:					
Helicopters—Hoists/Mounts	$953,016	$1,191,270	$1,191,270	$1,191,270	Required to support HLD/HLS, state, domestic and other contingency operations
Helicopters—NAVSTAR GPS Aviation Sets	$1,235,130	$1,235,130	$1,370,130	$1,370,130	Provides modern equipment and interoperability to ARNG aircraft
Civil Support Teams and Force Protection:					
NBC Shelters	$5,502,000	$6,288,000	$7,860,000	$7,860,000	Provides a contamination free and environmentally controlled work area for medical personnel
NBC—Joint Services Transportable Decontamination System Small Scale (JSTDS–SS).	$990,000	$990,000	$1,155,000	$1,320,000	Without funding the ARNG will be cascaded outdated and no longer in production models of the M17 LDS from the Active Component
NBC Radiation/Chemical Detectors	$682,160	$682,160	$816,990	$910,740	Provides the capability to monitor and record the exposure of individual personnel to gamma and neutron radiation
Engineer:					
Heavy Construction Equipment—Horizontal (Dumps, Graders, Excavators).	$16,151,889	$11,927,933	$12,579,096	$11,957,388	Replaces overaged systems that are in critical need of modernization and incapable of full mission support
Heavy Construction Equipment—Vertical RTCH, ATLAS)	$19,004,075	$16,755,970	$19,505,970	$22,255,970	Primary container/material handling equipment required to support and sustain ARNG units
Logistics:					
Generators—Small/Medium	$5,348,830	$5,839,690	$5,839,690	$5,783,445	Critical requirement during natural disaster or state emergency. Provides electrical power as needed to support mission requirements
Liquid Logistics—Water Purification	$6,451,500	$8,070,000	$8,047,500	$10,707,500	Replaces existing 600 GPH reverse osmosis water purification systems with a 1,500 GPH capability
Liquid Logistics—Tank Water	$4,840,000	$4,840,000	$4,840,000	$5,550,000	Provides a bulk water delivery/distribution/storage systems
Maintenance: STAMIS—Standard Army Maintenance System (SAMS).	$967,458	$942,780	$983,910	$1,557,590	Mission critical system required to support unit-level maintenance support requirements
Medical: HMMWV Ambulance	$13,455,000	$14,490,000	$14,490,000	$13,455,000	Provides patient transport/evacuation capability
Security:					
Small Arms—Shotgun	$264,610	$299,860	$332,525	$377,645	Critical for security operations in urban environments
Night Vision—Driver's Vision Enhancers (DVE)	$4,926,825	$4,926,825	$5,036,310	$5,474,250	Provides a thermal night vision capability to drivers enabling continuous mission operations

ESSENTIAL 10 KEY ENABLERS: DSCA PRIORITIZED BUY LIST—Continued

Item	Priority 1	Priority 2	Priority 3	Priority 4	Rationale/justification
Transportation:					
HMMWV—Un Armored	$101,590,000	$107,800,000	$107,800,000	$106,765,000	Critical enabler for the ARNG to perform all mission and support requirements, domestic or combat
HMMWV—Up Armored	$31,598,000	$38,003,000	$38,003,000	$35,868,000	
FMTV—Trucks	$60,451,326	$61,580,790	$60,966,638	$60,451,326	Replaces obsolete, non-deployable trucks. Critical enabler for the ARNG to perform all mission and support requirements
HTV—HEMTT Tanker/Wrecker/LHS	$42,833,720	$52,628,720	$51,203,720	$50,637,440	Provides line and local haul, resupply, and recovery capability to sustain operations
HTV—PLS Truck/Trailer/Bed/CHU	$56,768,600	$56,768,600	$56,768,600	$56,768,600	Primary component of the maneuver-oriented ammunition distribution system. Also performs local-haul, line-haul, unit re-supply and other transportation missions
MTV—M916A3 Light Equipment Transporter	$11,350,000	$11,350,000	$11,350,000	$11,350,000	Prime mover for pulling the M870 series trailer and heavy engineer equipment
MTV—Tactical Trailers	$11,510,000	$11,510,000	$10,540,000	$10,540,000	Required for transport of heavy engineer equipment, ISO containers, and other cargo
Total	$500,000,000	$500,000,000	$500,000,000	$500,000,000	

Senator LEAHY. We are working hard to include $1 billion to help with the Guard's backlog. That is a $24 billion backlog. We have put $1 billion in the budget that the President has vetoed. Senator Bond and I have worked on that and will continue to.

They seem—these backlogs seem to be unprecedented in the modern era of the National Guard. Would you agree with that?

Secretary GATES. I do not have a lot of historical knowledge on this, Senator Leahy. But my impression is that the percentage of equipment on hand, which is about 56 percent, the norm that is expected for the Guard is about 70 percent equipment on hand. So they—across the country—have that shortfall, and I think that that is the lowest percentage, that 56 percent, is certainly the lowest percent since I think at least 2001.

Senator LEAHY. I think you will find that it is even lower than that in a number of specific areas—communications, heavy equipment, and so on. Should we not be starting now a multiyear process to replace this equipment? We are not going to do it all in 1 year. We all agree on that, especially if the $24 billion is correct. But should we not set a multiyear situation to do it?

Secretary GATES. That is absolutely correct, Senator. In the 2007 and 2008 budgets, altogether there is almost $9 billion for the Guard. Between fiscal year 2008 and fiscal year 2013, we have in this budget or in the budget and plan $21.9 billion just for the Army Guard. And between 2005 and 2013 there will be something on the order of $35 or $36 billion.

Senator LEAHY. But this $24 billion is not budgeted and many will say that the shortfall, that they are actually down to 35 percent, not in the 50 percentile range——

Secretary GATES. Well, it varies from State to State.

Senator LEAHY [continuing]. But in the 35 to 40.

But I wish you would look at that and get back, because right now there is nothing in the budget to do this. There is no plan to resupply them. This is creating a real concern among Governors around the States, certainly among the adjutants general around the States. I mention this knowing that the Guard and Reserve have answered the call and they have been sent abroad. But we also need them to answer the call at home when they are needed.

[The information follows:]

The current Army National Guard (ARNG) equipment posture is 49 percent. This is a national average of total Modified Table of Organization & Equipment (MTOE) available within the Continental United States (CONUS). This percentage increases to 56 percent if equipment currently deployed is added to the calculation. Prior to 9/11, the Army National Guard was at 75 percent equipment on hand for Equipment Readiness Code (ERC) A and P items and 58 percent for total MTOE. Since 9/11, ARNG equipping requirements increased significantly due to modernization of MTOEs. Modernization requirements combined high operational tempo for ARNG units supporting the warfight has further reduced the ARNG on-hand equipment rate.

The Army has programmed nearly $37 billion for ARNG equipment, not including over $11 billion in cascading of equipment from the active component. If executed as programmed, delivery of the equipment by the end of fiscal year 2015 is estimated to take the ARNG to approximately 77 percent equipment on-hand. The current Army plan is to equip the ARNG to 100 percent by fiscal year 2020. In order to resource the ARNG to 100 percent equipment on-hand by 2020, the Army will have to program approximately $5.5 billion per year from fiscal year 2014 through fiscal year 2020. This is in addition to an estimated $1 billion in cascaded equipment per year.

WITHDRAWING TROOPS FROM IRAQ

Senator LEAHY. Now, the President has vetoed what I believe is a solid withdrawal plan. You may well disagree. But there is now talk around here by both Republican leaders and Democratic leaders about benchmarks the Iraqis can use to determine whether they are making the necessary political compromises to save their country. General Petraeus says he is going to take a close look at the strategy in September. The Republican leader in the House has said that is about the time we should be looking at it.

But in the paper today it says that General Odierno, the operational commander in Iraq, seems to indicate is predetermined when he is quoted as saying the troop escalation is going to have to last well into next year. Now, you are the number two commander of the military right behind the President. At what point would you recommend to the President that we need an orderly withdrawal? What are the conditions when you would say, Mr. President, it is finally time to bring our soldiers home?

Secretary GATES. Well, first of all, I think that it is very important to underscore that General Petraeus has said that he and Ambassador Crocker will make their evaluation of the situation and the surge in September, probably earlier rather than later in September. And that is the evaluation that the President and I and the chairman will be looking for, and I think I can just assure you right here that the outcome of that evaluation is not foreordained.

In my view, getting the level of violence in Iraq to a point where the political process can go forward and seeing some progress in reconciliation sets the stage for us to begin withdrawing our units from first of all the surge, but withdrawing our units and allowing those security responsibilities to be assumed by the Iraqis. So I think those are the circumstances on the ground that we will be looking for, and I think we are going to be looking for the direction of events.

We do not have to have it all locked in place and everything already completed. I think if we see some very positive progress and it looks like things are headed in the right direction, then that is the point at which I think we can begin to consider reducing some of these forces.

Senator INOUYE. Senator Specter.

Senator SPECTER. Thank you, Mr. Chairman.

Thank you, Secretary Gates. Thank you, General Pace, and we thank the 2.4 million people in the armed forces of the United States and the 140,000 troops now in Iraq and Afghanistan.

PROSPECTS FOR PROGRESS IN IRAQ

The President's veto has been sustained and we will have another very sharp look in September, as you have already noted, and we will be up for appropriations for the full budget, which now approximates $500 billion. This morning's press does talk about looking by the commanders beyond this year into April 2008. We know from the last election and the public opinion polls and the talk on the street that we are dealing with a very unpopular war now and there is a question as to how long Congress will sustain the President's position.

We have up until now and I have—a question that I have, and I know it is difficult to assess and you are going to make a calculation in September, but what are the prospects for having some light at the end of the tunnel, to see some encouragement which would enable the Congress to have the fortitude to support the President and go beyond September in the full funding of the $500 billion?

Secretary GATES. Well, I think that the honest answer is, Senator, that I do not know. I would tell you this, though. I think I consider it my responsibility and I think General Petraeus and the chairman consider it their responsibility to give the President and the Congress an honest evaluation of whether the strategy is working or not in September. Regardless of the answer to that question, it seems to me that sets the stage then to make decisions about the future.

Senator SPECTER. Well, I can understand the answer you have given, but there is a sense here, certainly by the Democrats and growing among Republicans, that there has to be some progress, significant progress, to sustain it beyond September.

IRAQ WITHDRAWAL EMBOLDENING AL-QAEDA

Let me turn to a related question, Mr. Secretary. That is, our civilization is threatened by al-Qaeda and by radical Islamic fundamentalism, and we frequently hear the argument that if we do not fight them there we are going to be fighting them here. This is an issue which is very hard to evaluate, but to what extent would withdrawal, if we were to take what Congressman Murtha wants to do, a withdrawal date, to what extent in your opinion would that embolden al-Qaeda and embolden radical Islamic fundamentalism, increase the risk of further attacks on our homeland?

Secretary GATES. Senator Specter, I think that in the first instance it depends on the circumstances under which we withdraw. If we withdraw and we leave Iraq in chaos, then I think the consequences are pretty dire. I think we have a thinking enemy in al-Qaeda in Iraq. They change strategies when we change strategies. The way they use these improvised explosive devices (IEDs) is an example that they even are able to change technologically how they deal with this.

If we were to withdraw leaving Iraq in chaos, al-Qaeda almost certainly would use Anbar Province as another base from which to plan operations, not only inside Iraq, but first of all in the neighborhood, and then potentially against the United States. We know that al-Qaeda has reestablished itself in the federally administered territories on the western border of Pakistan, where they are training new recruits. They have established linkages now in North Africa.

So al-Qaeda has actually expanded, I would say, its organization and its capabilities. So I think that if we do not leave Iraq in some sense, with some sense of stability, regardless of ongoing internal difficulties, then I think the problem we face will be significantly worse.

A 2 MONTH $50 BILLION APPROPRIATION

Senator SPECTER. A final question, Secretary Gates. There is talk in the House about $50 billion now. From what I understand, you have to have the full $100 billion now if you are to get the contracts to protect our troops. To what extent would it complicate an orderly progression if you only get $50 billion now and we have to come back for another vote at a later time?

Secretary GATES. Senator, my concerns about the proposal are actually very practical. A 2-month appropriation assumes that the Department of Defense, first of all, has a precise idea in real time of the balances in thousands of accounts that we have to manage. In truth, I essentially have 10,000 faucets all running money and some of them run at one rate, some of them run at another, and they all draw on one big pool of money behind them.

Turning them on and off with precision and on a day-to-day basis or even a month-to-month basis gets very difficult. I think the bill, the proposal, also assumes financial and cash flow controls, a precision in those controls day to day, that would require a degree of agility that is not normally associated with the Department of Defense.

In truth, I think people may also think that they are voting for a soldier, voting money to support a soldier in Iraq, when because of the way this money is pooled they may actually be voting to pay the salary of some guy mowing the lawn at Fort Lewis, because it just is not segregated in the way that perhaps some people think.

A couple of other points. It would have a huge impact on contracting, especially with respect to readiness and reset, in terms of—I mean, it is tough to do a 2-month contract for a mine resistant and ambush protected (MRAP), for some of these new armored vehicles. Also, as I suggested earlier, to do service and supply contracts on a 2-month basis would add significant costs and disruption.

Finally, in terms of the vote, proposed vote in July, we will have forward spent so much money to keep the troops in the field by that time that the truth is if that vote were to be a no I would have to shut down significant elements of the Department of Defense in August and September because I would not have the money to pay salaries. So a no vote in July would have dramatic consequences.

In essence, the bill asks me to run the Department of Defense like a skiff and I am trying to drive the biggest supertanker in the world. We just do not have the agility to be able to manage a 2-month appropriation very well.

Senator SPECTER. Thank you.

Senator INOUYE. Thank you.

I would like to recognize the President pro tempore of the Senate, Senator Byrd.

Senator BYRD. Thank you, Chairman Inouye and Senator Stevens, for conducting this hearing. With the continuing and escalating costs of the military operations in Iraq and Afghanistan and the growing percentage of Department of Defense funding within the domestic discretionary budget, the fiscal year 2008 defense budget merits close scrutiny. It is clear that the conflicts in Iraq

and Afghanistan are straining our military, both in terms of troop fatigue and in terms of equipment wear and replacement.

But the strains go even further, to issues of training and preparedness of those units stationed in the United States, which constitute our first response to any domestic emergency, and to those units stationed overseas to deal with crises there.

Like many observers, I am concerned, General Pace. I am concerned, Secretary Robert Gates. I am concerned that we may be undermining our many years of military superiority and readiness, leaving the United States ill prepared to respond to any new developments at home or abroad. We must, we must carefully consider both our current commitments and the impact that those commitments may be having on our military and our Federal spending in a broader context.

I have a number of questions for Secretary Gates and General Pace along those lines. Secretary Gates, the 2002 authorization to use force in Iraq authorized the President to use force for two purposes. The first was to defend the national security of the United States "against the continuing threat posed by Iraq." Let me read that again now. The first was to defend the national security of the United States, "against the continuing threat posed by Iraq."

The second was to, "enforce all relevant United Nations Security Council resolutions against Iraq."

Since the Government of Iraq that is referred to in the resolution no longer exists, having been replaced by a democratically elected one, do you agree, do you agree, that this authorization no longer applies to the ongoing conflict in Iraq?

Secretary GATES. I think the honest answer, Senator Byrd, is that I do not know the answer to that question.

Senator BYRD. That is being honest. Therefore, if you do not know the answer, how does it apply if you do not know the answer?

Secretary GATES. Well, sir, my impression is that it is the view of the President that it still continues to authorize the actions that we are taking in Iraq.

Senator BYRD. All right.

Secretary Gates, in a recent hearing before the Senate Armed Services Committee Admiral Fallon testified that the United States currently has no plans for contingency, emergency, or phased redeployment in Iraq. First of all, is that true?

Secretary GATES. Let me ask General Pace to answer that question.

Senator INOUYE. General Pace.

FORCES

General PACE. Sir, we have published no orders directing the planning for the overall withdrawal of forces. We do have ongoing replacements of forces and we do change the size of the force over time, so that that system is available to either plus up or draw down. But we have published no orders saying come up with a complete plan for total drawdown.

Senator BYRD. I am advised by my chairman that my time has expired. Thank you, sir.

General PACE. Thank you.

Senator INOUYE. Thank you.

Senator Domenici.

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

Welcome, gentlemen. It is good to be with you.

WAR COSTS HURTING OTHER DEFENSE NEEDS

Mr. Secretary, you know that I support getting our deployed troops all of the funding they need. But I am concerned about reports that I have heard and read that the billions of dollars we are spending in Iraq is negatively impacting our Department's domestic needs. Now let me talk about that a minute and then ask you to chat with me.

Can you talk to us for a minute about how the war is affecting our ability to equip our National Guard, procure new assets which we have planned on for a long time—like the new fighters; just pick one—and meet the other needs of our services? Will you tell us and tell the American people about that?

Secretary GATES. Well, first of all, Senator, the fiscal year 2008 budget proposal before you includes $177 billion for research, development, and procurement. That includes meeting new security challenges that the country will face, including both additional F–22s, funding the Joint Strike Fighter, new Navy ships, and new equipment for the Army.

So I think that the budget, the base budget that you have before you, is intended to address the full range of potential threats and challenges that the United States may face and that base budget is about 11.5 percent above the fiscal year 2007 budget and includes a significant increase in this area.

In terms of the National Guard, as we discussed with Senator Leahy, we do have about $22 billion budgeted for the period fiscal year 2008 to fiscal year 2013 just for the Army Guard, and we have money in the budget for both the Army and Air National Guard in the fiscal year 2008 global war on terror, as well as the fiscal year 2007 supplemental before the Senate.

There is no question that there has been a drawdown of equipment in the National Guard. As I indicated, the overall national average for equipment on hand is about 56 percent. As Senator Leahy pointed out, it varies from State to State. But clearly, we need to follow through with this program to rebuild the stocks of equipment that are available to the National Guard.

Senator DOMENICI. We hear a lot of politics and political talk about this, depending upon who the talk is coming from. I would merely tell you that in my case the State is in the position of having little of its equipment for its Guard. Clearly the New Mexico National Guard is in need; in about 3 weeks it is going back to Iraq. It just does not seem to sit very well when you are down to zero and your people are going off to war.

I know they are different. It is different to have people going to Iraq and having little domestic equipment. You are not taking all of that equipment with you, apparently. But you understand it does not make too much sense to average people as they read it. They wonder what we are doing.

So what you are saying is we are doing the best we can to build up our domestic needs. That is not a good word, but I mean those that are not involved in the war. We are doing our best, and indeed

we are doing it on two fronts. One is research and development to keep us modern. We are spending a lot of money on that front to make sure that happens, correct?

Secretary GATES. Yes, sir.

Senator DOMENICI. And we do not have to bend down and worry that we are going to find somebody that uses this war to get ahead of us on new kinds of strike forces and new research and development (R&D)? That is not going to happen, right?

Secretary GATES. No, sir.

Senator DOMENICI. Is that correct, that is not going to happen?

Secretary GATES. No, sir, it is not going to happen.

Senator DOMENICI. Because we are planning the other way?

Secretary GATES. Yes, sir.

Senator DOMENICI. And with reference to the National Guard, they are not going to be as well equipped, you are saying, as they might have been if this war was not there, but they are going to get a lot of new money——

Secretary GATES. Yes, sir.

Senator DOMENICI [continuing]. To get re-equipped, is that correct?

Secretary GATES. Yes, sir. And their infrastructure will also benefit from the money we will be spending on the regular force, the active component infrastructure here in the country as well.

Senator DOMENICI. I want to just—I know my time—is it over?

Senator INOUYE. Yes.

Senator DOMENICI. The chairman says I do not even have time for this next question. So I will just give you a name: Cannon Air Force Base. Then we can file a question for the record later.

Thank you, Mr. Chairman.

Senator INOUYE. Thank you.

Senator Mikulski.

Senator MIKULSKI. Mr. Chairman, I did not know if we were going in order of arrival. Senator Kohl was here before.

Senator INOUYE. Senator Kohl.

Senator KOHL. Thank you very much. Thank you, Senator Mikulski.

Secretary Gates, I and I think people all across the country are trying to make some common sense conclusions or deductions from the things that we hear here today, the things that we read, the things that we have now been experiencing for nigh how many months. Initially the surge was going to be evaluated in June and now you are saying it will be evaluated in the fall, and yet we read this morning that the troops that are being sent in will be augmented and they will be there well into next year.

That is what so many people are fearful of, that this is in fact an open-ended commitment. You yourself have said this morning that we cannot think about leaving in your opinion until the level of violence has been contained, and no one knows how long that level of violence will go on before it can be contained.

So to many people who are concerned about what is going on, this is an open-ended commitment that has no duration attached to it. The President has said that we will be there as long as we have to be there to achieve what he calls victory. You said this morning we cannot leave until we deal with the level of violence,

and we are also hearing that the commitment that we are now reinforcing will go on into next year. Yet you said that there are no preconditions and we will be looking at this thing in the fall and we do not know what we will be saying then. But at the same time you are saying we cannot leave as long as the level of violence is at its current levels.

So what the American people I think in large numbers would like to hear is something clear about what the administration's goals are and what the level of commitment is and how long it is going to be before we can think about redeploying our troops. General Pace said we have no plans to redeploy troops. So that is, as you know, that is the argument that is going on. That is the dissonance that is going on. It seems too many of us that you all have a responsibility to say as clearly as you can what these contradictions are and when they are going to be responded to in a way that makes sense.

EVALUATING PROGRESS IN IRAQ

Secretary GATES. Well, sir, a couple of observations. First, when I was before this committee, before the Appropriations Committee, the full Appropriations Committee, a couple of months ago, my comment was that I thought we would be able to evaluate whether the Iraqis were keeping their commitments on the security front by early summer and whether we were having much luck in bringing down the level of violence by June.

I think we are in a position to do that and the fact is they have met their commitments and the picture on the level of violence is a mixed one. The announcement, the press story this morning or in the last day or two about the 35,000 troops, really is a reflection of the order that I gave last week moving to a 15-month deployment and 12 months at home guaranteed. One of the purposes of doing that was to give the troops the maximum possible notice that they might have to deploy and if they do that is when they will deploy.

So the 35,000 is simply a replacement force for forces that are already in the country and they may or may not have to deploy depending on the circumstances.

What I was trying to convey to Senator Specter in terms of the September evaluation is that I think we owe the President and the Congress and the American people an honest evaluation of how the surge is working. We are not going to get—in September—the level of violence down to zero. The question is whether the level of violence is such that the political process can go forward in Iraq, and that then sets the stage for us to begin drawing down our troops.

So I think that the evaluation that people—that we are expecting from General Petraeus, and I might add also from Ambassador Crocker, in September is really fundamental, and we owe you an honest answer whether, based on his evaluation, whether the strategy worked and what the path forward is at that point.

Senator KOHL. So is it fair to conclude that, in the absence of any new statements, the old cliche that we broke it and now we own it is true about our situation in Iraq?

Secretary GATES. Well, I would say that it is true to an extent, because you do now have an Iraqi government, an Iraqi govern-

ment increasingly jealous of its sovereignty, an Iraqi government that is now negotiating and dealing with its neighbor states. You have them trying to stand up ministries. So they are sort of on a day-by-day basis assuming greater and greater responsibility. The Iraqi government has now taken over I think full control of four provinces. They now have full control of 9 of their 10 divisions in their Army.

So certainly we have a responsibility, however, you characterize how we got here, to help them make this transition. But I would say that with each passing day they are taking greater ownership of the problem.

Senator INOUYE. Thank you very much.

Senator Shelby.

Senator SHELBY. Thank you, Mr. Chairman.

First of all, Mr. Secretary, General Pace, I want to thank you, like everybody, for your service, for your willingness to serve under difficult circumstances.

I want to pick up on what Senator Kohl mentioned a minute ago, like an open-ended commitment. I do not believe any of us have thought of an open-ended commitment to Iraq. But we are, at least a lot of us, are committed to making sure that General Petraeus and our troops have every opportunity to succeed that is to bring stability, with the surge in the next few months.

I believe September, maybe it is October or November, but not much later than that, we are going to know, as we keep talking, is the surge working or is it only marginally so? But a lot of us have patience and we support our troops. I support our troops, period. But we have to I think remember one thing as we debate all this. Our troops have not been defeated on the battlefield, and their morale and their material is very important. You two know this very well and a lot of us do, too.

So the next few months are important months. A lot of us met with General Petraeus, talked with him about this. We talked with him in January. We know that the clock is ticking there. A lot of things are broken in Iraq and we are there, and we can debate all day how we got there and where we should stay, but I do not think we should stay forever, but I think we should try to succeed in what we are doing now, as you do, Mr. Secretary.

UNMANNED AERIAL VEHICLES

Mr. Secretary, I want to digress just a little bit and talk to you about unmanned aerial vehicles, UAVs. As you well know, the Army conducts right now in Iraq about 80 percent, and the marines I am sure has too, of the current UAV operations. Yet it does so with less than 20 percent of the DOD's UAV budget.

There has been movement lately again by the Air Force to try to become the executive agency for medium and high altitude UAVs. This is—I think the Army and perhaps the marines have serious concerns about this. In other words, they deal with the tactical things. They deal with the medium range. I have voiced this with them. A lot of them have talked with me.

You are the Secretary of Defense, you are the Chairman of the Joint Chiefs of Staff. Have you thought about that? Has it bubbled up to your desk yet?

Secretary GATES. The issue has certainly come to my attention. I would say that the issue is bubbling toward my desk, and right now it is on the chairman's desk, so I will invite him to comment.

General PACE. Sir, thank you.

Several levels here. First of all, just from the simple standpoint of air space deconfliction, we have more than 700 unmanned aerial vehicles in Iraq today being flown by marines, Army, and Air Force. So we certainly need a deconfliction mechanism, and the Air Force has been the mechanism that we have used in the past to deconflict air space.

On the other hand, you have the tactical needs of the soldiers and marines on the ground, who want to make sure that they have their vehicle overhead when they need it——

Senator SHELBY. Immediately.

General PACE [continuing]. In the right space, at the right time. And you have spectrum management. UAVs use a lot of bandwidth and when there is *x* hundred of them in the air at any given time you have spectrum management.

Put simply, this is a very complex problem.

Senator SHELBY. It is.

General PACE. Everyone in the Air Force, Army, Navy, and Marine Corps who is working this problem are doing so in good faith. The Joint Requirements Oversight Committee underneath Ed Giambastiani has been tasked by me to get this thing sorted out. It consists of the Vice Chiefs of Staff of each of the services and the Vice Chairman of the Joint Chiefs of Staff. I think they are big enough fellows to be able to figure this thing out and come back in to me so I can get to the Secretary with a recommendation about the best way to align the needs for air space control and tactical use in a way that gives the troop on the ground—at the end of the day it is about does PFC Pace have the support he needs from the aerial vehicle overhead. That is going to be my measure of effectiveness when the recommendation comes to me, sir.

Senator SHELBY. Well, I hope so, and I hope it is the right thing for the fighting man.

Mr. Chairman, thank you.

Senator INOUYE. Thank you very much.

Senator Mikulski.

Senator MIKULSKI. Thank you, Mr. Chairman.

Mr. Secretary, you need to know you really have every day been winning my respect, not only for the institutional role, but I really certainly have appreciated your responsiveness to issues raised by us and your desire it seems to have really candid information on which to guide you as the Secretary of Defense.

Your prompt response to the Walter Reed crisis was really appreciated, the commission that you appointed and now your steadfast follow through I think is an example of what I am talking about. I believe that if we have this candor we can really work together for the good of the Nation.

This takes me to one issue related to the National Guard. I think the fact that almost four Senators have raised this shows what we are hearing in our own States. But know when General Blum was here he told us the state of the National Guard as he saw it. At

that hearing he told me that Maryland was 35 percent ready, and I am going to come to the money issue in a minute.

That put me on the edge of my chair, because Maryland is in the national capital region, we are in a hurricane zone. I went to our National Guard and also to Governor O'Malley and our Lieutenant Governor, who happens to be an Iraq war veteran and a colonel in the Army Reserve. Briefly, the results came back and they were quite alarming. What we were told was that the Maryland National Guard faces serious equipment shortfalls and that in the event of a natural disaster or an attack in the national capital region they did not feel that they would have the operational capability to respond the way they should, that what they give the bosses is the best case scenario.

I could go through this: 14 percent helicopters, 36 percent of what we need for Humvees, only 32 percent of what we need for generators, only 58 percent of what we need for communication equipment. This is quite serious.

Mr. Chairman, I would like the report from Governor O'Malley and General Tuxill entered into the record.

Senator INOUYE. Without objection.

[The information follows:]

STATE OF MARYLAND,
MILITARY DEPARTMENT,
Baltimore, Maryland, May 9, 2007.

The Honorable BARBARA A. MIKULSKI,
509 Hart Senate Office Building, Washington, DC 20510.

DEAR SENATOR MIKULSKI: Thank you for your recent inquiries regarding the inventory of National Guard equipment as it relates to the homeland mission in our great State of Maryland. It is my duty to provide you with an honest and forthright evaluation and you may find such data as attached in Enclosures 1 and 2.

I respectfully stated in a letter to you dated April 16, 2007, that the Maryland National Guard remains ready to answer the call for any mission which we may be called to perform and expressed my support as in years past of the National Guard and Reserve Equipment Account (NGREA) as a source by which to provide our National Guard with funding to address our most critical nationwide equipment needs outlined by the Chief of the National Guard Bureau. Maryland experiences similar needs with equipment such as Humvees, Generators, SINCGARS Radios, updated Army National Guard rotary wing assets, C–130J aircraft, military construction needs and LITENING pods for A–10C aircraft.

As a follow on request, you asked that we show the operational impact of the raw data we provided to you. The most useful way to illustrate this was to measure the equipment remaining in our state after we fully deployed the 1,400 men and women of the Maryland Army National Guard this summer against known metrics of previous state missions we have supported. In a full evaluation of the data in early February of this year we found that the Maryland National Guard could meet its mission if faced with repeat storms of either: the President's Day Snow Storm, Hurricane Isabel or if asked to repeat our contributions to support relief efforts from Hurricanes Katrina/Rita. A second review of this data displayed the same results. However, today's environment does not allow me to plan for a "best case" scenario. It is my responsibility to provide leadership for an "All Hazards" approach to emergency planning. Therefore, I directed my staff to plan for notional Category I and Category II Hurricanes to measure how we would respond. The results are found in Enclosure 1 and highlight the National Guard Bureau's message that our National Guard must now be fully resourced for our homeland mission after many years of chronic under-resourcing with obsolete equipment.

My legislative priorities for this year which were submitted in February and directly affect our collective ability to respond to the needs of our citizens include: rebasing of eight newly procured C–130J aircraft in Maryland, a new fire station at Martin State Airport to provide support of military and civilian flight operations at a base we would utilize as a pre-staging and distribution point of relief supplies, and restoring national funding from $200 million to $375 million for the Emergency Management Performance Grant. We appreciate your steadfast support of these

items and the National Guard Empowerment Bill and look forward to continued efforts until each is fully resolved.

While it is critical that all our deploying troops are fully equipped, the nation can't afford to ignore equipping the Guard for defending the homeland or responding to domestic emergencies. Saving lives and protecting property is what America expect us to do. The American people deserve our attention as do our citizen soldiers whether executing their federal and state mission or training for same. As always, we appreciate your support of the National Guard.

Very respectfully,

BRUCE F. TUXILL,
Major General, MDANG, The Adjutant General.

MARYLAND ARMY NATIONAL GUARD EQUIPMENT

MAY 9, 2007.

SUMMARY

The Maryland National Guard (MDNG) could face potentially critical equipment shortfalls to meet its domestic homeland security mission, including serious potential deficiencies in an array of basic, multi-purpose items whose utility is clear for responding to incidents ranging from hurricanes to acts of terrorism. These gaps will be increased due to the recent mobilization of 1,400 Maryland Guardsmen to support the overseas war fight and could provide a response deficit in the ability to meet demands during a natural or human-induced emergency event. In addition, units in surrounding states face potentially parallel equipment shortfalls. Therefore, due to this shortfall, the State of Maryland may not be able to respond adequately as part of regional response to a Katrina-scale event that could impact the U.S. Mid-Atlantic Region. While resourcing our Active and Reserve component troops for the overseas war fight is critical, the National Guard must be fully prepared for our dual mission to protect the homeland.

The accompanying data identifies specific shortfalls in four areas: ground vehicles (particularly Humvees); power generation equipment, air assets, and communications equipment. The Governor and the Lieutenant Governor, working with the Adjutant General, stand ready to work with the Maryland Congressional Delegation on this matter and will provide regular updates to the Members and staff on its efforts to deal with this challenge.

We are also working with Congress to address critical Air National Guard needs with respect to: re-basing of C–130J aircraft in Maryland, Military Construction requirements for a new Fire Station at Martin State Airport to support operations at a base we would utilize to pre-stage and distribute relief supplies to Marylanders and a full inventory of nine LITENING pods for our A–10C aircraft.

GROUND ASSETS

Humvees and Other Vehicle Shortfalls.—Although the MDNG is authorized to have 781 High Mobility Multi-Purpose Wheeled Vehicles, only 537 are actually assigned to Maryland. Following mobilization, the State will have only 279 vehicles, or about one-third of the State's authorized strength.

Impact on Maryland: The Guard's fleet of vehicles includes ambulances, equipment and personnel movers, and other vehicles that have been used in past MDNG activations to move sick and elderly persons to high ground during flood events, dialysis patients and medical personnel to hospitals during snow events, and first responders to incident scenes when roads are impassable. With the decrease in available vehicles, MDNG's ability to respond to a natural or man made disaster or even a significant snow event would be seriously hampered putting lives at risk.

For example, the MDNG estimates that if Maryland were struck by a Category II hurricane, approximately 335 Humvees would be required to respond adequately to provide essential services in support of State and local first responders. Based on these estimates, the Guard would be short 76 Humvees, due to the recent mobilization, making its response inadequate and putting Maryland citizens' lives in jeopardy.

During the 2003 President's Day Snow Storm, the MDNG utilized 228 Humvees to provide transport to medical care and other vital services to Marylanders and local first responders. Following the Guard's upcoming deployment abroad, it will have only 279 Humvees available in the State, stretching its ability to respond to a similar event.

POWER GENERATION EQUIPMENT

Multi-Purpose Generators Shortfall.—MDNG is authorized to have 396 multi-purpose generators, but in fact only 127 generators, or 32 percent, are actually currently in the Guard's inventory.

Impact on Maryland: The Guard's generators are used to provide emergency backup power to hospitals and medical facilities; to power and recharge critical field equipment including radio communication and medical gear; and to provide light and power to first responders in the field, distribution points for emergency medical and other supplies and 24/7 emergency response centers.

The MDNG estimates that it would require 130 generators to provide services during response and recovery from a Category II hurricane in Maryland. With only 127 generators on hand, the Guard is barely capable to respond to this level of event, and would fall below its equipment needs with any equipment damage or with a larger event.

COMMUNICATIONS

Radio and Communications Equipment Shortfall.—The MDNG currently has only 1,581 of the 2,737 pieces of radio and other communications equipment authorized for Maryland (approximately 57 percent).

Impact on Maryland: Radio and communications equipment are among the most critical items needed by first responders and supporting agencies. The Guard's communications gear provides critical capability to communicate in any environment, the core command and control network for the Guard when called to state service, field capabilities for interoperable communications and to link communications from air assets to ground-level incident commanders, and backup AM radios when FM units and repeaters are damaged. The inability of Guard units to communicate with each other during a disaster event due to an inadequate inventory of communication's gear puts lives at risk.

AIR ASSETS

Air Assets Shortfall.—The Maryland Army National Guard currently maintains a variety of air assets, including a fleet of nineteen Chinook and Blackhawk helicopters. Although the Army Guard is currently close to its authorized total of twenty-two Chinooks and Blackhawks, following mobilization by September 2007 the Guard will have no Chinooks in the state, and only thirteen Blackhawks. Similarly, although the Guard currently has eight C–130J Cargo Aircraft, due to realignment, Maryland will lose all of its C–130J's over the coming years.

Impact on Maryland: The Guard's air assets provide the ability to move personnel and emergency supplies rapidly and into areas which are inaccessible by ground, and serve a variety of missions including search and rescue, patrol and security, damage assessment, and operating as air ambulances. Following mobilization, the Guard will have only thirteen Blackhawks available, to assist in various emergency operations. Again, faced with a significant weather event or man-made disaster, the Guard's ability to respond would be seriously hampered.

For example, the Guard estimates that if Maryland were struck by a Category II hurricane up to 44 Chinooks and Blackhawk helicopters would be required for the Guard to perform its required emergency functions.

PERSONNEL

With the imminent deployment of more than 1,400 Maryland National Guardsmen overseas, the Guard will lose almost a fifth of its most important resource, the men and women of the Guard themselves.

NATIONAL GUARD EQUIPMENT AND READINESS

Senator MIKULSKI. Picking up on the questions of both Senator Leahy and Senator Domenici, we need to talk about money. When you say that there is $22 billion between now and 2013, are you talking about $22 billion a year? Are you talking about $22 billion for 5 years? What are we talking about and what do your people—like Ms. Jonas—say we really do need for combat readiness to answer the call over there, but also homeland security, civil, natural disaster response back here.

Secretary GATES. First of all, the $21.9 billion is a 5-year figure, from fiscal year 2008 through fiscal year 2013. What I am told is that that will take the national average of equipment on hand from about 56 percent today to about 76 percent. The norm historically for States has been about 70 percent.

So we are willing to sit down with you and look at the specifics of this, but the point is that is a substantial figure. That figure is for the Army Guard alone.

Senator SPECTER. And we have to look at the Air Force and then the Guard, the marines.

Secretary GATES. And also the Army Reserve.

Senator MIKULSKI. Yes.

Secretary GATES. So there is additional money in for that. So the total, I do not have the breakdown, but the total——

Senator MIKULSKI. Mr. Secretary, not to interrupt you, but national averages, I mean, if you look at national averages, you put me next to Jay Rockefeller, Senator Rockefeller, the average height of the Senate would be 5 foot 10 and I would be worth several million dollars. And I will not even talk about if you compare Senator Feinstein and myself.

So national averages I do not think cut it, with all due respect to you, because the Guard is essentially a State operation. That is why it has such vitality, why it has such support from not only the men and women who serve, but employers who back them up under this incredible call-up tempo that they have.

So my concern is that this is not an accurate number. This is not finger-pointing here, but I think it is time to pinpoint. I would very strongly recommend two things: number one, an additional $5 billion for this year, and that we consider supplementing that; number two, when you look at allocation, that it be on the basis of risk. Some States have greater homeland security demands, like we in the capital region, Virginia as well as ourselves. As you know, we support the Pentagon in this.

Then the other issue is what I call the culture of yes. I think that our military has and needs to have a culture of yes. They must repeat and report in the chain of command. But when they are asked what they need, what they get from the Guard is, oh, we can do it, sir; we will make it work, sir. And you get the yes and you get the best answers.

I would strongly recommend that you or your designee meet with the National Governors Association and ask these Governors what they see and have their generals talk to you, and do the same type of truth to power that you so wonderfully have then opened up so that we could get to the bottom of military medicine. We need to know what the Guard needs to defend the homeland against hurricanes, wildfires, or whatever. Then we want to work with you because, while they are fighting there, they have other issues that they will be fighting here.

Senator INOUYE. Thank you very much.

Senator Gregg.

Secretary GATES. Mr. Chairman, could I just respond very quickly?

I did meet with the adjutants general of all of the States when they were meeting here in Washington. I have accepted and am

going to promulgate 20 of the 23 recommendations of the national commission on the National Guard, including recommending elevating the head of the Guard Bureau with a fourth star.

LEADERSHIP

Senator MIKULSKI. I think that is terrific.

Secretary GATES. And trying to deal with some of these Guard problems, and we will be more than happy to work with you, with the Governors Association, with the adjutants general, to get at this problem.

Senator MIKULSKI. Thank you very much.

General PACE. If I may, sir, I apologize——

Senator INOUYE. Senator Gregg.

General PACE. Mr. Chairman. May I, Mr. Chairman?

Senator, I agree with every point you said we need to look at. I just want to make sure that you know and that the Nation knows that the National Guard leadership has told us in great detail how they would spend $40 billion over the next 5 years to get up to 100 percent of equipment, and that the decisions have been made collectively to get it up to 76 percent, but that the leadership in the Guard has been very forthcoming with what their deficiencies are. They have laid it out very specifically. Lieutenant General Blum and all of his TAGs (the adjutant general) have been very precise in saying this is what we need.

Senator MIKULSKI. Well, General Pace, I appreciate that. Let us move forward. It is a big difference between $40 billion and $22 billion, Mr. Chairman, and let us see what we need to do.

General PACE. Yes, ma'am.

Thank you, Mr. Chairman.

Senator INOUYE. Senator Gregg.

EVALUATING THE EFFECTIVENESS OF TROOP SURGE

Senator GREGG. Thank you, Mr. Chairman.

I want to return to this issue that was raised I believe by Senator Leahy, because I am not sure I understood the specifics of the answer. In this Post article today, and maybe the quotes are inaccurate, but General Odierno said: "The surge needs to go to the beginning of next year for sure." Then he went on to say: "What I am trying to do is to get until April so we can decide whether to keep it going or not." And since we are in May, I presume he is talking about April of next year.

So I guess that does not really—I do not understand how that meets with the theory that in September we are going to have a review, when you have got the General who is on the ground and in command saying he has got to go through next year for sure and he is trying to get to next April. I guess my question is how do those two positions correlate?

Secretary GATES. I think the candid answer is they do not, that this is—it is General Petraeus who has said, who has told us that he owes us an evaluation of the effectiveness of the surge and how things are going in Iraq in September. The fourth brigade of the surge is now just on the ground in Iraq. The fifth brigade will go in in early June. So that will give them about 3 months with the full size of the surge.

As I suggested in an earlier answer, I think what we are going to be looking at, what General Petraeus is going to be looking at, is not is the job done, but what are the trend lines and what are the implications of the trend lines and the progress or lack thereof in terms of our strategy and how we resource this.

I go back to my comment, though, in response to an earlier question. Regardless of time lines or anything else, the consequences of leaving Iraq in chaos have enormous national security consequences for the United States.

Senator GREGG. But it does seem to be an inconsistency here when the general on the ground who is in command is saying, well, basically we have got to go until next year, and the general who is in charge of the general on the ground is saying we are going to take a look in September and reevaluate. But I appreciate your forthrightness and your answer.

APPROACH FOR COMBATING FUTURE ADVERSARIES

Going on to another issue because our time is obviously limited here, I am presuming and hoping and I think all America is that at some point we are going to withdraw from Iraq fairly significantly in our troops on the ground there, and that we will have a stable Iraq hopefully when we do that, as you have outlined, and it will not be a seeding ground for other people who want to do us harm.

But after we have done that, have you been thinking about the terms of how you fight this war as we go into the future and whether or not it is really a boots on the ground war or an intelligence war and whether or not our resources in this country are being focused correctly—you are asking for $500 billion in the core defense budget—focused correctly relative to the fact that the threat is a disparate and spread threat, that is not a nation state threat; it is a threat that sometimes comes down to individuals, but obviously comes down to functioning small units across the globe, who can only be confronted if we have the intelligence capability to find them to begin with. And to what extent are you thinking in—what is the term of thought as we move forward? Is it still a large military, boots on the ground approach, or is it more of an aggressive intelligence, structured, targeted military approach? I'm addressing Iraq.

Secretary GATES. Senator, I think it is all of the above. I think that one of the reasons why the sum of money is as large as it is, because we need to be in a position to deal with the challenges potentially posed by other large states. We need to be in a position to deal with the threat posed by proliferating medium-sized states like North Korea and Iran. And we need to be prepared to deal with this global war on terror that is going to be with us for a very long time, and that is a war that in some places will involve boots on the ground of regular Army and other places it will require special forces, and in all places it will require an extraordinary level of intelligence to guide that conflict, and it will involve a lot of partnerships with other countries and their military and their intelligence services.

So I would say that one of the reasons you have a $481 billion budget in front of you is because the United States needs to be pre-

pared to deal with this full spectrum of potential challenges to our national security and, I might add, deal with the National Guard and domestic capabilities here as well, homeland security capabilities here as well. But clearly, intelligence has got to play an important role.

Senator GREGG. Thank you.

Senator INOUYE. Thank you very much.

Senator Feinstein.

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

I have two areas and I want to go fast. Welcome, gentlemen.

With respect to everything I have heard so far, correct me if I am wrong in summing it up that September is some kind of point of decision with respect to the effectiveness of the surge, but it is not necessarily dispositive with respect to policy.

END STATE FOR IRAQ

The thing that concerns me, and directly following Senator Gregg's questions, is whether this country is really able to take on a non-state enemy in a way that makes sense in the future and whether we are doing the kind of planning for future non-state major military problems. I think the answer is no, that we are not ready for this, and I also want to ask this question. If, Mr. Secretary, you determine that in September the surge has not been viable in terms of securing Baghdad and reducing terror, what would your recommendation to the President be? And is there any truth to something that appears in David Ignatius's column this morning that says the ferment in the region is driven partly by the perception that United States troops are on the way out no matter what the Bush administration says? To dampen such speculation, Bush is said to have told the Saudis that America will not withdraw from Iraq during his presidency. "This gives us 18 months to plan," said one Saudi source.

Secretary GATES. I think it is our view, Senator, that the end state—and Senator Judd alluded to this a little bit—that the end state for some period of time after we conclude major combat operations in Iraq is that there will be a continuing need for a U.S. presence and a relationship, security relationship, with the Iraqis for some period of time.

What that number of troops involves precisely I have no idea, because it will depend on their needs and the situation. Again, though, let me go back. The goal in September is not whether the violence has been significantly reduced or stability has been brought, it seems to me, but rather whether it has been reduced to a level that the political reconciliation process is moving forward in some meaningful way.

But I think we will have a presence in that area. We certainly will have a naval presence. That was one of the reasons I recommended and sent a second carrier strike group there, was to reassure our friends and allies in the region that the United States is going to have a continuing presence. But my view would be that it is very likely the United States will be required to have some level of troop presence in Iraq for some period of time, but it has to be at a level in my view that can attract bipartisan support.

RELIABLE WARHEAD REPLACEMENT

Senator FEINSTEIN. Thank you. That is very helpful.

Let me move on if I might to a program that has a 370-percent increase in your budget, and that is the Reliable Warhead Replacement Program. The 2007 continuing resolution has $24.8 million and the request is split this year between the National Nuclear Security Administration, $88.8 million, and the Department of Defense, $30 million.

Now, a December 2006 request by the national laboratories found that the plutonium pits have a life span of at least 85 years. And as we know, the warheads are certified as safe virtually every year.

I believe very strongly that in order to move ahead with RRW, Defense must be clear about long-term stockpile needs, including size, weapons characteristics, and diversity. The proposal before us does not do this. Many of us believe that we ought to carry out a comprehensive assessment of United States nuclear weapons policy, and that is Secretary Kissinger, Secretary Schultz, who I think have been, Senator Nunn, have been very definitive, and the impact on national security goals and international nuclear nonproliferation efforts.

Do you agree with this or not?

Secretary GATES. Well, I do not know if a national commission is required or a major study. We certainly owe you answers to the questions that you have posed in terms of stockpile and reliability and so on, and we are certainly willing to have a dialogue with you about the path forward on this. I think there have been a number of diplomatic interactions both with our allies and with the Russians and the Chinese about it, so it is not like we are trying to do something behind the curtain, as it were.

I think the key here is ensuring that we have, in a world where a growing number of nations seem to be interested in having nuclear weapons, that we have a reliable stockpile and that we can count on the reliability and safety without testing and that it can be done through technical means and not actual tests. But we certainly, as a starting point, owe you answers to the questions you ask.

Senator FEINSTEIN. I know my time is up. I think that would be appreciated. I have had the classified briefing on the changes to be made and essentially, in my judgment at least, the changes to be made constitute a new nuclear warhead and I think it is not just safety. I think we have to come to grips with that and what this does to nonproliferation efforts.

So I would certainly welcome that discussion. I do not believe I am the only one here that feels that way.

Thank you very much.

Senator INOUYE. Thank you very much.

Senator Murray.

Senator MURRAY. Thank you, Mr. Chairman.

Secretary Gates, General Pace, I appreciate your honesty with us today in all of your comments so far.

Secretary Gates, I want to ask you about the budget request; it includes $4.7 billion to train and equip security forces in Afghani-

stan and Iraq. Can you tell me how much of that is for Iraqi security forces?

Secretary GATES. $2 billion.

IRAQI SECURITY FORCES

Senator MURRAY. $2 billion. Our troops have been training forces now for more than 4 years in Iraq. In your opinion, where are we in having an Iraqi security force that is able to stand up on its own?

Secretary GATES. I think we have made a good deal of progress. The numbers of troops that have been trained—I am just searching for the information here. We have—the authorization for the Army is 175,000. We have trained and equipped 144,000, so we are at 82 percent, with the completion date scheduled for December.

Senator MURRAY. We have been hearing those numbers for several years. Is this more accurate than it used to be?

Secretary GATES. No, I think these are—I do not know that there is a change in the numbers.

General PACE. If I may help, sir.

Secretary GATES. Yes.

General PACE. Senator, if I might help, we originally had a plan to have 325,000 total Iraqi armed forces, both police and military, trained by December 2006. That goal was reached. In the process of getting to that goal, Mr. Maliki's government wanted to increase the size of its armed forces by another 40,000, partially to build 2 more divisions, go to 12 divisions instead of 10, and partially to man his current units at 110 percent so that he can have an effective force in the field.

Senator MURRAY. But what is the date that you expect this to be completed? When will we reach this goal?

General PACE. We will reach the completion of the current proposed size of the Iraqi army by the end of this year, ma'am.

Senator MURRAY. By the end of this year.

General PACE. And for the first time this year—correction. This is the second year in a row now where the Iraqi government has put more money into building their army than we have.

PROGRESS ON POLITICAL BENCHMARKS

Senator MURRAY. Secretary Gates, I agreed with your comments that you made during your trip to Baghdad last month where you said that the U.S. military commitment in Iraq is not open-ended and the clock is ticking. I wanted to ask you if you have seen any progress on the political benchmarks that have been set for the Iraqi government, the oil revenue sharing, national reconciliation, new elections? Have you seen any progress at all?

Secretary GATES. There has been some movement on some of the legislation. It clearly has not moved as far or as fast as we would like. I think that there are some things that are happening in the political arena that do not go directly to legislation, but that are encouraging. There was a report in a Baghdad newspaper just a couple of days ago that Prime Minister Maliki is going to begin consulting with the Presidential council. He has clearly taken it aboard on a regular basis, including Vice President Hashemi, a

Sunni, where there has not been as much dialogue there as we would like.

Clearly, we have, a variety of us, have made clear to the Iraqis that it would be a very bad idea for the council of representatives to take a recess in July and August. I will be blunt. I told some of the Iraqis with whom I met that we are buying them time for political reconciliation and that every day we buy them, we buy it with American blood, and that for this group to go out for 2 months, it would in my opinion be unacceptable.

TROOP MENTAL HEALTH

Senator MURRAY. Well, September is not very far away to see improvements from here. So I think we are all looking very carefully at that, and I appreciate your honesty on that.

I also wanted to just bring up an issue quickly. According to the Defense Department's Task Force on Mental Health, more than one-third of our troops and veterans suffer from TBI and post-traumatic stress disorder (PTSD). Last Friday the task force reported that the system of care for psychological healthcare that has evolved in recent decades is not sufficient to meet the needs of today's forces and their beneficiaries and will not be sufficient to meet the needs in the future.

I have been out to our military hospitals and, Secretary Gates, I have been very concerned because I have been hearing directly from soldiers that they feel that the effects of PTSD are being dismissed by military care providers as being all in their head. I heard that over and over again. I want your assurance today that we would make sure that that was not being told—it is stigma enough and it is difficult enough for these soldiers. We want them to get the care they need, and I hope that you can put some focus on that throughout the system.

Secretary GATES. Senator, I can assure you that the senior leadership of, and particularly the medical leadership, of the Army has taken this aboard, is very serious about it. One of the suggestions that I have had—I am worried that when they do these surveys with soldiers that come off of a deployment they are so eager to get home they are going to check all the right boxes so that they can get home. One of the things that I have suggested is that they give each returning soldier just a piece of paper that lists all of the symptoms, that basically says: This is a common problem and it is not a sign of weakness; a lot of your buddies have this problem; here are the symptoms and here is who to call if you have these symptoms, in addition to whatever review there is at 3 months and 6 months and before redeployment and so on.

One of the recommendations of the internal review group that just reported to me last week was the creation of a center of excellence for both TBI and for post-traumatic stress. That is something I take very seriously. I just was at the center for the Intrepid last week and I think it is a great model for what we might be able to do here in terms of both patient care and combining private and public research and treatment.

So I think that this is taken very seriously by the leadership of the Department and by the military leadership. It is not a sign of

weakness. It is not all in their heads. It is real and we need to get them the treatment they deserve.

Senator MURRAY. Well, I really appreciate that answer and would hope that I can talk to you later, because I am concerned that we do have some people in the military closer to the ground level who have a macho attitude that it is all in your head. I think that is very dangerous. So I do appreciate your comments.

Thank you very much.

Senator INOUYE. Thank you very much.

The vote has started. Senator Dorgan

APPREHENDING AL-QAEDA LEADERSHIP

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

Mr. Secretary, let me ask a question I have asked previously, on the issue of the threat to our country. The Director of Intelligence recently said, and I think I am quoting him accurately: "The greatest terrorist threat to our country is the threat from the al-Qaeda leadership and its network around the world."

As you know, the al-Qaeda leadership boasted about carrying out the attacks on our country and they still exist apparently somewhere in northern Pakistan or somewhere near some border area. Some years ago I was in Afghanistan. I know that there was an interdisciplinary military unit interested in apprehending the al-Qaeda leadership. Are there military missions prosecuting that action as well at this point?

Secretary GATES. Yes, sir. We are still going after al-Qaeda leadership. It is in a difficult area both in terms of terrain and in terms of the politics, in terms of our ability to range freely in that area. Most of it is in, as I indicated earlier, in the western part of Pakistan in the federally administered territories. But we do have military operations that are planned both in Iraq and elsewhere in the region, not just in North Waziristan and Iraq, but in other places as well, to go after al-Qaeda leadership.

Senator DORGAN. And that remains a priority?

Secretary GATES. Yes, sir.

Senator DORGAN. Let me ask a question that my colleague from Alabama had asked about. Some years ago when I came to the Congress I joined something called a defense reform caucus because I was interested and dismayed in some respects at seeing the intramural politics in the Department of Defense, with every branch of the service wanting to do everything. For example, every branch wants to fly, every branch wants to do this and that.

UNMANNED AERIAL VEHICLE OVERSIGHT

With respect to UAVs, it occurred to me that it is quite clear that the Army would want to have low-level UAVs over a battlefield that they can control from a tactical standpoint. It is not clear at all why the Army has been spending money designing a Warrior to fly at 20,000 feet that looks exactly like and I think will perform exactly like the Predator, which is the Air Force mission.

So it appears—and I asked General Schoomaker about this and he sent me what I would expect to be a typical response: This is something the Army wants to do. But it appears to me that we have duplicated the investment in research and development of two

UAVs that the Air Force has on the Predator and the Army wants of its own with the Warrior. It makes no sense to me. Would you look into that? Or maybe one of you can tell me why we are duplicating these efforts.

Secretary GATES. Sir, a fair point, and we are looking into this. That is exactly what I have tasked the Joint Requirements Oversight Committee to get back to me on, because you are right, we have had over time more than 100 different variants of unarmed aerial vehicles. The two you are talking about are made by the same company, and we need to get it right with regard to how many different variants we need and how we control the air space and how we deliver product to the soldier and marine on the battlefield, sir. And you are right to be concerned about duplication.

Senator DORGAN. UAVs are very important. I think they are going to play a significant role. I just do not want the services duplicating research and development. The taxpayer ends up paying for that.

B–52S

A quick question. B–52s. The U.S. House last year in its deliberations said that you shall not reduce the number of B–52s below 76. The Senate agreed with that and yet the budget reduces them to 56. As you know, the earliest possible date we might have a new bomber would be 2018. I do not think that will happen, but it might be the earliest possible date. We used over 80 B–52s in the most recent Iraq war, 140 in the gulf war before that.

I do not understand the recommendation here and I think the Congress likely will keep 76 B–52s so that we do not put 20 in the bone yard and then hear there is a bomber gap very quickly. If that is the case, how do we pay for that?

General PACE. Senator, I need to get back to you, sir. I do not have that in my head. I do know the recommendation was made. I do know it was based on projections of *x* amount of ordnance being delivered over *y* amount of time. But I do not have a precise answer for you yet, sir.

[The information follows:]

It is particularly challenging to manage an aging bomber fleet while simultaneously transforming to face emerging threats. We are pursuing a balanced approach that focuses on transformation and recapitalization while managing operational risk.

An important component of our Nation's security is the operational ability to project combat power over long distances and long durations with adequate payloads. To meet this requirement, the Air Force's three-phase strategy for long-range strike modernizes current bombers, develops a complementary capability fielding in 2018 and continues technology development for a transformational capability in 2035. Integral to the three-phase long-range strike strategy is divestiture of 20 B–52s as reflected in the fiscal year 2008 President's budget. The 56 B–52s funded in the program of record are capable of meeting any single combatant commander requirement, but provide an estimated $1.44 billion cost avoidance across the Future Years Defense Plan.

Senator DORGAN. Well, let me thank both of you. These are difficult times and all of us want the same for our country. We want our country to succeed. We have got people strapping on body armor this morning, going out and facing live ammunition. This Congress is going to provide the funding that is necessary and some more for MRAPs and some more for medical, hospitalization,

and so on. We have an obligation to do that and from my standpoint we will do that.

Secretary GATES. Thank you, Senator.

Senator INOUYE. Thank you very much.

Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you.

Thank you very much, Mr. Secretary, for being here, and General Pace, and discussing your budget request for the next year.

There was some disturbing news this morning that I heard about alleged or suspected terrorists in the United States getting armaments and weapons to attack military forces here in the United States. It reminded me that we have a new Department of Homeland Security, still relatively new. Is there a degree of cooperation between our military forces, the Department of Defense, and the Department of Homeland Security to successfully discover things like this and then deter an attack.

FORT DIX

Secretary GATES. Let me give a quick answer and then ask General Pace to follow up. The answer to your question is yes. I think that this operation relating to Fort Dix was an extraordinary piece of law enforcement work by the Federal Bureau of Investigation (FBI). We work closely, particularly in the National Counter-Terrorism Center, with the Bureau, with Homeland Security, with the Central Intelligence Agency (CIA), and the other parts of the intelligence community. So I think some of the changes that have been made in the restructuring and the creation of that group by the Congress has contributed to that kind of sharing of information and working together.

General, do you want to add anything?

General PACE. Sir, there has been good progress there, a very good relationship between the Department of Defense, Department of Homeland Security, exceptional relationship with Northern Command underneath Admiral Renuart now. Example is exactly what you pointed out, Fort Dix, and when that information was put into the system not only did it result in the actions taken at Fort Dix, but also nationally with regard to all of our military bases being alerted and taking a look and scrubbing their current procedures.

One additional factor is that Secretary Chertoff right now has a team that he has put together to see for the kinds of things that the Department of Homeland Security would need to do internal to the United States, what kinds of capacities do we need that agency to have, and of those what do they not have, and of those which should the Department of Defense be looked to provide. So we are working very carefully with them to make sure that our Guard and Reserve forces have the capacity needed to be able to respond in support of a civilian lead inside the United States.

RECRUITING AND RETENTION

Senator COCHRAN. I realize that during a time of war it might be natural to resist a call to serve in the military forces. But it reminds me that we do not have a draft in place. We do not have conscription. We are operating, with your leadership, on an all-volunteer force. I know in the budget request you have money that

you request in order to carry out recruiting and retention efforts. What is the status of that? Is there enough money requested in your budget to address this and to assure that we are going to have the troops that we need in the future to not only wage war on terror internationally, but to protect our security interests across the board?

Secretary GATES. Yes, sir. There is about I think $4.3 billion or $4.4 billion in the budget for recruitment and retention. I am happy to report to you that the active component, that all the active components of the military, met their recruiting targets in April. The Army National Guard is at about 94 percent for April, but they are over 100 percent year to date. The Army Reserve is struggling a little bit, but I think in part it is because they are competing with the Army National Guard and the Active Army in recruiting from the same pool of young men and women.

The Marine Corps has exceeded their recruitment objectives. The first—in terms of retention, the first reenlistment, we are over 100 percent of the goals. We are about 94 percent of the goal for the second reenlistment.

So I would say—and these are people who are enlisting knowing exactly what they are getting into and knowing exactly where they are going to end up having to fight. So these are young people who are signing up knowing the challenges that they are going to face, and it is an extraordinary tribute to the quality of these young people in America today that are willing to do this.

MISSILE DEFENSE

Senator COCHRAN. We appreciate your leadership and management of the Department of Defense and the responsibilities that go with that. I notice in your budget request you also have a substantial request for additional funds for a missile defense program continued to develop and deploy those resources. Connected with that, I saw the Patriot missile system mentioned, and also was reminded of the fact that when we had the service chiefs before our subcommittee the other day they talked about the success of the program to develop a capability to defend troops against missile attack and our national interests against the emerging threats.

Are you concerned that we have enough of a robust missile defense initiative included in this budget to meet our goals and to further strengthen our ability to protect ourselves in these situations?

Secretary GATES. Yes, sir, I think that the program is quite adequately funded. It is about $8.9 billion for missile defense and about another billion for the Patriots. I think the general feeling in the Department is that that is an appropriate level.

Senator COCHRAN. Thank you.

Thank you, Mr. Chairman.

Senator STEVENS [presiding]. The Senator from New Mexico, do you wish to be recognized?

Senator DOMENICI. Yes. Thank you very much. I did not think I was going to get back in time, and I know time is short.

RELIABLE REPLACEMENT WARHEAD

Mr. Secretary, I understand you answered a question from Senator Feinstein regarding our reliable replacement warhead (RRW). I have another question on the same subject that I will submit and ask that you answer it.

Secretary GATES. Yes, sir.

Senator DOMENICI. Second, I submitted on April 17 a letter to you about the position, your position on the RRW, the new potential warhead. I would greatly appreciate it if you would give us some idea of when that might be answered. We need to know whether the people in the administration and in the Department of Defense support this. It has been presented by less than a hierarchy for us to review in committees, and we need to know if you and the various secretaries support it.

Secretary GATES. Senator, we clearly somehow have a failure to communicate. I think I signed that letter out to you last week, and we will follow up with your staff and find out where it is.

CANNON AIR FORCE BASE

Senator DOMENICI. Very good.

My last question has to do with the city of Clovis and the base there, Cannon Air Force Base in Clovis, New Mexico. It is now waiting to be equipped so that it can become a new kind of base. As you know, it was put in kind of a wait and see position. When they finished all of the work on determining the closures, they decided it should not be closed, but it should be used for a new kind of Air Force special operations base, with all kinds of equipment.

I need to know whether you are going to support that, because we need to get the money to do the things that will make it a fully operational base, and that is terribly important for the future of Cannon. If you would look into that, I submit a question to you on that subject.

Secretary GATES. Yes, sir.

Senator DOMENICI. Thank you. And I am sorry I am so mumbo-jumbo, but we are out of time. Thank you.

Senator FEINSTEIN. Mr. Secretary, General Pace, we appreciate your testimony today as we begin to formulate our recommendations for the fiscal year 2008 defense appropriations bill. We hope we can call upon you for additional advice.

ADDITIONAL COMMITTEE QUESTIONS

The chairman has questions he will submit for the record, and maybe other members also.

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

QUESTIONS SUBMITTED TO HON. ROBERT M. GATES

QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUYE

EXECUTIVE AGENCY FOR UAVS

Question. Secretary Gates, the Air Force has developed a proposal to be designated the Executive Agent for all medium- and high-altitude unmanned aerial ve-

hicles. Some believe that an Executive Agent for UAVs would increase efficiency, but others are concerned about an impact on specialized roles and missions for UAVs in other services. What is your view?

Answer. The subject of an executive agent for all medium- and high-altitude UAVs is currently under review, but has not yet been completely evaluated. This impartial review will determine whether the designation of a single military department as executive agent for UAVs for the Department of Defense would serve as the best means of eliminating unnecessary duplication of effort and increase efficiencies.

ARMY GUARD AND RESERVE MOBILIZATION POLICY

Question. Secretary Gates, in January you announced that the Army Guard and Reserve will transition from 18 to 12 month mobilization periods. The Guard and Reserve plan to perform a significant portion of the pre-deployment training at home station or at nearby facilities so that reservists will be able to be deployed in theater for 10 months out of their 12 month mobilization period. What steps are being taken to provide the Guard and Reserve with the equipment, personnel, and facilities needed to train their soldiers prior to mobilization?

Answer. With respect to equipment: In preparing the Guard and Reserve components for deployment, the Army has an equipping strategy that utilizes the Army Force Generation model in determining readiness requirements as well as the Army Resource Priority Listing process in determining equipment priorities within the Army. All units will have the necessary equipment for training prior to "Boots on the Ground." With the four transitional Brigade Combat Teams (BCT) currently identified for deployment in 2008 (39th Infantry BCT—AR, 45th Infantry BCT—OK, 76th Infantry BCT—IN, 37th Armored BCT—OH), a hybrid solution is required. The equipment will be provided at each of their annual training site, pre-mob training site, and post-mobilization training site.

With respect to facilities: In order to shorten the training time at the mobilization sites, it is imperative to have facilities that support that effort. The highest priority for the Reserve components is where they work and train. Although BRAC 2005 attempts to consolidate the Reserve Centers, this effort will not be completed until 2011. Nevertheless, we are focusing construction dollars remaining, after BRAC, for pre-mobilization training requirements. Facilities are being designed that incorporate training spaces, classrooms, and electronic infrastructure, to include modern computer and video capabilities. These facilities, when completed will be a mobilization enabler for the Reserve components.

Question. Mr. Secretary, the new mobilization policy was put into effect immediately following your announcement, even though there were still a large number of details to resolve. Are you concerned that implementing this policy before a system has been put in place could compromise the readiness of deploying guardsmen and reservists?

Answer. The Army strives to ensure every deploying unit and each guardsmen and reservists that deploys is certified to be combat ready. The new mobilization policy allows the Reserve component service member the predictability to know that he/she will be away from work, school and family for no more than 12 months and does not sacrifice the deployment standards for any unit.

STRATEGIC LIFT

Question. Secretary Gates, the Department may be at a crossroads in its strategic lift plans. Costs for the C–5 reliability and re-engining program have grown significantly and, while the C–5 situation is unclear, the C–17 Globemaster production line will start shutting down in fiscal year 2008. At the same time, Army and Marine Corps increases in force structure could increase the demand for lift. What actions are you taking to refine your strategic lift strategy—and will we be updated prior to July 2007?

Answer. Our next planned update to the Mobility Capabilities Study will commence in 2008. Any changes to the Defense Strategy that may affect strategic airlift will be assessed at that time. The current Department assessment is that the demand on strategic airlift resources is not affected by the growth in land forces for rotational employment, but is rather driven by the Defense Strategy. Therefore, current and programmed C–17 buys and C–5 upgrades continue to provide the Department with sufficient assets to carry out today's Defense Strategy with acceptable risk.

Question. Secretary Gates, the Air Force has briefed staff on a "30/30" plan to retire 30 C–5As and buy 30 C–17s. What are your views on this plan?

Answer. The Air Force has not presented its "30/30" plan to my staff for review. While there may be advantages associated with this concept, the Department needs to evaluate it, as well as other options, prior to deciding on a course of action.

MENTAL HEALTH ISSUES

Question. Secretary Gates, recent findings by the Mental Health Advisory Team show that multiple and longer deployments result in more mental health problems for soldiers and Marines such as combat trauma, anxiety and depression, and cause more marital distress within military families. It also found that soldiers and Marines with mental health problems were more likely to violate ethical rules. How do you balance and reconcile these results with the recent decision to increase the length of Army deployments from 12 to 15 months?

Answer. Repeated and longer deployments in combat environments are inherently stressful. While the Army advisory team noted a correlation between combatants surveyed for mental health symptoms and ethical behaviors, it did not establish causality of the association. It is not clear at this point whether behaviors in combatant activities result in mental health symptoms or mental health symptoms result in ethical violations. We intend to conduct further research and in-theater field investigations to better understand and treat these issues.

Psychological injuries during combat operations are one of the inevitable costs of war and must be considered in the same fashion that physical injuries are considered. We grieve every injury and aggressively identify and treat such injuries to the best of our abilities.

Question. What steps would the Pentagon take to improve junior-level leadership and increase psychological training for military personnel?

Answer. Steps to improve psychological training for all Service members are continuous. In addition to training received in professional leadership development courses and suicide prevention programs, the Department of Defense (DOD) rolled out the Front Line Supervisors course in March 2007 by training trainers for all Services. It is a half-day course that sharpens supervisors' skills to better know their subordinates and to identify signs of psychological stress and appropriately respond to them.

In addition to the Front Line Supervisors' course, the three branches have fully implemented the Leaders Guide for Personnel in Distress, with the Marine Corps currently preparing their version of the program. These programs are formatted for both the web and compact disk. The Marine Corps also developed a small book for leaders. They cover 30 categories of stressful events commonly encountered by Service members; describe behaviors of concern for each, recommended responses and questions, and the specific actions to take within each Service, including appropriate referrals.

Looking to the future, a peer support system is being further developed for implementation across the DOD. In addition, the DOD is considering the development of a career path for military occupational psychologists who would be assigned to units, not just to medical programs. They would provide consultation to leaders, assist in the development of training programs to enhance resiliency, make recommendations regarding organizational employment of its human assets, and provide a dedicated professional sensor for those in trouble within such units.

Question. Secretary Gates, I am told that you have an on-going review with the Director of National Intelligence, Admiral McConnell, concerning the possible dual-hatting of the Under Secretary of Defense for Intelligence to report to both you and the Director. What are your views on this idea and the balance of authorities between the Director of National Intelligence and you, the Secretary of Defense?

Answer. I fully support the idea. Director McConnell and I signed a Memorandum of Agreement dual-hatting the Under Secretary of Defense for Intelligence as the Director of Defense Intelligence under the Director of National Intelligence. This reflects our collective strong commitment of cooperation and shared goal of improving the intelligence community. The agreement recognizes the crucial importance of coordinated intelligence efforts to the national security of the United States. The Defense Intelligence Components provide a full range of intelligence products and analysis to a broad spectrum of consumers from military forces in the field to senior policy makers across the federal government. These efforts are intertwined with the National Intelligence efforts overseen by the Director of National Intelligence.

As the Director of Defense Intelligence, Mr. Clapper will report directly to the DNI and serve as the principal advisor to the Director of National Intelligence regarding Defense Intelligence matters. The Director of Defense Intelligence will have responsibilities as determined by the Director of National Intelligence in consultation with me and promulgated separately.

As the Under Secretary of Defense for Intelligence, Mr. Clapper will report directly to me and retain the responsibilities and exercise the authorities as assigned by me and his focus will remain on providing the best intelligence possible to the warfighter.

U.S. SPACE POLICY

Question. Mr. Secretary, in August 2006 the President released an updated policy on space, which keeps the doors open to offensive space capabilities. The United States continues to reject United Nations negotiations that would prevent the militarization of space. Indeed, in this year's budget request, the Missile Defense Agency has a request for $10 million for a space-based test bed. Against this backdrop, in January the Chinese destroyed one of its own satellites with an anti-satellite weapon. While we decry the Chinese action what direction is the Department of Defense heading in, with regard to the weaponization of space?

Answer. Space capabilities have become integrated into our daily lives and are vital to our national security and the global economy. At the same time, potential adversaries continue to seek means to counter the advantages we obtain from space and to use space capabilities against us. Our space capabilities face a wide range of threats including radio frequency jamming, laser blinding and anti-satellite systems. The maturation of these threats, including China's anti-satellite capability, will require a broad range of capabilities, from diplomatic to military, to continue to protect free access to and peaceful use of space for all space-fairing nations.

The United States does not agree that new legal regimes or arms control agreements related to space "weaponization" would be helpful in protecting U.S. national security interests. None of the last five Administrations have been able to overcome the complexities of defining a "space weapon," or to identify meaningful verification and compliance mechanisms without artificially limiting peaceful and practical uses of space.

The U.S. approach to meeting these challenges is guided by the National Space Policy signed in August 2006. The new policy is consistent with long standing principles that were established during the Eisenhower Administration, such as the right of free passage and the use of space for peaceful purposes. The policy does not endorse, direct or prohibit the use of weapons in space. It acknowledges that space is vital to U.S. national security and directs the Department of Defense to develop capabilities, plans, and options to ensure freedom of action in space, and if directed, deny such freedom of action to adversaries. Our investment strategy for space and space-related activities is a balanced approach to achieving these capabilities. Our space control investment strategy, for example, balances the need for space situational awareness, protection of our space capabilities and protection of terrestrial forces and the homeland from threats posed by adversary use of space.

NATIONAL GUARD EQUIPMENT

Question. Secretary Gates, we have heard concerns that part of the problem is that funds intended for Guard equipment are sometimes diverted to other purposes. What can be done to insure that the funds intended to equip the National Guard actually reach their destination?

Answer. Although the President's budget request segregates funding in the Military Construction, Operations and Maintenance, and Personnel accounts by Reserve component, the Reserve component procurement accounts are consolidated within the Active component funding. While separate appropriations would provide Congress the transparency and accountability it seeks, it would also restrict the Department's ability to respond to dynamic and emergent requirements.

The Department can track Reserve component appropriations and execution internally without separate appropriations as we have done in the 2007 and 2008 Supplemental requests.

The Department executes the Congressional National Guard and Reserve Equipment Appropriation to the fullest extent possible. These funds, provided by Congress are above the President's budget request and are specifically for Reserve component's equipment procurement. Also, these funds are managed independent of the Active components' procurement accounts.

DEPLOYMENT POLICIES

Question. Secretary Gates, recently you announced that Army deployments to Iraq and Afghanistan will be extended to 15 months. This policy will also affect soldiers currently in theater who had planned on returning home three months earlier. How do you think this will affect morale, considering that Marines will continue 7 month deployments and Army guardsmen and reservists 10 month deployments?

Answer. I have directed our Active component Army soldiers to temporarily extend in Theater for three months in order to allow them to remain at home for a minimum of 12 months. This commitment provides predictability for the soldier who now knows when he/she will deploy and when he/she will return home. I believe the soldier and families understand the need to temporarily extend Army deployment times and appreciate the predictability it present.

Question. Mr. Secretary, do you believe that it will be problematic to deploy Army guardsmen and reservists for a different duration than active soldiers?

Answer. The Services have all maintained different deployment durations as part of their force generation model and have been able to meet deployment requirements. My commitment to have a 12 month mobilization for the Reserve component recognizes the different characteristics of the Reserve component and Active component. There may be challenges associated with the new deployment duration in rotation planning but nothing that cannot be overcome.

SCIENCE AND TECHNOLOGY FUNDING

Question. Secretary Gates, the fiscal year 2008 request for science and technology funding represents only 2.2 percent of the total DOD budget. This is down from 2.5 percent in fiscal year 2007. Is this level of funding sufficient to maintain our leading technological edge in the future?

Answer. The fiscal year 2008 Science and Technology (S&T) request is 2.24 percent of the DOD Total Obligational Authority. This apparent reduction from last year's percentage is the result of an fiscal year 2008 top line increase to support procurement and operations and maintenance costs, primarily for the Army and Navy Departments in support of the ongoing war on terrorism.

Our S&T investment is properly sized to support fundamental technology development. It retains sufficient flexibility to realign funding to address new technology areas, as demonstrated by our ability to reshape the S&T program to address transformational gaps outlined in the 2006 Quadrennial Defense Review. The fiscal year 2008 request represents a stable investment, balanced with other Departmental priorities.

Question. Secretary Gates, how can we attract and retain the next generation workforce of scientists and engineers in an era of constrained resources?

Answer. The technological superiority enjoyed by our armed forces on the battlefield today is not a product of short-term investment. Rather it is the culmination of decades of accrued Research and Development (R&D) investment in a broad spectrum of fundamental areas. The next generation of science and engineering talent, their number, educational levels, skills, and capability to perform defense work is the direct result of efforts and investments already made over the last 10 to 20 years. Thus, any measurable impact on the next decade should demand a similar, continuing, multi-point investment such as that found in the National Defense Education Program (NDEP). NDEP's investment approach is in concert with the 2006 National Academy of Sciences' "Rising Above the Gathering Strom" report recommendations (A–3 and C–2) for K–20-based approaches to national workforce challenges. Under NDEP, DOD provides stimulation, encouragement, exposure, incentives, and financial support to middle school, high school, undergraduate, graduate, and faculty levels.

The Department has unique requirements for clearable, high-quality scientists and engineers who are educated in the physical sciences, facile with technology, and employed in DOD programs. The DOD Science, Mathematics, and Research for Transformation (SMART) program (one part of NDEP) supports advanced education of qualified people. SMART requires a post-graduation civil service agreement commensurate with the financial support provided. This agreement is directly analogous to Service academy agreements for post-graduation active duty and its service condition is not onerous. In the current cycle, more than 1,200 fully qualified people applied for approximately 60 SMART awards. In budget-constrained times, providing targeted, educational assistance that secures a guaranteed payback service period is a sound policy that will help build the clearable future workforce we need to maintain our technological superiority.

Retaining these valuable people in today's intensive, high-technology environment is a continuing mission that depends on multiple factors such as adequate compensation, intelligent management, modern facilities, tools, and state-of-the-art equipment. In the end, retention may hinge primarily on the work itself. Defense science and engineering work that is directly connected to national security, mission-oriented, well managed, and appropriately funded should create an environment in which the workforce becomes self-retaining.

TRICARE EFFICIENCY WEDGES

Question. Secretary Gates, the fiscal year 2008 budget for the Defense Health Program assumes $507 million in savings in military treatment facilities from so-called "Efficiency Wedges". In light of the recent problems at the Walter Reed Army Medical Center, which showed a clear funding shortfall in the current health system, and with the anticipated increase in the number of injured service members returning from the battlefield with severe injuries, why is DOD mandating savings in this critical area at this particular time?

Answer. The fiscal year 2006 Defense Health Program Budget was reduced by $94 million in anticipation of efficiencies accomplished by the Services that would decrease costs. During the execution of the fiscal year 2006 budget, efficiencies were achieved through a combination of implementing the TRICARE Uniform Formulary, which decreased drug expenditures in the direct care system for all three Services, and the following Service specific initiatives:

—The Army Medical Department focused on increasing inpatient and outpatient market share, and rewarded successful facilities with additional resources earned through the Prospective Payment System.

—Navy Medicine focused on the consolidation of dental activities into the organization structure of their MTFs, enabling elimination of duplicative overhead activities and the achievement of staffing efficiencies in dental and support areas.

—The Air Force Medical Service focused on elimination of inefficient inpatient care facilities, with reinvestment of personnel at locations where significant workload recapture potential exists.

For fiscal year 2007 and fiscal year 2008, the focus is for the Services to continue to build on the fiscal year 2006 efficiencies that were initiated and to continue to realize savings in pharmacy expenditures produced by the TRICARE Uniform Formulary. In addition, the Director, TRICARE Management Activity and the Service Surgeons General are taking action to identify opportunities for efficiencies by identifying the most critical mission activities and then applying Lean Six Sigma methodology to achieve process improvements.

Note the fiscal year 2008 incremental increase in the Efficiency Wedge was reduced from $248 million to $227 million to account for an overlap in cost reductions targeted for a different initiative.

Question. What steps has DOD taken to improve current military treatment facilities and cut down bureaucratic paper work for injured service members?

Answer. To date, the Department of Defense (DOD) has made the following operations and maintenance and military construction investments to improve current military treatment facilities: fiscal year 2003—$576.5 million; fiscal year 2004—$589.2 million; fiscal year 2005—$962.7 million; and fiscal year 2006—$1210.3 million.

There is noted redundancy in many of the Disability Evaluation System forms utilized by the Military Departments. As such, the Military Departments are working to reduce and simplify forms required for the Medical Evaluation Board and Physical Evaluation Board ensuring that they are legally sufficient but not redundant or superfluous. The Military Departments are also examining various automation systems to enable electronic transfer of documents and case oversight.

SUPPLEMENTAL BUDGETING

Question. Secretary Gates, there used to be a more clear distinction between regular budgets and Emergency Supplementals. The delineation was understood—only true emergencies such as disaster relief and contingency operations were funded via supplemental appropriations. Today, the distinction is blurred. Could you tell us your views on the distinction between what should be funded in the regular budget versus supplemental budgets?

Answer. I agree generally that supplementals ought to be reserved for true emergencies such as disaster relief and contingency operations. The President's fiscal year 2008 budget request is consistent with that idea—in that he included estimated incremental costs for the Global War on Terror.

ARMY MODERNIZATION

Question. Secretary Gates, while the Army is fully committed to operations in Iraq and Afghanistan, it is also addressing major institutional challenges to transform. Is the Army adequately resourced to successfully reconstitute, transform and sustain readiness? How have you assessed the risks to readiness at the projected funding levels?

Answer. Throughout the year, the Department continues to evaluate the readiness of the military for both near and long-term missions. Yes, I believe the Army is adequately resourced. Regarding readiness, I believe our requested funding will support prudent readiness levels for our armed forces.

DEFENSE ADVANCED RESEARCH PROJECTS AGENCY (DARPA)

Question. Secretary Gates, we understand that funding for the Defense Advanced Research Projects Agency has been reduced in support of other, higher priority research initiatives. DARPA is supposed to be at the forefront of technological challenges facing the Department. Does this shift in funding imply that DARPA's efforts have not addressed essential DOD priorities?

Answer. DARPA's priorities and focus have not changed, and DARPA continues to address DOD high priority areas. As such, DARPA supplies technological options for the entire Department and is designed to be a specialized "technological engine" for transforming DOD.

Question. Secretary Gates, which metrics do you apply in measuring how much of DARPA's efforts "graduate", if you will, into Service programs?

Answer. The Defense Advanced Research Projects Agency (DARPA) has instituted an approach that links a Service transition partner with the program manager early in the development process. As a major factor in his decision to fund or not fund a program, the Director of DARPA considers the existence of a written Service commitment early in the Advanced Technology development. This is a document that is signed by the Director and by one or more of his equivalents in the accepting Service.

This method of transition has been effective, and it also provides a measurable metric. At the time of the fiscal year 2008 President's budget submission, over 85 percent of DARPA's Advanced Technology Development programs were covered by either signed commitments, or commitments in some stage of preparation.

F–22 RAPTOR

Question. Mr. Secretary, what are your views on the sufficiency of the F–22 Raptor buy and the need for two fifth-generation aircraft in the Air Force inventory (the F–22 and the F–35 Joint Strike Fighter).

Answer. The F–22 Raptor and F–35 Lightning II bring unique and complementary fifth generation tactical air capabilities to the modern battlespace. The Raptor achieves and maintains Air Dominance by focusing on air-to-air and Destruction of Enemy Air Defenses (DEAD) missions. The Lightning II adds a variety of advanced air-to-ground munitions and brings fifth generation attributes to fulfill missions such as Close Air Support (CAS), Suppression of Enemy Air Defenses (SEAD), DEAD, and Interdiction in high threat environments. Combined, these two platforms enable joint operations in environments that would be considered denied, "anti-access" air space to earlier fourth generation tactical aircraft. The F–22, which is now operational, has demonstrated superior operational capabilities over previous generation aircraft. The 2005 Joint Air Dominance study and the Quadrennial Defense Review substantiated the need for a minimum of 183 F–22s. While the Air Force has consistently stated that a requirement for 381 to meet national security requirements with an acceptable level of risk, it is the Department's position that the current program of record provides an affordable balance of tactical air capability.

SATELLITE ACQUISITION

Question. Mr. Secretary, the Air Force has yet to demonstrate that it has schedule, costs, and quality under control when building satellite systems. When systems seem on the verge of recovering from years of challenges, DOD reduces the number of satellites and begins new, more high tech satellites as replacements to systems that haven't launched yet. In this environment, how can the Air Force bring stability to space programs and get cost and schedule under control?

Answer. The Department is committed to the stability of space program acquisitions and has taken several measures to improve management of these acquisitions. These include implementation of best practices such as those recommended by the Young panel and by the General Accountability Office (GAO) to separate technology discovery from acquisition, following an incremental path to meeting user needs, matching resources and requirements at program start, and using quantifiable data and demonstrable knowledge to make rigorous decisions to move to the next phase of the acquisition process.

The development of space systems presents special challenges, and the Department is addressing these through process improvements. A large space system typi-

cally takes seven to eight years to develop from the time of contract award to launch. In the past, the maturity of the technologies that will be relied upon was estimated only at the beginning of the development. DOD now re-evaluates these technologies for actual maturity prior to committing to the design and development phase to ensure risk is minimized. Also, it is natural for requirements to adjust and mature over the course of time. In order to stabilize requirements so design work can begin, the Department is adopting a block approach to satellite development. This approach provides for stability in requirements and design in an ongoing development block while allowing new capability to be added in future blocks. Finally, the Department is stressing the use of management metrics and recurring senior level reviews during the execution phase. Closely monitoring performance against established metrics provides early notification of potential problems at a point when action can be taken at the most appropriate time.

The Department is directly addressing several of the identified causes of cost and schedule growth. National Security Space (NSS) Acquisition Policy Directive 03–01 mandates an Independent Cost Estimate as part of the criteria for progression to each Key Decision Point of space programs. NSS 03–01 also requires an Independent Program Assessment with increased focus on technical baselines and risk assessments. In addition, DOD is taking measures to renew the focus on program management, including keeping program managers in place for longer periods, development of a space cadre to ensure that knowledgeable leadership will be in place for space acquisitions, and encouraging development of robust engineering and cost estimating expertise in our workforce.

SHIPBUILDING

Question. Secretary Gates, this subcommittee has long been concerned with the state of Naval shipbuilding. The fiscal year 2008 budget request provides funding to procuring seven new ships. Is that a build rate that in your view will maintain a fleet that is adequate to the nation's needs?

Answer. The PB08 budget supports the Navy's PB08 Long Range Plan for the Construction of Naval Vessels, which outlines the procurement of 67 ships over the Future Years Defense Program (fiscal year 2008–2013). Although the Navy has averaged a build rate between 6 and 7 ships per year over the past several years, there are an average of 11 ships per year procured across the FYDP in the Navy's Long Range Plan, to include DDG 1000, CG(X), Littoral Combat Ship (LCS), T–AKE, VIRGINIA Class SSN, CVN 21, MPF(F), LPD 17, JCC(X), JHSV, and LHA(R). The Navy is committed to average annual funding over the long term of $13.4 billion (fiscal year 2005 dollars). The Navy's yearly budget submissions will vary above and below that $13.4 billion average line as year to year requirements differ in the production of a balanced force structure mix. The procurement profile is designed to minimize capability risk and industrial base risk, and pace the threat while emphasizing affordability.

QUESTION SUBMITTED BY SENATOR ROBERT C. BYRD

Question. Secretary Gates, in the past you have suggested that the Department of Defense should be funded at a level of approximately 5 percent of the Gross Domestic Product. The Congressional Research Service has suggested that in constant 2007 dollars, DOD funding, including the Global War on Terror, is at or near its highest level at any time since 1950. In addition, the growth of the Department of Defense budget continues to constitute a larger and larger portion of the discretionary budget. How do you justify your claim to such a large and growing percent of the Gross Domestic Product? How would such a level of funding for the Department of Defense affect the U.S. economy and other government-funded programs?

Answer. The justification for any level of defense spending should always be what is needed to safeguard America and its vital interests. My responsibility is to recommend a prudent and feasible national defense program for achieving that aim. The President and the Congress share the heavy responsibility of evaluating America's defense needs and deciding what is an acceptable level of security and what is an acceptable level of funding given our nation's other needs and possible impacts on the U.S. economy.

QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

Question. Is there a discrepancy between the support our guard and reservists receive when they return home and are deactivated compared to regular active duty troops? If so, what are we doing to fix it?

Answer. While National Guard and Reserve members are eligible for the same benefits, privileges, and support as regular active duty troops upon deactivation, there has long been a concern that these members may not have easy access to them due to geographical separation from military installations once they return to their home communities. The Department and other agencies have initiated many programs to allow these Guard and Reserve members and their families to have more access to benefits and support services without traveling to a military installation. These programs include:

—The Department of Defense (DOD) Transition Assistance Program (TAP) was designed by the DOD to smooth the transition of military personnel (and family members) leaving active duty. TAP is a partnership among DOD, the Department of Labor, and the Department of Veterans Affairs.
  —The Official Transition Assistance Program Website, www.transitionassistanceprogram.com, includes a section that specifically addresses the transition needs for demobilizing Guard and Reserve members.
  —Information is available 24/7 and mobilizing and deploying Guard and Reserve members are encouraged to use the information prior to, during, and after mobilization and deployment.
  —Also provided on the Website are links to Transition Assistance Offices, a program to allow a member to develop an Individual Transition Plan, a newly developed Pre-Separation Guide for Guard and Reserve members, and includes a new Employment Hub.
  —There are also 207 community-based Vet Centers located in all fifty states, the District of Columbia, Guam, Puerto Rico and the United States Virgin Islands.
  —Additionally, the National Guard has provided a full-time Transition Assistance Advisor in each of the 54 states and territories.
—DOD has established a 24-hour, 7-day a week toll free telephonic, internet and e-mail Quality of Life assistance service (Military One Source), which is designed to help members and families balance the competing demands of work, deployments and family/personal life.
—Military Family Life Consultants (MFLCs) are another resource available to National Guard and Reserve families. The goal of the MFLC is to prevent family distress by providing on-site education and information on family dynamics, parent education, available support services, and the effects of stress and positive coping mechanisms.
—The Department is working with the Services and Reserve components' family support activities to reduce stress on members and families, such as: integrating family support programs into more of a total force effort, thereby increasing mutual support across component and Service lines; surging the distribution of information materials, making families more aware of benefits and resources; and, increased emphasis on return and reunion programs.
—Over 600 family assistance centers around the world (approximately 340 of them sponsored by the National Guard and managed by the State Family Program Coordinators in each of the 54 States and Territories) are providing support services.
—The Department has taken positive steps to "get the word out" about entitlements and benefits available to the reserve community. We are capitalizing on technology by using the internet to provide information:
  —*Benefits*.—We have published several documents which are available on line to members and families while the military member is mobilized/deployed:
    —8th Edition of the Guide to Reserve Family Member Benefits (March 2007) as well as the Guard and Reserve Family Readiness Toolkit (January 2006)
    —A Mobilization Information and Resources Guide (October 2001. last updated May 2007)
    —A Family Separation and Readiness Training Guide (Partnered/linked from Air Force Crossroads November 2002)
  —*Deployment Information*.—The Department developed and implemented publicly accessible "Deploymentconnections.org," "Military Homefront," "America Supports You" and other websites to make available current information on deployments, support and other information of interest to members, families and extended families.

—A Regional Joint Family Support Assistance Program is being designed as required by the fiscal year 2007 National Defense Authorization Act. Critical components of the program involve building coalitions and connecting Federal, state, and local resources and non-profit organizations to support Guard and Reserve families. Best practices learned from more than 30 Inter-Service Family Assistance Committees and the Joint Service Family Support Network will guide the planning process. The Minnesota program, as well as programs from several other states, will serve as models.

Question. What are you doing to help diagnose, treat, and rehabilitate traumatic brain injuries and PTSD? What are the schedules for screening after soldiers and Marines return from combat deployments? Are family members or other loved ones contacted as part of post deployment screening?

Answer. Diagnoses of traumatic brain injuries (TBI) are usually made at the time of head trauma, such as being injured or affected by an explosion. Some Service members may have manifestations not initially appreciated after head injury such as fatigue, irritability, or subtle cognitive impairment. For this reason, questions assessing potential TBI have been added to the post-deployment health assessment, post deployment re-assessment and periodic health assessment.

While most patients with mild TBI symptoms spontaneously recover without treatment, for some patients symptoms persist. Symptoms of TBI often respond to medical treatment. Implementation of a process to establish a neurocognitive baseline for Service members may be useful for comparison of performance after any subsequent injuries. The Defense and Veterans Brain Injury Center Working Group has created clinical practice guidelines and recommendations for the acute management of military TBI in military operational settings. The finalization and dissemination of these guidelines is pending.

Symptoms of Post Traumatic Stress Disorder are assessed during both the Post Deployment Health Assessment five days before redeploying from theater, and again, 3–6 months after returning home as part of the post deployment health reassessment. Like all the conditions included on these assessments, each Service member has a private encounter with a medical health care provider to discuss any mental health concerns. Appropriate referrals are made according to the type and severity of physical or mental health concern that the Service member indicates verbally and/or in writing.

Family members are strongly encouraged to participate in family support functions and groups during deployments, such as the Army's Family Readiness Groups. Those who participate often engage in the same kinds of reintegration/reunion preparation processes their spouses are experiencing in theater prior to returning. Family members are strongly encouraged to participate, though as civilians they cannot be required to do so.

In addition, many support systems exist for families, including installation family support services, and the online MilitaryOneSource program. In addition to online education related to deployment challenges, confidential free counseling is available both by phone (24/7) and face-to-face counseling, up to 6 sessions per identified problem. Mental health screening/education is available to all Service and family members online at www.militarymentalhealth.com.

QUESTIONS SUBMITTED BY SENATOR BARBARA A. MIKULSKI

SALE OF SHADOW UNMANNED AERIAL VEHICLES (UAVS) TO POLAND

Question. Background: The United States approved the sale of 2 UAV systems to Poland in Fall 2006. And while the Polish government has had the Letter of Agreement (LOA) since January 2007, they have not signed it yet because they wish to make some changes. Specifically, they want the LOA amended to include NATO-compliant up-armored Humvees. These vehicles are needed to support the UAV systems, and Poland is preparing to take leadership of the NATO mission in Afghanistan in July 2007. Unfortunately, American production lines for Humvees are not making NATO-compliant trucks because they are not needed in Iraq. Even if Poland's request for NATO Humvees could be granted today, there might not be enough time to deliver the system and train Polish forces before they take over the NATO mission in July 2007.

What is the status of the sale of Shadow UAV systems to Poland?

Answer. There are a few inaccuracies in the background data that accompanied the question. The correct information is incorporated in the following response.

Congress approved the proposed sale of 2 Shadow UAV systems to Poland in August 2006. U.S. Army briefed the program and presented a draft Letter of Offer and

Acceptance (LOA) to the Poles in September 2006. Since that time, the Poles have forwarded multiple rounds of questions and have requested several changes to the program (including nonstandard HMMWVs that include EU requirements). In February 2007, the Poles indicated that further program changes might be forthcoming, but so far none have been requested. The U.S. Army responded to Poland's latest set of questions on May 15, 2007 and is waiting for Poland's go-ahead to proceed with the program.

DOD could provide the LOA for final signature (in its current form) within two weeks. If there are additional changes, it will take additional time to rework the LOA and validate the pricing, but we will expedite the process to the maximum extent possible. We expect a decision from the Poles in mid-June.

Poland does have troops in Afghanistan, but is not scheduled to take over the NATO mission. That said, we cannot guarantee at this time that a Shadow UAV system could be provided during Poland's deployment to Afghanistan.

Question. What can we do to help Poland complete this sale in time for them to take over leadership of NATO mission in Afghanistan in July?

Answer. Although Poland is not scheduled to take over the NATO mission, it does have more than 1,000 troops currently deployed to Afghanistan.

Unfortunately, it is not possible to provide Shadow 200 UAV systems to Poland by July 2007. The estimated production lead-time of 31 months is driven by the availability of all items and subsystems that make up the Shadow UAV system—not only the air vehicles produced by AAI, but also U.S. Government Furnished Equipment such as HMMWVs and radios (which are in very short supply).

Once Poland signs a Foreign Military Sales case to purchase the UAVs, U.S. Army personnel will make every effort to expedite delivery. An expedited solution, if feasible, may require the Poles to accept U.S.-standard HMMWVs (instead of HMMWVs that incorporate EU requirements) or supply their own radios on an interim basis. But even with extraordinary efforts, we cannot guarantee at this time that a Shadow UAV system could be provided during Poland's Afghanistan deployment.

Question. Did Secretary Gates address this during his recent trip to Warsaw?

Answer. This subject did not arise.

Question. What did the Polish government say about the importance of this sale?

Answer. We understand the program currently has the personal attention of the Polish Minister of Defense and the Chief of Defense. However, the Ministry of Defense has so far been unable to reach a decision on whether to proceed. The Poles have expressed urgency in receiving the UAVs in support of their Afghanistan mission, yet continued inquiries and requests for changes have delayed the program and precluded the U.S. Army from finalizing the Letter of Offer and Acceptance (LOA).

In recent weeks, there have been indications that the Poles are considering canceling or delaying the UAV program in favor of other emerging requirements that urgently require Foreign Military Financing (FMF) funding. The Poles are evaluating several options: (1) proceeding with the current program, (2) deferring the procurement until future years, (3) purchasing one Shadow system instead of two, or (4) canceling the program in favor of a direct commercial purchase. We expect a decision in mid-June.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

Question. Mr. Secretary, you may know that Cannon Air Force Base was placed in enclave status as a result of the 2005 BRAC process, and the Department of Defense was instructed to seek a new mission for Cannon. Last June, the Department decided Cannon will be home to a new Air Force Special Operations Command (AFSOC) wing, but I am concerned about a lack of plans to build up the base to meet AFSOC's needs in the near term. Why aren't Special Operations Command's $72 million in fiscal year 2008 Cannon unfunded MILCON requirements budgeted for by the Department, what will it mean in terms of operational capabilities, personnel, and assets at Cannon if these unfunded requirements remain unfunded, and what does the Department need from Congress to make sure that Cannon has the assets and facilities it needs as AFSOC stands up its Western base on October 1, 2007?

Answer. Requirements for the Special Operations Facilities at Cannon Air Force Base are funded in the FYDP, primarily in fiscal year 2011–2013. A complete infrastructure plan, reflecting the new mission at Cannon, was not finalized and approved before the fiscal year 2008 President's budget was lacked and submitted to Congress. Consideration of accelerating the build-up of infrastructure did not mate-

rialize until after the budget was submitted. Now that plans are more concrete, the Department can reevaluate the timing and the funding of the military construction projects to support this initiative. So accelerate the projects from the out-years, USSOCOM needs $72 million in fiscal year 2008. Accelerating the funding would enable USSOCOM to start the projects at Cannon much earlier. There is an AFSOC team at Cannon that is working with the Air Force to ensure a smooth transition plan. The AFSOC ownership date remains October 1, 2007, and unit standups at Cannon in fiscal year 2008, fiscal year 2009, and fiscal year 2010.

Question. Mr. Secretary, with the fiscal year 2007 supplemental appropriations request still pending in Congress, I'd like to talk about your efforts in and needs for the Global War on Terror. What are your plans for the U.S. military if the Iraqi government does not take responsibility for establishing a self-sufficient and stable government and honor the commitments it's made to the United States, like taking responsibility for security in all provinces and providing $10 billion for reconstruction efforts, by this fall?

Answer. We should never forget that the Iraqi leadership is operating in very difficult and dangerous circumstances and is facing a very complicated political, military and economic situation. Indeed, it is hard for those of us who have lived all our lives under a stable constitutional order to imagine the types of challenges faced by the top officials of the Iraqi government.

We remain confident that the Iraqi government will make progress with respect to the issues you mention. Obviously, it is unreasonable to impose a hard-and-fast deadline on a government that is operating in such a fluid and complex situation.

The New Way Forward, announced by the President in January, continues to guide our actions in Iraq. The initial signs are encouraging, but it is too soon to infer trends.

Question. As you know, Holloman Air Force Base has some amazing assets to offer the Air Force, including air space and nearby training capabilities at White Sands Missile Range. Your budget proposes retiring the remaining Holloman F–117s in fiscal year 2008. While I understand that a transition plan is in place to bring F–22s to the base, I am interested in other ways your Department might use Holloman's assets. Is the Department looking at other missions that could benefit from Holloman's air space and other assets, including working with other Services on joint missions, and has the Department considered what other Services might utilize Holloman, possibly for unmanned aerial vehicles because of the installation's proximity to vast training areas and its ability to readily interact in a joint training and development environment with the Army at Fort Bliss, Texas and White Sands Missile Range, New Mexico?

Answer. Yes, as a result of the F–22 basing decision, the Air Force is working closely with the Army to expand the use of White Sands Missile Range (WSMR)-Holloman airspace for supersonic and defensive training. This training will take advantage of existing joint air and missile defense training of PATRIOT crews and their command and control on the WSMR.

In the future, Air Force special operations forces (SOF) stationed at Cannon Air Force Base, NM will utilize the WSMR-Holloman training complex for joint conventional-SOF integration training. As part of this move, Cannon Air Force Base, NM is scheduled to receive the 3rd Special Operations Squadron, currently flying Predator unmanned aerial vehicles at Nellis Air Force Base, NV in the summer of 2008, but there are currently no other plans to station additional unmanned aerial vehicle assets in New Mexico.

Aside from these requirements, there are currently no other missions being considered for Holloman Air Force Base.

Question. Members of the New Mexico National Guard have raised serious allegations that racism may have played a role in a 2006 Army investigation relating to National Guard gang activity in Kuwait. Such allegations would be concerning to any member of Congress, but are especially so for me since I represent a State where a majority of the population is Hispanic. I've asked Army Secretary Geren to promptly and fully investigate these claims, but I'd like to know what you can do to also help us get to the bottom of this problem.

Answer. Senator, as you stated, the Army is currently reviewing this matter. I would prefer to not interfere or comment until the Acting Secretary of the Army's review is complete and we know all the facts. You may be assured that we will work with the Army on this issue, and ensure that you are notified of the results of the Army's review upon completion. Racism should have no place in our Armed Forces.

Question. A recently released General Accountability Office report indicates that as of November 2006, non-deployed Army National Guard forces in New Mexico ranked last in the nation regarding equipment readiness, with less than 40 percent of the total amount of dual-use equipment they are authorized to have for war-fight-

ing missions. What actions is the Department taking to ensure that New Mexico's National Guard has the equipment it needs for missions at home?

Answer. The Department of the Army is investing approximately $24 billion in Army National Guard (ARNG) equipment from fiscal year 2007 to fiscal year 2011 and another $6 billion in fiscal year 2012 and fiscal year 2013. Much of this equipment will have utility for both domestic and war fighting missions. If executed as planned, this funding will bring ARNG equipping levels to 77 percent by fiscal year 2013–15.

The ARNG leadership is sensitive to the fact New Mexico is below the national average and ranks near the bottom in critical dual use equipment. The ARNG leadership briefed a New Mexico delegation on Capitol Hill this past spring and discussed the various causes for New Mexico's low percentage of equipment. New Mexico is among the smallest force structures in the ARNG. This small structure allows deployed or Theater Provided Equipment (TPE) to significantly affect their equipment on hand percentages. New Mexico left 13 percent of its equipment in theater and has an additional 6 percent currently deployed with activated units. Furthermore, New Mexico recently reorganized from air defense to infantry and engineers resulting in an increase in equipment requirements.

The Army National Guard is currently sending engineer equipment to New Mexico from other deactivating units. State representatives mentioned on May 21, 2007 that the equipment is coming in faster than expected and in good condition. This month New Mexico received 99 High-Mobility Multipurpose Wheeled Vehicles (HMMWVs) from the ARNG RECAP program. In addition to these programs New Mexico's fiscal year 2007 and fiscal year 2008 programmed equipment deliveries are 2,108 pieces of equipment valued at $20.2 million.

QUESTIONS SUBMITTED BY SENATOR MITCH MCCONNELL

Question. Are there any plans under consideration to transport hydrolysate from the Blue Grass Army Depot, Kentucky to another state as was recently undertaken in Indiana? If so, in what manner would the Congress and the affected local communities be consulted ahead of time (vice informed)?

Answer. In 2003, the Department of Defense (DOD) selected neutralization destruction technology to destroy the chemical weapons stockpile located at the Blue Grass Army Depot, Kentucky, followed by on-site supercritical water oxidation to treat the neutralization by-product, hydrolysate. The DOD, through the Assembled Chemical Weapons Alternatives (ACWA) Program, is currently researching and developing initiatives for greater efficiency. One such initiative includes the option to ship and treat hydrolysate off-site to a commercial treatment, storage and disposal facility. Such an option may accelerate the schedule as well as reduce program costs.

Since the ACWA Program's inception in 1996, community involvement has played a significant role. The DOD has consistently considered the community's concerns when making technology decisions on the program. Such public involvement will continue as we seek to eliminate the risk to the public and the environment from continued storage of the chemical weapons stockpile quickly and reduce costs without compromising safety and the environment. In Kentucky, the primary public involvement mechanisms are the governor-appointed Kentucky Chemical Demilitarization Citizens' Advisory Commission and its independent subcommittee, the Chemical Destruction Community Advisory Board, known as the CDCAB. The CDCAB is composed of a diverse group of community leaders, including Congressional staff, organized to represent the views and concerns of all sectors of the local community on issues regarding the Kentucky chemical weapons disposal program.

If the DOD considers transporting hydrolysate off-site for treatment and disposal, the Congress and the affected local communities will be briefed on the various options considered to seek their views and concerns. After review and assessment of these views and concerns, the DOD will make the decision on whether to treat the hydrolysate on-site or transport off-site.

Question. It has come to my attention that some operations at military installations are encumbered by the need for compliance with Davis-Bacon. How much would you estimate the Department of Defense would save annually if it did not have to comply with Davis-Bacon?

Answer. We do not collect data that would provide an estimate of how much the Department of Defense (DOD) would save annually if it did not have to comply with the Davis-Bacon Act. What our contract data reporting system does tell us, however, is that the Davis-Bacon Act was reported as applying to approximately 2.5 percent (or $7.5 billion) of DOD's $295 billion fiscal year 2006 acquisition dollars spent.

QUESTIONS SUBMITTED TO GENERAL PETER PACE

QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUYE

EXECUTIVE AGENCY FOR UAVS

Question. General Pace, are there other ways to gain efficiencies in the development of UAVs while taking into account service-specific needs?

Answer. In 2005, in response to a previous Air Force executive agency initiative, the Joint Requirements Oversight Council (JROC) established two organizations for the purpose of gaining efficiencies in development of UAVs and the joint tactics, techniques and procedures (TTP) that guide their employment. The Joint Unmanned Aircraft Systems Center of Excellence (JUAS COE) at Creech AFB, NV, is an operationally focused, joint organization tasked with developing joint TTPs and doctrine as well as facilitating integration of UAV capabilities into joint and component training and exercises among the Armed Services. The JUAS COE is currently led by an Army brigadier general; but June 19, Air Force Brigadier General Charles Shug will take command. The other organization formed in 2005 by the JROC is known as the JUAS Materiel Review Board (MRB). Its mission is to provide a forum to identify or resolve requirements and corresponding materiel issues regarding interoperability/commonality and the prioritization of potential solutions. Both the MRB and COE work together closely and coordinate their activities. Currently, there are several multi-Service collaborative efforts that offer programmatic efficiencies: the Army and Navy have coordinated on the FIRESCOUT program, the Army and Marine Corps have cooperated on the SHADOW program, and the Army, Marine Corps, and USSOCOM have all cooperated on the RAVEN-B program.

Question. General Pace, the Air Force has asserted that they can shorten fielding times, focus research and reduce logistics costs. These assertions may argue for centralized procurement but not centralized operational control. Has the Air Force presented a business case for review?

Answer. We have not seen an Air Force business case for review with respect to their assertions. Quantitative data for further evaluation is still required and is being developed. Air Force assertions and proposals for executive agency (EA) are also being considered within the context of a larger effort to determine whether the designation of a military department as UAV executive agent for the Department of Defense would serve as the best means of eliminating unnecessary duplication of effort.

Question. Secretary Gates, has success in moving towards joint operations and net-centric warfare blurred the traditional lanes of Service responsibilities—and is it time for another broad look at the Services' roles and missions?

Answer. The Department has continued to progress in moving toward joint operations and joint net-centric warfare. We continue to transform our equipment, our forces, and our cultures to embrace joint net-centric operations. Movement toward joint net-centric operations has not blurred the traditional lanes of our Services.

As transformation efforts mature, fundamental changes in process, policy, and culture will occur. The Services still provide unique core competencies: The Army continues to lead our land warfare efforts; the Navy leads our maritime and littoral water efforts; the Marines lead our amphibious and littoral land operations efforts; and the Air Force leads our air and space efforts. These core competencies are packaged to provide joint capabilities for conducting the full spectrum of military operations. As efforts to transform to a net-centric force improve, joint warfare concepts and operations become further institutionalized and the timing to conduct such a review may be appropriate. Joint net-centric operations have given the joint force commander more options to employ force packages composed of Service elements. These can be quickly tailored to any specific mission. This has allowed us to use Service trained and equipped forces in broader ways than traditional lanes allowed. The result is a more efficient and effective force that can operate jointly at a much closer and lower level than we ever envisioned. This has not so much blurred the lanes between the Services, as it has allowed us to maximize the capabilities that the Services collectively bring to the table.

Our advances in joint operations and net-centric warfare have identified new capabilities in areas where roles and missions have not been established. A recent example of this is the approval of the National Military Strategy for Cyberspace Operations. This strategy highlights the need for addressing joint and Service war fighting roles and missions in cyberspace. Given the emerging nature of cyberspace operations, we are assessing the roles and responsibilities required to operate in this domain. However, it is premature to recommend changes until the joint community

is allowed to constructively debate the complex issues involved with building the capacity to conduct cyberspace operations.

STRATEGIC LIFT

Question. General Pace, strategic lift is an enabling capability that is critical to U.S. military activities. Has your staff assessed the strategic lift requirement in light of end-strength increases and wear on the current lift aircraft?

Answer. Yes, our assessment is the end-strength increases should not substantially affect surge lift requirements. The Army and Marine Corps position is that the end-strength increases dwell time to deployment only. Given that position, projected end strength increases should not substantially affect surge lift requirements. Further analysis will occur during the next Mobility Capability Study, which will fully incorporate any changes in plans and requirements because the Services' force structure end-strength increases.

From 2001 to 2006, the C–17 fleet has over-flown its service life by over 159,000 hours. The over-fly can be attributed to the GWOT and the lack of proper basic aircraft inventory (BAI) resulting in additional aircraft wear and tear. Congress added 10 additional C–17s to the established 180 purchase, of which 7 will be used to correct the BAI shortfall and 3 will go toward recovering the wear and tear caused by the GWOT. An additional 2 C–17s are required to recover the remaining capability lost due to wear and tear caused by the GWOT for a total of 12 additional C–17s.

Question. What are your views on the strategic lift posture of the force today and for the foreseeable future?

Answer. The Mobility Capabilities Study (MCS) determined our projected capabilities are adequate to achieve the National Military Strategy into the next decade with "acceptable risk." However, some of the MCS findings require reassessment in the next mobility study planned in 2008, including: No increase in airlift demand from a revised strategy/planning construct, no program growth associated with Defense of the Homeland Defense mission, and no significant increase in intratheater demand.

On the airlift side, though we do not have our full complement of airlifters, we anticipate receiving our 190th C–17 by the end of 2009. Those C–17s, coupled with fully modernized C–5's, allow us to maintain the proposed 299 strategic airlift aircraft as stated in H.R. 5122 Sec. 132, which is near the bottom of the MCS strategic airlift range of 292 to 383 aircraft. Additionally, the dual-mission KC–10 along with our viable CRAF partners, will significantly contribute to our success, both today and well into the future.

On the sealift side, the follow-on study, MCS–06, expected to be completed in the fall of 2007, is reviewing the adequacy of the department's pre-positioning forces and tanker sealift capabilities.

DUAL HATTING

Question. General Pace, do you have any thoughts on dual hatting the USD(I) and the effect it may have on the warfighter?

Answer. [Deleted.]

NATIONAL GUARD EQUIPMENT

Question. General Pace, in this year's budget plan, the Army National Guard would be equipped to have 77 percent of its authorized equipment on-hand by fiscal year 2013. Given the important role of the Army Guard in fighting the war on terrorism and preparing for domestic emergencies, aren't you concerned that, five years from now, the National Guard may still be short by nearly a quarter of its authorized equipment?

Answer. There is no question that there has been a drawdown of equipment in the National Guard. As of May 2, 2007, the Army National Guard (ARNG) had an average equipment on-hand of 49 percent across the Nation. For equipment on-hand most suitable for State emergency purposes the equipment is at 53 percent across the Nation. Prior to 9/11, the ARNG was at 75 percent equipment on-hand across the country. We feel that 75–80 percent is the ideal range for equipment on-hand, but it must be the most modern and up to date and not outdated/in-lieu of and "cascading" equipment that the Active Component has already used up.

We feel that 75 percent equipment on-hand is about right for a few reasons. First, this is the historical level of on-hand equipment for the ARNG. Second, with a consistently changing mission requirements, constraining the Guard with equipment that may be mission obsolete in a year or two is not fiscally or mission responsible. Third, the maintenance on 100 percent authorized equipment would severely strain Guard resources and the DOD budget.

The Department of Defense currently has about $22 billion budgeted for the period fiscal year 2008 to fiscal year 2013 just for the Army Guard, and we have money in the budget for both the Army and Air National Guard in the fiscal year 2008 GWOT, as well as the fiscal year 2007 supplemental before the Senate.

But clearly, we need to follow through with this program to rebuild the stocks of equipment that are available to the National Guard.

READINESS

Question. General Pace, Army and Marine leadership continue to confirm to us that readiness of deployed forces is at the highest levels. However, this readiness often comes at the expense of non-deployed forces. What policies are being implemented to ensure that our non-deployed forces are no longer the bill-payers for the readiness of others?

Answer. The readiness challenges faced by our non-deployed units are particularly acute in the Army and Marine Corps. The Services must prioritize the readiness of deployed or deploying forces and accept some degradation of readiness in recently returned units as part of the deployment cycle. The current demand for forces amplifies the effect of this cyclic process and there are few policy options available that would alleviate the burden on non-deployed units. This is due to the scarcity of resources faced by the Services as they attempt to meet current requirements.

There are processes that help minimize the burden on non-deployed forces. Over the past two years, we have used the Global Force Management process to ensure the deployment burden is equitable and shared through global sourcing of units and in-lieu-of sourcing. The Army conducts Force Feasibility Reviews on the highest demand systems to determine the acceptable number of systems that can be fielded to units. This allows greater distribution of high-demand items across the force. Supplemental funding is being directed to improving personnel readiness and addressing equipment shortages in units that have been employed in the harsh operating environments of Iraq and Afghanistan.

FUTURE COMBAT SYSTEM (FCS)

Question. General Pace, the Army is undertaking a massive effort to modernize its force for the future, while at the same time struggling to sufficiently resource its current needs. In light of sizeable current requirements, there are some suggestions that investments in the future force should be deferred. In your opinion, what is the risk of deferring Army modernization?

Answer. The Army is modernizing for the first time in decades through its Future Combat Systems (FCS) program. Our Army must deploy quickly and transcontinently, fight upon arrival, and prevail even in chaotic urban settings. That's why the Army must continue to modernize now to build a more agile, versatile, mobile, lethal, and self-sustaining force that will move as fast as 21st century conflicts demand. The Cold War Army is too heavy and too slow for today's fights. In fiscal year 2008, the Army is requesting $3.7 billion for FCS modernization and $4.2 billion for aviation modernization. This is a significant amount of money; however, it represents 3.7 percent of the Army's total budget request of $213.5 billion. This figure includes a $83.4 billion supplemental to prosecute the GWOT.

Soldiers and units used to wait decades for new and more modern equipment, but not anymore. With FCS, the Army is fielding prototype modern capabilities today. Moreover, new capabilities are being "spun out" incrementally to Soldiers at least every two years. The risk of deferring Army modernization is reducing the protection of our Soldiers. Precursor FCS technologies already are saving Soldiers' lives in Iraq and Afghanistan. Examples are the PackBot, which is a forerunner of the FCS's small unmanned ground vehicle; and the micro air vehicle, which is the prototype for the Class I UAV. This system is being used by 4th Brigade 2d Infantry Division (Stryker) as they train up for their deployment to Iraq.

Question. General Pace, what added value does the Future Combat System bring to the warfighter in addressing likely future threats?

Answer. The Army is modernizing so that our Soldiers retain a decisive-technological advantage over America's enemies. The Army has not modernized comprehensively in decades. However, America's enemies are innovative and resourceful, and they are not standing still. Technology, meanwhile, is advancing and proliferating at a rapid pace. That's why the Army is now modernizing to protect the Soldiers. FCS is designed to protect Soldiers against improvised explosive devices (IEDs), which are causing more than half of all American fatalities in Iraq and Afghanistan. The FCS vehicles are being designed with a full suite of active and passive protection systems for full-scale, 360 degree protection. The current Army vehi-

cles will be upgraded with new FCS capabilities for enhanced troop and vehicular protection. When our Soldiers are in harm's way, we must do everything possible to equip and protect them. Further, in the past the military modernized large scale systems in the past—nuclear weapons, ships, aircraft carriers—that empowered commanders at higher echelons—divisions, corps and theaters. With FCS, the Army is modernizing precisely to empower the individual Soldier so that he or she will have more capabilities and greater protection for irregular, asymmetric warfare in the 21st century.

TRAINING

Question. General Pace, what are the risks associated with the focused emphasis that we currently have on training our troops for operations in the Global War on Terror? Aren't training activities for other possible contingencies suffering?

Answer. The primary risk associated with focusing our training on current operations is a degradation of our ability to perform all missions across the spectrum of conflict. If we need to quickly shift to a significantly different operational environment we would confront a new set of challenges (e.g., cold weather, tropical, major theater war). The Marine Corps and Army are the most challenged in training for the full spectrum of operations. This is evidenced by degradation in their readiness ratings, to include training ratings. In contrast the Navy and Air Force are less strained by current operations and have been able to effectively maintain readiness for contingencies across the entire spectrum. This is partially due to the fact that many of the tasks they perform in GWOT operations directly translate to skills required in a major theater war. While it is critical to remain focused on providing the best training for the current contingency, where possible, we are ensuring that we build strategic depth and train to maintain our readiness to respond to other critical operations.

ARMY MODERNIZATION

Question. General Pace, what are your primary concerns about Army's efforts to reconstitute and modernize?

Answer. My main concern is the Army's ability to do all that is asked of them within the resources allocated. The most significant challenge to accomplishing reconstitution and modernization for the Army is the receipt of timely, predictable, and adequate funding.

The funds Congress has provided have substantially addressed the $56 billion Army equipping shortfall that existed at the beginning of the Global War on Terror (GWOT). Today, only a $9 billion shortage remains from the original $56 billion "Holes in the Yard." Further, the availability of the $17.1 billion for Reset at the beginning of fiscal year 2007 allowed the Army to synchronize resources, people and materiel to align with the flow of equipment from returning units into the Reset process.

However, the Army is challenged to respond to the changed conditions of warfare, which dictate that they can no longer accept risk in how the Army equips its Reserve Component (RC) and support units of all components. An additional $43 billion is needed to bring all Army units to a consistent level of modernization, including all RC units to "Active Component-like" levels of modernization. Of the $43 billion required, $24 billion would be for the Army National Guard, $10 billion for the Army Reserve, and $9 billion for the Active Component.

The entire requirement of $52 billion—which includes the $9 billion remaining from the beginning of GWOT plus $42 billion to complete modernization—is in addition to the funds requested in the fiscal year 2007 supplemental, the fiscal year 2008 base and GWOT request, and the Future Years Defense Plan. Under the current program, the Army would not be able to address this shortfall. With an additional $10 billion per year for each year remaining in the program (fiscal year 2009 to fiscal year 2013), the Army would be able to "fill the holes."

F–22 RAPTOR

Question. General Pace, the F–22 Raptor program is currently funded to buy 183 fifth-generation fighters. Do you believe that this acquisition objective is adequate and will meet the future needs of the nation?

Answer. Air Force and independent analysis have substantiated that 381 is the minimum requirement to meet the National Military Strategy (NMS). The Office of the Secretary of Defense-led 2006 Quadrennial Review Joint Air Dominance study revealed two key points: first, the United States has a critical requirement to recapitalize tactical air forces; and two, with sufficient 5th generation fighters, especially the F–22, joint air forces win the first major combat operation (MCO) with

enough forces left to win the next MCO. Insufficient numbers of F–22s result in unacceptably high attrition using a legacy-heavy force and jeopardizes the follow-on win. Meeting the requirement of 381 F–22s means fewer mobility assets are required for smaller force packaging and lower combat attrition as well providing a sustainable operations tempo. Finally, 381 RAPTORS is the minimum essential number to meet NMS requirements with reasonable risk and provides a sustainable operations tempo.

INDIVIDUAL EQUIPMENT LOAD

Question. General Pace, in testimony provided earlier this year, the Commandant of the Marine Corps told this subcommittee that the equipment the Marines carry into combat weighs about 80 pounds. That places quite a load on each individual. Has the Department challenged industry to come up with equipment that is just as effective but would take the weight burden off each individual?

Answer. The Marine Corps continues to actively challenge industry to design equipment that can perform at least as effectively as today's gear, but with reduced weight and volume. The Marine Corps has also been working closely with the Army to present our common requirements to industry, to include a recently concluded annual Joint Industry Day sponsored by Army and Marine Corps program offices that was attended by over 400 industry representatives. Dialogue with our vendors and potential vendors continues to involve discussions about ways to decrease the burden on the individual Marine.

In addition to our links with industry, the Marine Corps is also involved with the science and technology communities and is funding research efforts designed to yield material solutions that can reduce the weight and volume of equipment being used today while also increasing performance. Inclusive in these studies are projects being sponsored under the DOD Small Business Innovative Research program, as well as Marine Corps funded projects through the Naval Research Labs and the Office of Naval Research.

Question. General Pace, because of the heavy load imposed by individual equipment on the troops, have you heard of any instances where soldiers or Marines are forgoing protection because the weight is too much to carry over a period of time?

Answer. There are currently no indications that individual Marines are forgoing protection due to the load they are carrying. The load carried by the individual Marine in combat is based upon the mission, the enemy threat, and the operating environment. The Marine Corps has fielded items that enhance our commanders' ability to scale loads to best suit the situation. The load carriage system, for example, can be configured with a full pack for extended operations or reduced to a small assault pack for more limited missions.

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

Question. Secretary Gates, when a deadly tornado struck Kansas recently, the Kansas governor was hamstrung. The Governor rightly complained that the Kansas National Guard was forced to leave its emergency equipment in Iraq after a recent tour of duty. Equipment that used to be positioned throughout the state for responding to tornados and other crises was sitting thousands of miles away in Iraq. In the supplemental appropriations bill that the President just vetoed, Congress approved $1 billion for Guard and Reserve Equipment. Mr. Secretary—in light of the President's veto, what are you doing to make sure that Guard and Reserve units across this nation are getting the equipment they need here in America?

Answer. All 54 State's/Territory's aggregate Equipment on Hand (EOH) has increased from 40 percent in January 2007 to currently, an overall average of 49 percent (as of May 2007). During this same period, Kansas' EOH has increased from 43 percent to 52 percent.

Funding for National Guard equipment has increased over 500 percent since fiscal year 2001 ($1.2 billion in fiscal year 2001 to $7.4 billion requested in fiscal year 2008).

The Army's current plan is to budget $21.9 billion from fiscal year 2008–2013 (not including future Supplemental requests). This investment if sustained by the Army provides the Army National Guard (ARNG) with approximately 76 percent EOH as required in the Army's Modified Table of Organization & Equipment. The caveat to this funding is that it takes about two years from funding to procurement to have the equipment produced and delivered.

The Army continues to work through and complete equipment payback plans (Department of Defense Directive 1225.6) for equipment that the States lost either through Stay Behind Equipment, Destroyed equipment and modernization and reset

of equipment; is providing $1.76 billion of the $17.1 billion fiscal year 2007 supplemental for reset funding of equipment to the ARNG.

The latest Equipment in States Possession brief released by the Army National Guard in May 2007 shows Kansas' EOH has increased from 43 percent to 52 percent since the last brief dated January 2007. In addition, equipment programmed for delivery to Kansas since fiscal year 2006 through fiscal year 2008 is valued at over $52 million.

Question. General Pace, are there unfunded requirements from the services involving individual, unit and force protection equipment that might prove useful in Iraq? For example, in fiscal year 2007, the President requested only $1.8 billion for purchasing Mine Resistant and Ambush Protected vehicles. The supplemental appropriations bill that the President vetoed would have increased that amount by $1.2 billion to purchase an additional 2,000 vehicles. At what level, DOD or OMB, are the decisions made not to fund the requirements for this equipment?

Answer. The Joint Chiefs and I are committed to obtaining the best available force protection equipment for our Soldiers, Sailors, Airmen, and Marines in Iraq and Afghanistan. The MRAP vehicles have been particularly effective in protecting our personnel from the roadside IED threat and the Department amended the original fiscal year 2007 supplemental request to obtain an additional $500 million for MRAP than originally requested. As well, we are reprogramming currently available funds to accelerate and expand this important program.

Service Chiefs, Service Secretaries, the Secretary of Defense, and the Administration work diligently to provide Congress a budget that wisely invests the Nation's resources for National Security. Their decisions work to achieve a balanced investment in current and future requirements based on combatant commander priorities. Nevertheless, as the threat facing our warfighters changes, we doggedly pursue new technologies and platforms that will protect our personnel and defeat the enemy. We will continue to work closely with the Congress to articulate our needs and stress emergent areas that require additional investment.

SALE OF SHADOW UNMANNED AERIAL VEHICLES (UAVS) TO POLAND

Question. General Pace, we have heard from several commanders that as a result of the war in Iraq, many units are not able to participate in combined forces training while in the United States. This suggests that there is inadequate equipment available to participate in another conflict involving U.S. national security interests, should one arise. What is the impact of the war in Iraq on the availability of equipment and personnel to defend the United States should another conflict arise or should it be necessary to utilize the military for homeland defense?

Answer. [Deleted.]

Question. General Pace, what is the total value of equipment lost, decommissioned, and left behind in Iraq? Further, what do you estimate that the cost of redeployment from Iraq will be?

Answer. The Army does not use the terms "lost," "decommissioned," and "left behind" to account for equipment. The Army accounts for all equipment lost through battle damage or negligence with a Financial Liability Investigation of Property Loss (FLIPL). For the period January 6 to May 7, $195.4 million in equipment has been accounted for under FLIPL. This number also includes $12.9 million of property Multi-National Force-Iraq has transferred to the Government of Iraq. To redeploy 160,000 troops from Iraq back to the CONUS would cost approximately $114 million.[1] To redeploy the equipment listed in the Modified Table of Organizational Equipment (MTOE) for 20 Heavy Brigade Combat Teams (BCTs) (18 Army and 2 Marine Corps equivalents) to the CONUS is approximately $105 million.[1] (The actual combat force on the ground in Iraq is a mixture of heavy, medium, and light units; the Heavy Brigade Combat Team equivalent is used as a planning factor.) These costs do not include MTOE equipment for Army units above the BCT level (including aviation, logistics, and support forces), additional equipment acquired by Army and Marine combat units beyond the MTOE, or Air Force and Navy equipment. Due to the dynamic nature of troop and equipment levels in Iraq, it is difficult to accurately determine the cost of a future redeployment from Iraq. In addition to specific numbers of troops and equipment, an accurate estimate must take into account any contractor-operated, government furnished equipment, amount of equipment transferred to the Government of Iraq (either through foreign military sales or donation), and unserviceable equipment that would be disposed of. Finally, any estimate would have to make assumptions about the final destination of troops and

[1] Planning factors used are $0.10 per seat mile for passengers and $70,000 per day for roll-on/roll-off ships for equipment.

equipment; whether back to the United States, in-theater, or some other location. With these caveats, it is possible to provide the rough estimates given above based on assumptions about current force levels, and assuming 100 percent efficient utilization of transport.

Question. General Pace, experts have observed the strain of supporting the ongoing operations in Iraq and Afghanistan by U.S. based active duty, Reserve and National Guard units. Can you speak to the impact that supporting operations in Iraq and Afghanistan has had on active duty forces stationed at overseas locations? Have these units received all the training and new equipment they were scheduled to receive? Have any of their assignments, rotations or tours of duty been extended or changed as a result of the operations in Iraq and Afghanistan?

Answer. Forces stationed outside OCONUS share the same force management challenges as units based within the CONUS. Units are sourced globally for Iraq and Afghanistan deployments so the deployment burden is equitably shared across the force. Services prioritize the training and equipping of deploying units and accept some degradation in recently returned units as part of the deployment cycle. Prioritizing resources in this fashion ensures deploying units are at high-readiness levels. This prioritizing of resources is applied to both CONUS-based units and OCONUS-based forces selected to deploy.

Equitable burden sharing also applies to tour lengths and dwell time policies. No force, whether based domestically or overseas, is deployed without meeting specific training requirements for their assigned mission/operation as directed by the Service provider. Deployment extensions in support of wartime operations can and do affect both CONUS-based and OCONUS-based forces. Furthermore, the dwell policies governing them are the same. In support of the recent increase in forces in Iraq, both CONUS-based and OCONUS-based forces have experienced deployment extensions.

QUESTION SUBMITTED BY SENATOR RICHARD J. DURBIN

Question. How is pre-deployment training accomplished for National Guard units who lack the equipment that they will be operating with once they arrive in Iraq?

Answer. As we continue fighting the War on Terrorism, the Active Component, National Guard and Reserve are all facing some equipment challenges. We have made the commitment that no unit, Active, Guard, or Reserve will deploy into actual mission areas in Iraq and Afghanistan without prior training (and sourcing) on equipment either in the continental United States or in-theater.

Specific to the National Guard, each State/unit develop their training cycle on three criterias; the time available, equipment availability, and training areas/ranges available. The States/units also provide a "list of needs and shortages," which is programmed before deployment. If required equipment is not available during either the pre- or post-mob training cycle in the United States, it is planned and sourced in-theater prior to onward movement in the area of operations.

SUBCOMMITTEE RECESS

Senator FEINSTEIN. The subcommittee stands in recess until May 16, when we will receive testimony from outside witnesses. Thank you all very much.

[Whereupon, at 12:04 p.m., Wednesday, May 9, the subcommittee was recessed, to reconvene at 10 a.m., May 16.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2008

WEDNESDAY, MAY 16, 2007

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

The subcommittee met at 10 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye and Stevens.

NONDEPARTMENTAL WITNESSES

STATEMENT OF SHAWN O'NEAIL, ASSOCIATE VICE PRESIDENT, NATIONAL MULTIPLE SCLEROSIS SOCIETY

STATEMENT OF SENATOR DANIEL K. INOUYE

Senator INOUYE. This is our last meeting of the subcommittee before we markup the fiscal year 2008 Department of Defense appropriations bill. This morning, we'll receive testimony, not from agency officials, but from the general public. Those who have petitioned us to be heard. As you know, we have many competing witnesses, many members and other committees, so by consent, all of your full statements will be made a part of the permanent record of the subcommittee, and I can assure you, they will be read or studied.

And each witness or group will have 4 minutes to present an oral presentation, and we appreciate all of you who have taken time to be with us this morning. Your involvement helps ensure that our democracy functions as it should, and it was designed by our Founding Fathers, that it was of the people, for the people, and by the people. Unfortunately, this morning, there will be a series of votes, beginning at about 10:45, so at that time, I will have to call a recess, about an hour.

But, I can assure you that I will be back, and I will hear every witness, even if it means depriving a little lunch, and for me, it might help.

So, I would like to call upon the first witness, and the first witness today is Mr. Shawn O'Neail, the Associate Vice President of the National Multiple Sclerosis Society.

Mr. O'NEAIL. Thank you, Chairman Inouye, for allowing me to provide testimony at this hearing. My name is Shawn O'Neail, I work with the National Multiple Sclerosis Society, and I am here today on behalf of more than 400,000 Americans and nearly 26,000 veterans, who live with the devastating effects of multiple sclerosis,

or MS. Together, we ask for your help to fund MS research through the congressionally directed medical research programs (CDMRP).

Multiple sclerosis is a chronic, unpredictable, often disabling disease of the central nervous system. It interrupts the flow of information from the brain to the body, and stops people from moving. Every hour, someone new is diagnosed.

MS is the most common neurological disease leading to disability in young adults. But, despite several decades of research, the cause remains unclear, and there is no cure.

The symptoms of MS range from numbness and tingling, to blindness and paralysis. These problems can be permanent, or they can come and go. In either case, MS requires lifelong therapy, and unfortunately, the cost is often financially prohibitive. The Food and Drug Administration approved drugs for MS range from $16,000, to more than $25,000 annually.

Testimony from U.S. veterans, along with evidence from recent studies, suggests that combat veterans could have an increased risk of developing multiple sclerosis. Dr. Mitch Wallin is a neurologist who is currently treating veterans with MS at the Department of Veterans Affairs (VA), MS Centers of Excellence in Baltimore, and is a professor at Georgetown University.

Dr. Wallin recently published a formal professional hypothesis, stating that gulf war veterans were at an increased risk for developing MS, because of their exposure to neurotoxins. Dr. Wallin hopes to explore this hypothesis through research at the VA. Dr. Wallin also authored a letter to the chairman and ranking member of this subcommittee on March 12, urging you to support funding for MS research, through the CDMRP.

Other evidence of note includes, the annals of neurology recently identified 5,345 cases of MS among U.S. veterans, that was deemed "service connected" and the congressionally mandated Research Advisory Committee on Gulf War Veterans Illness (RAC), found evidence that supports a probable link between exposures to neurotoxins and a development of neurological disorders. Further, RAC recommended more Federal funding to study the negative effects of neurotoxins on the immune system.

Before I close, I want to share a story of one veteran. Paul Perrone is a 42-year-old father from New Hampshire, a retired U.S. Air Force sergeant, and veteran of the Persian Gulf war. Paul was diagnosed with MS in August 1998. Initially, Paul was diagnosed by the military with chronic fatigue syndrome—many people with MS are often misdiagnosed. However, after developing optic neuritis, a civilian doctor recommended an MRI, which led to his current MS diagnosis.

It has been Paul's absolute conviction that an environmental agent triggered his MS, either through inoculations, or exposure to neurotoxins during his combat service. Paul is just one of the many veterans who are fighting on this personal battle. There is not time this morning to outline all of the stories we have learned over the past several months, but the cases of MS among U.S. veterans are certainly evident, and now emerging evidence supports this potential link. Now, we just need to provide the necessary resources.

The DOD has a responsibility to identify and research all of the diseases that could be related to military service, including MS. On

April 5, Senators Obama and Coleman sent the subcommittee a letter with 21 of your colleagues' signatures, urging you to support a $15 million appropriation for MS, through the CDMRP. The cause, progress, or severity of symptoms related to MS cannot yet be predicted or cured, but advances in research and treatment can help. With your commitment to more research, we can move closer to a world free of MS. Thank you for your consideration.

Senator INOUYE. Do you believe that with continued research, we may be able to find a cure for MS?

Mr. O'NEAIL. We're very hopeful. There has been some progress in regards to the treatments, but they still remain very difficult to tolerate themselves, and as I mentioned, very, very expensive.

Senator INOUYE. Thank you very much, Mr. O'Neail.

Mr. O'NEAIL. Thank you.

[The statement follows:]

PREPARED STATEMENT OF SHAWN O'NEAIL

INTRODUCTION

Thank you Chairman Inouye, Ranking Member Stevens and distinguished Members of the Committee, for allowing me to provide testimony at this hearing.

My name is Shawn O'Neail and I work with the National Multiple Sclerosis Society. I am here today on behalf of the more than 400,000 Americans and nearly 26,000 U.S. veterans who live with the devastating effects of multiple sclerosis or MS. Together, we ask for your help to fund MS research under the Congressionally Directed Medical Research Programs (CDMRP).

NO CURE FOR MULTIPLE SCLEROSIS

Multiple sclerosis is a chronic, unpredictable, often-disabling disease of the central nervous system. It interrupts the flow of information from the brain to the body and stops people from moving. Every hour someone new is diagnosed. MS is the most common neurological disease leading to disability in young adults. But despite several decades of research, the cause remains unclear, and there is no cure.

The symptoms of MS range from numbness and tingling to blindness and paralysis. MS causes loss of coordination and memory, extreme fatigue, emotional changes, and other physical symptoms. These problems can be permanent, or they can come and go.

The National MS Society recommends treatment with one of the FDA-approved "disease-modifying" drugs to lessen the frequency and severity of attacks, and to help slow the progression of disability. But unfortunately, the cost is often financially prohibitive. The FDA-approved drugs for MS range from $16,000 to $25,000 a year, and the treatment will continue for life.

MULTIPLE SCLEROSIS AND U.S. VETERANS

Testimony from individual veterans, along with evidence from recent studies, suggests that Gulf War veterans could have an increased risk of developing multiple sclerosis.

Dr. Mitch Wallin is a neurologist who currently treats veterans with MS at the Department of Veterans Affairs' MS Center of Excellence in Baltimore and is a professor at Georgetown University. Dr. Wallin recently published a formal professional hypothesis stating that deployed Gulf War veterans are at an increased risk for developing MS because of exposure to neurotoxins.

Dr. Wallin plans to explore this hypothesis through research at the VA. Based on existing research and his work with veterans living with MS, Dr. Wallin authored a letter to the Chairman and Ranking Member of this subcommittee urging you to support funding for MS research in the CDMRP. Some of the research includes:

—The Annals of Neurology recently identified 5,345 cases of MS among U.S. veterans that were deemed "service-connected."

—The Congressionally-mandated Research Advisory Committee on Gulf War Veterans' Illnesses (RAC) found evidence that supports a probable link between exposures to neurotoxins and the development of neurological disorders. Further, RAC recommended more federal funding to study the negative effect of neurotoxins on the immune system.

—A recent epidemiological study found an unexpected, two-fold increase in MS among Kuwaiti residents between 1993 and 2000. This rapid increase in an area of the world with previously low incidence rates for MS further suggests an environmental trigger for MS. Possible triggers include exposure to air particulates from oil well fires, vaccines, sarin, or infectious agents.

As news circulates of a potential link between MS and military service, more and more veterans have been coming forward with their stories and symptoms. They uncover a unique health concern among our veterans, and they represent the possibility that something in the environment could trigger this disease—which could unlock the mystery of MS.

SERGEANT PAUL PERRONE'S STORY

Paul Perrone is a 42-year-old father from New Hampshire. A retired U.S. Air Force Sergeant and veteran of the Persian Gulf War, Paul was diagnosed with MS in August 1998.

Initially, Paul was diagnosed by the military with chronic fatigue syndrome, asthma, and rhinitis. Many people with MS often are misdiagnosed at first. However, his symptoms worsened. He had extreme fatigue and vertigo. Although Paul loved his work with the Air Force, he no longer felt healthy enough to remain on active duty. Paul asked for an Air Force medical evaluation board and eventually was medically retired from the Air Force in 1994.

Then, after developing optic neuritis in one eye, a civilian doctor recommended an MRI, which led to his current MS diagnosis. Paul is a passionate and extremely well-informed veteran on nearly every aspect of the military, gulf-war syndrome, veterans' benefits—and MS. It has been his absolute conviction that an environmental agent triggered his MS either through inoculations or exposure to neurotoxins during his combat service.

Paul is just one of many veterans who are fighting this personal battle. Many more stories are untold, or many individuals might not want to come forward. But the cases of MS among U.S. veterans are certainly evident. And now emerging research supports this potential link.

For the nearly 26,000 veterans, and for many more individuals with MS nationwide, more research is critical. Dr. Wallin and others might be on the heels of identifying an environmental trigger. Now we just need to pinpoint what and how.

THE NEED FOR MORE MS RESEARCH

Given all the evidence, we strongly believe that the Department of Defense (DOD) has a responsibility to identify and research all diseases that could be related to military service, including MS. On April 5, Senators Obama and Coleman sent the subcommittee a letter with 21 of your colleagues' signatures urging you to support this $15 million appropriation for MS research under the Congressionally Directed Medical Research Programs (CDMRP).

The cause, progress, or severity of symptoms in any one person living with MS cannot yet be predicted or cured. But advances in research and treatment can help. We appreciate your consideration. With your commitment to more research, we can move closer to a world free of MS. Thank you.

Senator INOUYE. May I now call upon Dr. Chuck Staben of the University of Kentucky.

STATEMENT OF DR. CHUCK STABEN, Ph.D., ASSOCIATE VICE PRESIDENT FOR RESEARCH AND ACTING HEAD, OFFICE OF THE VICE PRESIDENT FOR RESEARCH, UNIVERSITY OF KENTUCKY ON BEHALF OF THE COALITION OF EPSCoR/IDEA STATES

Dr. STABEN. Thank you, Senator, and any members of the subcommittee. My name is Chuck Staben, and I am the acting head of the Office of the Vice President for Research at the University of Kentucky.

Today I am testifying on behalf of the Coalition of EPSCoR States, a nonprofit organization that promotes the importance of a strong science and technology infrastructure and works to improve the research competitiveness of States that have, historically, received the least amount of Federal research funding, including States that the subcommittee members represent.

Thank you for the opportunity to testify today, regarding the DOD Science and Engineering Basic Research Program budget, and more specifically, a critical component of that budget, EPSCoR.

Members of this subcommittee, thank you for your past support of the DEPSCoR Program, I express the support of the coalition for returning funding for this very successful research program to the $20 million of several years ago.

Furthermore, on behalf of our 21 States and two territories, I ask the members of this subcommittee to reject the administration's proposed plan to terminate the DEPSCoR Research Program. DEPSCoR States represent 20 percent of the U.S. population, 25 percent of the research and doctoral universities, and 18 percent of the Nation's scientists and engineers.

With the support of this subcommittee, DEPSCoR has provided critical, competitive support to research which satisfies peer review requirements to proposals that address priorities identified by the DOD through their broad agency announcements for the program.

In Kentucky, which is a leading State in the aluminum industry, researchers on a recent project worked closely with the Navy on aluminum alloys and fabrication techniques, critical to shipbuilding. We fully anticipate that the methods they developed will be used by the Navy in its ship programs.

Research in Kentucky, and other EPSCoR States can lead directly to deployed improvements, but without the impetus that DEPSCoR provides, we may not make the advances required, or contribute as fully as we are capable to supporting DOD.

Last year, the administration's fiscal year 2007 budget proposed a budget for DEPSCoR for fiscal year 2008 of $9.8 million, reflecting the administration's commitment to continuing the DEPSCoR Program. This year, the administration, instead, proposed to begin a 3-year sunset of the program, by reducing DEPSCoR from $9.4 million in fiscal year 2007, to $5.8 million in fiscal year 2008.

This decrease will not reduce spending, the administration proposes to move the funding from the DEPSCoR Program to the National Defense Education Program. No spending reduction, or cost saving is captured under the administration's planned DEPSCoR sunset, but the funds will further centralize to non-DEPSCoR States.

The administration stresses the need for research to support the warfighter, and challenges DEPSCoR's contribution to this effort. DEPSCoR grants support the warfighter, because they are competitively chosen to respond to the DOD's announced needs and priorities from the Air Force Office of Scientific Research, the Army Research Office, and the Office of Naval Research. This research has produced many deployable advances, even from a relatively small program. These advances include: design of more efficient helicopter rotors, securing critical software security, better wireless communication for warfighters, and many more advances.

Mr. Chairman, I respectfully ask that you and the subcommittee fund DEPSCoR in fiscal year 2008 at the $20 million level that sustained the program before the funding reductions. Prior to the decrease in funding, DEPSCoR produced many more research awards, benefiting DOD priorities. Between fiscal year 1998 and fiscal year 2001, 283 projects in 20 States were funded. Since the

program reductions, only 97 projects have been funded in the past 4 years. This past year, only $7 million was granted to 13 academic institutions in only nine States.

Funding reductions have already impacted DOD research in my home State of Kentucky. In the last 4 years, only three DEPSCoR projects have been funded, even as research in Kentucky tripled.

Now, more than ever, we must invest in research programs that support national security, and improve our readiness and capability. Funding DEPSCoR in fiscal year 2008 at $20 million will return the program to the level necessary to achieve these objectives that were envisioned by the original authorizing legislation.

Through the DEPSCoR Program, the DEPSCoR States continue to make significant research contributions, and this increased funding is required to sustain the program. Thank you very much.

Senator INOUYE. Well, Thank you very much, Dr. Staben.

[The statement follows:]

PREPARED STATEMENT OF DR. CHUCK STABEN

Mr. Chairman and Members of the Subcommittee, my name is Dr. Chuck Staben and I am the Associate Vice President for Research and Acting Head of the Office of the Vice President for Research at the University of Kentucky. I am testifying on behalf of the Coalition of EPSCoR States, which is a non-profit organization that promotes the importance of a strong science and technology research infrastructure, and works to improve the research competitiveness of states that have historically received the least amount of federal research funding.

Thank you for the opportunity to testify today regarding the Department of Defense science and engineering basic research program budget, and more specifically a critical component of that budget, the Defense Experimental Program to Stimulate Competitive Research (DEPSCoR)[1]. I would like to sincerely thank the members of this Subcommittee for your past support of the DEPSCoR program, and secondly to express the support of the Coalition for returning funding for this very successful research program to the $20 million plus levels of several years ago. On behalf of our 21 states and 2 territories, I would ask the Members of this Subcommittee to reject the Administration's proposed plan to terminate the DEPSCoR research program and transfer funds to education activities.

The Defense EPSCoR program was initially established in Public Law 103–337 with two important policy objectives. First, DEPSCoR ensures a national research and engineering infrastructure by enhancing the capabilities of institutions of higher education in DEPSCoR states. Secondly, DEPSCoR develops, plans and executes competitive, peer-reviewed research and engineering work that supports the needs of the Department of Defense. Our battlefields, our intelligence gathering and analysis capacity, our procurements and maintenance activities are increasingly driven by and dependent upon advances in research and technology development.

As the members of this Subcommittee know, EPSCoR states have a vast reservoir of talent and capacity. They represent 20 percent of the U.S. population, 25 percent of the research and doctoral universities, and 18 percent of the nation's scientists and engineers. The EPSCoR program is critical to ensuring that we maintain a national infrastructure of research and engineering by providing much needed funding to these leading universities and scientists.

Perhaps most importantly, DEPSCoR represents federal research money well spent. With the support of this Subcommittee, DEPSCoR has provided critical research dollars competitively to institutions which satisfy peer-review requirements in proposals that address priorities identified by the Department of Defense, through Broad Agency Announcements (BAAs) for this program.

In Kentucky, DEPSCoR has funded 15 research projects since 1993. In a recent project, researchers worked closely with the Navy on aluminum alloys and fabrica-

[1] Alabama, **Alaska**, **Arkansas**, **Delaware**, Hawaii, **Idaho**, **Kansas**, **Kentucky**, **Louisiana**, **Maine**, Mississippi, **Montana**, **Nebraska**, **Nevada**, **New Hampshire**, New Mexico, **North Dakota**, **Oklahoma**, **Puerto Rico**, **Rhode Island**, **South Carolina**, **South Dakota**, **Vermont**, **Virgin Islands**, **West Virginia**, and **Wyoming**.

States in bold letters are eligible for the DEPSCoR program. All of the states listed above are also eligible for the EPSCoR program.

tion techniques critical to shipbuilding. We fully anticipate this research and testing methods will be used by the Navy in its ship programs. Additionally, we have also participated in non-DEPSCoR funding, so we have expertise. DOD funded research developed an anti-sniper device now in the prototype stage under consideration by the Marine Corps. Research in Kentucky can lead directly to deployed improvements. However, without DEPSCoR, we cannot make the advances we want to make or contribute as fully as we are capable.

I would now like to highlight a few DEPSCoR-funded success stories of research projects in other states that have, and are presently contributing to our National defense interests.

Alaska

Sea-Ice Upper Ocean Interactions: Observations and Modeling.—The University of Alaska, Fairbanks researchers are investigating the spin-up and spin-down of the upper ocean in response to storms. The observational system will measure surface-to-bottom and density structure, offering a unique opportunity to expand our understanding of how the ocean couples surface mesoscale variability and wave excitation to the underlying ocean on the intermediate depth continental shelves. This study, for the Navy, will improve real-time prediction systems for ship navigation and submarine surfacing in seasonally ice-covered regions, such as the Arctic and the Sea of Okhotsk in the Western Pacific and the Labrador Sea/Gulf of St. Lawrence in the northwestern Atlantic.

West Virginia

Intelligent Agents for Reliable Operation of Electric Warship Power Systems.—The objective of this Navy research is to design distributed intelligent control agents for reliable operation of integrated electronic power systems of modern electric warships. In the event of scheduled load changes or unforeseen disturbances, the power system is expected to operate at a minimum level of performance in areas that could be mission critical and thus result in saving lives. This system will consist of at least three layers: (i) an electrical network, (ii) a computer, control, and communication network, and (iii) a human operator. To make this critical infrastructure operational and efficient, one will have to develop tools and methodologies that combine information technology, control and communication and power systems engineering. Thus, an interdisciplinary team of investigators, with expertise in power, control, computer science, and mathematics will work together on these methodologies. The success of this research will have an impact on reliable operation of electric power systems of an electric warship, as well as on the education of the next generation of power system engineers.

Fieldable Rapid Bioagent Detection: Advanced Resonant Optical Waveguide and Biolayer Structures for Integrated Biosensing.—This research for the Navy will direct detection strategies suitable for handheld unit implementation and applicable to a broad spectrum of agents are central to effective protection and response scenarios for a range of threats from sophisticated biowarfare agents to simple biocontamination of potable and domestic water supplies. Integrated optical techniques based on evanescent wave interaction have received considerable attention and study as a means to effectively interrogate biolayer surface target binding in direct detection devices. This proposal defines a balanced, tightly coupled interdisciplinary research program for modeling, analysis, and synthesis efforts to establish an analytical and experimental understanding of the interdependence of bio-layer and coupled resonant optical waveguide design necessary to quantify intrinsic limits of detection, optimize realizable extrinsic performance, and extend the versatility of this important new class of devices.

Vermont

Heterogeneous Catalysis of Chemical Warfare Agent Simulants Using Porous Inorganic Supports.—DEPSCoR-funded work in Vermont involves the development of catalysts that can decompose chemical warfare agents to non-toxic compounds. The University of Vermont has explored methods by which contaminated equipment could be treated in a non-destructive way so that the equipment could be returned to the battle area, which would minimize the downtime experienced due to a chemical attack. In particular, there are currently very few techniques available to treat the types of sensitive equipment (electronics, objects with complex geometries such as keyboards, etc.) on which the modern "warfighter" has come to rely, and the university is specifically studying materials and methods for this application. Finally, protection (prior to an attack) and decontamination (after an attack) are often based on related technologies, and the university is also exploring the development of materials that could be incorporated into fabrics and polymers to be used for troop pro-

tection. The university has established several connections with industrial partners to discuss commercial development of our materials.

Dispersed Microslug Formation for Discrete Satellite Microthruster Propellant Delivery.—DEPSCoR is funding the development of a miniaturized propulsion system which will be integrated into next-generation small satellites currently being developed by the Air Force and NASA. These satellites will have masses of under 20 kg and will operate in cluster formations (aka, "formation flying") and be capable of executing mission requirements not easily performed by a single satellite.

The value of nanosats to the Department of Defense is derived from it ability to provide enhanced satellite capabilities for supporting ground-based troops, aircraft and naval vessels. This support will come primarily in the form of enhanced space-based reconnaissance and communications. Nanosats in particular offer the ability to quickly deploy large numbers of autonomous and effectively "disposable" satellites into space at low cost. Reconnaissance nanosats may be deployed to provide detailed coverage of a particular combat theater for short periods of time (6–12 months).

In addition to these projects, DEPSCoR research in other states has included: design of helicopter rotors (Alaska); prediction of river currents for Navy operations (Oklahoma); effect of DOD personnel exposure to universal military fuel (Oklahoma); improving prediction of atmospheric conditions to reduce weather related accidents (Oklahoma); securing critical software systems (Vermont & Oklahoma); nerve agent detection (Oklahoma); enhancing stored energy density for weapons (Idaho); development of small engines that operate on universal military fuel (Idaho); improving wireless communication for warfighter systems (South Carolina); acquisition and interpretation of sensor data (South Carolina); effect of exposure of military personnel to extreme physical and climatic conditions (Montana); preventing laser damage or destruction to aircraft optical guidance systems (Montana); increasing durability of lightweight composite materials (Montana); increasing information carried by radar signals (Montana); developing Air Force supported small plastic air-vehicles (Montana); and ultrafast optical communications and data processing (Vermont).

Mr. Chairman and Members of the Subcommittee, the Administration's budget proposes terminating the DEPSCoR program over the next three years and moving funds into education programs. The critical research conducted in DEPSCoR states, mentioned above, demonstrates why the Administration's proposal must be reconsidered by this Subcommittee.

Last year, the Administration's fiscal year 2007 budget proposal showed an out-year funding level for DEPSCoR in fiscal year 2008 of $9.839 million, thus reflecting the Administration's commitment to continuing the DEPSCoR program. This year, the Administration instead proposes to begin a three year sunset of the program by reducing DEPSCoR funding from $9.478 million enacted in fiscal year 2007 to $5.878 million in fiscal year 2008, far less than the $9.8 million contemplated for fiscal year 2008 in last year's budget submission.

This decrease in funding is due to the Administration proposing to move funding from the DEPSCoR program to the National Defense Education Programs (NDEP). The budget justification for NDEP reflects this new money and in fact reflects significant out-year growth in the NDEP program. Thus, no spending reduction or cost-saving is captured under the Administration's planned DEPSCoR sunset. And more importantly, the plan simply moves money that was originally destined for critically underfunded states to a national program, thus abandoning one of the central policy objectives of DEPSCoR, which is to maintain a national research infrastructure.

The Administration stresses the need for research to support the "warfighter" and challenges DEPSCoR's contribution to this effort. As noted in the research programs I listed earlier, DEPSCoR research clearly supports the warfighter and our national security needs by addressing weapon system improvement, chemical and biological agent detection, high-speed data and communication transmission, and physical condition studies critical to deployed military personnel. Furthermore, DEPSCoR grants necessarily support the warfighter because they are competitively chosen to reflect the Defense Department's announced needs and priorities. DEPSCoR supports specific research needs identified by the Air Force Office of Scientific Research (AFOSR), the Army Research Office (ARO) and the Office of Naval Research (ONR).

Mr. Chairman, every state has important contributions to make to the nation's competitiveness and every state has scientists and engineers that can contribute significantly to supporting the research needs of the Department of Defense. DEPSCoR ensures that every state does just that.

Mr. Chairman and Members of this Subcommittee, on behalf of my colleagues in the coalition of EPSCoR states, I respectfully ask that you fund DEPSCoR in fiscal year 2008 at the $20 million level that sustained the program before the funding reductions of recent years. Prior to the decrease in funding, DEPSCoR was funded

at a $20+ million level and produced many more research awards benefiting DOD priorities than it is able to support today, including many of the examples cited above. Between fiscal year 1998 and fiscal year 2001, 283 projects in 20 states were funded, 81 in fiscal year 2000 alone. However, since the program reductions, only 97 projects have been funded in the past four years. This past year, DOD awarded $7 million to 13 academic institutions in nine states to perform research in science and engineering, under the fiscal year 2007 DEPSCoR program. The constrained funding is severely limiting the ability of the EPSCoR states to contribute vital research that supports our national defense needs, and we have heard that DOD may start to restrict the number of proposals from each state for lack of funding.

Funding reductions have impacted Department of Defense research, in my home state of Kentucky. In the last four years only three research awards have been funded (zero in the last two years) compared to sixteen awards between fiscal year 1998-fiscal year 2001.

Mr. Chairman, these cutbacks have created a critical research shortfall. Now more than ever we must invest in research programs that will support our national security and will improve our readiness and defense capabilities in the future. Funding DEPSCoR in fiscal year 2008 at $20 million will return the program to the level necessary to achieve the objectives envisioned by the original authorizing legislation—to build and sustain a national research and engineering infrastructure and to support critical Department of Defense priorities. Furthermore, the matching requirements actually bring more funds to bear from the states to these national programs than does regular funding.

We are making significant research contributions but the budget cuts are wrecking the program.

Thank you for your time and for the opportunity to testify before the Subcommittee.

Senator INOUYE. The vice chairman of the subcommittee wishes to——

Senator STEVENS. Well, I apologize, I had a meeting with the people from the War College, as a matter of fact. I don't want to make an opening statement.

Thank you very much, sorry to miss your comments.

Senator INOUYE. Our next witness is Dr. John Leland, Director of the University of Dayton Research Institute and Chair of ASME's DOD Task Force, representing the American Society of Mechanical Engineers.

STATEMENT OF DR. JOHN LELAND, Ph.D., DIRECTOR, UNIVERSITY OF DAYTON RESEARCH INSTITUTE AND CHAIR, AMERICAN SOCIETY OF MECHANICAL ENGINEER'S DEPARTMENT OF DEFENSE TASK FORCE

Dr. LELAND. Thank you, Chairman Inouye, Senator Stevens, good morning. Again, I am John Leland, Chair of the American Society of Mechanical Engineers (ASME) DOD Task Force, and Director of the University of Dayton Research Institute. I'm pleased to have this opportunity to provide comments to this subcommittee on the fiscal year 2008 Department of Defense budget request.

The American Society of Mechanical Engineers is a 120,000 member professional organization focused on technical, educational, and research issues. Our Nation's engineers play a critical role in national defense through research discoveries, and technology development for military systems. Therefore, my comments will focus on the DOD science and technology budget.

The fiscal year 2008 request for defense, science and technology is $10.93 billion, which is $2.74 billion, or 20 percent, less than the fiscal year 2007 appropriated amount.

Under the requested DOD budget, science and technology funding would drop from 2.5 percent, to only 2 percent of the overall

DOD budget, or total obligational authority. Clearly, this budget is inadequate to meet the needs of our Nation.

At a minimum, $13.2 billion is required to meet the 3 percent of total obligational authority guideline for science and technology. Six point one basic research funding supports science and engineering research and graduate technical education at universities in all 50 States.

Technical leaders and corporations and Government laboratories developing current weapons systems were educated under basic research programs funded by the DOD. Failure to invest in sufficient resources in basic and applied research oriented toward education will reduce innovation and weaken the future scientific and engineering workforce of our country.

Six point two applied research has also funded the education of many of our best defense industry engineers. As Director of the University of Dayton Research Institute, I understand full well the importance of these funds for developing our future scientists and engineers. More than 250 students have the opportunity to work on defense research programs each year at the Research Institute, and many more enjoy opportunities through local defense-oriented companies.

Failure to properly invest in applied research would stifle a key source of technological and intellectual development. Many proposed reductions to individual science and technology research programs are severe, and will certainly have negative impacts on future military capabilities.

As an example, the Army's Materials Technology Program 2008 request is only $18 million, compared to a 2007 appropriated amount of $60 million. Critical research will be halted if this 70 percent reduction is enacted, because this program funds research to develop improved body armor and lightweight vehicle armor to protect troops against improvised explosive devices (IED).

Fortunately, Congress has recognized that such budget cuts are not in the best interest of our country, and has appropriated additional resources to maintain effective science and technology programs.

Investments in science and technology directly effect the future of our national security. We urge this subcommittee to support an appropriate amount of $13.1 billion, or 3 percent of total obligational authority, for science and technology programs.

This request is consistent with recommendations contained in the 2001 Quadrennial Defense Review and made by the Defense Science Board, as well as by senior Defense Department officials, and commanders from the Air Force, Army, and Navy who have voiced support for future allocation of 3 percent as a worthy benchmark for science and technology funding.

The American Society of Mechanical Engineers appreciates the difficult choices that Congress must make in this challenging budgetary environment. I strongly believe, however, that there are critical shortages in DOD science and technology budget requests, specifically in those areas as for basic and applied research, and technical education are critical to the defense of our Nation.

I thank the subcommittee for its ongoing support of Defense science and technology.

Senator INOUYE. Thank you very much, Doctor. I can assure you that the subcommittee agrees with you. We are concerned with the diminishing national pool of engineers, and at a time when we need them, we should be encouraging them. So, your words are well taken, sir.

Dr. LELAND. Thank you very much.

Senator INOUYE. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF DR. JOHN E. LELAND

INTRODUCTION

Good morning. My name is John Leland. I am the current Chair of the ASME DOD Task Force and Director of the University of Dayton Research Institute and I am pleased to have this opportunity to provide comments to this Subcommittee on the fiscal year 2008 budget request for the Department of Defense.

ASME is a 120,000 member professional organization focused on technical, educational and research issues. Engineers play a critical role in research and technology development to address, and produce the military systems required for national defense. Therefore, my comments will focus on DOD's Research, Development, Test and Evaluation (RDT&E) and Science and Technology (S&T).

DOD REQUEST FOR SCIENCE AND TECHNOLOGY

The fiscal year 2008 budget request for Defense Science and Technology (S&T) is $10.930 billion, which is $2.74 billion less than the fiscal year 2007 appropriated amount of $13.677 billion and represents a 20 percent reduction. The S&T portion of the overall DOD spending of $481 billion would drop from 2.5 percent to 2 percent from the previous budget requested by the administration. Clearly, this budget request is inadequate to meet the country's need for robust S&T funding.

The fiscal year 2008 request, if implemented, would represent a significantly reduced investment in Defense S&T. I strongly urge this committee to consider additional resources to maintain stable funding in the S&T portion of the DOD budget. At a minimum, $13.2 billion, or about $2.1 billion above the President's request is required to meet the three percent of Total Obligational Authority (TOA) guideline recommended by a National Academies study and set in the 2001 Quadrennial Defense Review and by Congress.

Basic Research (6.1) accounts would decrease from $1.56 billion to $1.42 billion, a 8.7 percent decline. While basic research accounts comprise only a small percentage of overall RDT&E funds, the programs that these accounts support are crucial to fundamental, scientific advances and for maintaining a highly skilled science and engineering workforce.

Basic research accounts are used mostly to support science and engineering research and graduate, technical education at universities in all 50 states. Almost all of the current high-technology weapon systems, from advanced body armor, vehicle protection system, to the global positioning satellite (GPS) system, have their origin in fundamental discoveries generated in these basic research programs. Proper investments in basic research are needed now, so that the fundamental scientific results will be available to create innovative solutions for future defense challenges. In addition, many of the technical leaders in corporations and government laboratories that are developing current weapon systems, ranging from the F–35 Joint Strike Fighter to the suite of systems employed to counter Improvised Explosive Devices (IED's), were educated under basic research programs funded by DOD. Failure to invest sufficient resources in basic, defense-oriented research will reduce innovation and weaken the future scientific and engineering workforce. The Task Force recommends that Basic Research (6.1) be funded at a minimum level of $1.7 billion.

Applied Research (6.2) would be reduced from $5.32 billion to $4.36 billion, an 18 percent reduction. The programs supported by these accounts apply basic scientific knowledge, often phenomena discovered under the basic research programs, to important defense needs. Applied research programs may involve laboratory proof-of-concept and are generally conducted at universities, government laboratories, or by small businesses. Many of the successful demonstrations led to the creation of small companies, that were aided by the Small Business Innovative Research (SBIR) programs. Some devices created in these defense technology programs have dual use, such as GPS, and the commercial market far exceeds the defense market. However, without initial support by Defense Applied Research funds, many of these compa-

nies would not exist. Like 6.1 Basic Research, 6.2 Applied Research has also funded the educations of many of our best defense industry engineers. Failure to properly invest in applied research would stifle a key source of technological and intellectual development as well as stunt the creation and growth of small entrepreneurial companies.

The largest reduction would occur in Advanced Technology Development (6.3), which would experience a 22.3 percent decline, from $6.436 billion to $4.999 billion. These resources support programs where ready technology can be transitioned into weapon systems. Without the real system level demonstrations funded by these accounts, companies are reluctant to incorporate new technologies into weapon systems programs.

Several of the proposed reductions to individual S&T program elements are dramatic and could have negative impacts on future military capabilities. An example is the reduction in the Army's Materials Technology program (PE0602105A). The fiscal year 2007 appropriated amount was $60 million and the fiscal year 2008 request is for $18 million. Many worthwhile programs will not be funded if this two-thirds reduction is enacted. This line item funds research in a range of critical materials technologies, including improved body armor to protect troops against improvised explosive devices (IEDs) and in developing light weight armor for vehicle protection, such as is needed for the Future Combat System (FCS). With the problems faced in Iraq with IEDs and the need for lighter armor for the FCS it does not seem wise to cut materials research. Fortunately in the past few years the United States Congress has recognized that such cuts are not in the best interest of the country, and has appropriated additional resources to maintain healthy S&T programs in critical technologies.

DOD REQUEST FOR RDT&E

The Administration requested $78.996 billion for the Research, Development, Test and Evaluation (RDT&E) portion of the fiscal year 2008 DOD budget. These resources are used mostly for developing, demonstrating, and testing weapon systems, such as fighter aircraft, satellites, and warships. This amount represents growth from last year's appropriated amount of $78.231 billion of about 1 percent. Therefore, when adjusted for inflation, this represents a reduction of about 0.8 percent percent in real terms. Funds for Operational Test and Evaluation (OT&E) function remain low, where the proposed funding of $180 million is little more than half of the 2005 appropriated amount of $310 million. The OT&E organization was mandated by Congress, and is intended to insure that weapon systems are thoroughly tested so that they are effective and safe for our troops.

DOD REQUEST FOR THE UNIVERSITY RESEARCH INITIATIVE (URI)

The University Research Initiative (URI) supports graduate education in Mathematics, Science, and Engineering and would see a $35 million decrease from $281 million to $246 million in fiscal year 2008, a 14.5 percent reduction. Sufficient funding for the URI is critical to educating the next generation of engineers and scientists for the defense industry. Since the URI programs were developed, the services have not given a high priority to these programs. A lag in program funds will have a serious long-term negative consequence on our ability to develop a highly skilled scientific and engineering workforce to build weapons systems for years to come. While DOD has enormous current commitments, these pressing needs should not be allowed to squeeze out the small but very important investments required to create the next generation of highly skilled technical workers for the American defense industry. Although URI is reduced in the fiscal year 2008 request, the National Defense Education program (NDEP) is expected to increase from $19 million this year to $44 million.

REDUCED S&T FUNDING THREATENS AMERICA'S NATIONAL SECURITY

Science and technology have played a historic role in creating an innovative economy and a highly skilled workforce. Study after study has linked over 50 percent of our economic growth over the past 50 years to technological innovation. The "Gathering Storm" report places a "special emphasis on information sciences and basic research" conducted by the DOD because of large influence on technological innovation and workforce development. The DOD, for example, funds 40 percent of all engineering research performed at our universities. U.S. economic leadership depends on the S&T programs that support the nation's defense base, promote technological superiority in weapons systems, and educate new generations of scientists and engineers.

Prudent investments also directly affect U.S. national security. There is a general belief among defense strategist that the United States must have the industrial base to develop and produce the military systems required for national defense. Many members of Congress also hold this view. A number of disconcerting trends, such as outsourcing of engineering activities and low participation of U.S. students in science and engineering, threaten to create a critical shortage of native, skilled, scientific and engineering workforce personnel needed to sustain our industrial base. Programs that boost the available number of highly educated workers who reside in the United States are important to stem our growing reliance on foreign nations, including potentially hostile ones, to fill the ranks of our defense industries and to ensure that we continue to produce the innovative, effective defense systems of the future.

RECOMMENDATIONS

In conclusion, I thank the committee for its ongoing support of Defense S&T. The ASME DOD Task Force appreciates the difficult choices that Congress must make in this tight budgetary environment. I believe, however, that there are critical shortages in the DOD S&T areas, particularly in those that support basic research and technical education that are critical to U.S. military in the global war on terrorism and defense of our homeland.

The Task Force recommends the following:

—We urge this subcommittee to support an appropriation of $13.1 billion for S&T programs, which is 3 percent of the overall fiscal year 2008 DOD budget. This request is consistent with recommendations contained in the 2001 Quadrennial Defense Review and made by the Defense Science Board (DSB), as well as senior Defense Department officials and commanders from the Air Force, Army, and Navy, who have voiced support for the future allocation of 3 percent as a worthy benchmark for science and technology programs.

—We also recommend that the committee support the University Research Initiative (URI) by restoring funds for the program to the fiscal year 2006 level of $272 million for fiscal year 2008. A strong investment in advanced technical education will allow the Nation's armed services to draw from a large pool of highly-skilled, native-born workers for its science and engineering endeavors.

This statement represents the views of the ASME Department of Defense Task Force of ASME's Technical Communities and is not necessarily a position of ASME as a whole.

Senator INOUYE. Our next witness is Lieutenant General Dennis M. McCarthy, United States Marine Corps, retired, Executive Director of the Reserve Officers Association of the United States (ROA).

General McCarthy.

STATEMENT OF LIEUTENANT GENERAL DENNIS M. McCARTHY, UNITED STATES MARINE CORPS (RETIRED), NATIONAL EXECUTIVE DIRECTOR, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

General MCCARTHY. Senator Inouye, Senator Stevens, thank you very much for the opportunity to testify. I would just make four points this morning.

We have long-advocated, and continue to advocate fully funding the training and equipment accounts of the Reserve components of all of the services. I think you—this subcommittee knows very well that this funding is essential, not just to the readiness, but to the recruiting and retention success that the Reserve components will have. The great young people that we've recruited, and the ones that we want to retain, will not sit around empty training centers, twiddling their thumbs because they don't have the right kind of equipment.

Second, the Secretary of Defense has announced, and I think rightly so, a 1-year mobilization period for all components, but this

really, mostly impacts the Army, which has previously used longer periods.

To successfully deploy, these forces are going to have to be trained in advance of mobilization. This means they have to have the equipment in their home training centers, if they're going to be ready when they actually are mobilized and called to active duty. There will not be time for lengthy predeployment training on a 1-year cycle.

Third, I believe that the subcommittee has seen, I believe history will support the idea that, if the Congress wants funds to go to the Reserve components to buy equipment that will stay with the Reserve components. The only successful way that we seem to have done that is through the National Guard, Reserve, and equipment account. That earmarks equipment, doesn't let it get lost, doesn't let it get subsumed into larger equipment accounts, keeps it identifiable with the Reserve components, and we urge the Congress to take steps to adequately fund the equipment accounts of the Reserve components through the National Guard and Reserve equipment appropriations (NGREA) process.

Last, we have made a recommendation, a request of the subcommittee to consider funding for 1 year a—essentially, pilot project of a law center, that would enable use to continue what we've been doing—what ROA has been doing, out of its own budget, in providing guidance, education, counseling, referral services to service members who have employment-related legal problems. Service members who come back and find difficulties with their employers, and have to make a claim under the USERRA Act, and we have been, we've been trying to provide counseling services. If we had some funding in this, I believe we could do a substantially better job.

I think the subcommittee knows that employers around the country have done an absolutely marvelous job, and the numbers of these cases are relatively small. But, if we think about it, with 600,000 Reserves, and members of the National Guard mobilized, if even 1 or 2 percent of them have problems with their employers, that's a significant number of cases that need to be resolved. And, we think we can do some real good with the Law Center.

So, that's my fourth point, I thank the subcommittee for the opportunity to appear, and we appreciate the support that the Congress has provided.

Thank you, Senator.

Senator INOUYE. I can assure you, General, that the subcommittee is very much concerned about, first, the training and properly equipping our Reserve officers and men. In fact, in the supplemental appropriation, provisions made for that.

And, as for your project, we will give it our most serious consideration.

General MCCARTHY. Thank you, Senator.

Senator INOUYE. Thank you, sir.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL DENNIS M. MCCARTHY

The Reserve Officers Association of the United States (ROA) is a professional association of commissioned and warrant officers of our nation's seven uniformed services, and their spouses. ROA was founded in 1922 during the drawdown years fol-

lowing the end of World War I. It was formed as a permanent institution dedicated to National Defense, with a goal to teach America about the dangers of unpreparedness. When chartered by Congress in 1950, the act established the objective of ROA to: ". . . support and promote the development and execution of a military policy for the United States that will provide adequate National Security." The mission of ROA is to advocate strong Reserve Components and national security, and to support Reserve officers in their military and civilian lives.

The Association's 70,000 members include Reserve and Guard Soldiers, Sailors, Marines, Airmen, and Coast Guardsmen who frequently serve on Active Duty to meet operational needs of the uniformed services and their families. ROA's membership also includes officers from the U.S. Public Health Service and the National Oceanic and Atmospheric Administration who often are first responders during national disasters and help prepare for homeland security. ROA is represented in each state with 55 departments plus departments in Latin America, the District of Columbia, Europe, the Far East, and Puerto Rico. Each department has several chapters throughout the state. ROA has more than 505 chapters worldwide.

ROA is a member of The Military Coalition where it co-chairs the Tax and Social Security Committee. ROA is also a member of the National Military/Veterans Alliance. Overall, ROA works with 75 military, veterans and family support organizations.

DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Reserve Officers Association is a private, member-supported, congressionally chartered organization. Neither ROA nor its staff receive, or have received, grants, sub-grants, contracts, or subcontracts from the federal government for the past three fiscal years. All other activities and services of the Association are accomplished free of any direct federal funding.

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Army, QDR/G–R Commission: LTC Robert "Bob" Feidler (Ret.) (202–646–7717).

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ROA PRIORITIES

The Reserve Officers Association CY 2007 Legislative Priorities are:

—Assure that the Reserve and National Guard continue in a key national defense role, both at home and abroad.

—Reset the whole force to include fully funding equipment and training for the National Guard and Reserves.

—Providing adequate resources and authorities to support the current recruiting and retention requirements of the Reserves and National Guard.

—Support citizen warriors, families and survivors.

Issues to help FUND, EQUIP, AND TRAIN

Advocate for adequate funding to maintain National Defense during GWOT.

Regenerate the Reserve Components (RC) with field compatible equipment.

Fence RC dollars for appropriated Reserve equipment.

Fully fund Military Pay Appropriation to guarantee a minimum of 48 drills and two weeks training.

Sustain authorization and appropriation to National Guard and Reserve Equipment Account (NGREA) to permit flexibility for Reserve Chiefs in support of mission and readiness needs.

Optimize funding for additional training, preparation and operational support.

Keep Active and Reserve personnel and Operation & Maintenance funding separate.

Equip Reserve Component members with equivalent personnel protection as Active Duty.

Issues to assist RECRUITING AND RETENTION

Support incentives for affiliation, reenlistment, retention and continuation in the RC.

Fund referral recruiting programs for the National Guard and Reserve Services.

Pay and Compensation:

Differential pay for DOD federal employees.

Professional pay for RC medical professionals.

Eliminate the 1/30th rule for Aviation Career Incentive Pay, Career Enlisted Flyers Incentive Pay, Diving Special Duty Pay, and Hazardous Duty Incentive Pay.

Education:

Return MGIB–Selected Reserve to 47 percent of MGIB–Active.

Health Care:

Extend military coverage for restorative dental care for up to 180 days following deployment.

Spouse Support:

Repeal the SBP-Dependency Indemnity Clause (DIC) offset for both AC and RC survivors.

NATIONAL GUARD & RESERVE EQUIPMENT & PERSONNEL ACCOUNTS

Key Issues Facing the Armed Forces Concerning Equipment

Procure the best quality equipment for fighting troops.

Ensure that the right quantity is funded to avoid shortfalls.

Make sure that new/renewed equipment reaches the warriors allowing them to: Fight, Train, Respond.

Reserve Component Equipping Sources

Funded Procurement.

National Guard and Reserve Appropriations (NGREA).

Supplemental.

The above are preferred means to equip. Tracking of appropriated or supplemental funds are difficult for DOD to track. Dollars targeted to the Reserve Component don't always reach where intended. As NGREA is controlled by each Reserve Component (RC) Chief, NGREA funding does provide an audit trail.

—Cascading of equipment from Active Component.

—Cross-leveling.

This type of equipment transfer provides some units with outmoded "hand me down" equipment. These are discredited processes that have failed in the past. Transfer of equipment downgrades readiness for some units to improve the readiness of other units.

—Depot maintenance and overhaul of equipment.

Most equipment being overhauled is combat damaged, or has fallen outside maintenance standards. Such equipment must be stripped down and rebuilt completely. The process is slow; almost as long as to build from scratch. Equipment is backlogged for units needing equipment for readiness. Costs are about 75 percent of replacement costs.

Resetting the Force

By resetting or reconstitution of the force, ROA means the process to restore people, aircraft and equipment to a high state of readiness following a period of higher-than-normal, or surge, operations.

Operations Iraqi Freedom and Enduring Freedom are consuming the Active and Reserve Component force's equipment. Wear and tear is at a rate many times higher then planned. Battle damage expends additional resources.

Many equipment items used in Southwest Asia are not receiving depot-level repair because equipment items are being retained in theater. The condition of equipment items in theater will likely continue to worsen and the equipment items will likely require more extensive repair or replacement when they eventually return to home stations.

In addition to dollars already spent to maintain this well-worn equipment for ongoing operations, the Armed Forces will likely incur large expenditures in the future to repair or replace (reset) a significant amount of equipment when hostilities cease. The services are currently funding their reset programs in large part through the use of supplemental appropriations.

Personnel

Training.—When Reserve Component personnel participate in an operation they are focused on the needs of the particular mission, which may not include everything required to maintain qualification status in their military occupation specialty (MOS, AFSC, NEC).

There are many different aspects of training that are affected:
—Skills that must be refreshed for specialty.
—Training needed for upgrade but delayed.
—Ancillary training missed.
—Professional military education needed to stay competitive.
—Professional continuing education requirements for single-managed career fields and other certified or licensed specialties required annually.
—Graduate education in business related areas to address force transformation and induce officer retention.

Loss.—There are particular challenges that occur to the force when a loss occurs during a mobilization or operation and depending on the specialty this can be a particularly critical requirement that must be met.
—Recruiting may require particular attention to enticing certain specialties or skills to fill critical billets.
—Minimum levels of training (84 days basic, plus specialty training).
—Retraining may be required due to force leveling as emphasis is shifted within the service to meet emerging requirements.

End Strength

ROA recommends a freeze on reductions to the Guard and Reserve manning levels. ROA urges this subcommittee to fund the following personnel levels.

	Amount
Army National Guard	351,300
Army Reserve	205,000
Navy Reserve	71,300
Marine Corps Reserve	39,600
Air National Guard	107,000
Air Force Reserve	74,900
Coast Guard Reserve	10,000

In a time of war and the highest OPTEMPO in recent history, it is wrong to make cuts to the end strength of the Reserve Components. The Commission on National Guard and Reserve will be examining Reserve Force Structure, and will make recommendations as to size in its report to the Congress in October 2007.

Readiness

As the committee understands, readiness is a product of many factors, including the quality of officers and enlisted, full staffing, extensive training and exercises, well-maintained weapons and authorized equipment, efficient procedures, and the capacity to operate at a fast tempo. The pace of wartime operations has a major impact on service members.

The Defense Department does not attempt to keep all active units at full wartime readiness. Units are rated at five different levels of readiness. Many are capable of meeting the bulk of wartime missions, where others can meet a major portion of the wartime tasking. The two lowest levels exist where units require resources and/or training to undertake wartime missions. The last group may require mission and resource changes and is not prepared to go to war.

The risk being taken by DOD by not resetting the returning Active and Reserve units is that their readiness may be reduced because of missing equipment, and without authorized equipment their training levels will deteriorate. Loss of the ability to train also hurts retention efforts.

UNFUNDED ARMY REQUIREMENTS

The Army National Guard and Army Reserve have made significant contributions to ongoing military operations, but equipment shortages and personnel challenges have increased and, if left unattended, may hamper the reserves' preparedness for future overseas and domestic missions.

To provide deployable units, the Army National Guard and the Army Reserve have transferred large quantities of personnel and equipment to deploying units, an approach that has resulted in growing shortages in nondeployed units. Also, reserve units have left significant quantities of equipment overseas and DOD has not yet developed plans to replace it.

The Department of Defense (DOD) faces the unprecedented challenge of sustaining large-scale, long-duration operations with an all-volunteer military force. In addition, DOD's homeland defense missions have taken on higher priority, and Na-

tional Guard forces have state responsibilities for homeland security activities as well as their traditional roles in responding to natural disasters.

The Army National Guard reports that its average units have about 40 percent of their required equipment, and the Army Reserve reports that its units have about half of the modern equipment they need to deploy.

Readiness challenges have occurred because the Army reserve components' role has shifted from a strategic reserve force to an operational force that is being used on an ongoing basis. However, DOD has not fully reassessed its equipment, personnel, and training needs and developed a new model for the Reserves appropriate to the new operational environment.

The Army is implementing an Army Force Generation (ARFORGEN) model through which reserve units' readiness will be increased as units move closer to eligibility for deployment. However, the Army has not fully determined the equipment, personnel, and training that units will require at each stage of the cycle or fully identified the resources to implement its plans. Funding of $1.6 billion for modularity through ARFORGEN is required.

Dual Use Equipment.—The tragedy in Greensburg, Kansas only highlights a problem faced by National Guard and Army Reserve units. Some Governors state that their disaster relief, following an emergency, is likely hampered because much of the equipment usually positioned around their states is in Iraq. Reserve Component units are being sent overseas with their equipment, but when they come home, the gear often stays in the war zones.

During a disaster, the capability to respond is measured by the availability of equipment.

Under DOD equipping plans, numerous items that are in the allowance from the Table of Organization and Equipment (T/O&E) have dual-use; intended for both overseas and homeland security purposes. These shortages could also adversely affect reserve units' ability to perform homeland defense missions and provide support to civil authorities in the event of natural disasters or terrorist attacks.

As of June of last year, Army National Guard units had left more than 64,000 pieces of equipment worth more than $1.2 billion overseas.

The Army Reserve has 14,000 items in need of inspection, repair and overhaul, and needs $742 million to replace stay behind equipment. Depot maintenance faces a $372 million shortfall.

Compatible Equipment.—Much of the Guard and Reserve do not have priority for the newest and most modern equipment. Much of the equipment is older and not compatible with the Active Army. While the substitute items may be adequate for training, this equipment must not be allowed in the theater of operation as they might not be compatible to other operating units, and may not sustain logistically.

75 percent of the Army Reserve's light medium trucks are not Modular Force compatible or deployable.

50 percent of the medium line haul tractors do not support single fleet policy and aren't integral to training and operational efficiency.

[In millions of dollars]

	Amount
Army Reserve Unfunded Modernization Vehicle Requirements—$1.826 Billion:	
Light-medium trucks (LMTV) 2.5 Ton Truck	425
Medium Tactical Vehicle (MTV) 5.0 Ton Truck	761
Truck Cargo PLS 10x10 M1075	106
PLS Trailer	25
High Mobility Multi-Purpose Wheeled Vehicle (HMMWV)	304
High Mobility Multi-Purpose Wheeled Vehicle, up-armored	133
Truck Tractors Line Haul (M915A3)	71
Army National Guard Top Equipment Shortfalls:	
HMMWV	1,610.6
Family of Medium Tactical Vehicles	5,198.1
High Terrain Vehicles—HEMTT/LHS/PLS	1,201.2
M916A3 Light Equipment Transporter	191.8
Tactical Trailers	137.9
M917A2 Dump Truck	67.4
CH–47F Chinook Helicopter	6,678.0
Communications Systems (JNN, SINCGARS, HF)	1,997.2
UAV Systems (Shadow, Raven)	270.0
Small Arms	248.8

AIR FORCE EQUIPMENT PRIORITIES

ROA continues to support military aircraft Multi-Year Procurement (MYP) for more C–17s and more C–130Js for USAF. The Air Force Reserve (AFR) mission is to be an integrated member of the Total Air Force to support mission requirements of the joint warfighter.

[In millions of dollars]

	Amount
Air Force Reserve Unfunded Requirements:	
C–5A Galaxy:	
Airlift Defensive System (ADS)	17.3
Large Aircraft Infrared Countermeasures (LAIRCM)	67.8
Structural Repairs (2) aircraft	22.0
C–130 Hercules:	
Large Aircraft Infrared Countermeasures (LAIRCM) C–130H	56.6
Large Aircraft Infrared Countermeasures (LAIRCM) C–130J	22.2
Secure Multi-Band Jam Resistant Radio AN/ARC–210	.8
C–17 Globemaster: Large Aircraft Infrared Countermeasures (LAIRCM)	41.8
F–16 Fighting Falcon: Secure Multi-Band Jam Resistant Radio AN/ARC–210	6.0
B–52H Stratofortress: Secure Multi-Band Jam Resistant Beyond Line of Sight Radio	1.3
Developing Airmen: Air National Guard/A.F. Reserve Test Center (AATC) support	1.4

Air Force Reserve needs $10 million in unfunded depot purchased equipment maintenance. Funding to support restoration and modernization of facilities is $89 million per year.

Air National Guard Unfunded Equipment Requirements

Priority 1 equipment requirements by the Air National Guard total $500 million. This includes medical, communications, logistics, transportation, explosive ordnance, civil support teams, maintenance, security, and aviation requirements. Some examples are:

[In millions of dollars]

	Amount
Cell phone Restoral Small SATCOM for data and voice, first response	10.0
Expeditionary Medical System (EMEDS) purchases	24.2
SF Individual body armor (IBA) Helmets	1.7
Night Vision equipment (PVS–14), security	5.0
HH–60 Panoramic Night Vision Systems	1.3
HC/MC 130 Multi Function Color Display	2.7
EC–130J Commando Solo conversion	1.0
C–130 Virtual Electronic Combat System (VECTS) trainer	1.0
F–15 IC Central Computer (VCC+) upgrade	1.0
Advanced Targeting Pods	5.2
Helmet Mounted Cueing System (HMCS)	1.0
Virtual Threat Recognition and Avoidance Trainer	1.0
Senior Scout MCT	1.0
C–40 C (Boeing 737)	85.0

NAVY RESERVE EQUIPMENT PRIORITIES

The Active Reserve Integration (ARI) aligns Active Component and Reserve Component units to achieve unity of command. Naval Reservists are aligned and fully integrated into their AC supported commands. Little distinction is drawn between AC and RC equipment. Some unique missions remain that need support.

C–40 A Combo cargo/passenger Airlift (4)—$330.0 million.

—The Navy requires a Navy Unique Fleet Essential Airlift Replacement Aircraft. This aircraft was designated as the C–40A and needs to replace the aging C–9 fleet. The maximum range for the C–40A is approximately 1,500 miles more than the C–9.

—The C–40A will accommodate 121 passengers, or eight pallets of cargo, or a combination configuration consisting of 3 pallets and 70 passengers. The C–40A is able to carry 121 passengers or 40,000 pounds of cargo, compared with 90 passengers or 30,000 pounds for the C–9. In addition, the maximum range for the Clipper is approximately 1,500 miles more than the C–9. The Navy has a

fleet 21 aging C–9; the Marine Corps has two C–9 aircraft. The Navy has ordered nine C–40A's, seven of which were Congressional add-ons.

Civil Engineering Support Equipment, Tactical Vehicles, Communications Equipment and other Table of Allowance items supporting—$38.0 million.

—Naval Coastal Warfare (NCW) Units

—Explosive Ordnance Disposal (EOD) Units

—Naval Construction Forces (NCF)

—Navy Equipment Logistics Support Groups (ELSG)

C–130, C–9, and C–40A upgrades and spare equipment—$69.7 million.

MARINE CORPS RESERVE EQUIPMENT PRIORITIES

The Marine Corps Reserve faces two primary equipping challenges, supporting and sustaining its forward deployed forces in the Global War On Terrorism while simultaneous resetting and modernizing the Force to prepare for future challenges. Only by equally equipping and maintaining both the Active and Reserve forces an integrated Total Force will be seamless.

Priorities to support and sustain USMCR forces:

Obtain latest generation of Individual Combat and Protective Equipment including: M4 rifles, Rifle Combat Optic (RCO) scopes, Helmet pad systems, Small Arms Protective Insert (SAPI) plates, and Night Vision Goggles.

Simulation Training Devises.

Adequate funding to Operation and Maintenance accounts to sustain training and Predeployment operations.

Priorities to reset and modernize USMCR forces:

Procure principal end-items necessary to reestablish Training Allowance to conduct home training.

Equip two new Light Armored Reconnaissance Companies.

Procure satellite/long-haul communication equipment shortfalls.

Update legacy aircraft.

Deployed unit equipment readiness rates remain high (95 percent). Ground equipment mission readiness rates for non-deployed Marine Forces Reserve Units average 85 percent based on Training Allowance. Reduced readiness results from shortages in home station Training Allowance. There is approximately a 10 percent readiness shortfall across the Force for most equipment.

Restoration and Modernization (R&M) funding continues to be a challenge for the USMCR, due to its $16.5 million backlog across the Future Years Defense Plan (FYDP) and an overall backlog of $52.6 million. More than 50 percent of USMC Reserve Centers are over 40 years old and 35 percent over 50 years old.

NATIONAL GUARD AND RESERVE EQUIPMENT APPROPRIATION

Prior to 1997, the National Guard and Reserve Equipment Appropriation was a critical resource to ensure adequate funding for new equipment for the Reserve Components. The much-needed items not funded by the respective service budget were frequently purchased through this appropriation. In some cases it was used to bring unit equipment readiness to a needed state for mobilization.

With the war, the Reserve and Guard are faced with mounting challenges on how to replace worn out equipment, equipment lost due to combat operations, legacy equipment that is becoming irrelevant or obsolete, and in general replacing that which is gone or aging through normal wear and tear. The Reserve Components would benefit greatly from a National Military Resource Strategy that includes a National Guard and Reserve Equipment Appropriation.

To optimize the readiness of the Guard and Reserve it is also imperative to maintain separate Reserve funds from the Active duty.

ROA LAW CENTER

The Reserve Officers Association's recommends the development of a Servicemembers Law Center, tasked to advise Active and Reserve servicemembers who have been subject to legal problems that occur during deployment.

Justification.—Recruiting of prior service members into the Reserve Component is on the decline because service members leaving active duty fear ramification of ongoing deployments on new civilian careers. A legal center would help:

—*Recruit*.—Encourage new members to join the Guard and Reserve by providing a non-affiliation service to educate prior service members about USERRA and SCRA protections.

—*Retain*.—Work with Active and Reserve Component members to counsel about Former Spouses Protection Act, USERRA and SCRA for the recently deployed facing legal problems.

Law Center's Services

Counseling.—Review cases, and advise individuals and their lawyers as to legitimacy of actions taken against deployed active and reserve component members.

Referral.—Provide names of attorneys within a region that have successfully taken up USFSPA, USERRA and SCRA issues.

Promote.—Publish articles encouraging law firms and lawyers to represent service members in USFSPA, USERRA and SCRA cases.

Advise.—File Amicus Curiae, "friend of the court" briefs on servicemember protection cases.

Educate.—Quarterly seminars to educate attorneys a better understanding of USFSPA, USERRA and SCRA.

ROA could incorporate the legal center into the newly remodeled ROA Minuteman Memorial building. ROA would set-aside office spaces. ROA's Defense Education Fund would hire an initial staff of one lawyer, and one administrative law clerk to man the Servicemembers Law Center to counsel individuals and their legal representatives.

Anticipated startup cost, first year: $750,000.

CIOR/CIOMR FUNDING REQUEST

The Interallied Confederation of Reserve Officers (CIOR) was founded in 1948, and its affiliate organization, The Interallied Confederation of Medical Reserve Officers (CIOMR) was founded in 1947. The organization is a nonpolitical, independent confederation of national reserve associations of 16 signatory countries of the North Atlantic Treaty Organization (NATO), representing over 800,000 reserve officers.

CIOR supports four programs to improve professional development and international understanding. Dues do not cover these programs and individual countries help fund the events. The Department of the Army as Executive Agent hasn't been funding these programs.

Military Competition.—The CIOR Military Competition is a strenuous three day contest on warfighting skills among Reserve Officers teams from member countries. These contests emphasize military activities relevant to the multinational aspects of current and future Alliance operations.

Language Academy.—The two official languages of NATO are English and French. As a non-government body, operating on a limited budget, the Academy offers intensive courses in English and French and affords national junior officer members the opportunity to become fluent in a second language.

Partnership for Peace (PfP).—Established in 1994 with the focus of assisting NATO PfP nations develop reserve officer and enlisted organizations according to democratic principles. CIOR's PfP Committee supports the advancement of a balanced civil-military leadership. CIOR PfP Committee also assists participating countries in the Military Competition.

Young Reserve Officers Workshops are arranged annually by the NATO International Staff (IS). Selected issues are assigned to joint seminars through the CIOR Defense and Security Issues (SECDEF) Commission, allowing junior grade officers to analyze Reserve concerns relevant to NATO in a combined environment.

CONCLUSION

DOD is in the middle of executing a war and operations in Iraq are directly associated with this effort. The impact of the war is affecting the very nature of the Guard and Reserve, not just the execution of Roles and Missions. Without adequate funding, the Guard and Reserve may be viewed as a source to provide funds to the Active Component. It makes sense to fully fund the most cost efficient components of the Total Force, its Reserve Components.

At a time of war, we are expending the smallest percentage of GDP in history on National Defense. Funding now reflects about 3.9 percent of GDP. ROA has a resolution urging that defense spending should be 5 percent to cover both the war and Homeland Security. While these are big dollars, the President and Congress must understand that this type of investment is what it will take to equip, train and maintain an all-volunteer force for adequate National Security.

The Reserve Officers Association, again, would like to thank the subcommittee for the opportunity to present our testimony. We are looking forward to working with you, and supporting your efforts in any way that we can.

Senator INOUYE. Our next witness is Captain Marshall Hanson, of the United States Naval Reserve, Co-Director of the National Military and Veterans Alliance.

STATEMENT OF CAPTAIN MARSHALL HANSON, UNITED STATES NAVY (RETIRED), CO-DIRECTOR, NATIONAL MILITARY AND VETERANS ALLIANCE

Captain MARSHALL. Mr. Chairman, Senator Stevens, the National Military and Veterans Alliance (NMVA) is very grateful for the invitation to testify to you about our views and suggestions concerning defense funding and issues.

The NMVA is made up of 30 associations of serving members, veterans, families and survivors, that represent 3.5 million members. The alliance supports a strong national defense.

While the NMVA recognizes that the subcommittee is working under budget restraints, the alliance urges the President and Congress to increase defense spending to 5 percent of the Gross Domestic Product during times of war to cover procurement, and prevent unnecessary personnel end-strength cuts.

Further, the NMVA supports funding increases in support of the end-strength boost on the Active duty component to the Army and Marine Corps that has been recommended by defense authorizers. Current Army policy has changed a deployment from 12 to 15 months, a larger force will help our young warriors have the ability to stay longer at home in between these deployments.

Recruiting and retention is paramount in the global war on terrorism, and today's youth will be judging how our veterans of today's wars are treated. So, the NMVA supports bonuses and incentives to encourage people to join.

One program that we would like the subcommittee to support, is a Guard recruiting program, where a Guardsman is paid $1,000 referring a new member to a recruiter, and then paid another $1,000 if that individual goes to basic training. We think this is a very successful program, the Guard are very excited to be able to do their own recruiting, it's helped the Guard get the end numbers, and we'd like to see this program extended and funded to the rest of the Federal Reserve component.

The last point that I want to touch upon, deals with the survivor benefit plan (SBP), and dependency and indemnity compensation (DIC) offset. Our widows of members who are killed in the line of service are still being penalized, and this offset is basically taking SBP funds away from them that their warrior purchases an annuity, because it's being displaced by the DIC payment.

The alliance supports Senator Nelson's bill which would offset, and eliminate this injustice. But, if funding tends to be restricted, the alliance is also open to a phased-in implementation of a SBP/DIC offset that has been suggested in the House Armed Services Committee.

The alliance thanks the subcommittee for our opportunity to testify before you. You continue to be leaders in the area of advocacy for Defense, and we applaud your nonpartisan approach that you take to these important issues.

And, we stand by for any questions, or any way we can help the subcommittee.

Senator INOUYE. As you well know, Senator Stevens and I are the few remaining combat veterans of World War II, and as such, we appreciate your words. We'll do our very best.

Captain MARSHALL. Thank you, sir.

Senator INOUYE. Thank you, sir.

Senator STEVENS. Senator, can I ask—how many members are part of your association?

Captain MARSHALL. My association—I represent the National Military and Veterans Alliance, and we represent 3.5 million members who belong to the 30 associations that make up the alliance.

Senator STEVENS. And what's their age bracket?

Captain MARSHALL. Excuse me, sir?

Senator STEVENS. What is their age bracket?

Captain MARSHALL. The age bracket goes from, from everywhere from age 18, to new recruits, all the way up to retirees that are veterans of World War II.

Senator STEVENS. Thank you, thank you.

Senator INOUYE. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF CAPTAIN MARSHALL HANSON

NATIONAL MILITARY AND VETERANS ALLIANCE

The Alliance was founded in 1996 as an umbrella organization to be utilized by the various military and veteran associations as a means to work together towards their common goals. The Alliance member organizations are: American Logistics Association; American Military Retirees Association; American Military Society; American Retirees Association; American World War II Orphans Network; AMVETS (American Veterans); Armed Forces Marketing Council; Catholic War Veterans; Gold Star Wives of America, Inc.; Japanese American Veterans Association; Korean War Veterans Foundation; Legion of Valor; Military Order of the Purple Heart; Military Order of the World Wars; Military Order of Foreign Wars; National Assoc. for Uniformed Services; National Gulf War Resource Center; Naval Enlisted Reserve Association; Naval Reserve Association; Paralyzed Veterans of America; Reserve Enlisted Association; Reserve Officers Association; Society of Military Widows; The Retired Enlisted Association; TREA Senior Citizens League; Tragedy Assist. Program for Survivors; Uniformed Services Disabled Retirees; Veterans of Foreign Wars; Vietnam Veterans of America; Women in Search of Equity.

These organizations have over three and a half million members who are serving our nation or who have done so in the past, and their families.

INTRODUCTION

Mister Chairman and distinguished members of the Committee, the National Military and Veterans Alliance (NMVA) is very grateful for the invitation to testify before you about our views and suggestions concerning defense funding issues. The overall goal of the National Military and Veterans Alliance is a strong National Defense. In light of this overall objective, we would request that the committee examine the following proposals.

While the NMVA highlights the funding of benefits, we do this because it supports National Defense. A phrase often quoted "The willingness with which our young people are likely to serve in any war, no matter how justified, shall be directly proportional as to how they perceive the Veterans of earlier wars were treated and appreciated by their country," has been frequently attributed to General George Washington. Yet today, many of the programs that have been viewed as being veteran or retiree are viable programs for the young veterans of this war. This phrase can now read "The willingness with which our young people, today, are willing to serve in this war is how they perceive the veterans of this war are being treated."

This has been brought to the forefront by how quickly an issue such as the treatment of wounded warriors can be brought to the national attention.

In a long war, recruiting and retention becomes paramount. The National Military and Veterans Alliance, through this testimony, hopes to address funding issues that apply to the veterans of various generations.

FUNDING NATIONAL DEFENSE

NMVA is pleased to observe that this year; the Congress is discussing how much should be spent on National Defense. The Alliance urges the President and Congress to increase defense spending to 5 percent of Gross Domestic Product during times of war to cover procurement and prevent unnecessary personnel end strength cuts. In addition, while the debate on Iraqi policy is important, the Alliance would like to stress that resulting legislation should be independent and not included as language in Defense Appropriation bill. Supporting the troops includes providing funding for their missions.

PAY AND COMPENSATION

Our serving members are patriots willing to accept peril and sacrifice to defend the values of this country. All they ask for is fair recompense for their actions. At a time of war, compensation rarely offsets the risks.

The NMVA requests funding so that the annual enlisted military pay raise equals or exceeds the Employment Cost Index (ECI).

Further, we hope that this committee continues to support targeted pay raises for those mid-grade members who have increased responsibility in relation to the overall service mission. Pay raises need to be sufficient to close the civilian-military pay gap.

NMVA would apply the same allowance standards to both Active and Reserve when it comes to Aviation Career Incentive Pay, Career Enlisted Flyers Incentive Pay, Diving Special Duty Pay, Hazardous Duty Incentive Pay and other special pays.

The Service chiefs have admitted one of the biggest retention challenges is to recruit and retain medical professionals. NMVA urges the inclusion of bonus/cash payments (Incentive Specialty pay IPS) into the calculations of Retirement Pay for military health care providers. NMVA has received feedback that this would be incentive to many medical professionals to stay in longer.

FORCE POLICY AND STRUCTURE

End Strength

The NMVA supports funding increases in support of the end strength boosts of the Active Duty Component of the Army and Marine Corps that have been recommended by Defense Authorizers. New recruits need to be found and trained now to start the process so that American taxpayer can get a return on this investment. Such growth is not instantaneously productive.

The NMVA would like to also put a freeze on reductions to the Guard and Reserve manning levels. With the Commission on the Guard and Reserve now active, it makes sense to put a moratorium on reductions to End Strength until after they report back to Congress with recommendations. NMVA urges this subcommittee to at least fund to last year's levels.

SURVIVOR BENEFIT PLAN (SBP) AND SURVIVOR IMPROVEMENTS

The Alliance wishes to deeply thank this Subcommittee for your funding of improvements in the myriad of survivor programs.

However, there are still two remaining issues to deal with to make SBP the program Congress always intended it to be: Ending the SBP/DIC offset and moving up the effective date for paid up SBP to October 1, 2006.

SBP/DIC Offset affects several groups. The first is the family of a retired member of the uniformed services. At this time the SBP annuity the servicemember has paid for is offset dollar for dollar for the DIC survivor benefits paid through the VA. This puts a disabled retiree in a very unfortunate position. If the servicemember is leaving the service disabled it is only wise to enroll in the Survivor Benefit Plan (perhaps being uninsurable in the private sector). If death is service connected then the survivor loses dollar for dollar the compensation received under DIC.

SBP is a purchased annuity, available as an elected earned employee benefit. The program provides a guaranteed income payable to survivors of retired military upon the member's death. Dependency and Indemnity Compensation (DIC) is an indemnity program to compensate a family for the loss of a loved one due to a service connected death. They are different programs created to fulfill different purposes and needs.

A second group affected by this dollar for dollar offset is made up of families whose service member died on active duty. Recently Congress created active duty SBP. These service members never had the chance to pay into the SBP program. But clearly Congress intended to give these families a benefit. With the present off-

set in place the vast majority of families receive NO benefit from this new program, because the vast numbers of our losses are young men or women in the lower paying ranks. SBP is completely offset by DIC payments.

Other affected families are service members who have already served a substantial time in the military. Their surviving spouse is left in a worse financial position that a younger widow. The older widows will normally not be receiving benefits for her children from either Social Security or the VA and will normally have more substantial financial obligations (mortgages etc). This spouse is very dependent on the SBP and DIC payments and should be able to receive both.

Thirty Year Paid-Up SBP.—In the fiscal year 1999 Defense Authorization Act Congress created a simple and fair paid up provision for the Survivor Benefit Plan. A member who had paid into the program for 30 years and reached the age of 70 could stop paying premiums and still have the full protection of the plan for his or her spouse. Except that the effective date of this provision is October 1, 2008. Many have been paying for as long as 34 years.

The NMVA respectfully requests this Subcommittee fund the SBP/DIC offset and 30 year paid-up SBP if authorized.

CURRENT AND FUTURE ISSUES FACING UNIFORMED SERVICES HEALTH CARE

The National Military and Veterans Alliance must once again thank this Committee for the great strides that have been made over the last few years to improve the health care provided to the active duty members, their families, survivors and Medicare eligible retirees of all the Uniformed Services. The improvements have been historic. TRICARE for Life and the Senior Pharmacy Program have enormously improved the life and health of Medicare Eligible Military Retirees their families and survivors. It has been a very successful few years. Yet there are still many serious problems to be addressed:

Wounded Warrior Programs

As the committee is aware, Congress has held a number of hearings about the controversy at Walter Reed Army Medical Center. The NMVA will not revisit the specifics. With the Independent Review Group and the Dole/Shalala Commission recommending the closure of Walter Reed, an emphasis needs to be placed on the urgency of upgrades at Bethesda, and the new military treatment hospital at Fort Belvoir.

The Alliance does support funding for the wounded warriors, including monies for research and treatment on Traumatic Brain Injuries (TBI), Post Traumatic Stress Disorder, the blinded, and our amputees. The nation owes these heroes an everlasting gratitude and recompense that extends beyond their time in the military. These casualties only bring a heightened need for a DOD/VA electronic health record accord to permit a seamless transition from being in the military to being a civilian.

Full Funding for the Defense Health Program

The Alliance applauds the Subcommittee's role in providing adequate funding for the Defense Health Program (DHP) in the past several budget cycles. As the cost of health care has risen throughout the country, you have provided adequate increases to the DHP to keep pace.

Full funding for the defense health program is a top priority for the NMVA. With the additional costs that have come with the deployments to Southwest Asia, Afghanistan and Iraq, we must all stay vigilant against future budgetary shortfalls that would damage the quality and availability of health care.

With the authorizers having postponed the Department of Defenses suggested fee increases, the Alliance is concerned that the budget saving have already been adjusted out of the President's proposed budget. NMVA is confident that this subcommittee will continue to fund the DHP so that there will be no budget shortfalls.

The National Military and Veterans Alliance urges the Subcommittee to continue to ensure full funding for the Defense Health Program including the full costs of all new programs.

TRICARE Pharmacy Programs

DOD's rationalize for suggesting pharmacy fee increase as it costs the government twice as much for a drug through the TRICARE Retail Pharmacy program (TRRx) than it does for the same drug through the TRICARE Mail Order Pharmacy Program (TMOP). DOD believes the rise in the TRRx co-payments will increase revenue and force beneficiaries migrate to the TMOP program, where the costs for their prescriptions are lower.

NMVA may understand the motives for this change, but has concerns about how it is being implemented. Often times the retail pharmacy network is the only source to immediately fill a prescription, as many pharmacy beneficiaries are unable to go to a military clinic for the initial prescription. To truly motivate beneficiaries to a shift from retail to mail order adjustments need to be made to both generic and brand name drugs co-payments.

Ideally, the NMVA would like to see the reduction in mail order co-payments without an increase in co-payments for Retail Pharmacy, but NMVA suggests that if pharmacy co-payments are adjusted that: (1) the higher retail pharmacy co-payments not apply on an initial prescription, but on refills of a serial maintenance prescription, and (2) if co-payments must be raised on retail pharmacy, that both generic and brand name mail order prescriptions be reduced to zero dollar co-payments.

The National Military and Veterans Alliance urges the Subcommittee to adequate fund adjustments to co-payments in support of recommendations from Defense Authorizers.

TRICARE Standard Improvements

TRICARE Standard grows in importance with every year that the Global War on Terrorism continues. A growing population of mobilized and demobilized Reservists depends upon TRICARE Standard. A growing number of younger retirees are more mobile than those of the past, and likely to live outside the TRICARE Prime network.

An ongoing challenge for TRICARE Standard involves creating initiatives to convince health care providers to accept TRICARE Standard patients. Health care providers are dissatisfied with TRICARE reimbursement rates that are tied to Medicare reimbursement levels. The Alliance was pleased and relieved by the Administration's and Congress' recent corrections and improvements in Medicare reimbursement rates, which helped the TRICARE Program.

Yet this is not enough. TRICARE Standard is hobbled with a reputation and history of low and slow payments as well as what still seems like complicated procedures and administrative forms that make it harder and harder for beneficiaries to find health care providers that will accept TRICARE. Any improvements in the rates paid for Medicare/TRICARE should be a great help in this area. Additionally, any further steps to simplify the administrative burdens and complications for health care providers for TRICARE beneficiaries hopefully will increase the number of available providers.

The Alliance asks the Defense Subcommittee to include language encouraging continued increases in TRICARE/Medicare reimbursement rates.

TRICARE Retiree Dental Plan (TRDP)

The focus of the TRICARE Retiree Dental Plan (TRDP) is to maintain the dental health of Uniformed Services retirees and their family members. Several years ago we saw the need to modify the TRDP legislation to allow the Department of Defense to include some dental procedures that had previously not been covered by the program to achieve equity with the active duty plan.

With ever increasing premium costs, NMVA feels that the Department should assist retirees in maintaining their dental health by providing a government cost-share for the retiree dental plan. With many retirees and their families on a fixed income, an effort should be made to help ease the financial burden on this population and promote a seamless transition from the active duty dental plan to the retiree dental plan in cost structure. Additionally, we hope the Congress will enlarge the retiree dental plan to include retired beneficiaries who live overseas.

The NMVA would appreciate this Committee's consideration of both proposals.

NATIONAL GUARD AND RESERVE HEALTH CARE

Funding Improved TRICARE Reserve Select

It is being suggested that the TRICARE Reserve Select healthcare plan be changed to allow the majority of Selected Reserve participate at a 28 percent co-payment level with the balance of the premium being paid by the Department of Defense.

NMVA asks the committee to continue to support funding of the revised TRICARE Reserve Select program.

Mobilized Health Care—Dental Readiness of Reservists

The number one problem faced by Reservists being recalled has been dental readiness. A model for healthcare would be the TRICARE Dental Program, which offers

subsidized dental coverage for Selected Reservists and self-insurance for SELRES families.

In an ideal world this would be universal dental coverage. Reality is that the services are facing challenges. Premium increases to the individual Reservist have caused some junior members to forgo coverage. Dental readiness has dropped. The Military services are trying to determine how best to motivate their Reserve Component members but feel compromised by mandating a premium program if Reservists must pay a portion of it.

Services have been authorized to provide dental treatment as well as examination, but without funding to support this service. By the time many Guard and Reserve are mobilized, their schedule is so short fused that the processing dentists don't have time for extensive repair.

The National Military Veterans Alliance supports funding for utilization of Guard and Reserve Dentists to examine and treat Guardsmen and Reservists who have substandard dental hygiene. The TRICARE Dental Program should be continued, because the Alliance believes it has pulled up overall Dental Readiness.

Demobilized Dental Care

Under the revised transitional healthcare benefit plan, Guard and Reserve who were ordered to active duty for more than 30 days in support of a contingency and have 180 days of transition health care following their period of active service.

Similar coverage is not provided for dental restoration. Dental hygiene is not a priority on the battlefield, and many Reserve and Guard are being discharged with dental readiness levels much lower than when they were first recalled. At a minimum, DOD must restore the dental state to an acceptable level that would be ready for mobilization, or provide some subsidize for 180 days to permit restoration from a civilian source.

Current policy is a 30 day window with dental care being space available at a priority less than active duty families.

NMVA asks the committee for funding to support a DOD's demobilization dental care program. Additional funds should be appropriated to cover the cost of TRICARE Dental premiums and co-payment for the six months following demobilization if DOD is unable to do the restoration.

OTHER RESERVE/GUARD ISSUES

MGIB–SR Enhancements

Practically all active duty and Selected Reserve enlisted accessions have a high school diploma or equivalent. A college degree is the basic prerequisite for service as a commissioned officer, and is now expected of must enlisted as they advance beyond E–6.

Officers to promote above O–4 are expected to have a post graduate degree.

This makes the Montgomery G.I. Bill for Selective Reserves (MGIB–SR) an important recruiting and retention tool. With massive troop rotations the Reserve forces can expect to have retention shortfalls, unless the government provides incentives such as a college education.

Education is not only a quality of life issue or a recruiting/retention issue it is also a readiness issue. Education a Reservist receives enhances their careers and usefulness to the military. The ever-growing complexity of weapons systems and support equipment requires a force with far higher education and aptitude than in previous years.

The problem with the current MGIB–SR is that the Selected Reserve MGIB has failed to maintain a creditable rate of benefits with those authorized in Title 38, Chapter 30. MGIB–SR has not even been increased by cost-of-living increases since 1985. In that year MGIB rates were established at 47 percent of active duty benefits. The MGIB–SR rate is 28 percent of the Chapter 30 benefits. Overall the allowance has inched up by only 7 percent since its inception, as the cost of education has climbed significantly.

The NMVA requests appropriations funding to raise the MGIB–SR and lock the rate at 50 percent of the active duty benefit. Cost: $25 million/first year, $1.4 billion over ten.

Bonuses

Guard and Reserve component members may be eligible for one of three bonuses, Prior Enlistment Bonus, Reenlistment Bonus and Reserve Affiliation Bonuses for Prior Service Personnel. These bonuses are used to keep men and woman in mission critical military occupational specialties (MOS) that are experiencing falling numbers or are difficult to fill. During their testimony before this committee the reserve chiefs addressed the positive impact that bonuses have upon retention. This point

cannot be understated. The operation tempo, financial stress and civilian competition for jobs make bonuses a necessary tool for the DOD to fill essential positions. Though the current bonus program is useful there is a change that needs to be addressed to increase effectiveness.

The National Guard has been quite successful with a referral program, where National Guard members are paid $1,000 for referring an individual to join the Guard. Another $1,000 is paid if that individual makes it into basic training. This has proved quite successful in the Army National Guard attaining its end strength of 350,000.

The NMVA supports expanding and funding the referral program to the federal Reserve Components.

Reserve/Guard Funding

We are concerned about ongoing DOD initiatives to end "two days pay for one days work," and replace it with a plan to provide 1/30 of a Month's pay model, which would include both pay and allowances. Even with allowances, pay would be less than the current system. When concerns were addressed about this proposal, a retention bonus was the suggested solution to keep pay at the current levels. Allowances differ between individuals and can be affected by commute distances and even zip codes. Certain allowances that are unlikely to be paid uniformly include geographic differences, housing variables, tuition assistance, travel, and adjustments to compensate for missing health care.

The NMVA strongly recommends that the reserve pay system "two days pay for one days work," be funded and retained, as is.

Ensure adequate funding to equip Guard and Reserve at a level that allows them to carry out their mission. Do not turn these crucial assets over to the active duty force. In the same vein we ask that the Congress ensure adequate funding that allows a Guardsman/Reservist to complete 48 drills, and 15 annual training days per member, per year. DOD has been tempted to expend some of these funds on active duty support rather than personnel readiness.

The NMVA strongly recommends that Reserve Program funding remain at sufficient levels to adequately train, equip and support the robust reserve force that has been so critical and successful during our Nation's recent major conflicts.

ARMED FORCES RETIREMENT HOMES

Following Hurricane Katrina, Navy/Marine Corps residents from AFRJ-Gulfport were evacuated from the hurricane-devastated campus and were moved to the AFRH-Washington D.C. campus. Dormitories were reopened that are in need of refurbishing.

NMVA urges this subcommittee to fund upgrades to the Washington D.C. facility, and also provide funding to rebuild the Gulfport facility.

CONCLUSION

Mr. Chairman and distinguished members of the Subcommittee the Alliance again wishes to emphasize that we are grateful for and delighted with the large steps forward that the Congress has affected the last few years. We are aware of the continuing concern all of the subcommittee's members have shown for the health and welfare of our service personnel and their families. Therefore, we hope that this subcommittee can further advance these suggestions in this committee or in other positions that the members hold. We are very grateful for the opportunity to submit these issues of crucial concern to our collective memberships. Thank you.

Senator INOUYE. Our next witness is Mr. Seth Benge, Legislative Director, Associations for America's Defense. Welcome, sir.

STATEMENT OF SETH BENGE, DIRECTOR OF LEGISLATION, RESERVE ENLISTED ASSOCIATION ON BEHALF OF THE ASSOCIATIONS FOR AMERICA'S DEFENSE

Mr. BENGE. Senator Inouye, Senator Stevens, thank you for having me here on behalf of the Associations for America's Defense, or A4AD, to share our concerns about equipment.

My name is Seth Benge, I'm a Legislative Director for the Reserve Enlisted Association. As a sergeant in the Marine Corps Reserve, I was deployed in 2007 to Iraq, currently I'm an officer candidate for the Pennsylvania Army National Guard.

A4AD looks at national defense, equipment, force structure, policy issues not normally addressed by the military support community. We would like to thank the subcommittee for their ongoing stewardship on issues of defense.

First I am going to speak about Guard and Reserve equipment. With the new Department of Defense policy on deployment cycles, it has become even more important that equipment get to the various individual Reserve units. In addition to the premode training, and the ability to respond to a domestic emergency or terrorist attack, also has been hampered by equipment shortfalls.

As always, our military will do everything to accomplish these missions, but response time is measured by equipment readiness. More money put into re-equipping the Guard and Reserve is needed, but funding through the services has not been effective, because most of it lacks the kind of oversight needed.

One source of funding—the National Guard and Reserve equipment appropriations—would solve this problem. The NGREA gives the Reserve chiefs and Congress the control needed to track equipment funds. A4AD would like to see the National Guard and Reserve equipment appropriations funded at higher rates.

In the current supplemental, it has been proposed that $1 billion be added to the NGREA. Our industrial base requires large lead-times to produce needed equipment. Using the supplemental to fund NGREA causes delays in getting equipment to the Reserve units. This year, the money needed for the Guard and Reserve equipment should go directly into the National Guard and Reserve equipment appropriations in the regular budget cycle.

Our current experiences have taught us that the Guard and Reserve are needed to engage in almost any conflict. It also taught us that we need to make some changes to the way we equip the Reserve components. Now is the time to get the process right.

Next year, two programs that directly benefit both Active, and Reserve troops in the field. The Soldier Enhancement Program, and the similar Marine Enhancement Program, provides the capability for innovative, fast and flexible equipping of servicemen and women. Through these programs, the military has made advancements to individual protection, and to our soldiers and marines lethality. Everything from weapons optics, to uniforms, to ration to body armor have been developed through this system. This year, the Soldier Enhancement Program has an unfunded requirement of $18.8 million.

Finally, the joint improvised explosive device defeat fund is a program that develops not only the equipment to defeat IEDs, but also the tactics, techniques, and procedures. This fund is essential to react to an adaptive enemy, and should be fully funded, along with covering the unfunded requirement of $152.9 million in current counter-IED devices.

Thank you, again, for this opportunity to testify before the subcommittee. Included in our written testimony is a list of unfunded equipment.

Senator INOUYE. Thank you very much, Mr. Benge.

Senator STEVENS. No, you're right, we're working on it, that's for sure.

We are working very hard on that, on the subjects you discussed.

Mr. BENGE. Yes, sir, I appreciate that. And so do our, my fellow soldiers. We all appreciate your hard work.

[The statement follows:]

PREPARED STATEMENT OF SETH ALLAN BENGE

ASSOCIATIONS FOR AMERICA'S DEFENSE

Founded in January of 2002, the Association for America's Defense is an adhoc group of Military and Veteran Associations that have concerns about National Security issues that are not normally addressed by The Military Coalition (TMC), and the National Military Veterans Alliance (NMVA). The participants are members from each. Among the issues that are addressed are equipment, end strength, force structure, and defense policy.

Participating Associations

Air Force Association
Enlisted Association National Guard of the United States
Marine Corps Reserve Association
Military Order of World Wars
National Association for Uniformed Services
Naval Enlisted Reserve Association
Navy League of the United States
Naval Reserve Association
Reserve Enlisted Association
Reserve Officers Association
The Retired Enlisted Association

INTRODUCTION

Mister Chairman and distinguished members of the Committee, the Associations for America's Defense (A4AD) are very grateful for the invitation to testify before you about our views and suggestions concerning current and future issues facing the defense appropriations.

The Association for America's Defense is an adhoc group of eleven military and veteran associations that have concerns about national security issues that are not normally addressed by either The Military Coalition, or the National Military and Veterans Alliance. Among the issues that are addressed are equipment, end strength, force structure, and defense policy.

A4AD, also, cooperatively works with other associations, who provide input while not including their association name to the membership roster.

CURRENT VERSUS FUTURE; ISSUES FACING DEFENSE

The Associations for America's Defense would like to thank this subcommittee for the on-going stewardship that it has demonstrated on issues of Defense. At a time of war, its pro-defense and non-partisan leadership continues to set the example.

Your committee faces numerous issues and decisions. You are challenged at weighing people against technology, and where to invest dollars. Multi-generations of weapons are being touted, forcing a competition for limited budgetary resources.

Members of A4AD group are concerned that hasty recommendations about U.S. Defense policy could place national security at risk. Careful study is needed to make the right choice. A4AD is pleased that Congress and this subcommittee continue oversight in these decisions.

In recent years the military has been recreated to fight a new kind of warfare. Great strides have been made in providing the right equipment to the right people at the right time and in the tactics that are employed. There is still more to be done though and it is essential to incorporate the lessons learned from the campaigns in Iraq and Afghanistan into our current and future decisions.

Rapid Fielding Initiative

When the Army first moved into Afghanistan in 2002, years of anemic funding for troop equipment sent many deploying Soldiers shopping for their own hydration systems, navigation tools, and other gear, and forced units to scrounge for optics and tripods. Then, a program called the Rapid Fielding Initiative (RFI), developed under Program Executive Office (PEO) Soldier, overhauled the Army's acquisition process to get effective equipment quickly into the hands of Soldiers in theater.

Now, with the drumbeat of the Army Force Generation (ARFORGEN) deployment rhythm gaining momentum across the operating Army, senior Army planners decided in November to align their innovative soldier-equipping program to synchronize with ARFORGEN. That directive formally moves the priority of RFI to ensure that all units preparing to deploy, Active and Reserve Component alike, receive the program's 58 items of basic gear before heading out. RFI's previous focus ex-

tended across the entire operating Army, including some forces not on a deployment roster.

It appears that the Army will complete its original RFI mission of providing enhanced Soldier capabilities to the operating Army by the end of fiscal year 2007, but Soldier equipment requirements continue beyond that. In addition equipment will continue to be upgraded, new equipment will continue to be developed and there will be a need to get this in the hands of our servicemen and women.

The spending surge of RFI has been possible only because of supplemental Global War on Terrorism (GWOT) funding. The lessons learned on how to produce and field essential equipment at an accelerated rate need to be institutionalized. The military cannot afford to loose the knowledge on how to be flexible and agile when equipping soldiers. If the goal of the Department of Defense is to make deployments predictable, then issuing the equipment and other requirements to support the model should be predictable, too.

To ensure predictable and quantifiable funding, future RFI programs should be included in the Department of Defense annual budget and the Department should study using this program across all the services.

Airlift

Air Mobility Command assets fly 36,478 hours per month and participate in major operations including earthquake and hurricane relief, Operation Enduring Freedom, Operation Iraqi Freedom, Operation Noble Eagle, and SOUTHCOM. Their contributions in moving cargo and passengers are absolutely indispensable to American warfighters in the Global War on Terrorism. Both Air Force and Naval airframes and air crew are being stressed by these lift missions.

As the U.S. military continues to become more expeditionary, it will require more airlift. DOD should complete the planned buy of 180 C–17s, and add an additional 60 aircraft at a rate of 15 aircraft per year to account to ensure an adequate airlift force for the future and allow for attrition—C–17s are being worn out at a higher rate than anticipated in the Global War on Terrorism.

DOD should also continue with a joint multi-year procurement of C–130Js and press ahead with a C–5 Reliability Enhancement and Re-engining Program test to see where airlift funds may be best allocated.

The Navy and Marine Corps need C–40A replacements for the C–9B aircraft. The Navy requires Navy Unique Fleet Essential Airlift. The maximum range for the C–40A is approximately 1,500 miles more than the C–9 with a greater airlift capacity. The C–40A, a derivative of the 737–700C is a Federal Aviation Administration (FAA) certified, while the aging C–9 fleet is not compliant with either future global navigation requirements or noise abatement standards that restrict flights into European airfields. Twenty-two aircraft remain to be replaced.

Tankers

In need for air refueling is reconfirmed on a daily basis in worldwide DOD operations. A significant number of tankers are old and plagued with structural problems. The Air Force would like to retire as many as 131 of the Eisenhower-era KC–135E tankers by the end of the decade.

DOD and Congress must work together to replacement of these aircraft. A replacement could come in the form of a hybrid tanker/airlifter aircraft, which when produced could "swing" from one mission to the other as required. Congress should also look at re-engining a portion of the KC–135 fleet as a short-term fix until newer platforms come online.

Procurement F–22, F–35, MV–22A, C–40A and a replacement for the KC–135 needs to be accelerated and modernized, and mobility requirements need to be reported upon.

Navy Fleet Size

The current number of ships in the fleet has dropped to 278 ships. The Chief of Naval Operations, Admiral Mike Mullen, has set the target for the new fleet at 313 ships.

The Administration procurement rate has been too low. In order to raise the number of ships the Navy will need more money to build ships. In addition, industrial capacity needs to become a major focus. The rate at which ships are built needs to be re-examined so that we keep industrial lines open, saving the nation money in the long run. This should result in stable funding of the current Annual Long-Range SCN Plan.

A4AD favors a fleet no smaller than 313 ships because of an added flexibility to respond to emerging threats. Congress should explore options to current construction methods of ship design, configuration, and shipbuilding that have created billion dollar destroyers.

OTHER ISSUES

Increasing End Strength

Op tempo and deployment rotation will begin to wear. The official position of rotation of 1 year deployed for three years duty for active duty and 1 year in six for the Guard and Reserve are targets, but not yet reality. Both the Administration and Congress have now called for an increase in Army and Marine Corps end strength. These increases will have many peripheral effects. These new recruits will need to be trained and equipped. The Air Force and Navy will be responsible for moving and supplying these troops. Any unfunded end-strength increases would put readiness at risk.

The A4AD supports funding increases in support of the end strength boosts of the Active Duty Component of the Army and Marine Corps that have been recommended by Congress and the Administration.

Now is not the time to be cutting the Guard and Reserve. Incentives should be utilized to attract prior service members into a growing reserve. Additionally, a moratorium on reductions to End Strength of the Guard and Reserve should be put into place until Commission on the Guard and Reserve can report back to Congress with recommendations.

The A4AD would like to also put a freeze on reductions to the Guard and Reserve manning level.

Regeneration/Resetting of Equipment

A4AD would like to thank this committee for the regeneration money that was included in the Supplemental.

Aging equipment, high usage rates, austere conditions in Iraq, and combat losses are affecting future readiness. Equipment is being used at 5 to 10 times the programmed rate.

Additionally, to provide the best protection possible for Soldiers and Marines in the combat theater, many units have left their equipment behind for follow-on units, and are returning with no equipment. Without equipment on which to train after de-mobilization, readiness will become an issue.

The Army, Army Reserve, Army National Guard, Marines and Marine Forces Reserve need continued funding by Congress for equipment replacement.

Counter-measures to Improvised Explosive Devices (IED)

A4AD would like to commend the committee for supporting enhanced countermeasures for air and ground troops now deployed. For ground troops, the biggest threat to safety continues to be the IED. The previous effectiveness of these attacks would suggest that future enemies of the United States will incorporate these tactics into their doctrine. Defeating these attacks requires a comprehensive approach. The military needs to have a formulation that includes human intelligence, armor and electronic countermeasures.

The focus recently has been on the MRAP vehicle and its improved survivability, A4AD supports purchasing MRAPs. We also encourage the Committee to look at continuing funds for the purpose of researching, purchasing and deploying more electronic countermeasures. In this way we can provide more comprehensive protection for our troops on the battlefield.

On May 1, the U.S. Army Times newspaper reported that "Iraqi insurgents are launching four times as many attacks with improvised explosive devices than in 2003". However, due to countermeasures, "only one in five IED attacks kills or injures U.S. troops", Pentagon spokesperson Christine Devries said. While she did not provide casualty figures, Davies said that one in nine U.S. soldiers injured by an IED attack dies. The work in creating IED-Counter measures has been effective but is not yet complete.

Continued emphasis is needed for the procurement of sufficient quantities of electronic countermeasures to protect personnel deployed in the battle space.

Aircraft Survivability Equipment

Air crews face non-traditional threats used by non-conventional forces and deserve the best available warning and countermeasure equipment available to provide the greatest degree of safety possible. The majority of funds have been expended on fixed aircraft protection; approximately 75 percent of U.S. air losses have been rotary wing.

A4AD hopes that the Committee will continue to support the purchase and deployment of warning and countermeasures systems with an emphasis on rotary wing aircraft across all of the services and insure that the latest and most advanced versions of these protections are made available to all units now deployed or slated for deployment in the future—be they active duty, Guard or Reserve.

Maintaining the National Guard and Reserve Equipment Appropriations

One of the most important issues with regards to Guard and Reserve Equipment is tracking the appropriated money from Congress to the Reserve Components. This theme has been highlighted on several occasions from sources in the Assistant Secretary of Defense for Reserve Affairs office to LTG Steve Blum, Director National Guard Bureau. It is important to note that the Reserve Chiefs, overwhelmingly, indicate that Reserve specific equipment is needed more now, than ever. Along with this the services need to maintain unit cohesion, which means reserve specific equipment for reserve specific units. From A4AD's perspective, integration and cross-leveling is decreasing the readiness and training for Reserve personnel. Therefore, we have to maintain reserve specific equipment and reserve units if we are going to continue to be ready for the operational reserve force now and well into the future. The best method to ensuring that this happens is to fund the Guard and Reserve through the National Guard and Reserve Equipment Appropriations (NGREA).

The NGREA reached a high of $2.5 billion in fiscal year 1991 then dropped over the next decade. Recently Congress has been inclined to add more money to the NGREA, $1.2 billion in fiscal year 2006, this trend should continue. The money given to the Reserve Components in this manner allows the Reserve Chiefs the maximum amount of flexibility and Congress more oversight. The National Guard and Reserve Equipment Appropriations (NGREA) is vital to guaranteeing that the Guard and Reserve has funding to procure essential equipment that has not been funded by the services.

A4AD asks this committee to continue to provide appropriations for unfunded National Guard and Reserve Equipment Requirements. To appropriate funds to Guard and Reserve equipment would help emphasize that the Active Duty is exploring dead-ends by suggesting the transfer of Reserve equipment away from the Reservists.

UNFUNDED EQUIPMENT REQUIREMENTS

[The services are not listed in priority order.]

	Amount
Air Force:	
Aircraft Recapitalization and Modernization	$2,602
Combat Search and Rescue (CSAR) Capability Enhancement	24
Common Vertical Lift Support Platform (CVLSP)	250
Force Protection Equipment	4.2
Miniature Air Launched Decoy & Jammer (MALD–J)	14
Air Force Reserve:	
C–5A Airlift Defense system (ADS)	17.3
C–130H LAIRCM (Large Aircraft I/R Counter Measures)	56.6
C–17 LAIRCM	41.8
C–130J LAIRCM	22
C–5 Structures	22
Air Guard:	
A–10/F–15/F–16 Block 42 reengining	1,400
F–15 Active Electronically Scanned Array radar	400
A–10/F–15/F–16 Helmet Mounted Cueing Systems	223
C–130/C–5/C–17/KC–135 LAIRCM/IRCM Testers	919
New C–38s	200
Army:	
MRAP (GSTAMIDS)	2,249
Stryker	775.1
Counter-IED Systems	152.9
Javalin	184.2
Ammo Production Base	190.5
Army Reserve (Total Unfunded Modernization Vehicle Requirements $1.826 billion):	
Light-medium trucks (LMTV) 2.5 Ton Truck	425
Medium Tactical Vehicle (MTV) 5.0 Ton Truck	761
Truck Cargo PLS 10x10 M1075	106
High Mobility Multi-Purpose Wheeled Vehicle (HMMWV)	304
High Mobility Multi-Purpose Wheeled Vehicle, up-armored	133
Army Guard:	
High Mobility Multi-Purpose Wheeled Vehicle (HMHWV)	1,610.6
Family of Medium Tactical Vehicles (FMTV)	5,198.1

UNFUNDED EQUIPMENT REQUIREMENTS—Continued

[The services are not listed in priority order.]

	Amount
High Terrain Vehicles (HEMTT/LHS/PLS)	1,201.2
Night Vision (AN/PAS–13, AN/VAS–5)	1,912.4
Communication Systems (JNN, SINCGARS, HF)	1,997.2
Marine Corps:	
MRAP	2,800
Electronic Attack (EA) UAV	10
Anti-Sniper Infrared Targeting System (ASITS)	9.8
Tactical Remote Sensor System (TRSS)	3.4
Marine Corps Reserve:	
Obtain latest generation of Individual Combat and Protective Equipment including:	
M4 rifles	
Rifle Combat Optic (RCO) scopes	
Helmet pad systems	
Small Arms Protective Insert (SAPI) plates	
Night Vision Goggles	
Priorities to reset and modernize USMCR forces:	
Procure principal end-items necessary to reestablish Training Allowance to conduct home training	
Equip two new Light Armor Reconnaissance Companies	
Procure satellite/long-haul communication equipment shortfalls	
Update legacy aircraft	
Simulation Training Devises	
Navy:	
LPD–17	1,700
T–AKE	1,200
Joint IED Defeat (JIEDDO) Sustainment	9
F/A–18E/F/G	720
Critical ASW Enhancements	96
Navy Reserve:	
C–40 A Combo cargo/passenger Airlift (4)	330
Civil Engineering Support Equipment, Tactical Vehicles, Communications Equipment and other Table of Allowance items supporting	38
Naval Coastal Warfare (NCW) Units	
Explosive Ordnance Disposal (EOD) Units	
Naval Construction Forces (NCF)	
Navy Equipment Logistics Support Groups (ELSG)	
C–130, C–9, and C–40A upgrades and spare equipment	69.7

CONCLUSION

A4AD is a working group of military and veteran associations looking beyond personnel issues to the broader issues of National Defense.

Cuts in manpower and force structure, simultaneously in the Active and Reserve Component are concerns in that it can have a detrimental effect on surge and operational capability.

This testimony is an overview, and expanded data on information within this document can be provided upon request.

Thank you for your ongoing support of the Nation, the Armed Services, and the fine young men and women who defend our country. Please contact us with any questions.

Senator INOUYE. Our next witness is Dr. William Strickland, representing the American Psychological Association.

Dr. Strickland.

STATEMENT OF DR. WILLIAM J. STRICKLAND, Ph.D., VICE PRESIDENT, HUMAN RESOURCES RESEARCH ORGANIZATION, ON BEHALF OF THE AMERICAN PSYCHOLOGICAL ASSOCIATION

Dr. STRICKLAND. Good morning, Mr. Chairman, Senator Stevens. I'm Bill Strickland, Vice President of the Human Resources Research Organization. I'm testifying today on behalf of the American

Psychological Association, or APA, a scientific and professional organization of more than 145,000 psychologists and affiliates.

For decades, psychologists have played vital roles within the Department of Defense, as providers of clinical services to military personnel and their families, and as scientific researchers, investigating issues ranging from airplane cockpit design, to human intelligence gathering.

Psychologists today bring critical expertise to meeting the needs of our military and its personnel. In our written testimony, you will find APA's request to restore and increase funding for important training programs that impact deployed, and returning military personnel and their families.

This morning, I will focus on APA's request that Congress reverse administration cuts to the DOD science and technology budget, and maintain support for important behavioral science research within DOD.

The President's budget request for 2008 continues a familiar process. The administration slashes defense research programs, and it's left to the Congress to restore an investment in military mission-related research.

As you've already heard, and know, the administration's fiscal year 2008 request includes deep cuts to the Defense S&T account, which would fall to $10.9 billion, a cut of over 20 percent from the enacted fiscal year 2007 level. APA requests a total of $13.8 billion for S&T in fiscal year 2008, to return S&T funding just to its 2006 level.

Behavioral research identified by the Defense Science Board (DSB) as critical will be cut unless funds are restricted to the overall S&T account. In its 2007 report on 21st century strategic technology vectors, the DSB identified a set of four operational capabilities, and the enabling technologies needed to accomplish future military missions. Of the four capabilities identified by the DSB for priority funding from DOD, the first was "mapping the human terrain."

The DSB called for a significant reinvestment in social and behavioral research within DOD. In particular, the DSB called for increased DOD research in cognition and decision making, individual and team performance, behavioral, social and cultural modeling, and human system collaboration. These are areas that DOD cannot afford to ignore.

Behavioral research traditionally has been supported by the Army Research Institute, the Office of Naval Research and the Air Force Research Laboratory. These military labs need sustained, basic, and applied research funding in 2008 to expand their reach further into effectively mapping the human terrain.

Finally, APA is concerned with the potential loss of human-centered research programs within DOD's Counter-Intelligence Field Activity (CIFA). Within CIFA, the behavioral sciences directorate provides a home for research on counterintelligence issues ranging from models of insider threat, to cyber-security and detection of deception. CIFA psychologists consult with the military services to translate findings from behavioral research directly into enhanced, counterintelligence operations on the ground.

APA urges the subcommittee to provide ongoing funding in 2008 for CIFA's behavioral science directorate, and its research programs that provide direct support for military counterintelligence, and counterterrorism operations.

On behalf of APA, I urge the subcommittee to support the men and women on the future front lines, by reversing yet another round of detrimental cuts to the Defense S&T account, and its human-oriented research projects.

Thank you very much.

Senator INOUYE. Thank you very much, Doctor. As you well know, this subcommittee was the first to recognize the validity and importance of psychologists.

Dr. STRICKLAND. Yes, sir, we appreciate that.

Senator INOUYE. And we listen to your words.

Dr. STRICKLAND. Thank you very much.

Senator INOUYE. Thank you, sir.

[The statement follows:]

PREPARED STATEMENT OF WILLIAM J. STRICKLAND, PH.D.

Mr. Chairman and Members of the Subcommittee, I'm Dr. Bill Strickland, former Director of Human Resources Research for the Air Force and current Vice President of the Human Resources Research Organization. I am submitting testimony on behalf of the American Psychological Association (APA), a scientific and professional organization of more than 145,000 psychologists and affiliates.

For decades, psychologists have played vital roles within the Department of Defense (DOD), as providers of clinical services to military personnel and their families, and as scientific researchers investigating mission-targeted issues ranging from airplane cockpit design to human intelligence-gathering. More than ever before, psychologists today bring unique and critical expertise to meeting the needs of our military and its personnel. APA's testimony will focus on: (1) increasing funding for the Center for Deployment Psychology (CDP); (2) reversing Administration cuts to the overall DOD Science and Technology (S&T) budget; and (3) maintaining support for important behavioral sciences research within DOD.

Need for Mental and Behavioral Health Services in DOD

Thousands of military personnel, including those returning from ongoing conflicts overseas, are struggling with mental health issues such as Post-Traumatic Stress Disorder (PTSD), depression and substance abuse. In a recent study released by Walter Reed Army Institute of Research (2006), one out of six soldiers and Marines who returned from Iraq screened positive for mental illnesses, a prevalence nearly twice that observed among soldiers surveyed before deployment. Returning Reservists and National Guardsmen may be even more likely than their military colleagues to have difficulty accessing established mental health services for geographic reasons. APA is concerned that these service members' (and their families') mental health needs may go unmet, or that they will seek care through civilian providers with limited or no experience in treating these populations.

Center for Deployment Psychology

Because of this concern, the Center for Deployment Psychology (CDP) was established in fiscal year 2006 as a new tri-service training consortium designed to better prepare psychologists to meet the mental and behavioral health needs of service members returning from combat and operational environments and their families. The Tri-Service CDP, housed at the Uniformed Services University of the Health Sciences, is the coordinating center for a network of military psychology internship training sites at ten regional DOD health facilities nationwide. CDP programs currently are open to both military and civilian psychologists, and eventually other health professionals will be included as well.

Through a variety of training formats, ranging from a four-day Continuing Education program to a nearly three-week intensive training course, the CDP program trains military and civilian psychologists to better evaluate and treat combat-injured and combat-experienced service personnel.

Initial funding for CDP in fiscal year 2006 was $3.4 million, which was cut to $2.9 million in fiscal year 2007. In fiscal year 2008, APA requests $6 million to restore

funding for the CDP program and expand its services. This vital expansion includes funds to: (1) continue the program of training activities currently supported by the CDP; (2) create mobile training teams to expand training for military and civilian psychologists, including Department of Veterans Affairs psychologists and other health providers; (3) initiate the use of teleconferences, online learning and web casts and increase web access for disseminating information much more widely to military personnel and their families; and (4) support research activities to expand our knowledge of the psychological and emotional impact of deployment and evaluate the impact of CDP programs.

DOD Research

Just as a large number of psychologists provide high-quality clinical services to our military service members stateside and abroad, psychological scientists within DOD conduct cutting-edge, mission-specific research critical to national defense.

In terms of the overall DOD S&T budget, the President's request for fiscal year 2008 was the first step in a process that unfortunately has become very familiar over the last decade: the Administration slashes defense research programs and it is left to the Congress to restore funding and appropriately grow the investment in military mission research. In its fiscal year 2008 budget request, the Administration included large increases for weapons development but correspondingly deep cuts in the defense S&T account, which would fall to $10.9 billion, a 20.1 percent or $2.7 billion decrease from the enacted fiscal year 2007 level. DOD basic research funding would see an 8.7 percent cut, bringing it down to $1.4 billion in the President's request, and applied research support would be cut by 18 percent, for a total of $4.4 billion in fiscal year 2008. DARPA's budget would be decreased by 1 percent to $3.1 billion.

The President's budget request for basic and applied research at DOD in fiscal year 2008 is $10.9 billion, a drastic 20.1 percent or $2.7 billion cut from the enacted fiscal year 2007 level. APA joins the Coalition for National Security Research (CNSR), a group of over 40 scientific associations and universities, in urging the Subcommittee to reverse this cut. APA requests a total of $13.8 billion for Defense S&T in fiscal year 2008, to return S&T funding to its fiscal year 2006 level. DOD behavioral research identified by the Defense Science Board as critical will be cut without restoring funds to the overall S&T account.

Behavioral Research within the Military Service Labs and DOD

Within DOD, the majority of behavioral, cognitive and social science is funded through the Army Research Institute (ARI) and Army Research Laboratory (ARL); the Office of Naval Research (ONR); and the Air Force Research Laboratory (AFRL), with additional, smaller human systems research programs funded through the Office of the Secretary of Defense, the Defense Advanced Research Projects Agency (DARPA), and DOD's Counterintelligence Field Activity (CIFA).

The military service laboratories provide a stable, mission-oriented focus for science, conducting and sponsoring basic (6.1), applied/exploratory development (6.2) and advanced development (6.3) research. These three levels of research are roughly parallel to the military's need to win a current war (through products in advanced development) while concurrently preparing for the next war (with technology "in the works") and the war after next (by taking advantage of ideas emerging from basic research). All of the services fund human-related research in the broad categories of personnel, training and leader development; warfighter protection, sustainment and physical performance; and system interfaces and cognitive processing.

Behavioral and cognitive research programs eliminated from the mission labs due to cuts or flat funding are extremely unlikely to be picked up by industry, which focuses on short-term, profit-driven product development. Once the expertise is gone, there is absolutely no way to "catch up" when defense mission needs for critical human-oriented research develop. As DOD noted in its own Report to the Senate Appropriations Committee:

"Military knowledge needs are not sufficiently like the needs of the private sector that retooling behavioral, cognitive and social science research carried out for other purposes can be expected to substitute for service-supported research, development, testing, and evaluation . . . our choice, therefore, is between paying for it ourselves and not having it."

Defense Science Board Calls for Priority Research in Social and Behavioral Sciences

This emphasis on the importance of social and behavioral research within DOD is echoed by the Defense Science Board (DSB), an independent group of scientists and defense industry leaders whose charge is to advise the Secretary of Defense and the Chairman of the Joint Chiefs of Staff on scientific, technical, manufacturing, ac-

quisition process, and other matters of special interest to the Department of Defense.

In its recently-released 2007 report on "21st Century Strategic Technology Vectors," the DSB identified a set of four operational capabilities and the "enabling technologies" needed to accomplish major future military missions (analogous to winning the Cold War in previous decades). In identifying these capabilities, DSB specifically noted that "the report defined technology broadly, to include tools enabled by the social sciences as well as the physical and life sciences." Of the four priority capabilities and corresponding areas of research identified by the DSB for priority funding from DOD, the first was defined as "mapping the human terrain."

The following quote from this report highlights the need for significant investment in social and behavioral science research within DOD to address this critical need for increased knowledge about the human elements of the battlespace:

"Unlike during the Cold War when the United States focused on one major, relatively slow-changing but individually formidable adversary, in the current era and the foreseeable future, U.S. military forces will be called upon to perform a wide range of missions. These include major combat, counter-insurgency, stability and reconstruction, countering weapons of mass destruction, homeland defense, and disaster relief. These varied missions present different challenges calling for highly adaptive military forces. One common feature of these missions is the increased responsibility placed on junior leaders and the small teams they lead . . .

"Perhaps most central is to gain deeper understanding of how individuals, groups, societies and nations behave and then use this information to (1) improve the performance of U.S. forces through continuous education and training and (2) shape behavior of others in pre-, intra- and post-conflict situations. Key enablers include immersive gaming environments, automated language processing and human, social, cultural and behavior modeling." DSB calls this "mapping the human terrain," "human terrain preparation," and says it's one of four "critical capabilities and enabling technologies identified . . . [as] a coherent starting point for a science and technology strategy that will address 21st century security challenges."

In particular, DSB calls for increased DOD research in cognition and decision-making, individual and team performance, behavioral/social/cultural modeling, and human/system collaboration, saying: "It is an area that DOD cannot afford to ignore. DOD needs to become more familiar with the theories, methods and models from psychology." These areas of behavioral research traditionally have been supported by the military research laboratories, which need more funding in fiscal year 2008 to expand their reach even further into "the human terrain."

Army Research Institute for the Behavioral and Social Sciences (ARI) and Army Research Laboratory (ARL)

ARI works to build the ultimate smart weapon: the American soldier. ARI was established to conduct personnel and behavioral research on such topics as minority and general recruitment; personnel testing and evaluation; training and retraining; and attrition. ARI is the focal point and principal source of expertise for all the military services in leadership research, an area especially critical to the success of the military as future war-fighting and peace-keeping missions demand more rapid adaptation to changing conditions, more skill diversity in units, increased information-processing from multiple sources, and increased interaction with semi-autonomous systems. Behavioral scientists within ARI are working to help the armed forces better identify, nurture and train leaders.

Another line of research at ARI focuses on optimizing cognitive readiness under combat conditions, by developing methods to predict and mitigate the effects of stressors (such as information load and uncertainty, workload, social isolation, fatigue, and danger) on performance. As the Army moves towards its goal of becoming the Objective Force (or the Army of the future: lighter, faster and more mobile), psychological researchers will play a vital role in helping maximize soldier performance through an understanding of cognitive, perceptual and social factors.

ARL's Human Research & Engineering Directorate sponsors basic and applied research in the area of human factors, with the goal of optimizing soldiers' interactions with Army systems. Specific behavioral research projects focus on the development of intelligent decision aids, control/display/workstation design, simulation and human modeling, and human control of automated systems.

Office of Naval Research (ONR)

The Cognitive and Neural Sciences Division (CNS) of ONR supports research to increase the understanding of complex cognitive skills in humans; aid in the development and improvement of machine vision; improve human factors engineering in

new technologies; and advance the design of robotics systems. An example of CNS-supported research is the division's long-term investment in artificial intelligence research. This research has led to many useful products, including software that enables the use of "embedded training." Many of the Navy's operational tasks, such as recognizing and responding to threats, require complex interactions with sophisticated, computer-based systems. Embedded training allows shipboard personnel to develop and refine critical skills by practicing simulated exercises on their own workstations. Once developed, embedded training software can be loaded onto specified computer systems and delivered wherever and however it is needed.

Air Force Research Laboratory (AFRL)

Within AFRL, Air Force Office of Scientific Research (AFOSR) behavioral scientists are responsible for basic research on manpower, personnel, training and crew technology. The AFRL Human Effectiveness Directorate is responsible for more applied research relevant to an enormous number of acknowledged Air Force mission needs ranging from weapons design, to improvements in simulator technology, to improving crew survivability in combat, to faster, more powerful and less expensive training regimens.

As a result of previous cuts to the Air Force behavioral research budget, the world's premier organization devoted to personnel selection and classification (formerly housed at Brooks Air Force Base) no longer exists. This has a direct, negative impact on the Air Force's and other services' ability to efficiently identify and assign personnel (especially pilots). Similarly, reductions in support for applied research in human factors have resulted in an inability to fully enhance human factors modeling capabilities, which are essential for determining human-system requirements early in system concept development, when the most impact can be made in terms of manpower and cost savings. For example, although engineers know how to build cockpit display systems and night goggles so that they are structurally sound, psychologists know how to design them so that people can use them safely and effectively.

Maintaining Behavioral Research During CIFA Reorganization

APA also is concerned with the potential loss of invaluable human-centered research programs within DOD's Counterintelligence Field Activity (CIFA) due to a current reorganization of CIFA's structure and personnel strength. Within CIFA, the Behavioral Sciences Directorate provides a home for research on counterintelligence issues ranging from models of "insider threat" to cybersecurity and detection of deception. The psychologists also consult with the three military services to translate findings from behavioral research directly into enhanced counterintelligence operations on the ground.

APA urges the Subcommittee to provide ongoing funding in fiscal year 2008 for CIFA's Behavioral Sciences Directorate and its research programs in light of their direct support for military intelligence operations.

Summary

On behalf of APA, I would like to express my appreciation for this opportunity to present testimony before the Subcommittee. Clearly, psychological scientists address a broad range of important issues and problems vital to our national security, with expertise in modeling behavior of individuals and groups, understanding and optimizing cognitive functioning, perceptual awareness, complex decision-making, stress resilience, recruitment and retention, and human-systems interactions. We urge you to support the men and women on the front lines by reversing another round of dramatic, detrimental cuts to the overall defense S&T account and the human-oriented research projects within the military laboratories and CIFA. We also urge you to support military personnel and their families even more directly by restoring and increasing funds for the Center for Deployment Psychology.

As our nation rises to meet the challenges of current engagements in Iraq and Afghanistan as well as other asymmetric threats and increased demand for homeland defense and infrastructure protection, enhanced battlespace awareness and warfighter protection are absolutely critical. Our ability to both foresee and immediately adapt to changing security environments will only become more vital over the next several decades. Accordingly, DOD must support basic Science and Technology (S&T) research on both the near-term readiness and modernization needs of the department and on the long-term future needs of the warfighter.

As noted by the DSB in its report on defense research priorities, the "focus is technology. But the human dimensions still dominate, especially in the irregular challenges facing the nation today."

Below is suggested appropriations report language for fiscal year 2008 which would encourage the Department of Defense to fully fund its behavioral research programs within the military laboratories:

DEPARTMENT OF DEFENSE

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

Behavioral Research in the Military Service Laboratories.—The Committee notes the increased demands on our military personnel, including high operational tempo, leadership and training challenges, new and ever-changing stresses on decision-making and cognitive readiness, and complex human-technology interactions. To help address these issues vital to our national security, the Committee has provided increased funding to reverse cuts to basic and applied psychological research through the military research laboratories: the Air Force Office of Scientific Research and Air Force Research Laboratory; the Army Research Institute and Army Research Laboratory; and the Office of Naval Research.

Senator INOUYE. Our next witness is Ms. Fran Visco, President of the National Breast Cancer Coalition.

STATEMENT OF FRAN VISCO, J.D., PRESIDENT, NATIONAL BREAST CANCER COALITION

Ms. VISCO. Good morning, Mr. Chairman, Senator Stevens.

As you know, I'm a 19-year breast cancer survivor, a wife and mother, and President of the National Breast Cancer Coalition, which is a coalition of more than 600 organizations from across the country, and tens of thousands of individuals. And, on behalf of our membership, I want to thank you for your continuing support of the DOD peer-reviewed breast cancer research program. You have both been leaders in maintaining the integrity of this program, and making it the success it is today.

However, we still do not have the answers we need for breast cancer. We have made progress, but we do not have answers. And nothing shows us that more than the fact that last week, the Vice President of the Board of the National Breast Cancer Coalition was diagnosed with metastatic breast cancer after 16 years from her initial diagnosis. We do not know how to cure this disease, and we certainly don't know how to prevent it.

Karen Loss, a woman who sits on the panel that oversees the DOD Program, and also a volunteer for our organization, and a retired military woman, living with metastatic disease, and becoming more ill as the days go by.

This program is where the answers lie. Women and their families across the country believe that. This is where our hope is. This program has been astounding. The collaboration that has resulted among the military, the scientific community and the patient advocacy community across the country is unprecedented. I have been told over and over again by members of the military that the model that this program sets has been copied by the military in other areas. This model that the DOD Breast Cancer Program has set has also been copied by other States, and by other countries.

The program has been objectively evaluated twice by the National Academy of Sciences and both times they have lauded the program, not just for its successes, but for the way it operates. This program is transparent—everything that is funded with taxpayer dollars is open to the country—you can go onto the website and see every proposal that has been funded. And every 2 years, the pro-

gram reports to the public where their tax dollars have gone, and what the progress is in the research that we funded.

This program is efficient—90 percent of the funds go to research. The administrative costs are not quite 10 percent. It fills gaps in traditional research mechanisms, this is the program that can respond very quickly to what's happening in the scientific world—looking at areas of nanotechnology, looking at not just how to treat metastatic breast cancer, but also what causes metastatic breast cancer. Looking at possible vaccines to prevent and treat breast cancer—how do we prevent breast cancer without drugs? Looking at issues of health disparities.

This program must continue, and we truly appreciate your leadership in making that happen over the past years. Again, this is where our hope is, and we look forward to continuing to work with you, to make certain the program maintains its integrity, efficiency and success.

I thank you very much.

Senator INOUYE. I thank you very much, Ms. Visco. I'm certain very few people are aware that the father of the Breast Cancer Research Program in the Department of Defense is Senator Stevens.

Ms. VISCO. We are certainly aware of that.

Senator INOUYE. It really had to be in some other subcommittee, but we decided we have the money, so we'll fund you.

Ms. VISCO. Yes, we really, we truly appreciate it, and it has made such a difference, not just in breast cancer, but in other diseases as well.

Senator INOUYE. And I lost my wife of 57 years about 1 year ago and, of cancer, so I take it personally now.

Ms. VISCO. I'm very sorry. Thank you.

Senator INOUYE. So you're a—got support here.

Senator STEVENS. And, I'm an 18-year survivor of prostate cancer, so far, but I should tell you, you know, that the difficulty is, these are earmarks. Every time you hear someone talking against congressional earmarks, ask them if they know about breast cancer.

Ms. VISCO. Yes, we have that conversation over and over again——

Senator STEVENS. Thank you.

Ms. VISCO. And this, as you know, is an incredibly well-run, efficient, competitive program. So, we appreciate your support of that. Thank you.

Senator INOUYE. Thank you.

[The statement follows:]

PREPARED STATEMENT OF FRAN VISCO, J.D.

Thank you, Mr. Chairman and members of the Appropriations Subcommittee on Defense, for the opportunity to talk to you about a program that has made a significant difference in the lives of women and their families. You have shown great determination and leadership in funding the Department of Defense (DOD) Peer-Reviewed Breast Cancer Research Program (BCRP) at a level that has brought us closer to eradicating this disease. Chairman Inouye and Ranking Member Stevens, we have appreciated your personal support of this program in the past. I am hopeful that you and your Committee will continue that determination and leadership.

I am Fran Visco, a breast cancer survivor, a wife and mother, a lawyer, and President of the National Breast Cancer Coalition (NBCC). On behalf of NBCC, and the

more than 3 million women living with breast cancer, I would like to thank you again for the opportunity to testify.

I know you recognize the importance of this program to women and their families across the country, to the scientific and health care communities and to the Department of Defense. Much of the progress in the fight against breast cancer has been made possible by the Appropriations Committee's investment in breast cancer research through the DOD BCRP. This program has launched new models of biomedical research that have benefited other agencies and both public and private institutions. It has changed for the better the way research is performed and has been replicated by programs focused on other diseases, by other countries and states. To support this unprecedented progress moving forward, we ask that you support a separate $150 million appropriation for fiscal year 2008. In order to continue the success of the program, you must ensure that it maintain its integrity and separate identity, in addition to the requested level of funding. This is important not just for breast cancer, but for all biomedical research that has benefited from this incredible government program. In addition, as Institute of Medicine (IOM) reports concluded in 1997 and 2004, there continues to be excellent science that would go unfunded without this program. It is only through a separate appropriation that this program is able to continue to focus on breast cancer yet impact all other research, rapidly respond to changes and new discoveries in the field and fill the gaps created by traditional funding mechanisms.

Despite the enormous successes and advancements in breast cancer research made through funding from the DOD BCRP, we still do not know what causes breast cancer, how to prevent it, or how to cure it. It is critical that innovative research through this unique program continues so that we can move forward toward eradicating this disease.

As you know, the National Breast Cancer Coalition is a grassroots advocacy organization made up of hundreds of organizations and tens of thousands of individuals and has been working since 1991 toward the eradication of breast cancer through advocacy and action. NBCC supports increased funding for breast cancer research, increased access to quality health care for all, and increased influence of breast cancer activists at every table where decisions regarding breast cancer are made.

OVERVIEW OF THE DOD BREAST CANCER RESEARCH PROGRAM

The DOD Peer-Reviewed Breast Cancer Research Program has established itself as a model medical research program, respected throughout the cancer and broader medical community for its innovative and accountable approach. The groundbreaking research performed through the program has the potential to benefit not just breast cancer, but all cancers, as well as other diseases. Biomedical research is being transformed by the BCRP's success.

This program is both innovative and incredibly streamlined. It continues to be overseen by a group of distinguished scientists and activists, as recommended by the IOM. Because there is little bureaucracy, the program is able to respond quickly to what is currently happening in the scientific community. Because of its specific focus on breast cancer, it is able to rapidly support innovative proposals that reflect the most recent discoveries in the field. It is responsive, not just to the scientific community, but also to the public.

Since its inception, this program has matured into a broad-reaching influential voice forging new and innovative directions for breast cancer research and science. The flexibility of the program has allowed the Army to administer this groundbreaking research effort with unparalleled efficiency and effectiveness.

In addition, an integral part of this program has been the inclusion of consumer advocates at every level. As a result, the program has created an unprecedented working relationship between the public, scientists and the military, and ultimately has led to new avenues of research in breast cancer. Since 1992, over 977 breast cancer survivors have served on the BCRP review panels. Their vital role in the success of the BCRP has led to consumer inclusion in other biomedical research programs at DOD. This program now serves as an international model.

It is important to note that the DOD Integration Panel that designs this program has a strategic plan for how best to spend the funds appropriated. This plan is based on the state of the science—both what scientists know now and the gaps in our knowledge—as well as the needs of the public. This plan ensures that we do not want to restrict scientific freedom, creativity or innovation. While we carefully allocate these resources, we do not want to predetermine the specific research areas to be addressed.

UNIQUE FUNDING OPPORTUNITIES

Developments in the past few years have begun to offer breast cancer researchers fascinating insights into the biology of breast cancer and have brought into sharp focus the areas of research that hold promise and will build on the knowledge and investment we have made. The Innovative Developmental and Exploratory Awards (IDEA) grants of the DOD program have been critical in the effort to respond to new discoveries and to encourage and support innovative, risk-taking research. The Concept Awards bring funding even earlier in the process of discovery. These grants have been instrumental in the development of promising breast cancer research. These grants have allowed scientists to explore beyond the realm of traditional research and have unleashed incredible new ideas and concepts. IDEA and Concept grants are uniquely designed to dramatically advance our knowledge in areas that offer the greatest potential. IDEA and Concept grants are precisely the type of grants that rarely receive funding through more traditional programs such as the National Institutes of Health and private research programs. Therefore, they complement, and do not duplicate, other federal funding programs. This is true of other DOD award mechanisms as well.

The Innovator awards are structured to invest in world renowned, outstanding individuals, rather than projects, from any field of study by providing funding and freedom to pursue highly creative, potentially breakthrough research that could ultimately accelerate the eradication of breast cancer. The Era of Hope Scholar Award is intended to support the formation of the next generation of leaders in breast cancer research, by identifying the best and brightest independent scientists early in their careers and giving them the necessary resources to pursue a highly innovative vision toward ending breast cancer.

These are just a few examples of innovative approaches at the DOD BCRP that are filling gaps in breast cancer research. Scientists have lauded the program and the importance of the various award mechanisms. In 2005, Zelton Dave Sharp wrote about the importance of the Concept award mechanism.

"Our Concept grant has enabled us to obtain necessary data to recently apply for a larger grant to support this project. We could have never gotten to this stage without the Concept award. Our eventual goal is to use the technology we are developing to identify new compounds that will be effective in preventing and/or treating breast cancer . . . Equally important, however, the DOD BCRP does an outstanding job of supporting graduate student trainees in breast cancer research, through training grants and pre-doctoral fellowships . . . The young people supported by these awards are the lifeblood of science, and since they are starting their training on projects relevant to breast cancer, there is a high probability they will devote their entire careers to finding a cure. These young scientists are by far the most important 'products' that the DOD BCRP produces." —Zelton Dave Sharp, Associate Professor, Interim Director/Chairman, Institute of Biotechnology/Dept. Molecular Medicine, University of Texas Health Science Center (August 2005)

Indeed, in April of 1999, John Niederhuber, now the Director of the National Cancer Institute (NCI), said the following about the program when he was Director of the University of Wisconsin Comprehensive Cancer Center:

"Research projects at our institution funded by the Department of Defense are searching for new knowledge in many different fields including: identification of risk factors, investigating new therapies and their mechanism of action, developing new imaging techniques and the development of new models to study [breast cancer] . . . Continued availability of this money is critical for continued progress in the nation's battle against this deadly disease."

Scientists and consumers agree that it is vital that these grants are able to continue to support breast cancer research—$150 million for peer-reviewed research will help sustain the program's momentum.

Moreover, the DOD BCRP focuses on moving research from the bench to the bedside. A major feature of the awards offered by the BCRP is that they are designed to fill niches that are not offered by other agencies. The BCRP considers translational research to be the application of well-founded laboratory or other preclinical insight into a clinical trial. To enhance this critical area of research, several research opportunities have been offered. Clinical Translational Research Awards have been awarded for investigator-initiated projects that involve a clinical trial within the lifetime of the award. The BCRP expanded its emphasis on translational research by offering five different types of awards that support work at the critical juncture between laboratory research and bedside applications.

The Centers of Excellence award mechanism brings together the world's most highly qualified individuals and institutions to address a major overarching question in breast cancer research that could make a major contribution towards the eradication of breast cancer. These Centers put to work the expertise of basic, epidemiology and clinical researchers, as well as consumer advocates to focus on a major question in breast cancer research. Many of these centers are working on questions that will translate into direct clinical applications.

SCIENTIFIC ACHIEVEMENTS

The BCRP research portfolio is comprised of many different types of projects, including support for innovative ideas, networks to facilitate clinical trials, and training of breast cancer researchers.

One of the most promising outcomes of research funded by the BCRP was the development of Herceptin, a drug that prolongs the lives of women with a particularly aggressive type of advanced breast cancer. This drug could not have been developed without first researching and understanding the gene known as HER–2/neu, which is involved in the progression of some breast cancers. Researchers found that overexpression of HER–2/neu in breast cancer cells results in very aggressive biologic behavior. Most importantly, the same researchers demonstrated that an antibody directed against HER–2/neu could slow the growth of the cancer cells that over-expressed the gene. This research, which led to the development of the drug Herceptin, was made possible in part by a DOD BCRP-funded infrastructure grant. Other researchers funded by the BCRP are currently working to identify similar kinds of genes that are involved in the initiation and progression of cancer. They hope to develop new drugs like Herceptin that can fight the growth of breast cancer cells.

Another example of innovation in the program is in the area of imaging. One DOD BCRP awardee developed a new use for medical hyperspectral imaging (MHSI) technology. This work demonstrated the usefulness of MHSI as a rapid, noninvasive, and cost-effective evaluation of normal and tumor tissue during a real-time operating procedure. Application of MHSI to surgical procedures has the potential to significantly reduce local recurrence of breast tumors and may facilitate early determination of tumor malignancy.

Several studies funded by the BCRP will examine the role of estrogen and estrogen signaling in breast cancer. For example, one study examined the effects of the two main pathways that produce estrogen. Estrogen is often processed by one of two pathways; one yields biologically active substances while the other does not. It has been suggested that women who process estrogen via the biologically active pathway may be at higher risk of developing breast cancer. It is anticipated that work from this funding effort will yield insights into the effects of estrogen processing on breast cancer risk in women with and without family histories of breast cancer.

One DOD IDEA award success has supported the development of new technology that may be used to identify changes in DNA. This technology uses a dye to label DNA adducts, compounds that are important because they may play a role in initiating breast cancer. Early results from this technique are promising and may eventually result in a new marker/method to screen breast cancer specimens.

FEDERAL MONEY WELL SPENT

The DOD BCRP is as efficient as it is innovative. In fact, 90 percent of funds go directly to research grants. The flexibility of the program allows the Army to administer it in such a way as to maximize its limited resources. The program is able to quickly respond to current scientific advances and fulfills an important niche by focusing on research that is traditionally under-funded. This was confirmed and reiterated in two separate IOM reports released in 1997 and 2004. It is responsive to the scientific community and to the public. This is evidenced by the inclusion of consumer advocates at both the peer and programmatic review levels. The consumer perspective helps the scientists understand how the research will affect the community, and allows for funding decisions based on the concerns and needs of patients and the medical community.

Since 1992, the BCRP has been responsible for managing $1.94 billion in appropriations. From its inception through fiscal year 2005, 4,674 awards at over 420 institutions throughout the United States and the District of Columbia have been granted. Approximately 200 awards will be granted for fiscal year 2006. The areas of focus of the DOD BCRP span a broad spectrum and include basic, clinical, behavioral, environmental sciences, and alternative therapy studies, to name a few. The BCRP benefits women and their families by maximizing resources and filling in the gaps in breast cancer research. Scientific achievements that are the direct result of

the DOD BCRP grants are undoubtedly moving us closer to eradicating breast cancer.

The outcomes of the BCRP-funded research can be gauged, in part, by the number of publications, abstracts/presentations, and patents/licensures reported by awardees. To date, there have been more than 9,500 publications in scientific journals, more than 10,000 abstracts and more than 350 patents/licensure applications. The federal government can truly be proud of its investment in the DOD BCRP.

INDEPENDENT ASSESSMENTS OF PROGRAM SUCCESS

The National Breast Cancer Coalition has been the driving force behind this program for many years. The success of the DOD Peer-Reviewed Breast Cancer Research Program has been illustrated by several unique assessments of the program. The IOM, which originally recommended the structure for the program, independently re-examined the program in a report published in 1997. They published another report on the program in 2004. Their findings overwhelmingly encouraged the continuation of the program and offered guidance for program implementation improvements.

The 1997 IOM review of the DOD Peer-Reviewed Breast Cancer Research Program commended the program, stating, "the program fills a unique niche among public and private funding sources for cancer research. It is not duplicative of other programs and is a promising vehicle for forging new ideas and scientific breakthroughs in the nation's fight against breast cancer." The IOM report recommended continuing the program and established a solid direction for the next phase of the program. The 2004 report reiterated these same statements and indicated that is important for the program to continue. It is imperative that Congress recognizes the independent evaluations of the DOD Breast Cancer Research Program and reiterates its own commitment to the program by appropriating the funding needed to ensure its success. The program's design—both its programmatic and peer review, as well as consumer involvement—and the program's successes have been applauded in several publications throughout the years, including: Breast Disease; Science; and the Journal of Women's Health and Gender-Based Medicine.

TRANSPARENT AND ACCOUNTABLE TO THE PUBLIC

The DOD Peer-Reviewed Breast Cancer Research Program not only provides a funding mechanism for high-risk, high-return research, but also reports the results of this research to the American people at a biennial public meeting called the Era of Hope. The 1997 meeting was the first time a federally funded program reported back to the public in detail not only on the funds used, but also on the research undertaken, the knowledge gained from that research and future directions to be pursued. The transparency of the BCRP allows scientists, consumers and the American public to see the exceptional progress made in breast cancer research.

At the 2005 Era of Hope meeting, all BCRP award recipients from the past two years were invited to report their research findings, and many awardees from previous years were asked to present advancements in their research. Themes for the 2005 meeting included: Understanding Risk—A Different Perspective; Understanding Who Needs Intervention and Understanding Treatments—Effectively Treating Primary and Metastatic Disease. The meeting also featured grant recipients who have delved into the topic of breast cancer heterogeneity. For example, gene expression profiling technologies have allowed researchers to identify several breast cancer "types." Recognition of the heterogeneous character of breast cancer will allow for better selection of patient subgroups for clinical trials testing targeted therapies. Other researchers presented their research on many important topics ranging from the usage of nanotechnology to find and treat breast cancer to identifying and destroying progenitor breast cancer cells to developing better clinical trials that still ensure patient safety and make sure that treatments are safe.

The DOD Peer-Reviewed Breast Cancer Research Program has attracted scientists across a broad spectrum of disciplines, launched new mechanisms for research and has continued to facilitate new thinking in breast cancer research and research in general. A report on all research that has been funded through the DOD BCRP is available to the public. Individuals can go to the Department of Defense website and look at the abstracts for each proposal at http://cdmrp.army.mil/bcrp/.

COMMITMENT OF THE NATIONAL BREAST CANCER COALITION

The National Breast Cancer Coalition is strongly committed to the DOD program in every aspect, as we truly believe it is one of our best chances for finding cures and preventions for breast cancer. The Coalition and its members are dedicated to

working with you to ensure the continuation of funding for this program at a level that allows this research to forge ahead. From 1992 with the launch of our "300 Million More Campaign" that formed the basis of this program to date, NBCC activists have appreciated your support.

Over the years, our members have shown their continuing support for this program through petition campaigns, collecting more than 2.6 million signatures, and through their advocacy on an almost daily basis around the country asking for support of the DOD BCRP.

As you know, there are three million women living with breast cancer in this country today. This year more than 40,460 will die of the disease and nearly 240,510 will be diagnosed. We still do not know how to prevent breast cancer, how to diagnose it truly early or how to cure it. While the mortality rate seems to be decreasing, it is not by much and it is not for all groups of women. It is an incredibly complex disease. We simply cannot afford to walk away from these facts, we cannot go back to the traditional, tried and not so true ways of dealing with breast cancer. We must, we simply must, continue the innovative, rapid, hopeful approach that is the DOD BCRP.

Two weeks ago many of the women and family members who supported the campaign to gather the 2.6 million signatures came to NBCCF's Annual Advocacy Training Conference here in Washington, D.C. More than 600 breast cancer activists from across the country, representing groups in their communities and speaking on behalf of tens of thousands of others, were here as part of our efforts to end breast cancer. The overwhelming interest in and dedication to eradicating this disease continues to be evident as people not only are signing petitions, but are willing to come to Washington, D.C. from across the country to tell their members of Congress about the vital importance of continuing the DOD BCRP.

Since the very beginning of this program in 1992, Congress has stood with us in support of this important investment in the fight against breast cancer. In the years since, Chairman Inouye and Ranking Member Stevens, you and this entire Committee have been leaders in the effort to continue this innovative investment in breast cancer research.

NBCC asks you, the Defense Appropriations Subcommittee, to recognize the importance of what has been initiated by the Appropriations Committee. You have set in motion an innovative and highly efficient approach to fighting the breast cancer epidemic. What you must do now is support this effort by continuing to fund the program at $150 million and maintain its integrity. This is research that will help us win this very real and devastating war against a cruel enemy.

Thank you again for the opportunity to submit testimony and for giving hope to all women and their families, and especially to the 3 million women in the United States living with breast cancer.

Senator INOUYE. Our next witness is Dr. Joan Lappe, of Creighton University, on behalf of the National Coalition for Osteoporosis and Related Bone Disease.

STATEMENT OF DR. JOAN LAPPE, Ph.D., CLINICAL SCIENTIST, OSTEOPOROSIS RESEARCH CENTER, CREIGHTON UNIVERSITY, ON BEHALF OF THE NATIONAL COALITION FOR OSTEOPOROSIS AND RELATED BONE DISEASES

Dr. LAPPE. Mr. Chairman, Senator Stevens. We greatly appreciate the opportunity to discuss the need for continued funding of the Department of Defense Bone Health and Military Readiness Program, I'll refer to that as the Bone Health Program.

The Bone Coalition, the Coalition for Osteoporosis and Related Bone Diseases, is committed to reducing the impact of bone diseases through expanded research.

The mission of the Department of Defense Bone Health Program is to advance bone physiology research that can lead to strategies to improve bone health, reduce stress fractures during physically intensive training, and have our military personnel ready for combat deployment.

An effort currently underway is targeting the elimination of stress fractures, which cause significant morbidity and can even

lead to permanent disability, particularly the hip fractures that can occur in these young recruits.

Stress fractures are among the most common injuries in military recruits. The incidents range from about 5 percent in males, to as high as 21 percent in female recruits. The recent increase in military recruitment has led to an upsurge in the total number of stress fractures reported.

An additional concern is that soldiers who are returning from lengthy deployments are sustaining stress fractures in unprecedented numbers.

The impact of stress fractures on the military is significant. In the U.S. Army, 40 percent of men, and 60 percent of women who sustain a stress fracture, do not complete their basic training. At one U.S. Army training base alone, an estimated $26 million was lost for soldiers discharged from training before, during a 1-year period. Now, the cost averages more than $34,000 per soldier discharged, and that does not include the cost of healthcare.

Research funded by the Bone Health Program has already been very productive. For example, research-based recommendations to decrease the training, marching, and running volume has led to a decrease in stress fracture incidents. In the first study of its kind, our research group found that vitamin D and calcium supplementation reduced the incidents of stress fractures in young females by 25 percent. There are examples of studies that are currently in progress, include—there's a study to establish sort of a risk factor profile, so that you could target individuals who are going to be at high risk. Also, we're exploring gender differences in the response to active training.

We need further research that includes better description of relationships between stress fractures and the gaits of the recruit, their carriage patterns, their biomechanics, how they fall on their legs. We need studies to improve bone quality in those high-risk interventions, and we want to take a look at pre-basic training exercise programs, more dietary supplementation, and also a new technology called "whole body vibration."

We also need to determine the efficacy of different treatments that could increase healing of stress fractures. Some things that are being considered are parathyroid hormone, ultrasound, and again, whole body vibration.

Though small in size, the Bone Health Program is providing the military with realistic solutions that protect, sustain and enhance soldier performance, and skeletal health across a continuum of military operations.

Mr. Chairman, and Senator Stevens, stress fractures continue to be a critical obstacle to military readiness, and timely deployment. It's imperative that the Department of Defense build on recent findings, and maintain an aggressive and sustained Bone Health Program.

The Coalition for Osteoporosis and Related Diseases is asking that you fund this for $5 million in 2008.

Thank you for your time and attention.

Senator INOUYE. Thank you very much, Dr. Lappe.

[The statement follows:]

PREPARED STATEMENT OF DR. JOAN LAPPE

Mr. Chairman and Members of the Committee: I am Joan Lappe, Ph.D., a clinical scientist at the Creighton University Osteoporosis Research Center in Omaha, NE and I am testifying on behalf of the National Coalition for Osteoporosis and Related Bone Diseases (the Bone Coalition).

The Bone Coalition is most appreciative of this opportunity to discuss with you the need for continued funding of the Bone Health and Military Medical Readiness program within the Department of Defense.

The Bone Coalition is committed to reducing the impact of bone diseases through expanded basic, clinical, epidemiological and behavioral research leading to improvement in patient care. The Coalition participants are prominent national bone disease organizations—the American Society for Bone and Mineral Research, the National Osteoporosis Foundation, the Osteogenesis Imperfecta Foundation, and The Paget Foundation for Paget's Disease of Bone and Related Disorders.

The mission of the Bone Health and Military Medical Readiness program is to advance bone physiology research that may lead to strategies to improve bone health of men and women, reduce stress fracture rates during physically intensive training, and have our military personnel ready for combat deployment.

An effort currently underway is targeting the elimination of stress fractures. A stress fracture is an overuse injury. It occurs when bones are repetitively loaded over short periods without sufficient time for adaptation and repair. It is seen most often among persons who are involved in physical activity to which they are not adapted. The first injury, as well as re-injury, can lead to chronic problems. In addition, some of these stress fractures, particularly of the hip, lead to permanent disability.

Stress fractures are among the most common overuse injuries seen in military recruits. The incidence in males ranges from 0.2–5.2 percent. The incidence in females is higher, ranging from 1.6–21.0 percent.

The recent increase in military recruitment has led to an upsurge in the total number of stress fracture cases reported. An additional concern is the increased number of documented stress fracture injuries over the last two years in soldiers who have recently returned from lengthy deployment. Anecdotal reports from troop medical clinics indicate that these soldiers are sustaining stress fractures in unprecedented numbers.

The impact of stress fractures is significant. Recent data obtained from the Bone Health and Military Medical Readiness (BHMMR) program indicate that:

—In the U.S. Army, 40 percent of men and 60 percent of women trainees with stress fracture do not complete basic training.

—At one U.S. Army training base alone, an estimated $26 million was lost in training costs for the 749 soldiers discharged from training over a one year period.

—This is more than $34,000 per soldier and does not include costs related to health care.

The Department of Defense recognized the severity and magnitude of stress fractures within its population and commissioned the Institute of Medicine (IOM) to examine the incidence of stress fractures in military basic training. In particular, the IOM was asked to address why the incidence of stress fractures in military basic training was greater for women than men. IOM's findings were published in 1998 and concluded that the prevalence of stress fracture has a marked impact on the health of service personnel, imposing a significant financial burden on the military by delaying completion of the training of new recruits. It further concluded that the low initial fitness of recruits, both cardiorespiratory and musculoskeletal, appeared to be the principal factor in the development of stress fractures during basic training.

Stress fractures and other bone related injuries erode the physical capabilities and reduce the effectiveness of our combat training units, compromising military readiness. Research conducted by the Bone Health and Military Medical Readiness program is highly focused on research areas that are a direct result of the physical demands that our service members are required to undergo in training and deployment.

Research Results

To date, the results of research funded under the Bone Health and Military Medical Readiness program have led, for example, to recommendations to reduce running and marching volume during recruit training. The changes to basic combat training, implemented by the Physical Fitness School and the Center for Health Promotion and Preventive Medicine and input from the U.S. Army Research Insti-

tute of Environmental Medicine and the BHMMR program, have led to a decline in stress fracture incidence.

In addition, studies have revealed an association between bone size and observed gender differences in stress fracture incidence. Lower bone/muscle ratio of the calf was associated with increased stress fracture risk in women. Biomechanical factors may also contribute to stress fracture incidence, and might be corrected through gait retraining. Studies using new imaging technology indicate that exercise may result in changes in bone strength through changes in geometry.

In the first of a kind study, Vitamin D and calcium supplementation in new Navy recruits was found to decrease stress fracture incidence by 25 percent.

With a sufficient funding level, the Bone Health program can build on these results and research efforts currently underway.

Studies Currently in Progress

Utilization of data from all relevant BHMMR and Defense Women's Health Initiative studies to establish a risk factor profile for stress fracture injury. This model will be used to identify individuals at risk for stress fracture. Science-based, targeted intervention programs can then be implemented in an effort to prevent stress fracture injury in these susceptible recruits.

Exploration of gender differences in the physiological response to strenuous exercise during strenuous training programs in a military population, with an emphasis on prevention of stress fracture injury.

The study of bone health is not a simple task, as bone health requires a complex interaction between exercise and other factors that affect bone remodeling, such as nutrition, hormonal status, genetics, and biomechanics. Currently, there is a distinct gap in understanding risk factors for stress fracture, interventions to improve bone quality, advances in imaging technologies and interventions to speed bone healing.

Future Research Needs

Risk Factors for Stress Fractures.—Research that relates stress fracture injury with: quantifiable training regimens; bone geometry and density; load carriage; gait patterns (march cadence, running, etc); tibial biomechanics. Validation studies in a recruit population are also indicated prior to use and implementation of the model in an active-duty population.

Interventions to Improve Bone Quality.—Gender studies are of special interest, given the persistent gender differences that have been observed in studies. Laboratory based intervention studies, followed by large-scale interventions in a military population are necessary to test the effectiveness of proposed interventions in decreasing stress fracture injury. Indicated interventions for individuals susceptible to injury include, but are not limited to modified load carriage requirements; gait and march formation modifications; gait retraining; pre-basic training exercise programs; dietary supplementation; and whole-body vibration.

Interventions to Speed Bone Healing.—Determine the efficacy of interventions such as therapeutic modalities (i.e. ultrasound), pharmacological treatments (i.e. PTH, IGF), and mechanical loading (i.e. targeted exercise, whole body vibration) to accelerate stress fracture healing and return to duty in injured recruits.

These studies, along with other DOD studies in progress, will determine the most cost-effective approach to diagnosis and treatment of stress fracture. An improved understanding of these injuries will also form the basis of potential preventive measures.

Recommendation

Though small in size, the Bone Health and Military Medical Readiness program is providing the military with realistic solutions that protect, sustain and enhance soldier performance and health across the continuum of military operations and training.

Mr. Chairman and members of the Committee, stress fractures continue to be a critical obstacle to military readiness and time deployment. Therefore it is imperative that the Department of Defense build on recent findings and maintain an aggressive and sustained Bone Health and Military Medical Readiness program. The National Coalition for Osteoporosis and Related Bone Diseases urges you to fund this program at a level of $5 million in fiscal year 2008.

We appreciate the opportunity to testify before the Committee.

Senator INOUYE. Our next witness is Ms. Kathleen Moakler, Director of Government Relations, National Military Family Association.

Welcome, Ms. Moakler.

STATEMENT OF KATHLEEN MOAKLER, DIRECTOR, GOVERNMENT RELATIONS, NATIONAL MILITARY FAMILY ASSOCIATION

Ms. MOAKLER. Good morning, Mr. Chairman, Senator Stevens. Thank you for inviting the National Military Family Association (NMFA) to come today, and tell you of the concerns of military families, and the issues that affect their quality of life.

Today's military families are required to be in a constant state of readiness. With the increased number of deployments, and the extension of some deployments, families need coordinated programs, and a support system that creates a strong foundation for family readiness.

Families are in different stages with each deployment. The support they receive must adapt to those stages. The professional staff and volunteers who care for these families require proper training, and must be equipped to sustain the support.

DOD and service programs like Military One Source, and Military Family Life Counselors that have proven successful in supporting families, need to be properly resourced. Innovative new programs dealing with the unique needs of individual augmentees are helping young people cope with deployment, or are addressing reintegration, like the Army's Battle Mind Program, need to be funded.

Families tell NMFA that shortfalls in installation operations funding make the challenges of military life more difficult. NMFA asks this subcommittee to ensure critical base operations programs are adequately funded for the service members and families who depend on them. Child care is always a top concern. Innovative programs are needed to match the round the clock work hours of service members, whose op tempo at home makes them almost deployed in place.

Respite care for the suddenly single parent, whose spouse is deployed, is an urgent need as well. We urge this subcommittee to make sure that the resources for providing child care are funded to meet the requirements of military families.

NMFA encourages this subcommittee to increase the DOD supplement to impact aid to $50 million, to help districts meet the additional demands caused by the effects of base realignment and closure (BRAC), and global rebasing. We ask that all school districts experiencing a significant growth in their military student populations, be eligible for the additional funding currently available only to districts with an enrollment of at least 20 percent military children. Some districts will be receiving military children for the first time, yet their need is still great.

As the war continues, families' need for a full spectrum of mental health services continues to grow. While the need grows, TRICARE reimbursement rates for mental healthcare providers have been cut in some regions. Sufficient funding to provide for the ongoing mental health needs of service members and their families should be considered.

We ask this subcommittee to fund research into the emotional, educational, and employment-related challenges affecting military families. Research funding is also needed to assess the long-term effects of post traumatic stress disorder (PTSD), and traumatic brain injury, the signature wound of this war.

NMFA thanks this subcommittee for its continued funding for a robust, military healthcare system. This healthcare system, which showed signs of stress before the start of the global war on terrorism, is now significantly taxed. Military treatment facilities must be funded, to ensure that their facilities are optimized to provide high-quality, coordinated care that is easily accessed by military beneficiaries, including wounded service members and their families.

Some military families are being asked to move to installations that are incapable of providing critical support and services to them. Funding is necessary to provide the support for gating installations. As we have seen with recent news reports about Walter Reed, anticipation of closure can impact facilities and services at the closing installation, as well.

NMFA urges Congress to fully fund the joint venture between Walter Reed, Bethesda, and Fort Belvoir to keep it on schedule. Authorized BRAC and rebasing construction, and quality of life initiatives must be fully funded, and on the promised timetable.

Military family support and quality of life facilities and programs require dedicated funding, not emergency funding. Military families are being asked to sustain their readiness. The least their country can do is make sure their support structure is consistently sustained, as well.

Thank you, and I look forward to your questions.

Senator INOUYE. Your program is absolutely essential if we are to successfully recruit and retain qualified personnel. We thank you very much.

Ms. MOAKLER. Thank you, sir.

Senator STEVENS. Thank you.

[The statement follows:]

PREPARED STATEMENT OF KATHLEEN MOAKLER

The National Military Family Association (NMFA) is the only national organization whose sole focus is the military family. The Association's goal is to influence the development and implementation of policies that will improve the lives of those family members. Its mission is to serve the families of the seven uniformed services through education, information, and advocacy.

Founded in 1969 as the National Military Wives Association, NMFA is a non-profit 501(c)(3) primarily volunteer organization. NMFA represents the interests of family members and survivors of active duty, reserve component, and retired personnel of the seven uniformed services: Army, Navy, Air Force, Marine Corps, Coast Guard, Public Health Service and the National Oceanic and Atmospheric Administration.

NMFA Representatives in military communities worldwide provide a direct link between military families and NMFA staff in the nation's capital. Representatives are the "eyes and ears" of NMFA, bringing shared local concerns to national attention.

NMFA does not have or receive federal grants or contracts.

NMFA's website is: http://www.nmfa.org.

Mr. Chairman and Distinguished Members of this Subcommittee, the National Military Family Association (NMFA) would like to thank you for the opportunity to present testimony today on the quality of life of military families. Once again, we thank you for your focus on the many elements of the quality of life package for service members and their families: access to quality health care, robust military pay and benefits, support for families dealing with deployment, and special care for the families of those who have made the greatest sacrifice.

In this statement, NMFA will address issues related to military families in the following areas:

Family Readiness

Today's military families are required to be in a constant state of readiness. They are either preparing for deployment, experiencing a deployment, or recovering from a deployment for a short time until it is time to prepare for another one. Family readiness calls for coordinated programs and the information delivery system necessary to create a strong foundation of family preparedness for the ongoing and unexpected challenges of military family life. Those who provide the support, both professional and volunteer, should be well-trained. Consistent services should be available: adequate child care, easy access to preventative mental health counseling as well as therapeutic mental health care, employment assistance for spouses, and youth programs that assist parents in addressing the concerns of children during deployment and separation.

The Nation has an obligation to support the quality of life for service members and their families not only because it is the right thing to do, but also because strong quality of life programs aid in the retention of a quality force. At a recent hearing, Master Chief Petty Officer of the Navy (MCPON) Joe R. Campa, Jr. summed up the importance of caring for families: "Quality of life does affect retention and it impacts recruiting. Young Americans deciding whether the Navy is right for them look at quality of life initiatives as indicators of the Navy's commitment to sailors and their families. Our goal is to leave no family unaccounted for or unsupported. Our vision of today's Navy family is one who is self-reliant yet well connected to our Navy community and support programs."

Ensuring Robust Family Programs and Installation Operations Support

In this sixth year of the Global War on Terror (GWOT), as many service members and families are experiencing their second or third deployments, family readiness is more imperative than ever. The needs of and support required for the family experiencing repeated deployments are often different from those of the first deployment. The family that was childless in the first deployment may have two toddlers by now. Middle schoolers have grown into teenagers with different needs. Parents age and the requirements of the "sandwich generation" grow. Commanders cannot assume that "experienced" families have the tools they need to weather each new deployment successfully. The end strength increases in the Army and Marine Corps will bring many new families needing to learn the basics of military life and family support while experiencing their first deployments.

Recently, top military family program leaders from across the Services gathered at the Family Readiness Summit convened by Assistant Secretary of Defense for Reserve Affairs Thomas Hall to answer tough questions on how to work better together. While focusing on the reserve component, delegates agreed that communication across the Services and components is key to bringing families the best support possible. Effective use of technology and partnering with community agencies were listed as best practices, along with Military OneSource and the use of volunteers. Challenges identified included the need for consistent funding for family programs and full-time support personnel to help avoid burnout for the full-time staff and volunteers. Some participants expressed concern that current funding is tied to current operations and worried those funds will not always be available. Participants also identified the need for clear, non-confusing nomenclature for programs that families could recognize regardless of Service or component. Everyone saw reintegration as a challenge and expressed concern that the single service member not be forgotten in the process. Outreach to parents, significant others, and other family members is essential in helping the service member recover from the combat experience.

Families and the installation professionals who support families tell NMFA shortfalls in installation operations funding are making the challenges of military life today more difficult. Families are grateful for the funding increases Congress has provided since the start of the GWOT for deployment related programs, such as counseling, family assistance for National Guard and Reserve families, and expanding access to child care services. However, the military families who contact NMFA, as well as many of our more than 100 installation volunteers, tell us they are worried about consistent funding levels for these programs, as well as for core installation support programs: family center staffing, support for volunteer programs, maintenance on key facilities, and operating hours for dining halls, libraries, and other facilities.

Shortages in base operation funding are nothing new. What seems to make the crisis worse are war needs which have exacerbated the negative effects of a long history of cutbacks. Deployed service members expect their installation quality of life services, facilities, and programs be resourced at a level to meet the needs of their families. Cutbacks hit families hard. They are a blow to their morale, a sign that perhaps their Service or their nation does not understand or value their sac-

rifice. They also pile on another stressor to the long list of deployment-related challenges by making accessing services more difficult. Families are being told the cutbacks are necessary to ensure funds are available for the GWOT, and in the case of Army communities, the ongoing Army transformation. Just when they need quality of life programs most, families should not be asked to do without. Their commanders should not have to make the choice between paying installation utility bills or providing family support services.

NMFA asks Congress to direct the Department of Defense to maintain robust family readiness programs and to see that resources are in place to accomplish this goal. We ask this Subcommittee to ensure critical base operations programs are adequately funded for the service members and families who depend on them.

Caring for Military Children and Youth

At a recent hearing, the Service Senior Enlisted Advisors put child care in the top two of their quality of life concerns. Frequent deployments and long work hours make the need for quality affordable and accessible child care critical. We thank Congress for making additional funding available for child care since the beginning of the GWOT. We also applaud several of the innovative ways the military Services have attempted to meet the demand:

—Navy's 24 hour child care centers in Virginia and Hawaii.
—Purchase of additional child care slots in private or other government agency facilities.
—Partnerships with provider organizations to connect military families with providers.
—Additional funding provided by Congress to make improvements to temporary facilities to increase the number of child care slots on military installations.

While these efforts have helped to reduce the demand for child care, the Services—and families—continue to tell NMFA more child care spaces and innovative assistance with the high cost of off installation care are needed to fill the ever-growing demand.

Multiple deployments have also affected the number of child care providers, both center and home based. Child and Youth Service (CYS) programs have historically counted heavily on the ranks of military spouses to fill these positions. Service CYS programs report a growing shortage of spouses willing to provide child care as the stress of single parenting and the worry over the deployed service member takes its toll. The partnerships between the Services and the National Association of Child Care Resource and Referral Agencies (NACCRRA) are helping and have grown over the past two years; however, not all families qualify for the subsidies and not all programs are the same. In addition, funding for these critical programs has been provided under supplemental appropriations, families have come to depend upon these programs and Congress must ensure that funding remains available for their continuation.

Innovative strategies are also needed when addressing the unavailability of after hour (before 6 A.M. and after 6 P.M) and respite care. Families often find it difficult to obtain affordable, quality care, especially during hard-to-fill hours and on weekends. Both the Navy and the Air Force have piloted excellent programs that provide 24-hour care. The Navy has 24-hour centers in Norfolk and Hawaii, which provide a home-like atmosphere for children of Sailors working late night or varying shifts. The Air Force provides Extended Duty Child Care and Missile Care (24 hour access to child care for service members working in the missile field). These innovative programs must be expanded to provide care to more families and funding for these programs must be sufficient to ensure the same level of quality provided in traditional child development programs.

NMFA urges Congress to ensure resources are available to meet the child care needs of military families.

Education of Military Children

As increased numbers of military families move into some communities due to Global Rebasing and BRAC, their housing needs will be met further and further away from the installation. Thus, military children may be attending school in districts whose familiarity with the military lifestyle may be limited. Educating large numbers of military children will put an added burden on schools already hard-pressed to meet the needs of their current populations. Impact Aid has traditionally helped to ease this burden; however, the program remains under-funded. NMFA was disappointed to learn the DOD supplement to Impact Aid was funded at a compromise level of $35 million for fiscal year 2007. An additional $10 million was provided to school districts with more than 20 percent military enrollment that experience significant shifts in military dependent attendance due to force structure

changes, with another $5 million for districts educating severely-disabled military children. While the total funding available to support civilian schools educating military children is greater than in recent years, we urge Congress to further increase funding for schools educating large numbers of military children. This supplement to Impact Aid is vital to school districts that have shouldered the burden of ensuring military children receive a quality education despite the stresses of military life.

NMFA also encourages this Subcommittee to provide additional funding for school districts experiencing growth available to all school districts experiencing significant enrollment increases and not just to those districts meeting the current 20 percent enrollment threshold. We also urge you to authorize an increase in the level of this funding until BRAC and Global Rebasing moves are completed. The arrival of several hundred military students can be financially devastating to any school district, regardless of how many of those students the district already serves. Because military families cannot time their moves, they must find available housing wherever they can. Why restrict DOD funding to local school districts trying to meet the needs of military children simply because they did not have a large military child enrollment to begin with?

NMFA asks Congress to increase the DOD supplement to Impact Aid to $50 million to help districts better meet the additional demands caused by large numbers of military children, deployment-related issues, and the effects of military programs and policies. We also ask Congress to allow all school districts experiencing a significant growth in their military student population due to BRAC, Global Rebasing, or installation housing changes to be eligible for the additional funding currently available only to districts with an enrollment of at least 20 percent military children.

Spouse Education and Employment

Studies show the gap between the financial well-being of military families and their civilian peers is largely due to the frequent moves required of the military family and the resulting disruptions to the career progression of the military spouse. In a 2005 report by the RAND Corporation, researchers found that military spouses, when compared to their civilian counterparts, were more likely to have graduated from high school and have some college. Yet the RAND study found that civilian counterparts tended to have better employment outcomes and higher wages. Surveys show that a military spouse's income is a major contributor to the family's financial well-being and that the military spouse unemployment rate is much higher (10 percent) than the national rate.

With a concern that spouses desiring better careers will encourage service members to leave the military, DOD is acknowledging the importance of efforts to support spouse employment. Recent DOD initiatives include the collaboration between DOD and Department of Labor (DoL), which focuses on:

—establishing Milspouse.org, a resource library for military spouse employment, education and relocation information,
—establishing One Stop Career Centers near major military installations (Norfolk, Virginia; San Diego, California; Fort Campbell, Kentucky),
—expanding opportunities for Guard and Reserve members and military spouses to access training and education grants,
—exploring options with states to offer unemployment compensation to military spouses when unemployment is the result of a permanent change of station (PCS) move, and
—to improve reciprocity for state certifications and licensing requirements.

Unfortunately, funds for this promising collaboration have run out. NMFA believes this lack of funding is a significant blow to the promise of these early initiatives. We also believe the Department of Labor is best positioned to provide the coordination necessary with states and other agencies to promote opportunities for military spouse employment.

DOD has also sponsored a partnership with Monster.com to create the Military Spouse Career Center and recently announced the availability of free career coaching through the Spouse Employment Assessment, Coaching and Assistance Program (SEACA). Improvements in employment for military spouses and assistance in supporting their career progression will require increased partnerships and initiatives by a variety of government agencies and private employers. These programs depend upon continued funding availability. Many of them are currently being funded as pilot projects.

NMFA asks that the partnership between DOD and DoL be realigned to give DoL the authority to serve military spouses through legislative changes designating military spouses as an eligible group for funds for training and education. Furthermore, NMFA asks Congress to ensure that successful pilot programs are converted to long-term, permanent programs with regular funding streams.

Mental Health

As the war continues, families' need for a full spectrum of mental health services—from preventative care to stress reduction techniques, to individual or family counseling, to medical mental health services—continues to grow. As service members and families experience numerous lengthy and dangerous deployments, NMFA believes the need for confidential, preventative mental health services will continue to rise. It will also remain high for some time even after military operations scale down in Iraq and Afghanistan. NMFA has seen progress in the provision of mental health services, access to those services, and military service member and family well-being. In some cases, however, the progress is ongoing and barriers to quality mental health care remain.

As pointed out in a report by the American Psychological Association, scholarly research is needed on the short- and long-term effects of deployment on military families, especially the children. We urge this Subcommittee to fund research agreements with qualified research organizations to expand our Nation's knowledge base on the mental health needs of the entire military family: service members, spouses, and children. Solid research on the needs of military families is needed to ensure the mix of programs and initiatives available to meet those needs is actually the correct one.

We ask this Subcommittee to encourage DOD to expand research into the emotional, educational, and deployment-related challenges affecting military families.

Family Health

NMFA thanks this Subcommittee for its continued funding for a robust military health care system. We ask Members of Congress to remember the multi-faceted mission of this system. It must meet the needs of service members and the Department of Defense (DOD) in times of armed conflict. The Nation must also acknowledge that military members, retirees, their families, and survivors are indeed a unique population with unique duties, who earn an entitlement to a unique health care program. We ask you to recognize that the military health care system, which showed signs of stress even before the start of the Global War on Terror, is now significantly taxed.

MTFs must have the resources and the encouragement to ensure their facilities are optimized to provide high quality, coordinated care for the most beneficiaries possible. They must be held accountable for meeting stated access standards. If funding or personnel resource issues are the reason access standards are not being met, then assistance must be provided to ensure MTFs are able to meet access standards, support the military mission, and continue to provide quality health care.

NMFA asks all Members of Congress to hold DOD accountable for providing access to quality care to all TRICARE beneficiaries and to ensure the system is adequately resourced to provide that access.

TRICARE Fees—What's the Answer?

Last year's proposal by DOD to raise TRICARE fees by exorbitant amounts resonated throughout the beneficiary population. Beneficiaries saw the proposal as a concentrated effort by DOD to change their earned entitlement to health care into an insurance plan. NMFA appreciates the concern shown by Members of Congress last year in forestalling any premium increase, emphasizing the need for the Department to institute more economies, and suggesting further investigation of the issue through a report by the Government Accountability Office and the creation of a task force on the future of military health care. We appreciate your recognition of the need for more information about the budget assumptions used by DOD, the effects of possible increases on beneficiary behavior, the need for DOD to implement greater efficiencies in the Defense Health Care Program (DHP), and the adequacy of the DHP budget as proposed by DOD.

NMFA remains especially concerned about what we believe is DOD's continued intention to create a TRICARE Standard enrollment fee. Charging a premium (enrollment fee) for TRICARE Standard moves the benefit from an earned entitlement to an opportunity to buy into an insurance plan. Standard is the only option for many retirees, their families, and survivors because TRICARE Prime is not offered everywhere. Also, using the Standard option does not guarantee beneficiaries access to health care. DOD has so far not linked any guarantee of access to their proposals to require a Standard enrollment fee.

DOD's proposal last year to increase TRICARE Prime enrollment fees, while completely out-of-line dollar wise, was not unexpected. In fact, NMFA had been surprised DOD did not include an increase as it implemented the recent round of new TRICARE contracts. NMFA believes DOD officials continue to support large increased retiree enrollment fees for TRICARE Prime, combined with a tiered system

of enrollment fees and TRICARE Standard deductibles. NMFA believes any tiered system would be arbitrarily devised and would fail to acknowledge the needs of the most vulnerable beneficiaries: survivors, wounded service members, and their families.

Acknowledging that the annual Prime enrollment fee has not increased in more than 10 years and that it may be reasonable to have a mechanism to increase fees, NMFA last year presented an alternative to DOD's proposal should Congress deem some cost increase necessary. The most important feature of this proposal was that any fee increase be no greater than the percentage increase in the retiree cost of living adjustment (COLA). If DOD thought $230/$460 was a fair fee for all in 1995, then it would appear that raising the fees simply by the percentage increase in retiree pay is also fair. NMFA also suggests it would be reasonable to adjust the TRICARE Standard deductibles by tying increases to the percent of the retiree annual COLA.

NMFA believes tying increases in TRICARE enrollment fees to the percentage increase in the retiree Cost of Living Adjustment (COLA) is a fair way to increase beneficiary cost shares should Congress deem an increase necessary.

Wounded Service members Have Wounded Families

Traumatic Brain Injury (TBI) is the signature wound for Operation Enduring Freedom and Operation Iraqi Freedom injured service members. Long-term effects and appropriate treatment for this condition have not been adequately assessed. NMFA is concerned with DOD's decision to cut funding for basic research by 9 percent and 18 percent for applied research. Accurate diagnosis and proper treatment for TBI requires forward leaning initiatives by DOD and VA founded on solid research.

When designing support for the wounded/injured in today's conflict, the "government"—whether in the guise of commander, non-commissioned officer, Service personnel office, a family assistance center, an MTF, or the VA—must take a more inclusive view of military families and remember that a successful recovery depends on caring for the whole patient and not just the wound. It is time to update TRICARE benefits to meet the needs of this population by allowing medically-retired wounded service members and their families to retain access to the set of benefits available to active duty families during a transitional period following the service member's retirement. These benefits would include the ability to enroll in TRICARE Prime Remote and to continue coverage of a disabled family member under the Extended Care Health Option (ECHO).

To support wounded and injured service members and their families, NMFA recommends that Congress extend the three-year transitional survivor health care benefit to service members who are medically retired and their families and direct DOD to establish a Family Assistance Center at every MTF caring for wounded service members.

Families in Transition

Military families are in a constant state of movement. Through the years, the knowledge that the family would be relocated every two or three years was a constant. Now, there are many different types of transitions. The closing of installations in Europe is forcing families back to the states into communities that may not have the infrastructure and housing to support them. As service members return from combat and reintegrate with their families and employers, all parties need to have the tools to help in the reintegration process. Survivors—the military families who have sacrificed the most—deserve our Nation's long-term support. What needs to be done to help service members and families in transition?

Base Realignment and Closure, Global Rebasing, and Transformation

As DOD relocates and rebases units, it must be conscious that the further it moves families from an installation and the military community, the more it degrades their ability to benefit from the support of that military community. The current BRAC and rebasing initiatives will result in disruption and upheaval for the families affected. Military families accept this fact as a reality of the lifestyle they have chosen. What they cannot, and should not, be asked to accept is that they will be asked to move as ordered to a receiving installation that is incapable of providing critical support and services to them. Moving is stressful for any family. It is critical the government does not amplify this stress by allowing the process to move forward without the funding for necessary infrastructure and facilities to support these families. This critical funding is needed to provide health care, education, housing, child care, and family support programs and facilities for these gaining installations. The Army alone requires thirty new child care centers simply to maintain the level of

care currently available on losing installations. Military families must be assured that services are in place before they arrive at their new military community.

NMFA strongly asserts that the authorized BRAC and rebasing construction and quality of life initiatives must be fully funded.

Survivors

NMFA still believes the benefit change that will provide the most significant long-term advantage to the financial security of all surviving families would be to end the Dependency and Indemnity Compensation (DIC) offset to the Survivor Benefit Plan (SBP). Ending this offset would correct an inequity that has existed for many years. Those who give their lives for their country deserve more fair compensation for their surviving spouses. We urge Congress to intensify efforts to eliminate this unfair "widow's tax" this year.

NMFA believes several other adjustments could be made to the Survivor Benefit Plan. These include allowing payment of SBP benefits into a trust fund in cases of disabled children and allowing SBP eligibility to switch to children if a surviving spouse is convicted of complicity in the member's death.

NMFA recommends the DIC offset to SPB be eliminated to recognize the length of commitment and service of the career service member and spouse and relieve the spouse of making hasty financial decisions at a time when he or she is emotionally vulnerable.

Pay and Compensation

NMFA thanks Members of this Subcommittee for their recognition that service members and their families deserve a comprehensive benefit package. In addition, service members and their families appreciate the regular annual pay increases and targeted raises, over the past several years. In most cases, military pay is on par with civilian pay for equivalent education levels. NMFA asserts, however, that while the DOD policy of paying at the seventieth percentile has made significant progress in alleviating the pay gap, military service is a unique profession, which requires unique dedication and sacrifice. Perhaps the establishment of pay rates at the seventieth percentile does not adequately reflect the value our Nation places on the dedicated service of our men and women in uniform. NMFA urges funding for a pay increase of not less than 4 percent for fiscal year 2008. We further urge that future increases consider the unique character of military service and consider the establishment of pay rates at the eightieth percentile.

Families and Community

Higher stress levels caused by open-ended and multiple deployments require a higher level of community support. We ask Congress to ensure a consistent level of resources to provide robust quality of life, family support, and the full range of preventative and therapeutic mental health programs during the entire deployment cycle: pre-deployment, deployment, post-deployment, and in that critical period between deployments.

Military families share a bond that is unequaled in the civilian world. They support each other through hardship, deployments, PCS moves, and sometimes, the loss of a loved one. The military community is close knit and must be so. It is imperative that our Nation ensure the necessary infrastructure and support components are in place to support families regardless of where they happen to be located geographically. More importantly, we ask you and other Members of Congress to ensure that the measures undertaken today in the interest of cutting costs and improving efficiency do not also destroy the sense of military community so critical to the successful navigation of a military lifestyle.

Educating families on what support is being provided helps reduce the uncertainty for families. Preparation and training are key in reaching families and making sure they are aware of additional resources available to them. While NMFA appreciates the extraordinary support that was made available to address the special needs of the families during deployment extensions and the recent "Surge", our Nation must ensure this level of support is available to all families day in and day out. Military family support and quality of life facilities and programs require dedicated funding, not emergency funding. Military families are being asked to sustain their readiness. The least their country can do is make sure their support structure is consistently sustained as well. Strong families equal a strong force. Family readiness is integral to service member readiness. The cost of that readiness is an integral part of the cost of the war and a National responsibility. We ask Congress to shoulder that responsibility as service members and their families shoulder theirs.

Senator INOUYE. Our next witness is Ms. Sherry Black, Executive Director of Ovarian Cancer National Alliance.

Ms. Black.

STATEMENT OF SHERRY SALWAY BLACK, EXECUTIVE DIRECTOR, OVARIAN CANCER NATIONAL ALLIANCE

Ms. BLACK. Good morning, Mr. Chairman, Senator Stevens. Thank you for inviting me, once again, to speak before this subcommittee.

I am the Executive Director of the Ovarian Cancer National Alliance, and I am testifying on behalf of the 172,000 ovarian cancer survivors, which I am lucky to be one.

I am pleased to be here on behalf of survivors, patients, and our many friends who have lost their battle to ovarian cancer, to urge you to continue to support the Department of Defense, congressionally directed research program in ovarian cancer.

According to the American Cancer Society, more than 22,000 women will be diagnosed with ovarian cancer, and approximately 15,000 will lose their lives to this disease this year.

Ovarian cancer causes more deaths than all other cancers of the female reproductive tract combined, and is the fifth highest cause of cancer deaths among women.

Currently, almost one-half of the women diagnosed with ovarian cancer die within 5 years. Seventy-five percent are diagnosed in stages 3 and 4. When detected early, as I was, the 5-year survival rate increases to more than 90 percent, but when detected in the late stages, the 5-year survival rate drops to 29 percent.

Ovarian cancer survival rates have not made the appreciable gains that other cancers have. One reason is the lack of an early screening or diagnostic test. Yet, Federal funding for ovarian cancer research has remained flat. We need continued and increased research funding to assure that effective screening and diagnostic tests are developed, and ideally, to identify who is high risk, and how ovarian cancer can be prevented in the first place.

The Ovarian Cancer Research Program (OCRP) has been funded at $10 million since 2004, and has never been appropriated more than $12 million in its 10 year history. We know that critical research, which takes many years to bear fruit, is on the cusp of significant findings. Additional investment now is vital for future research into prevention, diagnosis, and treatment.

Since its inception, the OCRP has developed a multidisciplinary research portfolio that encompasses prevention, early detection, diagnosis, pre-clinical therapeutics, quality of life, and behavioral research projects. The OCRP strengthens the Federal Government's commitment to ovarian cancer research, and supports innovative and novel projects that propose new ways of examining prevention, early detection, and treatment.

The program also attracts new investigators into ovarian cancer research, and encourages proposals that address the needs of minority, elderly, low income, rural, and other underrepresented populations.

Today, ovarian cancer researchers are still struggling to develop the very first ovarian cancer screening test. With traditional research models largely unsuccessful, the innovative grants awards by the OCRP are integral to moving the field of research forward. The OCRP has been responsible for the only two working animal

models of ovarian cancer, models that will help unlock the keys to diagnosing and treating ovarian cancer.

In 2007, researchers announced the discovery of a potential biomarker, that may be used in ovarian cancer screening. Only with sufficient funding will the realization of a desperately needed screening test be possible.

The program's achievements have been documented in numerous ways, included 253 publications in professional journals and books, 330 abstracts and presentations, and nine patents. Due to research grants, the program has attracted 25 new researchers to the field—this is critical. Investigators funded through the OCRP have yielded several crucial breakthroughs in the study of prevention.

The alliance is joined by our partner, the Society of Gynecologic Oncologists, and the many people affected by this disease. We urge the subcommittee to increase Federal funding on ovarian cancer by appropriating $20 million to the Department of Defense Ovarian Cancer Research Program for fiscal year 2008.

The alliance is celebrating its 10th anniversary this year. As we conclude our first decade of action, we look forward to a future of hope. This hope is made possible, in part, by advances in medicine discovered through the OCRP.

I thank you very much for your leadership on this issue.

Senator INOUYE. As indicated earlier, Senator Stevens and I are on your side. We'll do our best.

Ms. BLACK. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF SHERRY SALWAY BLACK

Mr. Chairman, Ranking Member and Members of the Subcommittee, thank you for inviting me to speak. I am Sherry Salway Black, Executive Director of the Ovarian Cancer National Alliance (the Alliance). I am testifying on behalf of the 172,000 ovarian cancer survivors, of which I am lucky to count myself. I am pleased to be here on behalf of survivors, patients and our many friends who lost their battle to ovarian cancer to urge you to continue to support the Department of Defense (DOD) Congressionally Directed Medical Research Program (CDMRP) in ovarian cancer. The Ovarian Cancer Research Program (OCRP) and the Alliance have worked for the past 10 years to improve the lives of women with ovarian cancer, and their families. We are joined in our request by the doctors who deliver patient care, the Society of Gynecologic Oncologists. Great strides have been made in this previous decade, but without an increase in research funds, progress will stall. As we move forward into our second decade, we have hope for the future of treatment, patient care, survivorship and research.

According to the American Cancer Society, more than 22,000 women will be diagnosed with ovarian cancer and approximately 15,000 will lose their lives to the disease this year. Ovarian cancer causes more deaths than all the other cancers of the female reproductive tract combined, and is the fifth highest cause of cancer deaths among women. Currently, almost half of the women diagnosed with ovarian cancer die within five years. When detected early, the five-year survival rate increases to more than 90 percent, but when detected in the late stages, the five-year survival rate drops to 29 percent.

The majority of women with ovarian cancer are diagnosed in Stages III or IV, when survival rates are lower. Ovarian cancer survival rates have not made the appreciable gains that other cancers have. One key reason for this is the lack of an effective screening or early diagnosis test.

Yet, federal funding for ovarian cancer research has remained flat. We need continued and increased research funding to assure that effective screening and diagnostic tests are developed, and ideally to identify who is at high-risk and how ovarian cancer can be prevented in the first place. The OCRP has been funded at $10 million since 2004, and has never been appropriated more than $12 million in its 10-year history. We know that critical research, which takes many years to bear fruit, is on the cusp of significant findings. Additional investment now is vital for

future research into prevention, diagnosis and treatment. Therefore, we respectfully recommend that this Subcommittee appropriate $20 million to the OCRP for fiscal year 2008.

THE OVARIAN CANCER RESEARCH PROGRAM

Funding history

The Ovarian Cancer Research Program (OCRP) was established in 1997 in response to the advocacy efforts of the ovarian cancer movement. The stated mission is to eliminate ovarian cancer by promoting "innovative, integrated multidisciplinary research efforts that will lead to a better understanding, detection, diagnosis, prevention and control of ovarian cancer." The program was initially appropriated $7.5 million. In its first eight years, the OCRP has distributed more than $79 million for research. In 2005 the OCRP was only able to fund 7 percent of the proposals, and in 2006 was limited to 15 percent of the proposals. The OCRP operates with less than 10 percent in administrative costs, making this a highly efficient program.

Cutting-edge research being done by grantees of the program has moved us forward: researchers now better understand the disease, have identified possible biomarkers for screening tests, are exploring targeted therapies, and are moving us closer to our goal of conquering ovarian cancer. Without additional funding, we fear that researchers will fail to investigate ovarian cancer, and our medical progress will stall.

Process

The program uses an Integration Panel to provide a two-tier review process in which scientific and non-scientific advisors interact. Patient advocates are always included in the review process. The Integration Panel, based on input from advocates, scientists and clinicians, identifies areas where research should be conducted. The inclusion of patient advocates adds a necessary perspective by ensuring that the focus is on understanding and conquering the disease in a way that will be helpful to patients. The goal of the OCRP is to use science directly to help ovarian cancer patients and those at risk—not just for the sake of a scientific exercise.

More important, the process allows funding of research that is high risk, but high reward, and would not otherwise be funded. One example of such research is investigation into a much-needed screening test through the presence of a biomarker BCL–2, and the discovery that hormones found in oral contraceptives reduce the risk of ovarian cancer. Researchers without proven track records may receive grants from the OCRP—many of these research projects have gone on to be funded by the National Institutes of Health after the initial OCRP-funded research is completed.

Grants are awarded to fund innovative research or to establish research resources. These research resources are available to Historically Black Colleges and Universities/Minority Institutions and are awarded to foster collaborations between the researchers at the minority institution and other institutions.

Collaboration between institutions is an important aspect of this program. Projects have leveraged DOD awards with National Institutes of Health (NIH) programs or other institutions, both domestically and internationally. For example, one award linked researchers at the Fox Chase Cancer Center with scientists at Delaware State University to study lasers as an early detection tool for ovarian cancer.

Many of the results from the CDMRP are translatable to other cancers. For example, a study funded by DOD, NIH and Komen for the Cure discovered the existence of cancer stem cells. These cancer stem cells may hold the key to preventing cancer recurrence. Another study is testing a patient's breath for cancer. The research has proven successful for breast and lung cancers. Currently, specially trained dogs can smell biochemicals in patients' breath that indicate early lung and breast cancers correctly in over 85 percent of cases.

Results

Since its inception, the OCRP has developed a multidisciplinary research portfolio that encompasses etiology, prevention, early detection/diagnosis, preclinical therapeutics, quality-of-life, and behavioral research projects. The OCRP strengthens the federal government's commitment to ovarian cancer research and supports innovative and novel projects that propose new ways of examining prevention, early detection and treatment. The program also attracts new investigators into ovarian cancer research, and encourages proposals that address the needs of minority, elderly, low-income, rural and other under-represented populations.

Today, ovarian cancer researchers are still struggling to develop the first ovarian cancer screening test. With traditional research models largely unsuccessful, the innovative grants awarded by the OCRP are integral in moving the field of research forward. The OCRP has been responsible for the only two working animal models

of ovarian cancer—models that will help unlock keys to diagnosing and treating ovarian cancer. In 2007, researchers announced the discovery of a potential biomarker that may be used on ovarian cancer screening. Only with sufficient funding will the realization of a desperately-needed screening test be possible.

The program's achievements have been documented in numerous ways, including 253 publications in professional medical journals and books, 330 abstracts and presentations given at professional meetings, and nine patents, applications and licenses granted to awardees of the program. Due to research grants, the program has attracted 25 new researchers to the field, 18 of whom are still working on ovarian cancer. Investigators funded through the OCRP have yielded several crucial breakthroughs in the study of prevention and detection, including:

—Creation of a human ovarian tissue bank
—Development of chicken model to study susceptibility to ovarian cancer
—Use of rhesus monkey model to study contraceptives and vitamin A analog in prevention of ovarian cancer
—Detection of a possible biomarker (BCL–2) screening tool to detect ovarian cancer through urine samples
—Development of a potential screening tool to determine chemotherapy sensitivity in ovarian cancer patients
—Use of new bioinformatics tools to identify different sets of genes for different types of ovarian cancer tumors
—Development of radio-therapeutics for advanced ovarian cancer treatment
—Discovery of a receptor expression level as a possible indicator of aggressive ovarian cancer tumor behavior
—Discovery of potential method to overcome oncogene-associated chemo-resistance in ovarian cancer cells
—Continued focus on ovarian cancer screening tools
—Development of radiation therapies for metastatic ovarian cancer
—Discovery of production of certain enzymes by ovarian cancer cells; this discovery may lead to the development of vaccines for recurrent ovarian cancer.

CONCLUSION

The Alliance is joined by our partner, the Society of Gynecologic Oncologists, in making this request. We urge the Subcommittee to increase federal funding on ovarian cancer by appropriating $20 million to the Department of Defense Ovarian Cancer Research Program for fiscal year 2008. As we conclude our first decade of action, we look forward to a future of hope. This hope is made possible, in part, by advances in medicine discovered through the OCRP. I thank you for your leadership on this issue.

Senator INOUYE. Our next witness is Dr. Sven-Erik Bursell, Joslin Diabetes Center.

Did I pronounce it correctly?

STATEMENT OF DR. SVEN-ERIK BURSELL, DIRECTOR, TELEHEALTH RESEARCH, JOSLIN DIABETES CENTER

Dr. BURSELL. You did a wonderful job, sir. Thank you.

Mr. Chairman, thank you for this opportunity to report on the progress of Joslin Diabetes Center's cooperative telemedicine project with the Department of Defense, Veterans Health Administration, and the University of Hawaii for providing a healthcare delivery platform for the connect-care management and treatment of people with diabetes, and for providing appropriate eye care to prevent blindness from diabetic retinopathy.

This program can serve as a national model for providing cost-efficient and appropriate, high-quality care for all people with diabetes.

I am Sven-Erik Bursell, the Director of Telehealth Research at Joslin Diabetes Center. This Telehealth program represents a collaborative research and development effort that is being successfully translated into clinical programs, represented by the VA national tele-retinal screening initiative, and implementation of suc-

cessful clinical programs to provide diabetes care to Native Americans, Native Alaskans, and Native Hawaiians.

The innovative eye care program that is a module of our larger diabetes management platform is the only clinically validated, nonmedriatic system that is being successfully deployed in 70 sites in 23 States and is accessed by over 100,000 people with diabetes, into appropriate eye care. This has directly resulted in significant savings of sight for these people with diabetes.

This clinical application will also be the first outside application to be integrated into the new DOD, electronic medical records system, ALTA. And, its initial usage will be in the Walter Reed Army Medical Center network, and in the Lackland Air Force network in San Antonio. This integration will be completed this year.

Additionally, the larger diabetes management program is currently in use in community health centers in Hawaii, South Carolina, and Massachusetts, and will be implemented in the Indian Health Service this year. Six month data from our Community Health Centers Program showed that patients in this system see a significant improvement in their control of diabetes, such as blood glucose levels, as well as a significant reduction in the level of daily stress they experience in managing their diabetes.

We're asking for continuation funding of $5 million in fiscal year 2008 to complete a series of nine multicenter clinical trials, aimed at determining the clinical efficacy and cost efficiency of various components of our diabetes management application. The data from these completed studies will provide direct, medical and economic evidence to validate the sustainability of the program.

In addition to completing these studies, we will also initiate new research efforts into automated diabetic retinopathy, diagnostic support systems, computer-assisted decision support for medical management of diabetes, migration of the system into a personal health record that will leverage home monitoring, automated lifestyle decision support, and the use of streaming video, entertaining education that can go directly to the cell phone.

These research efforts, we expect, to rapidly translate into our existing clinical programs, to further empower people with diabetes to live a normal life.

Mr. Chairman, thank you for your attention, and our appreciation to be part of this project with the Department of Defense, as well as the support of you and your colleagues. We will be grateful for the continued support again this year, for this unique and extremely productive collaborative effort.

Thank you, sir.

Senator INOUYE. I can assure you that we'll do our very best.

Dr. BURSELL. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF DR. SVEN-ERIK BURSELL

INTRODUCTION

Mr. Chairman and Members of the Committee, I would like to thank you for the opportunity to submit written testimony on behalf of the Diabetes Care and Treatment Project: A Joslin Telemedicine Initiative. We are extremely appreciative of the funds provided for this valuable project in the fiscal year 2007 Defense Appropriations Act. The results of this work can be immediately translated into providing coordinated care for returning servicemen, as well as providing cost effective care for

all people with diabetes. In fact, the interoperable and interactive platform that we have developed for diabetes care and care of other chronic diseases can provide a model for national programs. For example, the Veterans Affairs has initiated their National Teleretinal screening program based on the research and development work derived from this funding.

SUMMARY

This request of $5,000,000 represents the collective costs of the participating organizations (Joslin Diabetes Center, Walter Reed Army Medical Center, Boston Veterans Affairs Campus, and the University of Hawaii) in this collaborative consortium of expertise and associated expenses of the Department of the Army, RDT&E.

FISCAL YEAR 2007 STATUS REPORT

The problem that we are faced with is that diabetes is a significant and growing public health problem and it disproportionately affects certain social groups especially Native Americans, Native Hawaiians and Native Alaskans. Additionally, care is unevenly provided in the United States, especially in rural/remote areas and to minorities. At this time the current health care system does not have the ability to manage all people with diabetes, and we know that diabetes-related complications can be slowed or prevented with appropriate care. This project has developed a new web-based health information technology (HIT)—the Comprehensive Diabetes Management Program (CDMP)—designed to provide even and comprehensive care to people with diabetes. This project is also examining the value derived from the adoption and utilization of the CDMP at multiple sites with 8 research projects. Several cross most sites that include the Joslin Diabetes Center, the VA Boston Healthcare System, the Walter Reed Army Medical Center network and the University of Hawaii with program implementation at 3 Community Health Centers in Hawaii.

This Diabetes Telehealth application was initially focused on the delivery of quality eye care to the right patients at the right time. The aim was to prevent blindness caused by diabetes and to provide health care delivery tools for diabetes and other chronic diseases for a clinically effective and cost efficient platform for connected care for all American people.

TELEHEALTH EYE CARE PROGRAM

This program was the earliest of our implemented diabetes care programs developed through this funding. Currently the application has accessed over 100,000 patients at approximately 70 sites in 23 states in the United States including Hawaii and Alaska. We are currently planning deployment of the Telehealth application including the eye care application in the Lackland Air Force Base network in San Antonio in May 2007.

The eye care program has been clinically validated as being diagnostically equivalent to current clinical gold standards for eye examination and has been shown to be a cost effective method of eye care delivery.

TELEHEALTH DIABETES MANAGEMENT APPLICATION PROGRESS

Work on the development of an interactive comprehensive diabetes management program was initiated in 2001. It involved leaders in diabetes clinical management, education, lifestyle modification and medical informatics from the Joslin Diabetes Center, the Department of Defense, the Veterans Affairs and the Indian Health Services. The rationale for this effort was the recognized need to be able to provide a continuum of care for diabetic patients in contrast to the current more disjointed care that is provided. This need was further highlighted by recent results from the Diabetes Prevention Program (DPP). These patients were randomized to either intensive life style modification, metformin or placebo treatment. After follow up of 4.6 years, life style modification reduced the progression to diabetes by 58 percent. Moreover, the development of diabetes was reduced by 31 percent. The results indicated that one of the primary reasons for the success of this study was the implementation of a case management program. This is exactly what we have developed for the CDMP, namely a care manager centric interactive and interoperable application that provides more continuous and immediate contact between patients, care managers and physicians over secure websites. It is anticipated that the development of the interactive web-based education and behavior modules will provide the largest potential benefit with respect to motivating patients to set reasonable goals for their management of diabetes, and thus maximize the clinical benefit.

The collaborative currently runs 9 clinical trial research projects actively that are taking place at 4 sites. These each entail testing some aspect of the Comprehensive Diabetes Management Program for clinical efficacy and cost efficiency, namely the CDMP Eye care program, the Behavioral Assessment Tool (BAT), and the digital photography component of the nutrition module.

The completion of these studies has been deemed critical to provide the medical evidence to support a sustainable program. The expectations are that this program will provide significant reductions in health care dollars expenses while maintaining a high quality of care as assessed through a reduction in complications such as blindness from diabetes. The data from these studies can provide compelling evidence to third party payors as to the effectiveness of the program since medical reimbursement is a critical factor in sustaining the program. The use of this program will also increase the access of patients to appropriate care and provide a very powerful tool that will empower patients to improve their own management of their diabetes. During the 2007 funding period, active patients in the program will be followed for all the proposed studies and data collection and interim analyses will be ongoing.

Philosophically this management program has been developed to facilitate an interactive and continuous connection between patient and care team. This gives it the ability to aggregate clinical data from diverse sources, electronic medical record systems, lab systems and data from the home through the use of home monitoring devices. In this way the system is able to present data to a physician in a medically relevant manner that allows a patient doctor communication to occur over most of the short patient visits. The robust clinical decision support system also rapidly identifies patients at risk or who have other medical issues that need to be addressed. It is expected that the management and health care delivery services provided through this application will allow a primary care practitioner to appropriately manage patients with chronic disease, such as diabetes, for longer periods of time before having to refer patients to more expensive subspecialty services that result in very cost efficient care and the savings of health care dollars.

FISCAL YEAR 2008 OBJECTIVES

CDMP Eye Care Application Enhancements

We will continue our research and development efforts to improve retinal image quality and provide computer assisted support with respect to automated detection of retinal lesions and automated diagnosis based on identification of these lesions. We will also begin to develop a system to provide computer assisted decision support for best practice treatment and management plan options, based on diagnosis of level of diabetic retinopathy and the level of risk associated with the patients diabetes in general. This neural network approach will rapidly increase the efficiency of the system for providing eye diagnoses and medically relevant treatment plan options and will have a critical impact on the sustainability of the program.

Comprehensive Diabetes Management Program (CDMP)

The current system utilization is more physician centric. However, the platform allows a migration to modules that provide a patient centric personal health record that is also interoperable and will harmonize care across the health care arena. Over the coming years our work will focus on moving the system into a more open source environment so that it becomes available to everyone license free.

A major research thrust will be to develop a neural net engine that automates treatment plan options based on available medical information and evidence based clinical guidelines. In this manner the physician can be rapidly guided to treatment plan options and can decide to choose one of the presented options or develop a different plan.

We will also focus on enriching the personal health record component of the applicant through a series of automated lifestyle decision support systems. In this way, instead of the patient having to go through options and make decisions, the system automatically provides the patient with healthy lifestyle options and the patient just has to choose whatever option the patient likes. Thus we expect that patient decisions regarding the management of the patients' chronic disease will become much more seamless and gives the patient time to focus on decisions involving a more normal lifestyle in the absence of a chronic disease.

Behavior is the Key to Health Maintenance

While behavior-driven goals are easy to define they are difficult to implement in the current medical paradigm. A typical doctor visit in the United States allows only three minutes of direct interaction with a patient. As we better understand the profound role of individual behavior in the maintenance of health and in the onset and

progression of disease, it is clear that the effective management of those behaviors is the Holy Grail of modern health management. Human behaviors are notoriously difficult to change. We change slowly and incrementally, and change comes as the result of understanding—truly, deeply understanding the positive impact our behaviors will have on the quality and length of our lives.

We expect to significantly impact patient behaviors through the use of novel education applications that are a major thrust of our continuing research and development. This will focus on the arena of providing medical education in a manner that will resonate with the patient. The concept here is to provide education and decision support in an engaging video format coupled with a learning system that starts to recognize particular patient's preferences. For example, based on patient data collected during the day on nutrition, (images of meals taken over cell phone) exercise, and blood glucose values, it will be possible to provide video clips of different meals that adhere to patient treatment plan and lifestyle. When a patient clicks on a meal beam a TV format video, onto the patient TV in the kitchen, of how to cook the meal.

Other CDMP research areas will focus 4 topics as outlined below:

—The continuing development of the nutrition module to include algorithms identifying nutritional risk based on patient food intake with decision support to improve nutritional behaviors. This will also include interactive patient advice with respect to recipe choices, portion sizes and food choices.

—Provide a wide variety of home monitoring devices to the patient that can be connected wirelessly to a home computer for transmission to the CDMP application.

—Integration of a Hypertension Management Module working in collaboration with the Veterans Administration.

—The development of a cognitive assessment tool. This is an important aspect of being able to help a patient manage diabetes. For example if a patient is non compliant to a method for changing smoking cessation, the patient is non-compliant because the patients are not ready to change or are because they do not understand what is being asked of him or her.

—The development of a mental health care service delivery module. In diabetes there is an almost complete lack of appropriate management of mental health care. During this funding cycle we will develop a CDMP module that facilitates delivery of mental health care services to a patient with diabetes.

—The development of a predictive modeling algorithm that will allow the CDMP care manager to predict significant clinical adverse events, with decision support tools that will allow the care manager to potentially prevent the adverse event from occurring.

PROGRAM COSTS

	Amount
DOD Admin & Mgmt Costs (@20 percent)	$1,000,000
Participation Expenses (Includes costs for ongoing studies and addition of new sites)	1,757,000
Joslin Expenses (Includes costs for studies and support as well as on going research and development efforts for improved retinal imaging)	1,173,000
Shared CDMP Costs involved in continuing development of new modules and computer assisted diagnostic support as well as study related costs for the ongoing cost benefit and clinical benefit studies	1,070,000
TOTAL, Joslin Diabetes Center	5,000,000

Mr. Chairman, Joslin is pleased to be a part of this project with the Department of Defense and we are grateful for the support that you and your colleagues have provided to us. Please know that we would be grateful for your continued support again this year.

Senator INOUYE. Our next witness is John R. Davis, Director, Legislative Programs of The Fleet Reserve Association.

Mr. Davis.

STATEMENT OF JOHN R. DAVIS, DIRECTOR, LEGISLATIVE PROGRAMS, THE FLEET RESERVE ASSOCIATION

Mr. DAVIS. Thank you.

Mr. Chairman, The Fleet Reserve Association (FRA) wants to thank you, and the entire subcommittee for your work to improve military pay, improve healthcare, and enhance other personnel, retirement, and survivor programs.

This year, with even more than $100 billion in pending supplemental appropriations for the Iraq and Afghanistan conflict, the United States will still spend only about 4 percent of its GDP on defense, as compared to 9 percent annually in the 1960's.

FRA strongly supports funding to support the anticipated increases in end-strengths for 2008, since the current end-strength is not adequate to meet the demands of fighting the war on terror, and sustaining other operational commitments.

Sailors, marines and Coast Guardsman serving in Operation Iraqi Freedom/Operation Enduring Freedom must be fully armed with the best protective devices available for their personal safety. A top priority for FRA is adequate funding for, and receipt of those protective devices, including: vehicle protection, armor and electronic equipment to disrupt IEDs for every uniformed service member in theater.

FRA strongly supports adequate funding for the Defense Health Program. In order to meet readiness needs, fully fund TRICARE and improve access for all beneficiaries, regardless of age, status, or location, FRA believe the Defense Department must investigate and implement other options to make TRICARE more cost effective as an alternative to shifting the cost to retiree beneficiaries under the age of 65.

The proposed 2008 budget includes cuts in healthcare funding based, apparently, on the assumed implementation of drastically higher fees for military retirees. FRA questions why DOD assumed authorization of the fee hikes before the ongoing studies are complete.

FRA strongly urges the subcommittee to restore the funding in lieu of TRICARE fee increases. FRA believes funding healthcare benefits for all beneficiaries are part of the cost of defending our Nation.

FRA supports the annual Active duty increases that are at least one-half of 1 percent above the employment cost index. For 2008, the administration recommended only a 3-percent across-the-board pay increase for members of the Armed Services, which is equal to the employment compensation index.

Adequate pay contributes to improved morale, readiness, and retention. The value of adequate pay cannot be overstated. Better pay will reduce family stress, especially for the junior enlisted. The current year pay increase, which was 2.2 percent, was the smallest increase since 1994. Military pay and benefits must reflect the fact that military service is very different from the work in the private sector.

Also, reforming and updating the Montgomery GI bill is important, and aids in the recruitment and retention of high-quality individuals for service in the Active and Reserve forces. If authorized, FRA also strongly supports funding improvements to concurrent receipt of military retired pay, and VA disability compensation. Also, retention of a full month's pay, for retired pay, by the retiree's surviving spouse.

These proposals have also been endorsed by the full military coalition.

Thank you, again, Mr. Chairman, for allowing me the opportunity to present the association's recommendations, and I stand ready to answer any questions you may have.

Senator INOUYE. Well, as you are well aware, recruiting and retention are our major concerns at this moment.

Mr. DAVIS. Yes, sir.

Senator INOUYE. And I can assure you that your program helps in that element, so we'll do our very best, sir.

Mr. DAVIS. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF JOHN R. DAVIS

THE FRA

The Fleet Reserve Association (FRA) is the oldest and largest enlisted organization serving active duty, Reserves, retired and veterans of the Navy, Marine Corps, and Coast Guard. It is Congressionally Chartered, recognized by the Department of Veterans Affairs (DVA) as an accrediting Veteran Service Organization (VSO) for claim representation and entrusted to serve all veterans who seek its help.

FRA was established in 1924 and its name is derived from the Navy's program for personnel transferring to the Fleet Reserve or Fleet Marine Corps Reserve after 20 or more years of active duty, but less than 30 years for retirement purposes. During the required period of service in the Fleet Reserve, assigned personnel earn retainer pay and are subject to recall by the Secretary of the Navy.

FRA's mission is to act as the premier "watch dog" organization in maintaining and improving the quality of life for Sea Service personnel and their families. FRA is a leading advocate on Capitol Hill for enlisted Active Duty, Reserve, retired and veterans of the Sea Services.

FRA also is a major participant in The Military Coalition (TMC) a 35-member consortium of military and veterans organizations. FRA hosts most TMC meetings and members of its staff serve in a number of TMC leadership roles, including co-chairing several committees.

FRA celebrated 82 years of service in November 2006. For over eight decades, dedication to its members has resulted in legislation enhancing quality of life programs for Sea Services personnel and other members of the Uniformed Services while protecting their rights and privileges. CHAMPUS, now TRICARE, was an initiative of FRA, as was the Uniformed Services Survivor Benefit Plan (USSBP). More recently, FRA led the way in reforming the REDUX Retirement Plan, obtaining targeted pay increases for mid-level enlisted personnel, and sea pay for junior enlisted sailors. FRA also played a leading role in obtaining predatory lending protections for service members and their dependents in the fiscal year 2007 National Defense Authorization Act.

FRA's motto is: "Loyalty, Protection, and Service."

OVERVIEW

Mr. Chairman, the Fleet Reserve Association thanks you and the entire Subcommittee for your strong and unwavering support of funding programs important to active duty, Reserve Component, and retired members of the uniformed services, their families, and survivors. The Subcommittee's work has greatly improved military pay, eliminated out-of-pocket housing expenses, improved health care, and enhanced other personnel, retirement and survivor programs. This support is critical to maintaining readiness and is invaluable to our uniformed services engaged throughout the world fighting the global War on Terror, sustaining other operational commitments and fulfilling commitments to those who've served in the past.

This year, even with the more than $100 billion in pending supplemental appropriations for Iraq and Afghanistan, the United States will still spend only four percent of its GDP on defense. From 1961–1963, the military consumed 9.1 percent of GDP annually. According to many experts the active duty military has been stretched to the limit since 9/11, and has expanded by only 30,000 personnel. FRA strongly supports funding to support the anticipated increased end strengths in fiscal year 2008 since the current end strength is not adequate to meet the demands of fighting the War on Terror and sustaining other operational commitments.

"Measuring governmental costs against the economy as a whole is a good proxy for how much of the nation's wealth is being diverted to a particular enterprise."[1]

Over the past several years, the Pentagon has been constrained in its budget even as it has been confronted with rising personnel costs, aging weapon systems, worn out equipment, and dilapidated facilities.

This statement lists the concerns of our members, keeping in mind that the Association's primary goal is to endorse any positive safety programs, rewards, quality of life improvements that support members of the uniform services, particularly those serving in hostile areas, and their families, and survivors.

Sailors, Marines, and Coast Guardsman serving in Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF) must be fully armed with the best protective devices available for their personnel safety. A top priority for FRA is adequate funding for, and receipt of those protective devices; including vehicle protection, armor and electronic equipment to disrupt IEDs for every uniformed member serving in theater.

HEALTH CARE

Full Funding for the Defense Health Program.—FRA strongly supports adequate funding for the Defense Health Program in order to meet readiness needs, fully fund TRICARE, and improve access for all beneficiaries regardless of age, status or location.

FRA believes that the Defense Department must investigate and implement other options to make TRICARE more cost-efficient as alternatives to shifting costs for TRICARE Standard and other health care benefits to retiree beneficiaries under age 65. Cost-saving options include:

—Negotiating discounts with drug manufacturers, or mandating federal pricing;
—Eliminate mail-order co-pays to boost use of this lowest cost option for beneficiaries to receive prescription medications; and
—Accelerate DOD/VA cost sharing initiates to ensure implementation of a seamless transition.

The proposed fiscal year 2008 budget includes a $1.86 billion health care funding cut based apparently on the assumed implementation of drastically higher fees for younger military retirees. There have been no enrollment fee hikes since TRICARE was established in 1995, and this proposed cost shifting to beneficiaries is nearly 250 percent more than the annual savings predicted by DOD last year ($735 million). FRA questions why DOD assumed authorization of the fee hikes before the Task Force on the Future of Military Health Care issues a preliminary report and prior to the Government Accountability Office (GAO) audit of the data and methodology DOD used to determine increased fees outlined in 2006. FRA strongly urges the Subcommittee to restore the $1.86 billion funding in lieu of TRICARE fee increases.

Higher health care fees for retirees will significantly erode the value of retired pay, particularly for enlisted retirees who retired prior to larger and targeted recent pay adjustments enacted to close the pay gap. Military service is very different from work in the corporate world and requires service in often life threatening duty assignments and the associated benefits offered in return must be commensurate with these realities.

FRA is grateful to both the House and Senate Budget Committees for providing head room in fiscal year 2008 to restore adequate funding without huge fee increases for beneficiaries. Funding health care benefits for all beneficiaries is part of the cost of defending our Nation.

PROTECT PERSONNEL PROGRAMS

Active Duty Pay.—FRA supports annual active duty pay increases that are at least 0.5 percent above the Employment Cost Index (ECI) along with targeted increases for mid career and senior enlisted personnel to help close the remaining four percent pay gap between active duty and private sector pay.

For fiscal year 2008, the Administration recommended only a three percent across the board pay increase for members of the Armed Services.

Adequate and targeted pay increases authorized in recent years for middle grade and senior petty and noncommissioned officers have contributed to improved morale, readiness, and retention. The value of adequate pay cannot be over stated. Better pay will reduce family stress, especially for junior enlisted and reduce the need for

[1] John Cranford, CQ Weekly, February 10, 2007; "Political Economy: High, and Low, Cost of War".

military personnel use of short-term pay day loans unaware of the ruinous long-term impact of excessive interest rates.

The 2.2 percent across the board basic pay increase for members of the Armed Forces for fiscal year 2007 is the smallest increase since 1994 and an issue within the career force. In addition, certain grades received targeted pay increases on April 1, 2007 totaling between 2 percent and 5 percent.

Military pay and benefits must reflect the fact that military service is very different from work in the private sector.

BRAC and Rebasing.—Adequate resources are required to fund essential quality of life programs and services at bases impacted by BRAC and rebasing initiatives. FRA is concerned about sustaining commissary access, MWR programs and other support for service members and their families particularly at installations most impacted by these actions. These include Guam, where a significant number of Marines and their families are being relocated from Okinawa. The shortage of funds is curtailing or closing some of the activities while the costs of participating in others have recently increased. Regarding Navy fitness centers, the biggest challenge is updating older fitness structures and providing the right equipment, and ensuring availability of trained staff.

Family Readiness and Support.—FRA supports funding for a family readiness and a support structure to enhance family cohesion and improve retention and recruitment. DOD and the services must provide information and education programs for families of our service members. Spousal and family programs have been fine tuned and are successfully contributing to the well-being of this community. The Navy's Fleet and Family Centers and the Marines' Marine Corps Community Services (MCCS) and the family services programs are providing comprehensive, 24/7 information and referral services to the service member and family through its One Source links. One Source is also particularly beneficial to mobilized Reservists and families who are unfamiliar with benefits and services available to them.

Child and Youth Programs.—MCPON Joe Campa testified before the House Appropriations Subcommittee on Military Construction and Veterans Affairs on February 9, 2007 and stated that a top Navy issue is the need for more childcare facilities. "We are currently providing close to 69 percent of the need right now, but with more single parents, dual military couples and surge deployments, childcare is very important, and it's critical to our mission accomplishment." Currently, the Navy's program cares for over 31,000 children six months to 12 years in 227 facilities, and in 3,180 on and off base licensed child development homes. Access to childcare is important and FRA urges Congress to authorize adequate funding for this important program.

Other top Navy requirements are the need for more homeport/ashore barracks, and improved health care access via more providers in certain fleet concentration areas.

As an integral support system for mission readiness and deployments, it is imperative these programs be adequately funded and continued to be improved and expanded to cover the needs of both married and single parents.

Spousal Employment.—The Association urges Congress to continue its support of the military's effort to affect a viable spousal employment program and to authorize sufficient funds to assure the program's success. Today's all-volunteer environment requires the services to consider the whole family. Spousal employment is important and can be a stepping-stone to retention of the service member—a key participant in the defense of this Nation.

Active Duty and Reserve Component Personnel End Strengths.—FRA strongly supports adequate end strength to win the War on Terror and to sustain other military commitments around the world. Inadequate end strengths increase stress on the military personnel and their families and contribute to greater reliance on the Guard and Reserves. FRA welcomes the Administration's request for 92,000 additional personnel (27,000 Marines and 65,000 Army) and urges authorization of appropriations to cover the associated short and long term costs.

Education Funding.—FRA strongly supports funding for supplemental Impact Aid for highly impacted school districts. It is important to ensure our service members, many serving in harm's way, have less concern about their children's education and more focus with the job at hand. Impact Aid funding for local schools educating military children is frozen at the fiscal year 2006 level in the Department of Education and the Administration's fiscal year 2008 request is set at the same level ($1,228,453,000) despite rebasing plans and significant anticipated Army and Marine Corps end strength increases in the coming years.

The Montgomery GI Bill (MGIB) program must be adequately funded since it is important and aids in the recruitment and retention of high-quality individuals for service in the active and Reserve forces; assists in the readjustment of service men

and women to civilian life after they complete military service; extends the benefits of higher education (and training) to service men and women who may not be able to afford higher education; and enhances the Nation by providing a better educated and more productive workforce. Double-digit education inflation is dramatically diminishing the value of MGIB, and despite recent increases, benefits fall well short of the actual cost of education at a four-year public college or university. In addition, thousands of career service members who entered service during the Veterans Education Assistance Program (VEAP) era, but declined to enroll in that program (in many cases, on the advice of government education officials) have been denied a MGIB enrollment opportunity.

Reform of PCS Process.—FRA appreciates that the long delayed implementation of the Families First program which will provide full replacement value reimbursements for damaged household goods moved during service members PCS relocations will be implemented in May 2008. This program must be adequately funded and FRA continues to support resources necessary to ensure full implementation and the continuation of this program.

RESERVE ISSUES

FRA stands foursquare in support of the Nation's Reservists. Due to the demands of the War on Terror, Reserve units are now increasingly being mobilized to augment active duty components and last year more than 5,000 Navy Reserve Sailors were serving in the desert. And wherever active-duty Marines are engaged around the world, Marine Reservists are there.

Inadequate benefits for Reservists and the Guard can only undermine long-term retention and readiness. And because of increasing demands on these personnel to perform multiple missions abroad over longer periods of time, it's essential to improve compensation and benefits packages to attract recruits and retain currently serving personnel.

Health Care.—FRA supports adequate funding for TRICARE Reserve Select to sustain the benefit on an optional basis for all selected Reservists and families on a cost-sharing basis. FRA also supports funding to increase subsidy levels for TRICARE coverage for drilling Reserve members not yet mobilized and establishing one premium for all members of the Guard and Reserve who continue to be drilling members. Consistency of health care benefits and continuity of care are major concerns for Reserve personnel and their families.

Retirement.—If authorized, FRA supports funding to support a reduction in the age when Reserve members are eligible for retirement pay, particularly for those members who have experienced extended mobilizations at great sacrifice to their civilian careers.

Family Readiness.—FRA supports resources to allow increased outreach to connect Guard and Reserve families with support programs. This includes increased funding for family readiness, especially for those geographically dispersed, not readily accessible to military installations, and inexperienced with the military. Unlike active duty families who often live near military facilities and support services, many Reserve families live in civilian communities where information and support is not readily available. Congressional hearing witnesses have indicated that many of the half million mobilized Guard and Reserve personnel have not received transition assistance services they and their families need to make a successful transition back to civilian life.

Other Issues.—FRA is pleased to see improvements to the Survivor Benefit Program (SBP) and concurrent receipt in the House Personnel Subcommittee mark up of the fiscal year 2008 National Defense Authorization Act. If authorized, the Association asks that the Subcommittee provide funding necessary to cover the increase costs of the enhancements in these two important programs.

CONCLUSION

FRA is grateful for the opportunity to present the organization's views to this distinguished Subcommittee. The Association reiterates its profound gratitude for the extraordinary progress this Subcommittee has made in advancing a wide range of military personnel benefits and quality-of-life programs for all uniformed services personnel, retirees, their families and survivors.

Thank you.

Senator INOUYE. I must call this hearing to a short recess, because we have a vote pending. There will be four votes on the floor, all stacked up, and so we should be able to reconvene in an hour.

So, with that, the hearing is recessed for 1 hour, and the first witness upon our return will be Chief Petty Officer James Phillips.

Our next witness is Chief Petty Officer James Phillips, United States Naval Sea Cadet Corps.

Captain HURD. Mr. Chairman, it's my honor to introduce Chief Phillips, who is the Petty Officer of the Year, selected out of 10,000 Sea Cadets every year, and quite a privilege.

Senator INOUYE. Congratulations.

STATEMENT OF CHIEF PETTY OFFICER JAMES PHILLIPS, UNITED STATES NAVAL SEA CADET CORPS

ACCOMPANIED BY CAPTAIN ROBERT C. HURD, UNITED STATES NAVY (RETIRED), NAVAL SEA CADET CORPS

Chief PHILLIPS. Mr. Chairman, good morning. I'm Naval Sea Cadet Corps Chief Petty Officer James Phillips, lead Petty Officer of the Warrior Division in Doseville, Georgia, as well as a senior at New Creations Center.

It is an honor to address you on behalf of the Naval Sea Cadet Corps. There are now between 9,000 and 10,000 young men and women, ages 11 to 17, and adult volunteers, proudly wearing the Naval Sea Cadet uniform in 371 units throughout the country.

We are a congressionally chartered youth development and education program, sponsored by the Navy League of the United States, and supported by the Navy and Coast Guard.

The program's main goals are the development of young men and women, while promoting interest and skill in seamanship and aviation, and instilling a sense of patriotism, courage, commitment, self-reliance, and honor, along with other qualities that mold strong moral character, and self-discipline in a drug, and gang-free environment.

After completing boot camp, Sea Cadets choose from a variety of 2-week summer training sessions, including training aboard Navy and Coast Guard ships. During my tour in the Naval Sea Cadets, I have attended 15 advanced summer and spring training sessions. During the year, we drill one weekend a month, and may complete Navy correspondent courses for advancement, this being the basis for the accelerated promotion, if a cadet should choose to enlist in the Navy, or Coast Guard, after leaving the program.

Almost 500 former Sea Cadets now attend the U.S. Naval Academy. This past year, over 12 percent of the entering fleet class were ex-cadets. Approximately 500 former cadets annually enlist in the Armed Services, pre-screened, highly motivated, and well-prepared. Prior Sea Cadets experience has proven to be an excellent indicator of a potentially higher career success rate, both in and out of the military. My current plans for the future are that I plan to work toward becoming a military doctor.

Whether or not we choose a service career, we all carry forth the forged values of good citizenship, leadership, and moral courage that we believe will benefit us and our country. A major difference between this, and other federally chartered youth programs, is that we are all responsible for our own expenses, including uniforms, travel, insurance, and training costs, which can amount to $400 to $500 a year. The Corps, however, is particularly sensitive that no

young person is denied access to the program, because of socio-economic status.

Some units are financed, in part, by local sponsors. Yet, this support—while greatly appreciated—is not sufficient to support all cadets. Federal funds over the past years have been used to help offset cadets out-of-pocket training costs, however, for a variety of reasons, current funding can no longer adequately sustain the program. These include: inflation, base closures and reduced base access, reduced afloat training opportunities, lack of previously provided transportation, on-base berthing and base transportation, increased need-based support for the cadets.

We respectfully request your consideration and support, our funding request of $300,000, that will allow for the full budgeted amount of $2 million requested for next year.

Unfortunately, time precludes sharing the many stories that Captain Hurd has shared with your staff this year, pointing out the many acts of courage, community service, and successful youth development of my fellow Sea Cadets, as well as those ex-cadets who are serving in armed forces in Iraq, Afghanistan, and around the world. These stories, and many more like them, are unfortunately the stories that you do not always hear about in the press.

Thank you for the opportunity to speak to you today. I, and the entire Sea Cadet Corps, appreciate your support for this fine program, that has meant so much to me over the past 6 years, and which will continue to influence me for the rest of my life.

Senator INOUYE. Once again, congratulations, sir. And, this patriotic program is worthy of our support.

Chief PHILLIPS. Thank you, sir.

Senator INOUYE. Thank you very much.

Chief PHILLIPS. Thank you.

[The statement follows:]

PREPARED STATEMENT OF CAPTAIN ROBERT C. HURD

REQUEST

It is respectfully requested that $300,000 be appropriated for the NSCC in fiscal year 2008, so that when added to the Navy budgeted $1,700,000 will restore full funding at the $2,000,000 level. Further, in order to ensure future funding at the full $2,000,000 requirement, consideration of including the following conference language is requested:

"Congress is pleased to learn that Navy has funded the U.S. Naval Sea Cadet Corps in the fiscal year 20078 budget as urged by the Senate and House in the 2007 Defense Budget Conference Report. Conferees include an additional $300,000 for the U.S. Naval Sea Cadet Corps, that when added to the $1,700,000 in the fiscal year 2008 budget request will fund the program at the full $2,000,000 requested. Conferees urge the Navy to continue to fund this program and increase the POM level to $2,000,000 for the U.S. Naval Sea Cadet Corps."

BACKGROUND

At the request of the Department of the Navy, the Navy League of the United States established the Naval Sea Cadet Corps in 1958 to "create a favorable image of the Navy on the part of American youth." On September 10, 1962, the U.S. Congress federally chartered the Naval Sea Cadet Corps under Public Law 87–655 as a non-profit civilian youth training organization for young people, ages 13 through 17. A National Board of Directors, whose Chairman serves as the National Vice President of the Navy League for Youth Programs, establishes NSCC policy and management guidance for operation and administration. A full-time Executive Director and small staff in Arlington, Virginia administer NSCC's day-to-day operations. These professionals work with volunteer regional directors, unit commanding

officers, and local sponsors. They also collaborate with Navy League councils and other civic, or patriotic organizations, and with local school systems.

In close cooperation with, and the support of, the U.S. Navy and U.S. Coast Guard, the Sea Cadet Corps allows youth to sample military life without obligation to join the Armed Forces. Cadets and adult leaders are authorized to wear the Navy uniform, appropriately modified with a distinctive Sea Cadet insignia.

There are currently over 367 Sea Cadet units with a program total of over 8,200 participants with over 2,200 adult volunteer Officers and Instructors.

NSCC OBJECTIVES

Develop an interest and skill in seamanship and seagoing subjects.

Develop an appreciation for our Navy's history, customs, traditions and its significant role in national defense.

Develop positive qualities of patriotism, courage, self-reliance, confidence, pride in our nation and other attributes, which contribute to development of strong moral character, good citizenship traits and a drug-free, gang-free lifestyle.

Present the advantages and prestige of a military career.

Under the Cadet Corps' umbrella is the Navy League Cadet Corps (NLCC), a youth program for children ages 11 through 13. While it is not part of the federal charter provided by Congress, the Navy League of the United States sponsors NLCC. NLCC was established ". . . to give young people mental, moral, and physical training through the medium of naval and other instruction, with the objective of developing principles of patriotism and good citizenship, instilling in them a sense of duty, discipline, self-respect, self-confidence, and a respect for others."

BENEFITS

Naval Sea Cadets experience a unique opportunity for personal growth, development of self-esteem and self-confidence. Their participation in a variety of activities within a safe, alcohol-free, drug-free, and gang-free environment provides a positive alternative to other less favorable temptations. The Cadet Corps introduces young people to nautical skills, to maritime services and to a military life style. The program provides the young Cadet the opportunity to experience self-reliance early on, while introducing this Cadet to military life without any obligation to join a branch of the armed forces. The young Cadet realizes the commitment required and routinely excels within the Navy and Coast Guard environments.

Naval Sea Cadets receive first-hand knowledge of what life in the Navy or Coast Guard is like. This realization ensures the likelihood of success should they opt for a career in military service. For example, limited travel abroad and in Canada may be available, as well as the opportunity to train onboard Navy and Coast Guard ships, craft and aircraft. These young people may also participate in shore activities ranging from training as a student at a Navy hospital to learning the fundamentals of aviation maintenance at a Naval Air Station.

The opportunity to compete for college scholarships is particularly significant. Since 1975, 197 Cadets have received financial assistance in continuing their education in a chosen career field at college.

ACTIVITIES

Naval Sea Cadets pursue a variety of activities including classroom, practical and hands-on training as well as field trips, orientation visits to military installations, and cruises on Navy and Coast Guard ships and small craft. They also participate in a variety of community and civic events.

The majority of Sea Cadet training and activities occurs year round at a local training or "drill" site. Often, this may be a military installation or base, a reserve center, a local school, civic hall, or sponsor-provided building. During the summer, activities move from the local training site and involve recruit training (boot camp), "advanced" training of choice, and a variety of other training opportunities (depending on the Cadet's previous experience and desires).

SENIOR LEADERSHIP

Volunteer Naval Sea Cadet Corps officers and instructors furnish senior leadership for the program. They willingly contribute their time and effort to serve America's youth. The Cadet Corps programs succeed because of their dedicated, active participation and commitment to the principles upon which the Corps was founded. Cadet Corps officers are appointed from the civilian sector or from active, reserve or retired military status. All are required to take orientation, intermediate and advanced Officer Professional Development courses to increase their management and

youth leadership skills. Appointment as an officer in the Sea Cadet Corps does not, in itself, confer any official military rank. However, a Navy-style uniform, bearing NSCC insignia, is authorized and worn. Cadet Corps officers receive no pay or allowances. Yet, they do derive some benefits, such as limited use of military facilities and space available air travel in conjunction with carrying out training duty orders.

DRUG-FREE AND GANG-FREE ENVIRONMENT

One of the most important benefits of the Sea Cadet program is that it provides participating youth a peer structure and environment that places maximum emphasis on a drug and gang free environment. Supporting this effort is a close liaison with the U.S. Department of Justice Drug Enforcement Administration (DEA). The DEA offers the services of all DEA Demand Reduction Coordinators to provide individual unit training, as well as their being an integral part of our boot camp training program.

Among a variety of awards and ribbons that Cadets can work toward is the Drug Reduction Service Ribbon, awarded to those who display outstanding skills in the areas of leadership, perseverance and courage. Requirements include intensive anti-drug program training and giving anti-drug presentations to interested community groups.

TRAINING

Local Training

Local training, held at the unit's drill site, includes a variety of activities supervised by qualified Sea Cadet Corps officers and instructors, as well as Navy and Coast Guard instructors.

Cadets receive classroom and hands on practical instruction in basic military requirements, military drill, water and small boat safety, core personal values, social amenities, drug/alcohol abuse, cultural relations, Navy history, naval customs and traditions and other nautical skills. Training may be held aboard ships, small boats or aircraft, depending upon platform availability. In their training Cadets also learn about and are exposed to a wide variety of civilian and military career opportunities through field trips and educational tours.

Special presentations by military and civilian officials augment the local training, as does attendance at special briefings and events throughout the local area. Cadets are also encouraged and scheduled, to participate in civic activities and events to include parades, social work and community projects, all part of the "whole person" training concept.

For all Naval Sea Cadets the training during the first several months is at their local training site and focuses on general orientation to and familiarization with, the entire program. It also prepares them for their first major away from home training event, the two weeks recruit training which all Sea Cadets must successfully complete.

The Navy League Cadet Corps training program teaches younger Cadets the virtues of personal neatness, loyalty, obedience, courtesy, dependability and a sense of responsibility for shipmates. In accordance with a Navy-oriented syllabus, this education prepares them for the higher level of training they will receive as Naval Sea Cadets.

SUMMER TRAINING

After enrolling, all Sea Cadets must first attend a two-week recruit training taught at the Navy's Recruit Training Command, at other Naval Bases or stations, and at regional recruit training sites using other military host resources. Instructed by Navy or NSCC Recruit Division Commanders, Cadets train to a condensed version of the basic training that Navy enlistees receive. The curriculum is provided by the Navy and taught at all training sites. In 2006 there were 23 recruit training classes at 21 locations, including two classes conducted over the winter holiday break and another held over spring break. About eighteen nationwide to twenty-two regional sites are required to accommodate the steady demand for quotas and also to keep cadet and adult travel costs to a minimum. Approximately 2,000 cadets attended recruit training in 2006 supported by another 350 adult volunteers.

A Cadet who successfully completes recruit training is eligible for advanced training in various fields of choice. Cadets can experience the excitement of "hands-on" practical training aboard Navy and Coast Guard vessels, ranging from tugboats and cutters to the largest nuclear-powered aircraft carriers. Female Cadets may also train aboard any ship that has females assigned as part of the ship's company. Qualified Cadets choose from such Sea Cadet advanced training as basic/advanced

airman, ceremonial guard, seamanship, sailing, SEAL training, amphibious operations, leadership, firefighting and emergency services, Homeland security, mine warfare operations, Navy diving submarine orientation and training in occupational specialties, including health care, legal, music, master-at-arms and police science and construction.

The Cadet Corp programs excel in quality and diversity of training offered, with more than 7,000 training orders carried out for the 2006 summer training program. Cadets faced a myriad of challenging training opportunities designed to instill leadership and develop self-reliance, enabling them to become familiar with the full spectrum of Navy and Coast Guard career fields.

This steady and continuing participation once again reflects the popularity of the NSCC and the positive results of federal funding for 2001 through 2006. The NSCC still continues to experience an average increased recruit and advanced training attendance of well over 2,000 cadets per year over those years in which federal funding was not available.

While recruit training acquaints cadets with Navy life and Navy style discipline, advanced training focuses on military and general career fields and opportunities, and also affords the cadets many entertaining, drug free, disciplined yet fun activities over the summer. The popularity of the training continues to grow not with just overall numbers but also as evidenced with numerous cadets performing multiple two week training sessions during the summer of 2006.

Training highlights for 2006.—The 2006 training focus was once again on providing every cadet the opportunity to perform either recruit or advanced training during the year. To that end emphasis was placed on maintaining all traditional and new training opportunities developed since federal funding was approved for the NSCC. These include more classes in sailing and legal (JAG) training, expanded SEAL training opportunity, more SCUBA and diving training classes, more seamanship training onboard the NSCC training vessels on the Great Lakes, more aviation related training and additional honor guard training opportunities. Other highlights included:

—Maintained national recruit training opportunity for every cadet wanting to participate with 21 recruit training evolutions in 2006.

—Extended cadet training opportunity beyond the traditional summer evolutions to now include advanced and recruit training classes over the Thanksgiving high school recess, the Christmas recess and the spring recess. During 2006, 12 additional classes over these school breaks were conducted with 725 cadets participating. They were supported by another 104 adult volunteers.

—Maintained NSCC's aggressive NSCC Officer Professional Development Program, with three different weekend courses tailored to improving volunteer knowledge and leadership skills. Over 500 volunteers attended 2006 training at 32 different training evolutions.

—Continued for a second year, NSCC's new naval engineering class for NSCC cadets at Navy's Training Command, Great Lakes, IL.

—Once again placed cadets onboard USCG Barque Eagle for a summer underway orientation training cruise.

—Maintained NSCC's expanded seamanship training on the Great Lakes with 4 underway cruises onboard 2 NSCC YP's and the NSCC torpedo retriever "Grayfox".

—Further enhanced NSCC cadet opportunity for advanced training in the medical field through the expanded medical "first responder" training at Naval Hospital Great Lakes, IL, and continuing the very advanced, unique "surgical tech" training at the Naval Medical Center in San Diego, CA.

—Developed and implemented NSCC's first 3 week summer training course in Joint Special Operations Command Orientation at Fort Pickett, VA. 37 cadets graduated from this course in 2006.

—Continued NSCC's maritime focus through its expanded sail training with basic, intermediate and advanced sailing classes offered in San Diego, CA and 2 additional classes on board "tall ships" in Newport, RI.

—Continued to place cadets aboard USCG stations, cutters, and tenders for what proves to be among the best of the individual training opportunities offered in the NSCC.

—Placed cadets onboard USN ships under local orders as operating schedules and opportunity permitted.

—Promoted cadets' orientation of the U.S. Naval Academy and the U.S. Coast Guard Academy by offering tuition offsets to cadets accepted into either academies summer orientation program for high school juniors (NASS or AIM). 20 cadets participated in 2006.

—Again, as in prior years, enjoyed particularly outstanding support from members of the United States Naval Reserve, the Army, and National Guard, whose help and leadership remains essential for summer training.

International Exchange Program (IEP)

For 2006 the NSCC again continued its' highly competitive, merit based, and very low cost to the cadet, International Exchange Program. Cadets were placed in Australia, United Kingdom, Sweden, Netherlands, Hong Kong, Scotland, Russia, and Bermuda to train with fellow cadets in these host nations. The NSCC and Canada maintained their traditional exchanges in Nova Scotia and British Columbia, and the NSCC hosted visiting international cadets in Newport, RI and at ANG Gowen Field, Boise, ID, for two weeks of NSCC sponsored training.

Navy League Cadet Training

In 2006, approximately 984 Navy League cadets and escorts attended Navy League Orientation and Advanced Training nationwide. Participation in 2006 was somewhat less than 2005 by about 150 cadets, surmised to be attributable to reduced enrollments as a result of the on-going war in Iraq. This is a total of approximately 350 fewer cadets than in 2004. Regardless, the diversity in location and ample quotas allowed for attendance by each and every League cadet who wished to attend. Of these, approximately 217 League cadets and their escorts attended advanced Navy League training where cadets learn about small boats and small boat safety using the U.S. Coast Guard's safe boating curriculum. Other advanced Navy League training sites emphasize leadership training. Both serve the program well in preparing League cadets for further training in the Naval Sea Cadet Corps, and particularly for their first recruit training.

International Exchange Program

For 2006 the NSCC again continued for the fifth year its' redesigned and highly competitive, merit based and very low cost to the cadet, International Exchange Program. Cadets were placed in Australia, United Kingdom, Sweden, Netherlands, Hong Kong, Korea and Bermuda to train with fellow cadets in these host nations. The NSCC and Canada maintained their traditional exchanges in Nova Scotia nad British Columbia and the NSCC hosted visiting cadets in Newport, RI and at ANG Gowen Field in Boise, ID for two weeks of NSCC sponsored training. New in 2005 were exchanges to Saint Petersberg, Russia and also to Scotland.

Navy League Cadet Training

In 2005, over 1,120 Navy League Cadets and escorts attended orientation training at 17 different sites. This diversity in location made training accessible and reasonably available to each Cadet who wished to attend. Over 373 League Cadets and escorts attended advanced training at several sites. The advanced program was developed in recognition of the need to provide follow-on training for this younger age group to sustain their interest and to better prepare them for the challenges of Naval Sea Cadet Corps training. Navy League Cadets who attend recruit orientation training are exceptionally well prepared for Sea Cadet "boot camp."

Scholarships

The Naval Sea Cadet Corps scholarship program was established to provide financial assistance to deserving Cadets who wished to further their education at the college level. Established in 1975, the scholarship program consists of a family of funds: the NSCC Scholarship Fund; the Navy League Stockholm Scholarship; and the NSCC "named scholarship" program, designed to recognize an individual, corporation, organization or foundation. Since the inception of the scholarship program, 209 scholarships have been awarded to 197 Cadets (includes some renewals) totaling over $256,500.

Service Accessions

The Naval Sea Cadet Corps was formed at the request of the Department of the Navy as a means to "enhance the Navy image in the minds of American youth." To accomplish this, ongoing presentations illustrate to Naval Sea Cadets the advantages and benefits of careers in the armed services, and in particular, the sea services.

While there is no service obligation associated with the Naval Sea Cadet Corps program, many Sea Cadets choose to enlist or enroll in Officer training programs in all the Services.

The Naval Sea Cadet Corps was formed at the request of the Department of the Navy as a means to "enhance the Navy image in the minds of American youth."

To accomplish this, ongoing training illustrates to Naval Sea Cadets the advantages and benefits of careers in the armed services, and in particular, the sea services.

Annually, the NSCC conducts a survey to determine the approximate number of Cadets making this career decision. This survey is conducted during the annual inspections of the units which occurs during the period January through March. The reported accessions to the services are only those known to the unit. There are many accessions that go unreported, that occur 2–5 years after Cadets leave their units. With about 80 percent of the units reporting, the survey indicates that 566 known Cadets entered the Armed Forces during the reporting year ending December 31, 2005. This is an increase over the previous years' accessions. Each Cadet entering the Armed Forces is a disciplined, well-trained individual and progresses much better than those with no experience. Attritions of former cadets prior to their completion of obligated service is very low compared to other entrees.

	Amount
U.S. Naval Academy (2006)	148
U.S. Military Academy	6
U.S. Coast Guard Academy	5
U.S. Air Force Academy	3
U.S. Merchant Marine Academy	10
NROTC	41
OCS Navy	8
OCS Army	11
OCS Air Force	3
OCS Marine Corps	3
USNA Prep School	1
Navy-Enlisted	169
U.S. Coast Guard-Enlisted	15
Marine Corps-Enlisted	72
Army-Enlisted	48
Air Force-Enlisted	6
National Guard-Enlisted	17
Total	566

Program Finances

Sea Cadets pay for all expenses, including travel to/from training, uniforms, insurance and training costs. Out-of-pocket costs can reach $500 each year. Assistance is made available so that no young person is denied access to the program, regardless of social or economic background.

Federally funded at the $1,000,000 level in fiscal year's 2001, 2002, and 2003, and at $1,500,000 in fiscal year 2004 and $1,700,000 in 2005 (of the $2,000,000 requested), and $2,000,000 in fiscal year 2006 all of these fund were used to offset individual Cadet's individual costs for summer training, conduct of background checks for adult volunteers and for reducing future enrollment costs for Cadets. In addition to the federal fund received, NSCC receives under $700,000 per year from other sources, which includes around $226,000 in enrollment fees from Cadets and adult volunteers. For a variety of reasons, at a minimum, this current level of funding is necessary to sustain this program and the full $2,000,000 would allow for program expansion:

—All time high in number of enrolled Sea Cadets.
—General inflation of all costs.
—Some bases denying planned access to Sea Cadets for training due to increased terrorism threat level alerts and the associated tightening of security measures—requiring Cadets to utilize alternative, and often more costly training alternatives.
—Reduced availability of afloat training opportunities due to the Navy's high level of operations related to the Iraq war.
—Reduced training site opportunities due to base closures.
—Non-availability of open bay berthing opportunities for Cadets due to their elimination as a result of enlisted habitability upgrades to individual/double berthing spaces.
—Lack of available "Space Available" transportation for group movements.
—Lack of on-base transportation, as the navy no longer "owns" busses now controlled by the GSA.
—Navy outsourcing of messing facilities to civilian contractors increases the individual Cadet's meal costs.

Because of these factors, Cadet out-of-pocket costs have skyrocketed to the point where the requested $2,000,000 alone would be barely sufficient to handle cost increases

It is therefore considered a matter of urgency that the full amount of the requested $2,000,000 be authorized and appropriated for fiscal year 2008.

Senator INOUYE. Our next witness is Mr. Rick Jones, Legislative Director, National Association for Uniformed Services.

STATEMENT OF RICK JONES, LEGISLATIVE DIRECTOR, NATIONAL ASSOCIATION FOR UNIFORMED SERVICES

Mr. JONES. Chairman Inouye, Ranking Member Stevens, it's an honor to testify before so distinguished a veteran of World War II, and it's a privilege to be invited before your subcommittee.

My association is very proud of the job this generation of Americans is doing. What they do is vital to our security, and the debt we owe them is enormous.

Mr. Chairman, quality healthcare is a strong incentive for a military career. At a time when we are relying on our Armed Forces, the Defense Department's recommendations to reduce military healthcare spending by $1.8, $1.9 billion is deeply disappointing.

The plan DOD proposes would, as you know, double or even triple annual fees for retirees and families, and would greatly diminish the value of the benefit earned by retirees for a military career. My association asks you to ensure full funding is provided to maintain the value of the healthcare benefit that's provided these men and women, willing to undergo the hardships of a military career. What we ask is what is best for our service men and women.

Mr. Chairman, a long war fought by an overstretched force gives us a warning. There are simply too many missions, and too few troops. To sustain the service, we must recognize that an increase in troop strength is needed, and it must be resourced. We ask, also, that you give priority to funding operations and maintenance accounts. To reset, recapitalize and renew the Force.

The National Guard, for example, has virtually depleted its equipment inventory, causing rising concern about its capacity to respond to disasters at home, or to train for its missions abroad. Another matter of great interest to our members is the plan to realign and consolidate military health facilities in the national capital region, specifically, Walter Reed Medical Center in Washington, DC.

To maintain Walter Reed's base operation support and medical services, we request that funds be in place to ensure that Walter Reed remains open, fully operational, and fully functional until the planned facilities at Bethesda and Fort Belvoir are in place already to give uninterrupted care to our catastrophically wounded soldiers.

Our wounded warriors really deserve our Nation's best, most compassionate healthcare. They earned it the hard way, and with application of proper resources, we know the Nation will continue to hold the well-being of these soldiers and their families in one of our highest priorities.

The development of an electronic medical record remains a major goal. My association calls on you to continue to push, as you have in the past, DOD and VA to follow through on establishing a bidirectional, interoperable, electronic medical record. The time for foot-dragging is over.

We also call on the subcommittee to fund a full spectrum of traumatic brain injury care, recognizing that TBI is a signature injury of the current conflict. We need to recognize that the care is needed for patients suffering from mild to moderate brain injuries, as well. The approach to this problem requires resources, and we trust you'll take a look at that.

We encourage the subcommittee to ensure that funding for the Defense Department's prosthetic research is adequate to support the full range of programs needed to meet the needs of current, disabled veterans.

As you know, the Uniformed Services University of the Health Sciences is the Nation's Federal School of Medicine and Graduate School of Nursing. We support the university, and request adequate funding be provided to ensure continued accredited training, especially in the area of chemical, biological, radiological, and nuclear response.

Mr. Chairman, we thank you so very much for your service to this Nation, your efforts, your hard work, we look forward to working with you, and thank you for this opportunity to support our courageous troops.

Senator INOUYE. I can assure you, Mr. Jones, that we support your position.

Mr. JONES. Thank you, sir.

[The statement follows:]

PREPARED STATEMENT OF RICK JONES

Chairman Inouye, Ranking Member Stevens, and members of the Subcommittee, good morning. It is a pleasure to appear before you today to present the views of The National Association for Uniformed Services on the 2008 Defense appropriations bill.

My name is Richard "Rick" Jones, Legislative Director of The National Association for Uniformed Services (NAUS). And for the record, NAUS has not received any federal grant or contract during the current fiscal year or during the previous two years in relation to any of the subjects discussed today.

As you know, Mr. Chairman, The National Association for Uniformed Services, founded in 1968, represents all ranks, branches and components of uniformed services personnel, their spouses and survivors. The Association includes all personnel of the active, retired, Reserve and National Guard, disabled veterans, veterans community and their families. We love our country, believe in a strong national defense, support our troops and honor their service.

Mr. Chairman, the first and most important responsibility of our government is the protection of our citizens. As we all know, we are at war. That is why the defense appropriations bill is so very important. It is critical that we provide the resources to those who fight for our protection and our way of life. We need to give our courageous men and women everything they need to prevail. And we must recognize as well that we must provide priority funding to keep the promises made to the generations of warriors whose sacrifice has paid for today's freedom.

At the start, I want to express a NAUS concern about the amount of our investment in our national defense. At the height of the War on Terror, our current defense budget represents only a little more than 4 percent of the gross national product, as opposed to the average of 5.7 percent of GNP in the peacetime years between 1940 and 2000.

We cannot look the other way in a time when we face such serious threats. Resources are required to ensure our military is fully staffed, trained, and equipped to achieve victory against our enemies. Leaders in Congress and the administration need to balance our priorities and ensure our defense in a dangerous world.

Here, I would like to make special mention of the leadership and contribution this panel has made in providing the resources and support our forces need to complete their mission. Defending the United States homeland and the cause of freedom means that the dangers we face must be confronted. And it means that the brave

men and women who put on the uniform must have the very best training, best weapons, best care and wherewithal we can give them.

Mr. Chairman, you and those on this important panel have taken every step to give our fighting men and women the funds they need, despite allocations we view as insufficient for our total defense needs. You have made difficult priority decisions that have helped defend America and taken special care of one of our greatest assets, namely our men and women in uniform.

And NAUS is very proud of the job this generation of Americans is doing to defend America. Every day they risk their lives, half a world away from loved ones. Their daily sacrifice is done in today's voluntary force. What they do is vital to our security. And the debt we owe them is enormous.

The members of NAUS applaud Congress for the actions you have taken over the last several years to close the pay gap, provide bonuses for specialized skill sets, and improve the overall quality of life for our troops and the means necessary for their support.

Our Association does, however, have some concerns about a number of matters. Among the major issues that we will address today is the provision of a proper health care for the military community and recognition of the funding requirements for TRICARE for retired military. Also, we will ask for adequate funding to improve the pay for members of our armed forces and to address a number of other challenges including TRICARE Reserve Select and the Survivor Benefit Plan.

We also have a number of related priority concerns such as the diagnosis and care of troops returning with Post Traumatic Stress Disorder (PTSD) and Traumatic Brain Injury (TBI), the need for enhanced priority in the area of prosthetics research, and providing improved seamless transition for returning troops between the Department of Defense (DOD) and the Department of Veterans Affairs (VA). In addition, we would like to ensure that adequate funds are provided to defeat injuries from the enemy's use of Improvised Explosive Devices (IEDs).

Military Quality of Life: Health Care

Quality health care is a strong incentive to make military service a career. The Defense blueprint for military healthcare raises serious concern. DOD recommends saving $1.8 billion through sharp increases in TRICARE fees and higher copays for pharmaceuticals for 3.1 million retirees under age 65 and their families.

To achieve these savings, Defense officials would institute the plan proposed last year. That plan triples annual enrollment fees for TRICARE Prime next October for officers, to $700 from $230 a year for individuals and to $1,400 from $460 per year for families. For retired E–6 and below, the fee would jump nearly fifty percent, to $325/$650 from $230/$460. And for E–7 and above, the jump would more than double to $475/$950 from $230/$460.

Defense officials also suggest the establishment of a TRICARE Standard enrollment fee and an increase in the annual amount of deductible charges paid by retirees using Standard coverage. The standard beneficiary already pays a 25 percent cost share (and an added 15 percent for non-participating providers). Should Congress approve the DOD request to increase deductibles and initiate an annual fee, the value of the benefit earned by military retirees using Standard would be greatly diminished.

DOD officials also recommend changes in TRICARE retail pharmacy copayments. Their ideas call for increasing copays for retail generic drugs to $5 from $3 and for retail brand drugs to $15 from $9. The copayment for non-formulary prescriptions would remain at $22. By the way, these would also affect over-age 65 retirees who use TRICARE for Life.

The assertion behind the proposals is to have working-age retirees and family members pay a larger share of TRICARE costs or use civilian health plans offered by employers. Frankly, we are deeply troubled that DOD would aim to discourage retirees from using their earned benefits with the military medical system.

The National Association for Uniformed Services is certainly not comfortable with DOD estimates that by 2011, if the changes were made, 144,000 retirees currently enrolled in the TRICARE programs would bail out and go to a State or private plan and an estimated 350,000 people who earned the benefit would never come into it.

The DOD plan would drive half a million military retirees to make a choice that they might otherwise not want to make to reduce its costs this year by $1.8 billion. It is not only an extremely poor way to treat military families in times of peace or war; it is unfair, unbalanced, and would push 500,000 retirees out of TRICARE, the benefit they earned through a military career.

Mr. Chairman, the National Association for Uniformed Services asks you to ensure full funding is provided to maintain the value of the healthcare benefit provided those men and women willing to undergo the hardships of a military career.

The provision of quality, timely care is considered one of the most important benefits afforded the career military. What Congress has done reflects the commitment of a nation, and it deserves your wholehearted support.

We urge the Subcommittee to take the actions necessary for honoring our obligation to those men and women who have worn the nation's military uniform. Confirm America's solemn, moral obligation to support our troops, our military retirees, and their families. They have kept their promise to our Nation, now it's time for us to keep our promise to them.

Military Quality of Life: Pay

For fiscal year 2008, the Administration recommends a 3 percent across-the-board pay increase for members of the Armed Forces. The proposal is designed, according to the Pentagon, to keep military pay in line with civilian wage growth.

The National Association for Uniformed Services calls on you to put our troops and their families first. Our forces are stretched thin, at war, yet getting the job done. We ask you to express the nation's gratitude for their critical service, increase basic pay and drill pay one-half percent above the administration's request to 3.5 percent.

Congress and the administration have done a good job over the recent past to narrow the gap between civilian-sector and military pay. The differential, which was as great as 14 percent in the late 1990s, has been reduced to just under 4 percent with the January 2007 pay increase.

However, we can do better than simply maintaining a rough measure of comparability with the civilian wage scale. To help retention of experience and entice recruitment, the pay differential is important. We have made significant strides. But we are still below the private sector.

In addition, we urge the appropriations panel to never lose sight of the fact that our DOD manpower policy needs a compensation package that is reasonable and competitive. Bonuses have a role in this area. Bonuses for instance can pull people into special jobs that help supply our manpower for critical assets, and they can also entice "old hands" to come back into the game with their skills.

The National Association for Uniformed Services asks you to do all you can to fully compensate these brave men and women for being in harm's way, we should clearly recognize the risks they face and make every effort to appropriately compensate them for the job they do.

Military Quality of Life: Allowances

The National Association for Uniformed Services strongly supports revised housing standards within the Basic Allowance for Housing (BAH). We are most grateful for the congressional actions reducing out-of-pocket housing expenses for servicemembers over the last several years. Despite the many advances made, many enlisted personnel continue to face steep challenge in providing themselves and their families with affordable off-base housing and utility expenses. BAH provisions must ensure that rates keep pace with housing costs in communities where military members serve and reside. Efforts to better align actual housing rates can reduce unnecessary stress and help those who serve better focus on the job at hand, rather than the struggle with meeting housing costs for their families.

Military Quality of Life: Allowances

The National Association for Uniformed Services urges the Subcommittee to provide adequate funding for military construction and family housing accounts used by DOD to provide our service members and their families quality housing. The funds for base allowance and housing should ensure that those serving our country are able to afford to live in quality housing whether on or off the base. The current program to upgrade military housing by privatizing Defense housing stock is working well. We encourage continued oversight in this area to ensure joint military-developer activity continues to improve housing options. Clearly, we need to be particularly alert to this challenge as we implement BRAC and related rebasing changes.

The National Association for Uniformed Services also asks special provision be granted the National Guard and Reserve for planning and design in the upgrade of facilities. Since the terrorist attacks of Sept. 11, 2001, our Guardsmen and reservists have witnessed an upward spiral in the rate of deployment and mobilization. The mission has clearly changed, and we must recognize they account for an increasing role in our national defense and homeland security responsibilities. The challenge to help them keep pace is an obligation we owe for their vital service.

Increase Force Readiness Funds

The readiness of our forces is declining. The long war fought by an overstretched force tells us one thing: there are simply too many missions and too few troops. Extended and repeated deployments are taking a human toll. Back-to-back deployments means, in practical terms, that our troops face unrealistic demands. To sustain the service we must recognize that an increase in troop strength is needed and it must be resourced.

In addition, we ask you to give priority to funding for the operations and maintenance accounts where money is secured to reset, recapitalize and renew the force. The National Guard, for example, has virtually depleted its equipment inventory, causing rising concern about its capacity to respond to disasters at home or to train for its missions abroad.

Walter Reed Army Medical Center

Another matter of great interest to our members is the plan to realign and consolidate military health facilities in the National Capital Region. The proposed plan includes the realignment of all highly specialized and sophisticated medical services currently located at Walter Reed Army Medical Center in Washington, DC, to the National Naval Medical Center in Bethesda, MD, and the closing of the existing Walter Reed by 2011.

While we herald the renewed review of the adequacy of our hospital facilities and the care and treatment of our wounded warriors that result from news reports of deteriorating conditions at Walter Reed Army Medical Center, the National Association for Uniformed Services believes that Congress must continue to provide adequate resources for WRAMC to maintain its base operations' support and medical services that are required for uninterrupted care of our catastrophically wounded soldiers and marines as they move through this premier medical center.

We request that funds be in place to ensure that Walter Reed remains open, fully operational and fully functional, until the planned facilities at Bethesda or Fort Belvoir are in place and ready to give appropriate care and treatment to the men and women wounded in armed service.

Our wounded warriors deserve our nation's best, most compassionate healthcare and quality treatment system. They earned it the hard way. And with application of the proper resources, we know the nation will continue to hold the well being of soldiers and their families as our number one priority.

Department of Defense, Seamless Transition Between the DOD and VA

The development of electronic medical records remains a major goal. It is our view that providing a seamless transition for recently discharged military is especially important for servicemembers leaving the military for medical reasons related to combat, particularly for the most severely injured patients.

The National Association for Uniformed Services calls on the Appropriations Committee to push DOD and VA to follow through on establishing a bi-directional, interoperable electronic medical record. Since 1982, these two departments have been working on sharing critical medical records, yet to date neither has effectively come together in coordination with the other.

The time for foot dragging is over. Taking care of soldiers, sailors, airmen and marines is a national obligation, and doing it right sends a strong signal to those currently in military service as well as to those thinking about joining the military.

DOD must be directed to adopt identical electronic architecture including software, data standards and data repositories as used at the Department of Veterans Affairs. It makes absolute sense and it would lower costs for both organizations.

If our seriously wounded troops are to receive the care they deserve, the departments must do what is necessary to establish a system that allows seamless transition of medical records. It is essential if our nation is to ensure that all troops receive timely, quality health care and other benefits earned in military service.

To improve the DOD/VA exchange, the hand-off should include a detailed history of care provided and an assessment of what each patient may require in the future, including mental health services. No veteran leaving military service should fall through the bureaucratic cracks.

Defense Department Force Protection

The National Association for Uniformed Services urges the Subcommittee to provide adequate funding to rapidly deploy and acquire the full range of force protection capabilities for deployed forces. This would include resources for up-armored high mobility multipurpose wheeled vehicles and add-on ballistic protection to provide force protection for soldiers in Iraq and Afghanistan, ensure increased activity for joint research and treatment effort to treat combat blast injuries resulting from

improvised explosive devices (IEDs), rocket propelled grenades, and other attacks; and facilitate the early deployment of new technology, equipment, and tactics to counter the threat of IEDs.

We ask special consideration be given to counter IEDs, defined as makeshift or "homemade" bombs, often used by enemy forces to destroy military convoys and currently the leading cause of casualties to troops deployed in Iraq. These devices are the weapon of choice and, unfortunately, a very efficient weapon used by our enemy. The Joint Improvised Explosive Device Defeat Organization (JIEDDO) is established to coordinate efforts that would help eliminate the threat posed by these IEDs. We urge efforts to advance investment in technology to counteract radio-controlled devices used to detonate these killers. Maintaining support is required to stay ahead of the changing enemy and to decrease casualties caused by IEDs.

Defense Health Program—TRICARE Reserve Select

Mr. Chairman, another area that requires attention is reservist participation in TRICARE. As we are all aware, National Guard and Reserve personnel have seen an upward spiral of mobilization and deployment since the terrorist attacks of Sept. 11, 2001. The mission has changed and with it our reliance on these forces has risen. Congress has recognized these changes and begun to update and upgrade protections and benefits for those called away from family, home and employment to active duty. We urge your commitment to these troops to ensure that the long overdue changes made in the provision of their heath care and related benefits is adequately resourced. We are one force, all bearing a full share of the load.

Department of Defense, Prosthetic Research

Clearly, care for our troops with limb loss is a matter of national concern. The global war on terrorism in Iraq and Afghanistan has produced wounded soldiers with multiple amputations and limb loss who in previous conflicts would have died from their injuries. Improved body armor and better advances in battlefield medicine reduce the number of fatalities, however injured soldiers are coming back oftentimes with severe, devastating physical losses.

In order to help meet the challenge, Defense Department research must be adequately funded to continue its critical focus on treatment of troops surviving this war with grievous injuries. The research program also requires funding for continued development of advanced prosthesis that will focus on the use of prosthetics with microprocessors that will perform more like the natural limb.

The National Association for Uniformed Services encourages the Subcommittee to ensure that funding for Defense Department's prosthetic research is adequate to support the full range of programs needed to meet current and future health challenges facing wounded veterans. To meet the situation, the Subcommittee needs to focus a substantial, dedicated funding stream on Defense Department research to address the care needs of a growing number of casualties who require specialized treatment and rehabilitation that result from their armed service.

We would also like to see better coordination between the Department of Defense Advanced Research Projects Agency and the Department of Veterans Affairs in the development of prosthetics that are readily adaptable to aid amputees.

Post Traumatic Stress Disorder (PTSD) and Traumatic Brain Injury (TBI)

The National Association for Uniformed Services supports a higher priority on Defense Department care of troops demonstrating symptoms of mental health disorders and traumatic brain injury.

It is said that Traumatic Brain Injury (TBI) is the signature injury of the Iraq war. Blast injuries often cause permanent damage to brain tissue. Veterans with severe TBI will require extensive rehabilitation and medical and clinical support, including neurological and psychiatric services with physical and psycho-social therapies.

We call on the Subcommittee to fund a full spectrum of TBI care and to recognize that care is also needed for patients suffering from mild to moderate brain injuries, as well. The approach to this problem requires resources for hiring caseworkers, doctors, nurses, clinicians and general caregivers if we are to meet the needs of these men and women and their families.

The mental condition known as Post Traumatic Stress Disorder (PTSD) has been well known for over a hundred years under an assortment of different names. For example more than sixty years ago, Army psychiatrists reported, "That each moment of combat imposes a strain so great that . . . psychiatric casualties are as inevitable as gunshot and shrapnel wounds in warfare."

PTSD is a serious psychiatric disorder. While the government has demonstrated over the past several years a higher level of attention to those military personnel

who exhibit PTSD symptoms, more should be done to assist service members found to be at risk.

Pre-deployment and post-deployment medicine is very important. Our legacy of the Gulf War demonstrates the concept that we need to understand the health of our service members as a continuum, from pre- to post-deployment.

The National Association for Uniformed Services applauds the extent of help provided by the Defense Department, however we encourage that more resources be made available to assist. Early recognition of the symptoms and proactive programs are essential to help many of those who must deal with the debilitating effects of mental injuries, as inevitable in combat as gunshot and shrapnel wounds.

We encourage the Members of the Subcommittee to provide for these funds and to closely monitor their expenditure and to see they are not redirected to other areas of defense spending.

Armed Forces Retirement Home

The National Association for Uniformed Services encourages the Subcommittee's continued interest in providing funds for the Armed Forces Retirement Home (AFRH). As you know, more than half of the residents in the Gulfport home were evacuated for care and treatment to the Washington, DC, home the day after Hurricane Katrina struck and damaged the Mississippi facility in August 2005. We applaud the staff and residents at the Washington facility for stepping up to the challenge of absorbing the change, and we recognize that challenges remain in the transformation.

We urge the Subcommittee to continue its help in providing adequate funding to alleviate the strains on the Washington home. Also, we remain concerned about the future of the Gulfport home, so we urge your continued close oversight on the recently signed memorandum of understanding between the General Services Administration and design-build contractors for the Gulfport home. And we thank the subcommittee for the provision of $221 million to build a new Armed Forces Retirement Home at the present location of the tower, which is scheduled for demolition this summer.

The National Association for Uniformed Services also asks the Subcommittee to closely review administration plans to sell great portions of the Washington AFRH to developers. The AFRH home is a historic national treasure, and we recommend that Congress find an alternate means to continue providing a residence for and quality-of-life support to these deserving veterans without turning most of this pristine campus over to developers.

Uniformed Services University of the Health Sciences

As you know, the Uniformed Services University of the Health Sciences (USUHS) is the nation's federal school of medicine and graduate school of nursing. The medical students are all active-duty uniformed officers in the Army, Navy, Air Force and U.S. Public Health Service who are being educated to deal with wartime casualties, national disasters, emerging diseases and other public health emergencies.

The National Association for Uniformed Services supports the USUHS and requests adequate funding be provided to ensure continued accredited training, especially in the area of chemical, biological, radiological and nuclear response. In this regard, it is our understanding that USUHS requires funding for training and educational focus on biological threats and incidents for military, civilian, uniformed first responders and healthcare providers across the nation.

Joint POW/MIA Accounting Command (JPAC)

We also want the fullest accounting of our missing servicemen and ask for your support in DOD dedicated efforts to find and identify remains. It is a duty we owe to the families of those still missing as well as to those who served or who currently serve. And as President Bush said, "It is a signal that those who wear our country's military uniform will never be abandoned."

In recent years, funding for the Joint POW/MIA Accounting Command (JPAC) has fallen short, forcing the agency to scale back and even cancel many of its investigative and recovery operations. NAUS supports the fullest possible accounting of our missing servicemen. It is a duty we owe the families, to ensure that those who wear our country's uniform are never abandoned. We request that appropriate funds be provided to support the JPAC mission for fiscal year 2008.

Appreciation for the Opportunity to Testify

As a staunch advocate for our uniformed service men and women, The National Association for Uniformed Services recognizes that these brave men and women did not fail us in their service to country, and we, in turn, must not fail them in providing the benefits and services they earned through honorable military service.

Mr. Chairman, The National Association for Uniformed Services appreciates the Subcommittee's hard work. We ask that you continue to work in good faith to put the dollars where they are most needed: in strengthening our national defense, ensuring troop protection, compensating those who serve, providing for DOD medical services including TRICARE, and building adequate housing for military troops and their families, and in the related defense matters discussed today. These are some of our nation's highest priority needs and we ask that they be given the level of attention they deserve.

The National Association for Uniformed Services is confident you will take special care of our nation's greatest assets: the men and women who serve and have served in uniform. We are proud of the service they give to America every day. They are vital to our defense and national security. The price we pay as a nation for their earned benefits is a continuing cost of war, and it will never cost more nor equal the value of their service.

We thank you for your efforts, your hard work. And we look forward to working with you to ensure we continue to provide sufficient resources to protect the earned benefits for those giving military service to America every day.

Again, the National Association for Uniformed Services deeply appreciates the opportunity to present the Association's views on the issues before the Defense Appropriations Subcommittee.

Senator INOUYE. Our next witness, Mr. George Dahlman, Senior Vice President for Public Policy, the Leukemia and Lymphoma Society.

STATEMENT OF GEORGE DAHLMAN, SENIOR VICE PRESIDENT FOR PUBLIC POLICY, LEUKEMIA AND LYMPHOMA SOCIETY

Mr. DAHLMAN. Thank you, Mr. Chairman, for giving us this opportunity. My name is George Dahlman, I'm here today to represent and testify on behalf of the Leukemia and Lymphoma Society and hundreds of thousands of blood cancer patients across the country. I'm also the parent of a leukemia survivor.

Over the past 56 years, this society has been dedicated to finding a cure for blood cancers, that's leukemia, lymphoma, and myeloma. We are both—we are the largest blood cancer organization in the world and we're actually the second largest cancer organization in the country after the American Cancer Society.

Our main focus is really on funding research. We'll fund, in 2007, approximately $65 million in grants. We provide a wide range of services to people with blood cancer, their caregivers and family, at 64 chapters around the country.

As you may know, there have been impressive strides in curing childhood cancer and a few years ago there was a new pill developed called Gleevec, which has really developed a new paradigm in targeted treatments of cancer, generally. We are proud—the society is proud to play a role in developing that drug and—but there's still a lot of work to be done. A lot of blood cancers still have bad outlooks. And, the Department of Defense's congressionally directed medical research program is an important part of that.

Right now in this year, about 130,000 Americans will be diagnosed with some form of blood cancer and approximately 65,000 of those will die this year. The society and its other blood cancer partners believes this is important medical research to the Department of Defense for a number of reasons.

First, research on blood cancers had significance relevance to the Armed Forces because the incidence of these cancers is substantially higher among individuals with chemical and nuclear exposure. Higher incidences of leukemia have long been substantiated in extreme nuclear incidents in both military and civilian popu-

lations. And, recent studies prove that individual exposures, for example, to chemical agents such as Agent Orange in the Vietnam war, also developed blood cancers.

Second, research in blood cancers traditionally pioneered treatments in other cancers. Just like Gleevec, the first chemotherapy and bone marrow transplants are two good examples of treatments first developed in blood cancers that are now applied to others. And Congress recognized that relevance. Over the past 6 years, they have appropriated $4.5 million annually for one type of leukemia program and members of the subcommittee know the great distinction of the CDMRP is its cooperative and collaborative process that incorporates different experts and patients in the field.

Furthermore, over the last 6 years, blood cancers have been one of a number of diseases eligible for research funding under the DOD's Peer-review Medical Research Program. But as of the continuing resolution in February, the leukemia program itself and the incorporation of the blood cancers as an eligible disease to be sponsored under the peer-reviewed program, were both dropped.

Mr. Chairman, with all due respect to our colleagues fighting a broad range of cancers that are represented in this program and, certainly not to diminish their significance, a cancer research program designed for application to military and national security needs would invariably begin with a strong blood cancer research foundation. DOD research on blood cancers addresses the importance of preparing for civilian and military exposure to weapons being developed by hostile nations and to aid in the march to more effective treatments for all who suffer from these diseases.

Recognizing that, this year a group of 34 members of Congress have requested that the program be funded at $10 million and expanded in scope to include all blood cancers. And, the very least, especially for this subcommittee, we strongly believe that a blood cancer program should at least be eligible for funding under the Peer-reviewed Medical Research Program. That's not a guarantee of funding, but simply the ability to compete.

Subcommittee members might be interested in knowing that we had, the society had been in discussions with CDMRP on collaborative opportunities in team science, which we are, have a great deal of experience in. And, the society, because of our extensive research portfolio, is interested in pursuing opportunities for public/private partnerships with the Department of Defense. That question was raised by this subcommittee in 2003, and was the subject of an Institute of Medicine report in 2004, and the society continues to believe that a collaborative venture holds great promise.

DOD research on other forms of cancer, blood cancers address the importance of civilian and military exposure to the weapons being developed across the world and to aid in the effective treatment of people who suffer those. And, we respectfully request support for this funding in the fiscal year 2008 appropriations bill.

Thank you.

Senator INOUYE. This is, cancer is a matter of personal concern to most of our members. Thank you very much.

Mr. DAHLMAN. Thank you.

[The statement follows:]

PREPARED STATEMENT OF GEORGE DAHLMAN

INTRODUCTION

Mr. Chairman and members of the committee, my name is George Dahlman, Senior Vice President, Public Policy for The Leukemia & Lymphoma Society. I am pleased to appear today and testify on behalf the Society and the almost 800,000 Americans currently living with blood cancers and the 130,000 who will be diagnosed with one this year. Every 10 minutes, someone dies from one of these cancers—leukemia, lymphoma, Hodgkin's disease and myeloma.

During its 58-year history, the Society has been dedicated to finding a cure for the blood cancers, and improving the quality of life of patients and their families. The Society has the distinction of being both the nation's second largest private cancer organization and the largest private organization dedicated to biomedical research, education, patient services and advocacy as they pertain to blood-related cancers.

Our central contribution to the search for cures for the blood cancers is providing a significant amount of the funding for basic, translational and clinical research. In 2007, we will provide approximately $65 million in research grants. In addition to our research funding role, we help educate health care and school professionals as needed and provide a wide range of services to individuals with a blood cancer, their caregivers, families, and friends through our 64 chapters across the country. Finally, we advocate responsible public policies that will advance our mission of finding cures for the blood cancers and improving the quality of life of patients and their families.

We are pleased to report that impressive progress is being made in the effective treatment of many blood cancers, with 5-year survival rates doubling and even tripling over the last two decades. More than 90 percent of children with Hodgkin's disease now survive, and survival for children with acute lymphocytic leukemia and non-Hodgkin's lymphoma has risen as high as 86 percent.

Just five years ago, in fact, a new therapy was approved for chronic myelogenous leukemia, a form of leukemia for which there were previously limited treatment options, all with serious side-effects—five year survival rates were just over 50 percent. Let me say that more clearly, if six years ago your doctor told you that you had CML, you would have been informed that there were limited treatment options and that you should get your affairs in order. Today, those same patients have access to this new therapy, called Gleevec, which is a so-called targeted therapy that corrects the molecular defect that causes the disease, and does so with few side effects. Now, five year survival rates are as high as 96 percent for patients newly diagnosed with chronic phase CML.

The Society funded the early research that led to Gleevec approval, as it has contributed to research on a number of new therapies. We are pleased that we played a role in the development of this life-saving therapy, but we realize that our mission is far from realized. Many forms of leukemia, lymphoma and myeloma still present daunting treatment challenges. There is much work still to be done, and we believe that the research partnership between the public and private sectors—as represented in the Department of Defense's Congressionally Directed Medical Research Program—is an integral part of that important effort and should be further strengthened.

THE GRANT PROGRAMS OF THE LEUKEMIA & LYMPHOMA SOCIETY

The grant programs of the Society have traditionally been in three broad categories: Career Development Program grants, Translational Research Program grants, and Specialized Centers of Research Program grants. In our Career Development Program, we fund Scholars, Special Fellows, and Fellows who are pursuing careers in basic or clinical research. In our Translational Research Program, we focus on supporting investigators whose objective is to translate basic research discoveries into new therapies.

The work of Dr. Brian Druker, an oncologist at Oregon Health Sciences University and the chief investigator responsible for Gleevec's development, was supported by a Translational Research Program grant from the Society.

Our Specialized Centers of Research grant program is intended to bring investigators together to form new research teams focused on the discovery of innovative approaches to treating and/or preventing leukemia, lymphoma, and myeloma. The awards go to those groups that can demonstrate that their close interaction will create research synergy and accelerate our search for new and better treatments.

Dr. Druker is certainly a star among those supported by the Society, but our support in the biomedical field is broad and deep. Through the Society's research grant

programs, we are currently supporting more than 380 investigators at 134 institutions in 34 states and 12 other countries.

Not content with these extensive efforts, the Society is launching a new Therapy Acceleration Program intended to proactively invest in promising blood cancer therapies that are in early stages of development by industry, but which may not have sufficient financial support or market potential to justify private sector investment. In addition, the Society will use this program to further facilitate the advancement of therapies in development by academic researchers who may not have the spectrum of resources or expertise to fulfill the potential of their discoveries. Directed early phase clinical trial support in this funding program will further advance new and better treatments for blood cancer treatments.

IMPACT OF HEMATOLOGICAL CANCERS

Despite enhancements in treating blood cancers, there are still significant research challenges and opportunities. Hematological, or blood-related, cancers pose a serious health risk to all Americans. These cancers are actually a large number of diseases of varied causes and molecular make-up, and with different treatments, that strike men and women of all ages. In 2007, more than 130,000 Americans will be diagnosed with a form of blood-related cancer and almost 65,000 will die from these cancers. For some, treatment may lead to long-term remission and cure; for others these are chronic diseases that will require treatments across a lifetime; and for others treatment options are still extremely limited. For many, recurring disease will be a continual threat to a productive and secure life.

A few focused points to put this in perspective: (DB—I would reorder these 3, 1, 4, 5, 2 for logical flow)

—Taken together, the hematological cancers are fifth among cancers in incidence and fourth in mortality.

—Almost 800,000 Americans are living with a hematological malignancy in 2007.

—Almost 52,000 people will die from hematological cancers in 2007, compared to 160,000 from lung cancer, 41,000 from breast cancer, 27,000 from prostate cancer, and 52,000 from colorectal cancer.

—Blood-related cancers still represent serious treatment challenges. The improved survival for those diagnosed with all types of hematological cancers has been uneven. The five-year survival rates are:

	Percent
Hodgkin's disease	87
Non-Hodgkin's lymphoma	64
Leukemias (total)	50
Multiple Myeloma	33
Acute Myelogenous Leukemia	21

—Individuals who have been treated for leukemia, lymphoma, and myeloma may suffer serious adverse consequences of treatment, including second malignancies, organ dysfunction (cardiac, pulmonary, and endocrine), neuropsychological and psychosocial aspects, and poor quality of life.

—For the period from 1975 to 2003, the incidence rate for non-Hodgkin's lymphoma increased by 76 percent.

—Non-Hodgkin's lymphoma and multiple myeloma rank second and fifth, respectively, in terms of increased cancer mortality since 1973.

—Lymphoma is the third most common childhood cancer and the fifth most common cancer among Hispanics of all races. Recent statistics indicate both increasing incidence and earlier age of onset for multiple myeloma.

—Multiple myeloma is one of the top ten leading causes of cancer death among African Americans.

—Hispanic children of all races under the age of 20 have the highest rates of childhood leukemias.

—Despite the significant decline in the leukemia and lymphoma death rates for children in the United States, leukemia is still the leading cause of death in the United States among children less than 20 years of age, in females between the ages of 20 and 39 and males between the ages of 60–79.

—Lymphoma is the fourth leading cause of death among males between the ages of 20 and 39 and the fifth leading cause of death for females older than 80. Overall, cancer is now the leading cause of death for U.S. citizens younger than 85 years of age, overtaking heart disease as the primary killer.

POSSIBLE ENVIRONMENTAL CAUSES OF HEMATOLOGICAL CANCERS

The causes of hematological cancers are varied, and our understanding of the etiology of leukemia, lymphoma, and myeloma is limited. Extreme radiation exposures are clearly associated with an increased incidence of leukemias. Benzene exposures are associated with increased incidence of a particular form of leukemia. Chemicals in pesticides and herbicides, as well as viruses such as HIV and EBV, apparently play a role in some hematological cancers, but for most cases, no environmental cause is identified. Researchers have recently published a study reporting that the viral footprint for simian virus 40 (SV40) was found in the tumors of 43 percent of NHL patients. These research findings may open avenues for investigation of the detection, prevention, and treatment of NHL. There is a pressing need for more investigation of the role of infectious agents or environmental toxins in the initiation or progression of these diseases.

IMPORTANCE TO THE DEPARTMENT OF DEFENSE

The Leukemia & Lymphoma Society, along with its partners in the Lymphoma Research Foundation, the Multiple Myeloma Research Foundation and the International Myeloma Foundation, believe biomedical research focused on the hematological cancers is particularly important to the Department of Defense for a number of reasons.

First, research on blood-related cancers has significant relevance to the armed forces, as the incidence of these cancers is substantially higher among individuals with chemical and nuclear exposure. Higher incidences of leukemia have long been substantiated in extreme nuclear [a1]incidents in both military and civilian populations, and recent studies have proven that individual exposure to chemical agents, such as Agent Orange in the Vietnam War, cause an increased risk of contracting lymphoid malignancies. Of note, bone marrow transplants that have been developed to treat blood-related cancers were first explored as a means of treating radiation-exposed combatants and civilians following World War II.

Secondly, research in the blood cancers has traditionally pioneered treatments in other malignancies. Cancer treatments that have been developed to treat a blood-related cancer are now used or being tested as treatments for other forms of cancer. Combination chemotherapy and bone marrow transplants are two striking examples of treatments first developed for treating blood cancer patients. More recently, specific targeted therapies have proven useful for treating patients with solid tumors as well as blood-related cancers.

From a medical research perspective, it is a particularly promising time to build a DOD research effort focused on blood-related cancers. That relevance and opportunity were recognized over the last six years when Congress appropriated $4.5 million annually—for a total of $28 million—to begin initial research into chronic myelogenous leukemia (CML) through the Congressionally Directed Medical Research Program (CDMRP). As members of the Subcommittee know, a noteworthy and admirable distinction of the CDMRP is its cooperative and collaborative process that incorporates the experience and expertise of a broad range of patients, researchers and physicians in the field. Since the CML program was announced, members of the Society, individual patient advocates and leading researchers have enthusiastically welcomed the opportunity to become a part of this program and contribute to the promise of a successful, collaborative quest for a cure.

Unfortunately, the CML program was not included in January's Continuing Resolution funding other fiscal year 2007 CDMRP programs. This omission seriously jeopardizes established and promising research projects that have clear and compelling application to our armed forces as well as pioneering research for all cancers. As if to add insult to injury, blood cancers were also not included as eligible conditions to be the subject of grants under the DOD's Peer-Reviewed Medical Research Program—inexplicably reversing a six-year precedent and eliminating a critical avenue of investigation with direct application to military service.

With all due respect to our colleagues fighting a broad range of malignancies that are represented in this program—and certainly not to diminish their significance—a cancer research program designed for application to military and national security needs would invariably include a strong blood cancer research foundation. DOD research on blood cancers addresses the importance of preparing for civilian and military exposure to the weapons being developed by several hostile nations and to aid in the march to more effective treatment for all who suffer from these diseases. This request clearly has merit for inclusion in the fiscal year 2008 legislation.

Recognizing that fact and the opportunity this research represents, a bipartisan group of 30 Members of Congress have requested that the program be reconstituted at a $10 million level and be expanded to include all the blood cancers—the leuke-

mias, lymphomas and myeloma. This would provide the research community with the flexibility to build on the pioneering tradition that has characterized this field.

The Leukemia & Lymphoma Society strongly endorses and enthusiastically supports this effort and respectfully urges the Committee to include this funding in the fiscal year 2008 Defense Appropriations bill.

We believe that building on the foundation Congress initiated over the past six years should not be abandoned and would both significantly strengthen the CDMRP and accelerate the development of all cancer treatments. As history has demonstrated, expanding its focus into areas that demonstrate great promise; namely the blood-related cancers of leukemia, lymphoma and myeloma, would substantially aid the overall cancer research effort and yield great dividends.

Senator INOUYE. Our next witness is Mr. Martin B. Foil, representing the Board of Directors of the National Brain Injury Research, Treatment, & Training Foundation.

STATEMENT OF MARTIN B. FOIL, MEMBER, BOARD OF DIRECTORS, NATIONAL BRAIN INJURY RESEARCH, TREATMENT, & TRAINING FOUNDATION

Mr. FOIL. Chairman Inouye, it's good to be here. Good to see you again, sir. As you know or may remember, I'm the father of a severely brain injured young man and a member of the Board of Directors of the National Brain Injury Research, Treatment, & Training Foundation, and also a veteran.

I'm here today to request a plus-up of $12.5 million in funding for the DVBIC, the Defense Veterans Brain Injury Center and the Brain Injury Program, Head Injury Program. We already have $7 million in the DOD's budget, but this plus-up will fund the program at $19.5 million. As you know and as we've heard today among our colleagues, TBI is a signature injury of the global war on terror. These blasts from improvised explosive devices in Iraq and Iran and, well, Iraq and Afghanistan are causing our, are harming our troops at an alarming rate.

Blast injury, unlike a sports injury, you know, harms the whole body. It takes in everything. It's not like anything we've ever seen, it can't be compared to anything else. We need more research to understand the biomechanics of blast injury to develop best practices for the optimum treatment and rehab.

The DVBIC, our Center for Excellence for clinical care, military education, and treatment, relevant clinical research for the DOD and VA, is our definitive source for assessing TBI in the theater, and also for tracking TBI. The DVBIC staff has seen and treated some 2,000 troops involved in the global war on terror. Research at Fort Carson reveals that over 28 percent of our returning service members have tested positive for possible brain injury. Nineteen percent of our military TBIs are severe, they require long-term support and without interventions, such troops are relegated to nursing homes. That's absolutely not the right place.

Military needs to provide care for up to 1 year for these people with moderate and severe injuries. Twelve and one-half million would fund such care through Project Hope for Troops, with altered states of consciousness resulting from TBI. Dr. George Zitnay, the founder of DVBIC in Denver, has just returned from Landstuhl, and George, could you stand up?

George actually made rounds in Landstuhl while he was there. He saw first hand the grave need for more TBI specialists and resources. NBIRTT strongly supports the plan offered by the congres-

sional brain injury task force to improve treatment and research in the military. It recommends a blast injury Center of Excellence, pre-deployment, cognitive baseline development, better training for front-line medics, funding for care coordinators at each State to prevent gaps in care, community reentry programs, cooperative efforts with veterans organizations, medical rehab advocacy research.

Well, despite the numbers of troops returning, there has not been a compensatory increase in professionals to treat. The healthcare providers need to be trained to understand and treat unique issues involved with TBI. It is a difficult thing, with self-diagnosis you just can't do that. Stigma remains a problem.

Mr. Chairman, I respectfully request your support of the $12.5 million for 2008. I want to thank you for your leadership. We hope you will continue to support our efforts to provide the best possible care for our brave men and women. Thank you.

Senator INOUYE. Your request is reasonable, and I think very important. And I can assure we're going to do everything possible to see that it is carried out.

Mr. FOIL. Thank you very much and thank your subcommittee.

[The statement follows:]

PREPARED STATEMENT OF MARTIN B. FOIL, JR.

My name is Martin Foil and I am the father of Philip Foil, a young man with a severe brain injury. I serve as a volunteer on the Board of Directors of the National Brain Injury Research, Treatment and Training Foundation (NBIRTT).[1] Professionally, I am the Chief Executive Officer and Chairman of Tuscarora Yarns in Mt. Pleasant, North Carolina.[2]

On behalf of the thousands of military personnel sustaining brain injuries, I respectfully request $19.5 million be provided in the Department of Defense (DOD) Appropriations bill for fiscal year 2008 for the Defense and Veterans Brain Injury Center (DVBIC). This request includes the $7 million in the DOD's POM, and an additional $12.5 million to allow the important work of the program to continue during this critical time in the War on Terrorism.

TBI is the signature injury of the Global War on Terror

It is now common knowledge that blasts from improvised explosive devices (IEDs) in Iraq are causing traumatic brain injuries (TBIs) in many of our service men and women at an alarming rate. From numerous media stories, including the special report by Bob Woodruff of "ABC News" about his own experiences with TBI to the Congressional hearings on the Walter Reed Army Medical Center scandal to the report of the Department of Veterans Affairs' Task Force on Global War on Terror Heroes, there is acknowledgement that not enough is being done to care for our injured troops.[3]

NBIRTT has long been an advocate for improved research, treatment and training in TBI in the military and civilian sectors. While we would like to see improvements, we continue to support the good work being done by the experts in TBI at DVBIC. NBIRTT supports many proposals that seek to address the shortfalls in the DOD and VA health care systems, but cautions against recreating systems that are already in existence. It is NBIRTT's view that any and all efforts to improve TBI research and care be built around the work of the DVBIC.

DVBIC is the DOD–VA TBI Center of Excellence

The DVBIC, formerly known as the Defense and Veterans Head Injury Program (DVHIP), is a component of the military health care system that integrates clinical care and clinical follow-up, with applied research, treatment and training. The pro-

[1] NBIRTT is a non-profit national foundation dedicated to the support of clinical research, treatment and training.

[2] I receive no compensation from this program; rather, I have raised and contributed millions of dollars to support brain injury research, treatment, training and services.

[3] We await the reports of the Army Surgeon General's Task Force on Traumatic Brain Injury which we expect to be released May 17, 2007, and the Task Force headed by former Senator Bob Dole and former HHS Secretary Shalala, to be released in July, 2007.

gram was created after the first Gulf War to address the need for an overall systemic program for providing brain injury specific care and rehabilitation within DOD and DVA. The DVBIC seeks to ensure that all military personnel and veterans with brain injury receive brain injury-specific evaluation, treatment and follow-up.

DVBIC staff have seen and treated some 2,000 military personnel involved in the Global War on Terror. Research at Fort Carson revealed 28 percent of returning service members tested positive for possible TBI. 19 percent of military TBIs are severe, requiring life long support, and without intervention, such troops are relegated to nursing homes.

Clinical care and research is currently undertaken at seven DOD and DVA sites and two civilian treatment sites. In addition to providing treatment, rehabilitation and case management at each of the nine primary DVBIC centers,[4] the DVBIC includes a regional network of additional secondary veterans' hospitals capable of providing TBI rehabilitation, and linked to the primary lead centers for training, referrals and consultation. This is coordinated by a dedicated central DVA TBI coordinator and includes an active TBI case manager training program.

All DVBIC sites have maintained and many have increased treatment capacity. This has been a direct response to the influx of patients seen secondary to Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). WRAMC receives more casualties from theater than all of the other military treatment facilities (MTFs) in the continental United States. Patients are often seen at WRAMC within a week or two after injury and many of these patients have multiple injuries (e.g., TBI, traumatic amputations, shrapnel wounds, etc.). To meet the increased demand, screening procedures were developed by DVBIC headquarters and clinical staff. The DVBIC clinical staff reviews all incoming casualty reports at WRAMC and screens all patients who may have sustained a brain injury based on the mechanism of injury (i.e., blast/explosion, vehicular accident, fall, gunshot wound to the head, etc.).

DVBIC has reached out to screen troops returning from the field to make sure no one with a brain injury falls through the cracks. Teams from DVBIC have been sent to Fort Dix, Fort Campbell, Fort Knox, Camp Pendleton, Fort Carson, Fort Irwin, Fort Bragg, Tripler Army Medical Center and others as requested by base commanders. Teams have also traveled to Landstuhl Regional Medical Center in Germany to provide evaluation and treatment on an ongoing basis.

The DVBIC developed a screening tool, called the MACE (Military Acute Concussion Evaluation) for use in all operational settings, including in-theater and it is now widely used. DVBIC has also developed management guidelines for mild, moderate, and severe TBI in-theater, and established a telemedicine network linking DVBIC's military and VA sites.

While DVBIC clinical and educational programs remain its backbone, the program has conducted research into the effects of blast on the brain, the therapeutic use of nano-particles, and enhanced head protection using novel materials in conjunction with the conventional helmet.

NBIRTT urges funding for the DVBIC to:

—Enhance its Care Coordination Network in order to better serve patients with TBI throughout the country.

—Build and implement a web-based care coordination and patient tracking program to improve its ability to provide comprehensive follow-up to a population whose cognitive impairments place them at increased risk of loss to follow-up. Use of this advanced technology will assist its network in providing a more integrated, seamless support structure and will also improve its ability to monitor patients' progress.

—Augment clinical care targeted for the largest military bases with individuals with TBI will be implemented.

—Expand TBI Surveillance Operational Data from OIF/OEF as more military sites participate to help create a more comprehensive picture of the scope of TBI occurring in the current theatres of operation.

DVBIC is the definitive source for TBI tracking for DOD Health Affairs. With necessary funding, NBIRTT expects DVBIC to continue to function as the DOD–VA TBI Center of Excellence for clinical care, military education, and treatment-relevant clinical research.

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[4] Walter Reed Army Medical Center, Washington, DC; James A. Haley Veterans Hospital, Tampa, FL; Naval Medical Center San Diego, San Diego, CA; Minneapolis Veterans Affairs Medical Center, Minneapolis, MN; Veterans Affairs Palo Alto Health Care System, Palo Alto, CA; Virginia Neurocare, Inc., Charlottesville, VA; Hunter McGuire Veterans Affairs Medical Center, Richmond, VA; Wilford Hall Medical Center, Lackland Air Force Base, TX; Laurel Highlands Neuro-Rehabilitation Center, Johnstown, PA.

Improvements Are Needed To Assure A Continuum of Care

The DVBIC is an important tool to assure a continuum of care, but it requires an increased level of POM funding and a solid commitment by the DOD to assist in improving the military and VA health care systems. Since many of the soldiers with brain injuries will have life long needs resulting from their injuries, we need to make sure community services are available wherever the soldier lives. This can be done through local case management program and linkage to DVBIC sites. NBIRTT also supports a proposal by the National Association of State Head Injury Administrators (NASHIA) to connect returning service personnel with state resources in their home states (copy attached).

Persons with TBI may have difficulty with self diagnosis and because of cognitive impairments are at greater risk of not following up for outpatient care. In addition, town hall discussions by the Army Surgeon General's Task Force on TBI have revealed that stigma remains an obstacle for troops to admit they may have sustained a TBI. For these reasons, there is an increased need for family resources and support.

Last year we requested funding for the DVBIC to improve treatment capacity, particularly at the community reentry level, and an expanded care coordination system that meets the special needs of persons with TBI and their families and is widely distributed across the country. NBIRTT emphasizes that the need is all the greater this year.

The Congressional Brain Injury Task Force's Road Map for a Continuum of Care Based on a Proposal for Supplemental Funding for TBI

NBIRTT strongly supports the plan offered by the Congressional Brain Injury Task Force, to improve TBI treatment and research in the military. Entitled the "National Collaborative Plan for Military Traumatic Brain Injury (TBI) Within the Tri-Services" it provides for baseline pre-injury cognitive evaluation and post-injury TBI diagnosis, evaluation, screening, treatment, and neuro-rehabilitation to the time of re-entry in to the active duty military or re-entry into the local community with follow-up services. The plan encompasses all branches of the military (i.e., Army, Navy, and Air Force) including National Guard and Reserves plus collaboration with the VA, civilian partners and veterans/military organizations at the national, state and community level. The idea is to create a network of services for military personnel with TBI and their families. The plan is as follows:

—*Pre-deployment Cognitive Baseline Development*.—In order to better understand the impact of blast exposure and other situations that may cause brain injury including mild TBI a cognitive pre-test will be performed by all military personnel prior to deployment. A protocol that utilizes novel computer technology will be used for establishing a baseline similar to what is currently used in sports at the high school, college and professional level. Off-the-shelf systems, (e.g., "Detect", "ImPaCT", or "CNS Vital Signs") will require only minor modifications for this purpose. Through brief cognitive assessment prior to deployment followed by screening upon return, the accurate measurement of exposure to blast injury and potential mild TBI will be enhanced. This will reduce the number of false positives (incorrect diagnosis of TBI) and false negatives (failure to diagnose TBI) that occur with post-blast exposure screening only.

—*Care, training and assessment in theatre*.—Staff training for frontline medics will be provided on the battlefield evaluation of concussion and the symptoms of blast injury. This will include development of a concussion tool, utilization of the MACE, and development of protocols for removal from duty to prevent second concussion syndrome. In addition, the battlefield evaluation of post traumatic stress disorder (PTSD) will be included. The clinical guidelines for management will be updated and made available for all trauma specialists. Staffing at Landstuhl Regional Medical Center will be increased to provide brain injury specialist and care coordination. Post Deployment coordination-Screening instruments will be used to screen all returning personnel to determine if further neuropsychological testing is required to make the determination that a brain injury has occurred.

—*Military care and acute management of TBI*.—All programs will follow both JACHO and CARF standards for the treatment and rehabilitation of TBI. At WRAMC, a complete interdisciplinary team of brain injury specialists will be employed to establish a state of the art comprehensive care and neurorehabilitation center. In addition, care coordinators, neuropsychologists and mental health specialists will be integral to the brain injury team. At the Bethesda Naval Hospital, a platform will be provided to establish a state-of-the-art brain injury center. Interdisciplinary brain injury specialist staffing will be provided at every military hospital throughout the country to insure proper

treatment of survivors of TBI. Care coordinators will be stationed at military sites to link services.

—*Specialized care center*.—Four centers will be established across the country to provide complete medical and neurorehabilitation for the most severely brain injured persons. At the centers, patients may stay up to one year for comprehensive Neurorehabilitation and will be provided cutting edge therapies available to maximize any potential for recovery of function. This proposal includes Project Hope in Johnstown that will specialize in stimulating recovery in those patients which are minimally conscious, locked-in, or in a persistent vegetative state.

—*Civilian DVBIC core sites*.—Four community re-entry programs to serve active duty military personnel which require additional treatments prior to returning to active or return to home upon military discharge will be created utilizing state-of-the-art technology and cognitive rehabilitation. These will be in addition to existing sites in Charlottesville, Virginia and Johnstown, Pennsylvania.

—*Care Coordinators*.—These specialists will be responsible for preventing any gaps in care of brain injured service personnel and to maintain the highest level of therapeutic intensity until discharge. The Care Coordinators will cooperate with state and community partners, as well the Reserve and National Guard, for the seamless delivery of services. Every state will have at least one care coordinator specialized for that particular state.

—*Education and Training*.—Despite the overwhelming numbers of service personnel returning with TBI, there has not been a compensatory increase in trained professionals to treat them. Additional healthcare professionals are needed to be trained in order to understand and treat the brain injured service personnel returning from OIF and OEF. This will include training local professionals in rural areas so that they can attend to the needs of head injured veterans and/or participate as a mentor during tele-rehabilitation sessions. Seminars should be held to train care coordinators on the intricacies of the available services in each state. DVBIC will conduct an international meeting of experts in the fields of TBI (including imaging, physiatry, pharmacology, neuro-rehabilitation, neuropsychology, assistive technologies, and molecular biology, etc.) to gather recent treatment modalities, applications, and research to improve outcome in military personnel injured in OIF and OEF.

—*TBI Research*.—There is a current dearth of research in several areas of brain injury therapy. This includes telemedicine-related neuro-rehabilitation, stimulation therapy for patients with disorders of consciousness (DOC), development of neuro-protectants, development of new generations of treatments that would be adjuncts or enhancements for neuro-rehabilitation, and development of application technologies in the areas of imaging, screening, telemedicine, and diagnostics.

—Extramural cooperative program with veterans' organizations, medical, rehabilitation, advocacy, and research communities (e.g., CDC, NIH, NASHIA, BIAA, DAV).

—*Blast Injury Center*.—A center of excellence in research will be established to better define, and understand the patho-physiological impact of blast injury on the brain. The center will conduct research leading to better protective helmets and other technological tools, and to develop treatment materials for better outcomes. The center will collaborate with leading research institutions, universities, biotechnology companies, and pharmaceuticals.

—Providing the administrative structure personnel, benefits, oversight for financial expenditures, and preparation of progress reports and evaluation of programmatic effectiveness.

This plan was produced in anticipation of some $450 million for TBI in the War Supplemental for fiscal year 2007 earlier this spring. The Conference Report to the bill that was vetoed included some $600 million for TBI and PTSD. NBIRTT acknowledges that the final funding level is yet to be determined, but in the meantime supports the work of the DVBIC within this plan. DVBIC would continue to be the center of all DOD and VA coordination efforts and implementation of best practices throughout the wider military and VA systems.

While efforts to make significant system wide changes are underway, we should look to build upon the work that has already been done by the experts currently in the field.

$19.5 million is needed in fiscal year 2008 for the DVBIC

Since the Global War on Terror began, there has not been a steady, consistent, reliable funding stream for the work of the DVBIC. While efforts are underway to gain a permanent commitment from the Pentagon to support this important work,

we urge your support for adequate funding in fiscal year 2008. NBIRTT applauds the work of the Senate Appropriations Subcommittee on Defense to include substantial funding for TBI in the War Supplemental. Ideally, we would like to see a permanent increase in the DOD's POM for TBI so that plus-up requests and supplementals can be used to address emergencies and not basic needs. At this juncture, however, $12.5 million is needed for DVBIC merely to continue research, treatment and training in TBI.

Please support $19.5 million for the DVHIP in the fiscal year 2008 Defense Appropriations bill under AMRMC, Fort Detrick to continue this important program.

ROLE OF STATE GOVERNMENT IN SERVING RETURNING SOLDIERS WITH TRAUMATIC BRAIN INJURY

Introduction

Recently, national attention has focused on the need for improved treatment and care for soldiers returning from Iraq and Afghanistan with traumatic brain injuries. Most of this focus has been on the acute and rehabilitation care provided by the Department of Defense and Veterans Brain Injury Center (DVBIC), the Veterans Administration (VA) Polytrauma Rehabilitation Centers and the VA health care system. Congressional hearings have also been held on transitioning between and among these programs through care coordinators who have been placed within key programs of these systems. While this attention is certainly well deserved, little commentary has been provided on those soldiers who require long-term care, services and community supports offered by state and local governmental programs.

Thus, this paper has been developed to initiate discussion and to further collaboration among all federal, state and local entities that may be involved in some aspect of assessment and identification, rehabilitation, long-term care, service coordination, community and family supports for individuals who are serving in our military and are at risk of experiencing the consequences of a traumatic brain injury (TBI), as well as other co-occurring conditions (Post Traumatic Stress Disorder and substance abuse). The intent is to ensure that returning soldiers receive the necessary services in a coordinated fashion, and that all local, state and federal resources are maximized and used effectively.

Background

Over the past 20 years, several states have developed service delivery systems to meet the needs of individuals with traumatic brain injury and their families. These systems generally offer information and referral, service coordinators, rehabilitation, in-home support, personal care, counseling, transportation, housing, vocational and return to work and other support services that are funded by state appropriations, designated funding (trust funds), Medicaid and by programs under the Rehabilitation Act. These services may be administered by programs located in the state public health, vocational rehabilitation, mental health, Medicaid, developmental disabilities or social services agencies.

To help states to further expand, improve and coordinate service delivery the TBI Act of 1996, as amended in 2000, provides federal funding to the U.S. Department of Health and Human Services, Health Resources and Services Administration (HRSA) for the State Grant Program. Currently, almost all states receive TBI Act funding. The federal program also contracts with the National Association of State Head Injury Administrators (NASHIA) to provide technical assistance to states through the TBI Technical Assistance Center, which has also become a clearinghouse of information and materials available to assist states in developing "best practices". NASHIA was created in the early 1990s by state government employees responsible for public brain injury policies, programs and services.

How can states help returning soldiers?

State TBI programs can help families, soldiers and the VA to identify or screen for traumatic brain injury, assess needs of soldiers with traumatic brain injury, provide information on TBI and available resources, and provide and coordinate services. Of particular concern to states are soldiers, who may not be initially identified by the VA system, yet experience the consequences of a traumatic brain injury long after they return home. As a result, state TBI and disability systems may be the point of contact for information and referral for these families and returning soldiers. Some of these returning soldiers may not be affiliated with military installations and, therefore, may not seek health care from the VA, but rather from their own family care physician. Their physicians may not even know to inquire about their time in Iraq or Afghanistan to determine if their symptoms could possibly be

stemming from a TBI, or even to be able to distinguish TBI from Post Traumatic Stress Disorders (PTSD).

Combined screening for TBI and PTSD could be especially beneficial and should be considered by all potentially involved agencies, since the symptoms overlap, the treatments differ, and both can be seriously disabling. Through collaboration among state and local mental health and substance abuse programs, TBI state programs may be able to promote collaborative screening efforts.

There are a few states that are addressing the needs of returning soldiers from various angles. Two states, New York and Massachusetts, are currently conducting efforts to identify soldiers with TBI and link them to needed resources and services. Both of these states are using federal grant funds administered by the U.S. Health Resources and Services Administration (HRSA) for these efforts. In Massachusetts the Statewide Head Injury Program under the Brain Injury & Statewide Specialized Community Services Department, known as SHIP, administered by the Massachusetts Rehabilitation Commission is partnering with the Veterans Administration, Veterans Organizations, TBI providers and the Brain Injury Association of Massachusetts in conducting outreach, information and referral services.

Other state TBI programs that offer service coordination and array of support services are collaborating with their state Veterans Commissions and the National Guard to solve individual problems. States are also fielding calls from families, participating in state conferences on PTSD and TBI, and at least one state vocational rehabilitation agency has entered into a MOU with the Veterans Administration. Several groups have also developed materials on TBI for returning soldiers, including Massachusetts and New York.

Recommendations

Collaboration among states, NASHIA, federal agencies (DVBIC, VA and Centers for Disease Control and Prevention) and military branches should include:

—Developing and disseminating screening questions to help alert families and soldiers that have symptoms associated with TBI, who have not been previously identified. These efforts should be coordinated with efforts to screen for PTSD and substance abuse problems.

—Disseminating information on available state and community resources and supports, including state TBI service coordinators who coordinate a myriad of federal and state resources to support individuals to live and work in the community.

—Training and disseminating information on TBI as the result of war-related injuries to civilian medical providers, local physicians, social workers and mental health community centers.

—Availing existing resources, such as telerehabilitation programs that provide evaluation and expertise to providers in rural areas, family support information and resources, family training, etc.

—Communicating and partnering with state advisory boards on TBI and lead state agencies as to the needs of returning soldiers who may not be accessing the VA, but may be in need of the array of community and family supports, in order for states to plan and address how to meet those needs.

—Communicating and partnering with state task forces on the needs of returning soldiers to ensure that TBI, as well as PTSD and substance abuse are included in these deliberations.

—Partnering with all veterans and state brain injury systems to pool and maximize state and federal resources to ensure that resources are available when their family member returns home.

For further information contact Kenneth H. Currier, Executive Director, NASHIA at 301–656–3500 or khcurrier@nashia.org.

Senator INOUYE. Our next witness is Dr. Andrew Pollack of the American Academy of Orthopedic Surgeons, together with Ms. Kimberly Dozier of CBS News.

STATEMENT OF DR. ANDREW N. POLLACK, M.D., ORTHOPEDIC SURGEON, UNIVERSITY OF MARYLAND MEDICAL CENTER AND CHAIR, EXTREMITY WAR INJURIES PROJECT TEAM, AMERICAN ACADEMY OF ORTHOPEDIC SURGEONS

ACCOMPANIED BY KIMBERLY DOZIER, CBS NEW CORRESPONDENT

Mr. POLLACK. Mr. Chairman, thank you for the opportunity to testify today. I'm Andy Pollack, an orthopedic surgeon in shock

trauma at the University of Maryland Medical Center in Baltimore. I represent the American Academy of Orthopedic Surgeons and our special effort to advocate for the peer-reviewed orthopedic extremities research program.

This critical program is operated by the Defense Department. I'm fortunate to be accompanied today by CBS News correspondent, Kimberly Dozier. She's one of those rare individuals willing to put herself in harm's way to chronicle the work of our American servicemen and women in Iraq. She's an inspiration on many different levels, and I'm one of the many surgeons who's had the privilege to have worked with her. Please allow me to introduce Kimberly Dozier.

Ms. DOZIER. Mr. Chairman, amputation, debridement, acinetobacter, and heterotrophic ossification, there are words that I never wanted to learn, much less experience. But a 500-pound car bomb last Memorial Day changed that. My rapid-fire education started in Baghdad, as it does for so many injured troops.

More than 80 percent of the wounded coming out of Iraq and Afghanistan have injuries exactly like mine, and more of us are surviving than ever before in any other conflict and medical miracles are happening every day. The fact that I'm here is testament to that.

But that also means that we are living long enough to develop secondary conditions that doctors have rarely seen before, much less done research on how to treat. Now, some of them you've heard of. In terms of amputation, they thought they would have to take off one or both of my legs, but they took a chance. One of my legs, by the time I'd reached Landstuhl, had turned black. They gave it an extra day and it proved that it could work, came back. The next time they see a situation like mine, they might give it another 24 to 48 hours before taking the limb off.

Debridement is what they did to the burned tissue from my hips to my ankles, courtesy of the 130 millimeter round illumination shell that made up the bulk of the car bomb. Now, it's a process of removing dead tissue from the living, but it depends on the instincts of each particular surgeon to decide what's viable and what's not. The fact that the surgeons, in my case, were able to salvage much of the quads in my femurs, means that I can walk and run almost normally. You get a different surgeon, you get a different outcome, and that all depends on their research.

Acinetobacter is a normally harmless bacteria found in Iraqi soil and throughout Europe, but give it in—blow it into the injuries of an immune-compromised person and it can become deadly. It's multidrug resistant. In my case, as in the case of many of the troops I've met, I had to choose between continuing on the one medication that treats it, but risking losing my kidneys, to which this drug is toxic, or going off of the drug and hoping for the best. In my case, I was lucky, my body fought back and I kept my kidneys.

Heterotrophic ossification—say that 10 times fast—we don't know why the body does it, but when it heals bones shattered by blasts, it often goes a little haywire, and the bones keep going, keep healing, turning into coral that spikes into your muscles. The only way to take it out right now, is to chisel it out and that means a

second long-term surgery and it doesn't mean the bone won't come back. Then you've got to radiate the area, that's more risk.

Now, all of that was fairly easy to fix, in my case. I was lucky. The two soldiers on either side of me had it much worse. Sergeant Justin Ferrar had his knee, part of it blown out. They had to put in a cadaver's patella. That means you've got to immobilize the leg for a long time. Justin is still using a cane, I'm not. Staff Sergeant Reed, on the other side of me, he got his knee blown out. In a normal situation you could do total knee replacement. In a blast injury, that doesn't work. There's too much infection. He had to choose between having one solid leg or amputation. He chose amputation so he could go back to active duty.

Now, these are the battles troops face when they come home, and the battles that the medical profession is fighting on our behalf, and they need your help. Thank you.

Mr. POLLACK. As you heard from Ms. Dozier, over 80 percent of war injuries now involve the extremities, often severely mangled and multiple injuries to the arms and legs. As in Kimberly's case, most wounds are caused by exploding ordinance. This targeted research program is desperately needed to provide information that will lead to improvement in quality of life for our injured heroes. The funding you provide is being well spent. The new knowledge we gain advances our ability to better understand and better treat these serious injuries.

Mr. Chairman, you've recognized the urgent need to support this important peer-reviewed program over the past 2 years and most recently in the fiscal year 2007 supplemental appropriations bill, and we're most grateful for that support. Based on the level of scientific need and the amount of unfunded research still outstanding, our goal is to see this program receive an operating level of $50 million per year. We most sincerely thank you and the entire subcommittee for your vision and leadership in responding to this appeal. We strongly urge your continued support.

Senator INOUYE. As one who has some experience in this area, I can assure you of our support.

But with all the medical miracles that we are now experiencing and enjoying, one has caused us much trouble. For example, in World War II, it took a little while to be evacuated.

In my case, I left the front at 3 o'clock in the afternoon and I was in the field hospital at midnight. Today, the same injury very likely would be in a hospital within 30 minutes. As a result, many, many survive, unlike World War II, they did not survive. In my hospital, I can recall only one double amputee. Double amputations are commonplace now, and I agree with you. Our personnel is inadequate, our resources are inadequate, and we will do what you say is right.

Thank you very much, Ms. Dozier.

Mr. POLLACK. Thank you, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF ANDREW N. POLLAK, M.D.

Chairman Inouye, Vice Chairman Stevens, Members of the Senate Defense Appropriations Subcommittee, thank you for the opportunity to testify today. I am Andrew N. Pollak, M.D., and I speak today on behalf of the American Academy of Orthopaedic Surgeons (AAOS), of which I am an active member, as well as on behalf

of military and civilian orthopaedic surgeons involved in orthopaedic trauma research and care.

I am Chair of the Academy's Extremity War Injuries and Disaster Preparedness Project Team, immediate past-chair of its Board of Specialty Societies, and a subspecialist in orthopaedic traumatology. I am Associate Director of Trauma and Head of the Division of Orthopaedic Traumatology at the R Adams Cowley Shock Trauma Center and the University of Maryland School of Medicine. My Division at Shock Trauma is responsible for providing education and training in orthopaedic traumatology to residents from eight separate training programs nationally, including the Bethesda Naval, Walter Reed Army and Tripler Army orthopaedic residency programs. In addition, Shock Trauma serves as the home for the Air Force Center for Sustainment of the Trauma and Readiness Skills (CSTARS) program. I also serve as a Commissioner on the Maryland Health Care Commission and on the Board of Directors of the Orthopaedic Trauma Association.

Accompanying me is CBS News Correspondent Kimberly Dozier, who is recovering from severe wounds to her legs and head. Kimberly sustained these extremity injuries last Memorial Day on the streets of Baghdad while covering American soldiers on patrol with Iraqi security forces. She had been imbedded with the Army's 4th Infantry Division. The patrol was the victim of a car bombing which critically injured Kimberly and killed her cameraman, soundman, a U.S. Army captain they were following and his Iraqi translator.

As one of the many doctors who have worked with Kimberly, I am happy to say her recovery is progressing well. She is one of those rare individuals willing to put herself in harm's way to chronicle the work of our brave American servicemen and women in Iraq.

Please allow me to take this opportunity today to thank the Members of this Subcommittee for your vision and leadership in providing significant new funding for the Peer Reviewed Orthopaedic Extremity Trauma Research Program in the fiscal year 2007 Supplemental Appropriations Bill and urge your continued support for this critical effort in the future.

I will discuss the spectrum of orthopaedic trauma being sustained by U.S. military personnel in Iraq and Afghanistan and offer a perspective on the importance of orthopaedic extremity research in providing new clinical knowledge that will enable improved treatments for soldiers suffering from orthopaedic trauma. Finally, I will provide an update on the progress of the Peer Reviewed Orthopaedic Extremity Trauma Research Program, which is administered by the Medical Research and Materiel Command's U.S. Army Institute of Surgical Research (USAISR).

It is important to point out that unique to this conflict is a new type of patient, a warfighter with multiple and severely mangled extremities who is otherwise free of life-threatening injury to the torso because of improvements in protective body armor. Current challenges that often compound the injuries include serious infections due to the nature of the injuries and the environment where they are sustained, the need for immediate transport for more complex surgery, the need for better medical understanding of the internal effects of blast injury, and the need for a joint service database that encompasses the multilevel spectrum of orthopaedic extremity injury care.

Orthopaedic Trauma from Operation Iraqi Freedom and Operation Enduring Freedom

The likelihood of surviving wounds on the battlefield was 69.7 percent in WWII and 76.4 percent in Vietnam. Now, thanks in part to the use of body armor, "uparmored" vehicles, intense training of our combat personnel and surgical capability within minutes of the battlefield, survivability has increased dramatically to 90.2 percent as of February 2007.

The Armed Forces are attempting to return significantly injured soldiers to full function or limit their disabilities to a functional level in the case of the most severe injuries. The ability to provide improved recovery of function moves toward the goal of keeping injured soldiers part of the Army or service team. Moreover, when they do leave the Armed Forces, these rehabilitated soldiers have a greater chance of finding worthwhile occupations outside of the service to contribute positively to society. The Army believes that it has a duty and obligation to provide the highest level of care and rehabilitation to those men and women who have suffered the most while serving the country and our Academy fully supports those efforts.

It probably comes as no surprise that the vast majority of trauma experienced in Iraq and Afghanistan is orthopaedic-related, especially upper and lower extremity and spine. A recent article in the Journal of Orthopaedic Trauma reports on wounds sustained in Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF) based on data from the Joint Theater Trauma Registry, a database of medical

treatment information from theater of combat operations at U.S. Army medical treatment facilities. From October, 2001 through January, 2005, of 1,566 soldiers who were injured by hostile enemy action, 1,281 (82 percent) had extremity injuries, with each solider sustaining, on average, 2.28 extremity wounds. These estimates do not include non-American and civilians receiving medical care through U.S. military facilities. (Owens, Kragh, Macaitis, Svoboda and Wenke. Characterization of Extremity Wounds in Operation Iraqi Freedom and Operation Enduring Freedom. J Orthopaedic Trauma. Vol. 21, No. 4, April 2007. 254–257.)

An earlier article reported on 256 battle casualties treated at the Landstuhl Regional Medical Center in Germany during the first two months of OIF, finding 68 percent sustained an extremity injury. The reported mechanism of injury was explosives in 48 percent, gun-shot wounds in 30 percent and blunt trauma in 21 percent. As the war has moved from an offensive phase to the current counter-insurgency campaign, higher rates of injuries from explosives have been experienced. (Johnson BA. Carmack D, Neary M, et al. Operation Iraqi Freedom: the Landstuhl Regional Medical Center experience. J Foot Ankle Surg. 2005; 44:177–183.) According to the JTTR, between 2001 and 2005, explosive mechanisms accounted for 78 percent of the war injuries compared to 18 percent from gun shots.

While medical and technological advancements, as well as the use of fast-moving Forward Surgical Teams, have dramatically decreased the lethality of war wounds, wounded soldiers who may have died in previous conflicts from their injuries are now surviving and have to learn to recover from devastating injuries. While body armor does a great job of protecting a soldier's torso, his or her extremities are particularly vulnerable during attacks.

Characteristics of Military Orthopaedic Trauma

At this point we are approaching 40,000 casualties in the Global War on Terror. As mentioned earlier, the vast majority have injuries to their extremities—often severe and multiple injuries to the arms, legs, head and neck. Most wounds are caused by exploding ordinance—frequently, improvised explosive devices (IEDs), rocket-propelled grenades (RPGs), as well as high-velocity gunshot wounds. Military surgeons report an average of 3 wounds per casualty.

According to the New England Journal of Medicine, blast injuries are producing an unprecedented number of "mangled extremities"—limbs with severe soft-tissue and bone injuries. ("Casualties of War—Military Care for the Wounded from Iraq and Afghanistan," NEJM, December 9, 2004). The result of such trauma is open, complex wounds with severe bone fragmentation. Often there is nerve damage, as well as damage to tendons, muscles, vessels, and soft-tissue. In these types of wounds, infection is often a problem. According to the JTTR, 53 percent of the extremity wounds are classified as penetrating soft-tissue wounds, while fractures compose 26 percent of extremity wounds. Other types of extremity wounds composing less than 5 percent each are burns, sprains, nerve damage, abrasions, amputations, contusions, dislocations, and vascular injuries.

Military versus Civilian Orthopaedic Trauma

While there are similarities between orthopaedic military trauma and the types of orthopaedic trauma seen in civilian settings, there are several major differences that must be noted.

With orthopaedic military trauma, there are up to five echelons of care, unlike in civilian settings when those injured are most likely to receive the highest level of care immediately. Instead, wounded soldiers get passed from one level of care to the next, with each level of care implementing the most appropriate type of care in order to ensure the best possible outcome. The surgeon in each subsequent level of care must try to recreate what was previously done. In addition, a majority of injured soldiers have to be "medevaced" to receive care and transportation is often delayed due to weather or combat conditions. It has been our experience that over 65 percent of the trauma is urgent and requires immediate attention.

Injuries from IEDs and other explosive ordnance in Iraq and Afghanistan differ markedly from those of gunshot wounds sustained in civilian society. The contamination, infection and soft-tissue injury caused by exploding ordnance requires more aggressive treatment and new techniques, especially when the individual is in proximity to the blast radius.

Soldiers are usually in excellent health prior to injury. However, through the evacuation process they may not be able to eat due to medical considerations resulting in impaired body nitrogen stores and decreased ability to heal wounds and fight infections. This presents many complicating factors when determining the most appropriate care.

The setting in which care is initially provided to wounded soldiers is less than ideal, to say the least, especially in comparison to a sterile hospital setting. The environment, such as that seen in Iraq and Afghanistan, is dusty and hot, leading to concerns about sterilization of the hospital setting. For example, infection from acinetobacter baumanni, a ubiquitous organism found in the desert soil of Afghanistan and Iraq, is extremely common. In addition, the surgical environment is under constant threat of attack by insurgents. Imagine teams of medical specialists working in close quarters to save an injured serviceman while mortars or rockets are raining down on the hospital. In fact, a considerable percentage of the care provided by military surgeons is for injured Iraqis, both friendly and hostile. Finally, the surgical team is faced with limited resources that make providing the highest level of care difficult.

While, as I have stated, there are many unique characteristics of orthopaedic military trauma, there is no doubt that research done on orthopaedic military trauma benefits trauma victims in civilian settings. Many of the great advancements in orthopaedic trauma care have been made during times of war, such as the external fixateur, which has been used extensively during the current conflict as well as in civilian care.

Future Needs of Orthopaedic Extremity Trauma Research

An important development in this scientific effort has been the convening of two major Extremity War Injury Symposia in January of 2006 and 2007. These widely attended medical conferences in Washington, D.C. brought together leading military and civilian clinicians and researchers to focus on the immediate needs of personnel sustaining extremity injuries. Presentations and discussions at the conferences confirmed that there is tremendous interest in the military and civilian research community and much unmet research capacity in the nation at military and civilian research institutions.

These extraordinary scientific meetings were a partnership effort between organized orthopaedic surgery, military surgeons and industry. They were attended by key military and civilian physicians and researchers committed to the care of extremity injuries. The first conference addressed current challenges in the management of extremity trauma associated with recent combat in Iraq and Afghanistan. The major focus was to identify opportunities to improve the care for the sons and daughters of America who have been injured serving our nation. The second focused on the best way to deliver care at all five of the military's echelons of treatment. Proceedings from the 2006 symposia were published by our Academy last year and the proceedings from the 2007 meeting will be published shortly. Both include a list of prioritized research needs which I will summarize:

—*Timing of Treatment*.—Better data are necessary to establish best practices with regard to timing of debridement, timing of temporary stabilization and timing of definitive stabilization. Development of animal models of early versus late operative treatment of open injuries may be helpful. Prospective clinical comparisons of treatment groups will be helpful in gaining further understanding of the relative role of surgical timing on outcomes.

—*Techniques of Debridement*.—More information is necessary about effective means of demonstrating adequacy of debridement. Current challenges, particularly for surgeons with limited experience in wound debridement, exist in understanding how to establish long-term tissue viability or lack thereof at the time of an index operative debridement. Since patients in military settings are typically transferred away from the care of the surgeon performing the initial debridement prior to delivery of secondary care, opportunities to learn about the efficacy of initial procedures are lost. Development of animal models of blast injury could help establish tissue viability markers. Additional study is necessary to understand ideal frequencies and techniques of debridement.

—*Transport Issues*.—Clinical experience suggests that current air evacuation techniques are associated with development of complications in wound and extremity management although the specific role of individual variables in the genesis of these complications is unclear. Possible contributing factors include altitude, hypothermia and secondary wound contamination. Clinical and animal models are necessary to help develop an understanding of transport issues. Development, testing and approval of topical negative pressure devices for use during aeromedical transport should be facilitated.

—*Coverage Issues*.—Controlled studies defining the role of timing of coverage in outcome following high-energy extremity war injuries are lacking. Also necessary is more information about markers and indicators to help assess the readiness of a wound and host for coverage procedures. Both animal modeling

and clinical marker evaluation are necessary to develop understanding in this area.

—*Antibiotic Treatments*.—Emergence of resistant organisms continues to provide challenges in the treatment of infection following high-energy extremity war injuries. Broader prophylaxis likely encourages development of antibiotic resistance. In the context of a dwindling pipeline of new antibiotics, particularly those directed toward gram-negative organisms, development of new technologies to fight infection is necessary. This patient population offers opportunity to assess efficacy of vaccination against common pathogens. Partnerships with infectious disease researchers currently involved in addressing similar questions should be developed.

—*Management of Segmental Bone Defects*.—A multitude of different techniques for management of segmental bone defects is available. These include bone transport, massive onlay grafting with and without use of recombinant proteins, delayed allograft reconstruction, and acute shortening. While some techniques are more appropriate than others after analysis of other clinical variables, controlled trials comparing efficacy between treatment methods are lacking. Variables that may affect outcome can be grouped according to patient characteristics including co-morbidities, injury characteristics including severity of bony and soft-tissue wounds, and treatment variables including method of internal fixation selected. Evaluation of new technologies for treatment of segmental bone defects should include assessment of efficacy with adequate control for confounding variables and assessment of cost-effectiveness.

—*Development of an Animal Model*.—A large animal survival military blast injury model is necessary to serve as a platform for multiple research questions including: VAC v. bead pouch v. dressing changes; wound cleaning strategy; effect of topical antibiotics; modulation of inflammatory response; timing of wound closure; and vascular shunt utilization.

—*Amputee Issues*.—Development and validation of "best practice" guidelines for multidisciplinary care of the amputee is essential. Treatment protocols should be tested clinically. Studies should be designed to allow for differentiation between the impacts of the process versus the device on outcome. Failure mode analysis as a tool to evaluate efficacy of treatment protocols and elucidate shortcomings should be utilized. Clinically, studies should focus on defining requirements for the residual limb length necessary to achieve success without proceeding to higher level amputation. Outcomes based comparisons of amputation techniques for similar injuries and similar levels should be performed. Use of local tissue lengthening and free tissue transfer techniques should be evaluated. In the context of current results and increasing levels of expectation for function following amputation, development of more sensitive and military appropriate outcomes monitors is necessary.

—*Heterotopic Ossification*.—This condition, known as "H.O." by the many soldiers who experience it, is abnormal and uncontrolled bone growth that often occurs following severe bone destruction or fracture. Animal models of heterotopic ossification should be utilized to develop early markers for heterotopic ossification development that could identify opportunities for prevention. Better information is needed about burden of disease including prevalence following amputation for civilian versus military trauma and frequency with which symptoms develop. Treatment methods such as surgical debridement, while effective, necessarily interrupt rehabilitation. Prevention could expedite recovery and potentially improve outcome.

—*Data Collection System*.—A theme common to virtually all discussions on research and patient care for our soldiers has been the need for access to better longitudinal patient data. Current patient care processes both in theatre and at higher echelon care centers do not include data captured in a way that allows simple electronic linkage of medical records from one level of care to the next. At least two electronic medical records systems are in use, and they are not necessarily compatible with one another. Any electronic medical record used should be web based to allow for linkage of patient data from the earliest echelon of documented care through the VA system. The system must be user friendly and not cumbersome to encourage entry of information critical to outcomes analysis. An example of one system with some of the necessary components is the current Joint Patient Tracking Application (JPTA). The system unfortunately lacks integration with a trauma registry or database to allow for retrospective or prospective analyses of specific injuries and treatments. Funding is necessary for platform development, information systems infrastructure and data entry personnel.

Stories from the frontlines

There have been many heroic stories of injured soldiers struggling to regain function and to return to normal life, or even back to service. A story highlighted in a March 2005 National Public Radio (NPR) series titled "Caring for the Wounded: The Story of Two Marines," followed two Marines injured in Iraq: 1st Sgt. Brad Kasal and Lance Cpl. Alex Nicoll. Lance Cpl. Nicoll had to have his left leg amputated as a result of his injuries from gunshot wounds. Nicoll has undergone physical therapy at Walter Reed to adjust to his new prosthetic leg, made from graphite and titanium. While Sgt. Kasal was so seriously injured that he lost four inches of bone in his right leg, due to medical advances in limb salvaging, he did not have to have his leg amputated. Kasal underwent a bone growth procedure, called the Illizarov Technique, which grows the bone one millimeter a day.

The Iraq war has created the first group of female amputees. Lt. Dawn Halfaker is one of approximately 11 military women who have lost limbs from combat injuries in Iraq, compared to more than 350 men. She lost her arm to a life- threatening infection, after sustaining major injuries, along with another soldier, when on a reconnaissance patrol in Baqouba, Iraq, a rocket-propelled grenade exploded inside her armored Humvee. Maj. Ladda "Tammy" Duckworth lost both legs when a rocker-propelled grenade slammed into her Black Hawk helicopter near Balad. Juanita Wilson, an Army staff sergeant, lost her left hand when an improvised bomb exploded near her Humvee on a convoy mission north of Baghdad. All three women are successfully moving forward in military or civilian careers.

Bone problems, seldom seen in soldiers from previous wars who have lost limbs, have complicated recoveries for Iraq and Afghanistan-stationed soldiers. Heterotopic ossification has developed in nearly 60 percent of the first 318 amputees treated at Walter Reed Army Medical Center. Over 70 patients from across the military have been treated for H.O. at Brooke Army Medical Center. Rarely occurring in civilian amputees, high-intensity blasts, which can shred muscles, tendons and bone, appears to stimulate adult stem cells to heal damage, but repair signals often go awry. Advances in body armor resulting in higher survival rates and ability to preserve more damaged tissue, have lead to the high number of "H.O." cases where little research exists on how to treat the condition among amputees. ("Bone condition hampers soldiers' recovery," USA TODAY, February 12, 2006.)

These stories clearly illustrate the benefits of, and need for, orthopaedic extremity trauma research for America's Soldiers, Sailors, Airmen and Marines.

The Peer Reviewed Orthopaedic Extremity Trauma Research Program

Your Congressional action initiated this targeted, competitively-awarded research program where peer reviewers score proposals on the degree of (1) military relevance, (2) military impact, and (3) scientific merit. Military orthopaedic surgeons are highly involved in determining the research topics and evaluating and scoring the proposals. This unique process ensures that research projects selected for funding have the highest chance for improving treatment of battlefield injuries. The AAOS and military and civilian orthopaedic surgeons and researchers are very grateful that your Subcommittee created the Peer Reviewed Orthopaedic Extremity Trauma Research Program in the fiscal year 2006 Defense Appropriations Bill. The program is administered by the Medical Research and Material Command's research program at the U.S. Army Institute of Surgical Research (USAISR) at Fort Sam Houston, Texas. This is the first program created in the Department of Defense dedicated exclusively to funding peer-reviewed intramural and extramural orthopaedic trauma research. Having the program administered by the USAISR ensures that the research funding follows closely the research priorities established by the Army and the Armed Forces, and ensures collaboration between military and civilian research facilities. USAISR has extensive experience administering similar grant programs and is the only Department of Defense Research laboratory devoted solely to improving combat casualty care.

The design of the program fosters collaboration between civilian and military orthopaedic surgeons and researchers. Civilian researchers have the expertise and resources to assist their military colleagues with the growing number of patients and musculoskeletal war wound challenges, to build a parallel research program in the military. Civilian investigators are interested in advancing the research and have responded enthusiastically to engage in these efforts, which will also provide wide ranging spin-off benefits to civilian trauma patients as well.

It is important to note that military orthopaedic surgeons, in addition to personnel at the U.S. Army Medical Research and Materiel Command, Fort Detrick, have had significant input into the creation of this program and fully support its goals. Appropriations for this program are building a stronger focus of a core mis-

sion in the military to dedicate Department of Defense research resources to injured soldiers.

The program's first Broad Agency Announcement (BAA) for grants was released on February 13, 2006, and identified the following basic, transitional and clinical research funding priorities: improved healing of segmental bone defects; improved healing of massive soft tissue defects; improved wound healing; tissue viability assessment and wound irrigation and debridement technologies; reduction in wound infection; prevention of heterotopic ossification; demographic and injury data on the modern battlefield and the long-term outcomes of casualties (i.e. joint theatre trauma registry); and improved pre-hospital care of orthopaedic injuries.

Close to 100 pre-proposals were received for consideration, with 76 invited to compete with a full proposal. This number is relatively high considering the shortened time period that was available for submitting pre-proposals. An upper limit of $500,000 was established for any one grant, to give a reasonable number of grantees an opportunity to participate. Ordinarily grants would generally be awarded for much higher amounts to support the research required. Larger multi-institutional studies had to limit what they were proposing.

Sixty proposals were evaluated and found meritorious and militarily relevant, however only 14 grants could be funded for their first year of research based on available funding. The amount that would have been needed to fund the remaining 46 grants totals $44,852,549.

A second BAA was issued March 29, 2007 based on funding provided in the fiscal year 2007 Appropriations bill. USAISR staff estimate that only an additional 4 or 5 grants will be awarded after second-year costs of the initial multi-year grants are covered. If the fiscal year 2007 Supplemental Appropriations Bill is enacted, significant new funding would allow for a broader scope of work and multi-institutional collaboration.

Conclusion

With orthopaedic trauma being the most common form of trauma seen in military conflicts, it is crucial that there be funding dedicated specifically to the advancement of orthopaedic trauma research. The AAOS has worked closely with the top military orthopaedic surgeons, at world-class facilities such as the U.S. Army Institute of Surgical Research, Brooke Army Medical Center, and Walter Reed Army Medical Center to identify the gaps in orthopaedic trauma research and care and the needs are overwhelming.

There is a profound need in the nation for this targeted medical research to help military surgeons find new limb-sparing techniques to save injured extremities, avoid amputations and preserve and restore the function of injured extremities. Research supported by civilian agencies such as the National Institutes of Health has contributed to the general orthopaedic science base over the years, but the current war has presented orthopaedic surgeons with a unique situation with very specific new problems and injuries not seen in civilian medical practice. Thus the urgent need for an immediate, robust and targeted effort to improve care for our injured service men and women.

I hope that I have given you a well-rounded perspective on the extent of what orthopaedic trauma military surgeons are seeing and a glimpse into the current and future research for such trauma. Military trauma research currently being carried out at military facilities, such as WRAMC and the USAISR, and at civilian medical facilities, is vital to the health of our soldiers and to the Armed Forces' objective to return injured soldiers to full function in hopes that they can continue to be contributing soldiers and active members of society.

The 17,000 members of our Academy thank you for sustaining the Peer Reviewed Orthopaedic Extremity Trauma Research Program this year. While Congress funds an extensive array of medical research through the Department of Defense, with over 80 percent of military trauma being orthopaedic-related, no other type of medical research would better benefit our men and women serving in the Global War on Terror and in future conflicts. Especially because this program is only in its early stage, continuity is critical to its success.

Mr. Chairman and Mr. Vice Chairman, the American Academy of Orthopaedic Surgeons, as well as the entire orthopaedic community, stands ready to work with this Subcommittee to identify and prioritize research opportunities for the advancement of orthopaedic trauma care. Military and civilian orthopaedic surgeons and researchers are committed to advancing orthopaedic trauma research that will benefit the unfortunately high number of soldiers afflicted with such trauma and return them to full function. We applaud the action taken by your Committee in the fiscal year 2007 Supplemental Appropriations to provide significantly increased funding to cover the backlog of unfunded research capacity. This investment to improve treat-

ment for our soldiers will be well spent. It is imperative that the federal government—when establishing its defense health research priorities in the future—continue to ensure that orthopaedic extremity trauma research remains a top priority.

Senator INOUYE. And now may I call upon, Rear Admiral Casey Coane, United States Navy, retired, Executive Director Naval Reserve Association.

Admiral, welcome, sir.

STATEMENT OF REAR ADMIRAL CASEY W. COANE, UNITED STATES NAVY (RETIRED), EXECUTIVE DIRECTOR, NAVAL RESERVE ASSOCIATION

Admiral COANE. Chairman Inouye, on behalf of our 23,000 members and in advocacy for the 70,000 Navy Reservists serving today, it is certainly our privilege to appear before you today and we appreciate this opportunity.

There are a number of issues that are on the Navy unfunded and Navy Reserve unfunded list that, we believe, deserve your attention. And, we have indicated those in our written testimony. I'm going to use my time today to address just one that we consider critical, in terms of capability for the Navy to carry out its mission.

That issue is the continuing purchase of the C–40 Clipper aircraft, which is scheduled to replace the remaining 17 DC–9 series aircraft that currently average more than 31 years of service. The C–40 is significantly more capable with respect to payload, fuel efficiency, and range. These aircraft and the Navy C–130s are the sole source of Navy organic intra-theater airlift. They are all fully scheduled to support time-critical Navy missions. Unfortunately, procurement has been deferred in the budgetary process, with only four anticipated to be purchased between now and fiscal year 2013.

This is where you can help. The Navy has a habit of prioritizing its front-line carrier strike aircraft high and all other aircraft much lower on the ladder. The result is a continuing shift of those other programs to the right in the budget years until a true crisis or a tipping point finally overwhelms us. That is exactly what happened to the P–3 replacement program, and the entire Reserve P–3 community was dismantled to keep the Active Force flying until the new P–8 can arrive. The bottom line is, the company is accepting risk in that program. We are on the verge of the same sort of crisis in the DC–9/C–40 replacement program, which directly affects combat effort, and we ask you to intervene.

Last week, I asked Secretary Winter what the Navy needed to do to get out of this cycle of continued deferment. And, he responded that the Navy needed a comprehensive aircraft procurement plan like the 30-year ship building plan that is receiving a lot of acclaim here. That plan, the naval aviation capabilities 2030 plan, is in development, but we won't have it in time to solve this problem.

Allow me to tick off just a few of the facts of the DC–9 program. It is fragile. They are old, 31-plus years. Commercial airlines get rid of their aircraft—and I was a commercial airline pilot—they get rid of their aircraft at 20 years, partly because of cycles accumulated, but primarily because at that point in the life cycle the maintenance cost curves turn sharply upward.

That is what accelerated the departure of the Navy F–14 fighter—maintenance costs. A recent inspection of the DC–9 resulted in

an unplanned strike of that aircraft and more will follow. Between 2009 and 2012, they will all be noncompliant with European airspace requirements. And the cost to make them compliant is truly prohibitive, new engines, new avionics, et cetera. This will take the aircraft out of the Mediterranean theater where we have permanent detachments now. This is a huge issue.

The DC–9 cannot operate in Iraq in the summer heat, the C–40 can. The DC–9 cannot cross the African continent unrefueled as Ambassador Negroponte recently found out, the C–40 can. The DC–9 frequently cannot make the leg from Hawaii to Japan against the wind with any kind of meaningful load, the C–40 has no such restrictions. DC–9 pilot training is done in the aircraft using nearly 50 percent of its flight ability. Almost 100 percent of C–40 training is done in the simulators, saving millions of dollars and allowing 95 percent of its availability for mission scheduling.

We urge you to purchase at least four C–40 aircraft in the fiscal year 2008 budget cycle. That is our testimony subject to your questions, sir.

Senator INOUYE. Admiral, we understand your problem very well because this subcommittee is now faced with many procurement problems.

For example, it has nothing to do with the Naval Reserves, but in the supplemental appropriations bill, which we are now considering, there's $1 billion for the purchase of Humvees. And in the fiscal year 2008 bill, there's a request for $2.9 billion for Humvees. Last week, the Acting Navy Secretary announced that they will replace all Humvees with MRAPs. So, where do we stand, do we keep Humvees or do we have MRAPs? And who's going to pay for the MRAPs?

So, your problem is one of many with us, but we will try our best to resolve them.

Admiral COANE. Yes, sir, we appreciate that consideration.

Senator INOUYE. Thank you.

[The statement follows:]

PREPARED STATEMENT OF REAR ADMIRAL CASEY W. COANE

THE NAVY RESERVE ASSOCIATION

The Naval Reserve Association traces its roots back to 1919, and is devoted solely to service to the Nation, Navy, the Navy Reserve and Navy Reserve officers and enlisted. It is the premier national education and professional organization for Navy Reserve personnel, and the Association Voice of the Navy Reserve.

Full membership is offered to all members of the services and Naval Reserve Association members come from all ranks and components.

The Association has just under 23,000 members from all fifty states. Forty-five percent of the Naval Reserve Association membership is drilling and active reservists and the remaining fifty-five percent are made up of reserve retirees, veterans, and involved civilians. The National Headquarters is located at 1619 King Street Alexandria, VA. 703–548–5800.

DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Naval Reserve Association does not currently receive, has not received during the current fiscal year, or either of two previous years, any federal money for grants. All activities and services of the Association are accomplished free of any direct federal funding.

Chairman Inouye, Senator Stevens and distinguished members of the subcommittee: On behalf of our 23,000 members, and in advocacy for the 70,000 active Navy Reservists and the mirrored interest of Guard and Reserve personnel, we are

grateful for the opportunity to submit testimony, and for your efforts in this hearing.

We very much appreciate the efforts of this subcommittee, the full Committee on Appropriations and like committees in the House of Representatives to support our deployed personnel and their families. Your willingness to address current and pressing issues facing Guardsmen and Reservists affirms their value to the defense of our great nation. Your recognition of these men and women as equal partners in time of war stands you well in the eyes of many. Our young Navy Reservists indicate to us that they are watching and waiting to see our actions to address their concerns. Your willingness to look at issues related to the use of the Guard and Reserve on the basis of fairness sets the Legislative Branch well above the Executive Branch which seemingly develops its positions on the basis of cost.

That said, there are many issues that need to be addressed by this Committee and this Congress. However, there is one specific issue that I wish to address of utmost importance for this year's budget. The requirement for C–40A for the Navy's Air Logistics Program.

First:

—It is the Navy's only world-wide intra-theater organic airlift, operated by the U.S. Navy.

—Navy currently operates 9 C–40As, in three locations: Fort Worth, Jacksonville, San Diego.

—A pending CNA study—substantiates the requirements for 31–35 C–40As to replace aging C–9s.

Second:

—CNO, SECNAV, and DOD support the requirement for at least 4 more C–40As with a fiscal year 2008 Unfunded List (See Attachment #1).

—Commander, Naval Air Force 2007 Top Priority List stated the requirement for at least 32 aircraft.

—These four C–40As sought in the fiscal year 2008 budget, keep the Navy replacement of C–9s alive, and maintains the production line of the C–40A.

Third:

—Current average age of remaining C–9s that the C–40 replaces is: 36 years!

—There will be no commercial operation of the C–9s or derivates by 2011.

—C–9s cannot meet the GWOT requirement, due to MC rates, and availability of only 171 days in 2006.

—Modifications required to make C–9s compliant with stage III Noise compliance, and worldwide Communications/Navigation/Surveillance/Air Traffic Management compliance—are cost prohibitive.

—There are growing indications that the availability and Mission Capability rates of the C–20Gs, stationed in Hawaii and Maryland, need to be addressed for GWOT requirements (See Attachment #2).

Fourth:

—737 Commercial Availability is slipping away, if we do not act now; loss of production line positions in fiscal year 2008–09—due to commercial demand would slip to 2013, and increase in DOD, Service expenditures.

—Lack of DOD, Navy activity on C–40 this fiscal year 2008, could potentially mean loss of the C–40A for the Navy.

The C–40A is a time critical transportation capability for the Naval Wartime effort and DOD emergent operational requirements. It also provides critical peacetime operational support. The C–40A is the replacement for the C–9B.

The C–40A meets or betters all operational requirements of the Navy, and most importantly—can operate in the changing civilian arena of CNS/Air Traffic Management Phase I and Phase II requirements, allowing the aircraft to fly in any airspace of the future. The aircraft can operate with cargo, with passengers, or with a combination of cargo and passengers meeting many different logistical requirements.

Resource constraints have moved this critical asset to the right in funding lines, and this could impact: carrier and expeditionary asset deployments, and critical transportation of high value cargo to Combatant Commanders areas of responsibilities. Sliding the funding to the right is not a good option with the increasing civilian demand for production line positions. To restart the C–40A line production, after it is closed would be extremely costly to the Department of Defense, and the Navy.

Without your direct and immediate input on this critical Navy and Navy Reserve requirement, the requirement will be lost, and if needed would cost two to three times more for the taxpayers.

—The C–9 Full Mission Capability and Mission Capability has decreased dramatically.

—Most interestingly and surprisingly—the C–20G aircraft (a commercial derivative of the Gulfstream 5 aircraft) full mission capability and mission capabilities has decreased to:
—FMC—1994 97.1 percent to a low of 2006 72.0 percent.
—MC—1994 97.1 percent to a low of 2006 68.9 percent.
—You can see—the operational requirements have impacted the C–20G.

Additionally:

People join the Reserve Components to serve their country and operate equipment. Recruiting and retention issues have moved to center stage for all services and their reserve components. In all likelihood the Navy will not meet its target for new Navy Reservists and the Navy Reserve will be challenged to appreciably slow the departure of experienced personnel this fiscal year. We've heard that Reserve Chiefs are in agreement, expressing concern that senior personnel will leave in droves.

Besides reenlistment bonuses which are needed, we feel that dedicated Navy Reserve equipment and Navy Reserve units are a major factor in recruiting and retaining qualified personnel in the Navy Reserve.

Overwhelmingly, we have heard Reserve Chiefs and Senior Enlisted Advisors discuss the need and requirement for more and better equipment for Reserve Component training. The Navy Reserve is in dire need of equipment to keep personnel in the Navy Reserve and to keep them trained. Approximately 4,500 Navy Reserve personnel are on recall each and every month since 9/11. We must have equipment and unit cohesion to keep personnel trained. This means—Navy Reserve equipment and Navy Reserve specific units with equipment.

In recent statements, the Chairman of the Commission on the National Guard and Reserve Components has stated that cross-leveling and lack of equipment is breaking the Reserve Components abilities to be an operational reserve force. I feel that the Navy Reserve should maintain up-to-date unit equipment, if we are to be able to respond to mobilization.

The following are critically needed for the Navy Reserve to respond to continued mobilization, and is supported by the Chief of Navy Reserve unfunded program requirements: Naval Coastal Warfare Equipment; Explosive Ordnance Disposal Equipment; Naval Construction Force Equipment; and Navy Expeditionary Logistics Support Equipment.(See Attachment # 3).

We ask you to fund this Navy Reserve equipment, and that you fund the NGREA accounts that are critical for supporting Reserve forces in today's Global War on Terrorism. Naval Reserve units are engaged in this Global War, and these units, the people, and their families are responding to Combatant Commanders calls. We must maintain the proper equipment for these Navy Reserve units and Navy Reserve Sailors. The AC will not do it, yet will call on them to respond. Only through the NGREA will your citizen-Sailors be able to respond to the needs of the Nation and Combatant Commanders.

In summary, we believe the Committee needs to address the following issues for Navy Reservists in the best interest of our National Security:
—First and foremost, fund four (4) C–40A for the Navy Reserve, per the unfunded list; we must replace the C–9s and replace the C–20Gs in Hawaii and Maryland.
—Increase funding for Naval Reserve equipment in NGREA
—Naval Coastal Warfare Equipment
—Explosive Ordnance Disposal Equipment
—Establish an End-strength cap of 79,500 SelRes (66,000) and FTS (13,500) as a floor for end strength to Navy Reserve manpower—providing for surge-ability and operational force.

We thank the committee for consideration of these tools to assist the Guard and Reserve in an age of increased sacrifice and utilization of these forces.

ATTACHMENT 1.—POM–08 UNFUNDED PROGRAM LIST

[In millions of dollars]

ITEM	TITLE (Program/Issue)	Fiscal year 2008
1	LPD–17	1,696.00
2	T–AKE	1,200.00
3	Joint Improvised Explosive Device Defeat (JIEDDO) Sustainment	8.70
4	Critical ASW Enhancements	95.70
5	F/A–18E/F/G	720.00
6	MH–60R	140.00

ATTACHMENT 1.—POM–08 UNFUNDED PROGRAM LIST—Continued

[In millions of dollars]

ITEM	TITLE (Program/Issue)	Fiscal year 2008
7	MH–60S	207.00
8	C–40A	332.00
9	T–6B	23.60
10	MK XII /MKXIIA IFF	68.70
11	LCAC Sustainment and Personnel Transport Modules (PTMs)	27.80
12	Transit Protection System	21.40
13	MPS Lease Buyout	432.00
14	AMRAAM (AIM–120D) Inventory	72.73
15	Facility Sustainment	240.00
16	Coronado Homeport Ashore Bachelor Quarters	75.00
17	Japan Homeport Ashore Bachelor Quarters	151.00
18	Fitness Center, Pearl Harbor, HI	45.00
19	Aircraft Depot Maintenance	77.00
20	Navy Recruiting Advertising	29.00
	Total	5,662.63

ATTACHMENT 2.—C–20G FMC AND MC RATES

[In percent]

Year	FMC	MC
1994	97.15	97.15
1995	93.59	95.08
1996	93.40	93.86
1997	72.57	83.95
1998	87.14	93.26
1999	94.61	95.50
2000	85.05	91.09
2001	89.09	93.48
2002	82.03	85.29
2003	92.62	94.01
2004	86.40	93.90
2005	81.72	86.81
2006	68.86	71.99

ATTACHMENT 3.—CHIEF OF NAVY RESERVE UNFUNDED PRIORITY LIST—FISCAL YEAR 2008 NAVY RESERVE UNFUNDED PROGRAM REQUIREMENTS LIST

[Dollars in millions]

Fiscal year 2007 NGRER	CNO UPL	Fiscal year 2008 NGRER	CNR	APPN	Title (Program)	Fiscal year 2008
1	1	1	1	OPN	Naval Coastal Warfare Equipment	$11.0
2	2	2	2	OPN	Explosive Ordnance Disposal Table of Allowance Equipment.	4.9
3	3	3	3	OPN	Naval Construction Force Equipment	16.1
6	6	4	4	OPN	Navy Expeditionary Logistics Support Group Equipment (NAVELSG).	6.0
5	4	5	5	APN	C–40A	371.0
7	5,7,8,10	6	6	APN	C–130 Upgrades	33.3
8	N/L	7	7	APN	C–9 Upgrades	32.0
N/L	N/L	9	8	APN	C–9 Interior and engine upgrades	15.0
N/L	N/L	N/L	9	APN	C–40A	4.2
9	N/L	10	10	APN	F–5 Radar and EA jammer upgrades	56.1
					Total	549.6

Senator INOUYE. The next witness is Dr. Don Coffey, National Prostate Cancer Coalition. I'm sorry Senator Stevens is not here, he is a survivor, as you know.

STATEMENT OF DR. DONALD S. COFFEY, Ph.D., MEMBER, NATIONAL CANCER ADVISORY BOARD, NATIONAL CANCER INSTITUTE, DEPARTMENT OF HEALTH AND HUMAN SERVICES, ON BEHALF OF THE NATIONAL PROSTATE CANCER COALITION

Dr. COFFEY. Mr. Chairman, listening to these problems that you must face, I salute you. This is most difficult.

I'm honored to speak to you because 8 days ago I watched you receive an award from the American Association of Cancer Research on their 100th anniversary for your long-time effort in behalf of doing something about cancer in this country and in the world. And, so I salute you for that.

I'm Don Coffey, I was elected President of that organization several years back, and I was also 47 years doing research at Johns Hopkins on prostate cancer.

President Bush recently appointed me for a 6-year term to his National Cancer Advisory Board. So, I've been involved with the Department of Defense Prostate Cancer Program all the way back, 10 years ago, when it first got underway. And I must tell you, this has been one of the most effective programs that I've seen.

It does not repeat a lot of the research going on at the National Cancer Institute. And I'm here today on behalf of the National Prostate Cancer Coalition, who's asked me to come and address you. And what they're requesting is that the money in prostate cancer, which as you know, is one of the devastating diseases for many males in this country—one of the highest cancer rates, about 33 percent, of the cancers are here, and one out of six men will get prostate cancer in their lifetime.

What they are requesting is that these funds—since 1997—have been decreasing and they have come from $100 million down to $80 million. So, we've lost $20 million in this incredible program. They're requesting that this be replaced, the $20 million, to bring it back to $100 million.

Now, what does that mean? It means that we have received—the Department of Defense's Prostate Cancer Program—receives about 1,100 applications for research in this field. Now, that wouldn't have been possible a few years ago, there was practically nobody working in this, and they really stimulated a vast amount of research. But they can only fund 200. And of those others, over 200 of those, an equal number, are outstanding from bright young investigators, these unique types of grants. And, we're requesting that the $20 million be restored so we can bring those grants back to a reasonable level of funding.

I want to remind everyone that I go all the way back. I was in the field a decade or so before President Nixon declared the war on cancer in this country. And at that time, 40 percent of all the grants that were approved, found to be worthy, were funded. Now, that number is down, as you heard, to about 20 percent and now it's even fallen below 10 in some programs for young people, and things at the National Cancer Institute.

So I really want to stress my congratulations to this subcommittee for having formed this program, and how effective it is.

And, I will end by saying, I'm just going to share two things with you, I could have picked 100.

As you know, the death rate is falling for prostate cancer and one of the things is we've got to find out what causes this. Example, if you're from the rural area of China—and I've worked very closely and set up the United States-Chinese Urological Research Society with China earlier, with the leaders in China. And what happens if you're born in that area, you have very little chance of getting prostate or breast cancer as you age.

But, if you move to Hawaii it jumps, and if you move to the mainland United States, it jumps again. And by the second generation, it is very high. This has been traced to some things that we're coming down on, related to how we process foods and some protective factors. The way we process foods by burning them, the meats, produces a carcinogen that is one of the most strongest carcinogens that we have seen for prostate cancer.

And, so I would like to thank you. I know I could go on and on, but time is short, sir. I want to thank you for all you do for this Nation, for cancer, and we hope you can restore these prostate cancer funds. Thank you.

Senator INOUYE. It may be of interest to people here, this subcommittee will be considering budget requests in excess of $716 billion during this session. And we will have to somehow find the money to do this. And Senator Stevens and I are pretty good jugglers, so we will get it.

[The statement follows:]

PREPARED STATEMENT OF DONALD S. COFFEY, PH.D.

Chairman Inouye, Ranking Member Stevens and distinguished members of the committee, I am Dr. Donald S. Coffey. I am the former Director of Research at Johns Hopkins University, Brady Urological Institute in Baltimore, the past-president of the American Association for Cancer Research and also The Society for Basic Urologic Research. I have recently been appointed to the National Cancer Advisory Board at the National Cancer Institute (NCI).

I very much appreciate this opportunity to be able to speak once again to you about important issues in cancer research. Today, I am testifying on behalf of the National Prostate Cancer Coalition about a research program for prostate cancer eradication. That program is among the Department of Defense (DOD) Peer Reviewed Cancer Research Programs, which, taken together, have effected unique advances for the health and well-being of millions of Americans. I am here to request a long overdue funding increase to these innovative and successful programs.

I have been involved in prostate cancer research for 47 years, eleven years before the inception of the National Cancer Act by President Richard Nixon in 1971. I have a first hand understanding of how far we have come toward eliminating suffering and death due to this disease, and much of our success has been contributed uniquely by the DOD special research program. I ask you to adequately support the program.

Prostate cancer is the most commonly diagnosed non-skin cancer in American men. It accounts for roughly 33 percent of all male cancer cases. More than 230,000 men will learn they have prostate cancer in 2007. About 27,000 will die from the disease. One in six men will get prostate cancer at some point in his life. For those with a family history of prostate cancer and African American men this number becomes 1 in 3.

BACKGROUND

For a decade, the Department of Defense (DOD) Prostate Cancer Research Program (PCRP) has funded over 1,455 awards and granted over $636 million in funding to universities, hospitals, not-for-profit institutions, private industry and state and federal agencies targeted toward eliminating prostate cancer. The Prostate Cancer Research Program has developed a multidisciplinary research portfolio that en-

compasses both basic and clinical research aimed at preventing, detecting, treating and improving the quality of life by those afflicted with prostate cancer. The funding strategy of the PCRP complements awards made by other agencies and specifically avoids duplication of long-term basic research supported by the National Institutes of Health.

In a unique fashion, the PCRP incorporates a peer reviewed and programmatic review process. This two-tier review process ensures the scientific merit of proposals and that the program meets the goals of actual cancer patients and survivors. A decade of successful innovative research and cost efficiency has encouraged Congress to continue this program. Grant requests fall into 11 areas including Idea Development, Clinical Trial Development, and Health Disparity Research.

Since its inception in 1997, the Prostate Cancer Research Program (PCRP) has been an environment in which creative ideas and first rate research have been able to flourish by urging investigators to come up with innovative ideas that will return results.

RESEARCH HIGHLIGHTS

The DOD PCRP has conducted several studies on the impact of diet, nutrition, and lifestyle that could ultimately prevent prostate cancer from developing or spreading. Over the ten years that the PCRP has operated, the program has funded 50 projects that received a total of $20.25 million in research support for early prevention.

One example is a study which is designed to look at the role of Selenium and Vitamin E in prostate cancer in prevention.

In 2003, Dr. Yan Dong, a researcher at the Roswell Park Cancer Institute in Buffalo, New York began a study to look at the impact of Selenium and Vitamin E on genes that are potential tumor suppressors. The amazing results from this three-year study could potentially lay the groundwork for developing a customized selenium intervention strategy as part of the treatment for men at high risk of prostate cancer.

It is important to note that this research effort followed the NCI Selenium and Vitamin E Chemoprevention Trial (or SELECT) which initially found these chemicals can prevent the onset and growth of prostate cancer.

At Johns Hopkins, we have a distinguished history in prostate cancer prevention research. For example, several of my colleagues have been interested in studying the role of soy proteins and chemicals in broccoli as preventives—or in the role of carbon deposits in well-cooked meat as a stimulant to cancer development.

Prevention research conducted at the DOD PCRP could interface with and contribute to other important organ site cancer research. While Selenium research will potentially impact the course of prostate cancer, it will also likely have a role in lung cancer and colon cancer prevention as well.

But, most important, the DOD PCRP program is structured to be a "first responder" for special needs in prostate cancer research. While the National Institutes of Health and the National Cancer Institute are structured to lay battalions into the nation's war on cancer, this unique research program puts special forces into crucial research targets, something the larger agencies may find hard to do.

The Prostate Cancer Research Program conducted by the Department of Defense through the Congressionally Directed Medical Research Programs (CDMRP) is setting the bar for administering cancer research. Prostate cancer advocates and scientists continue to praise this program and its unique peer and consumer driven approach to research. PCRP is a special program within the government's prostate cancer research portfolio because it makes significant use of public/private partnerships, quickly awards competitive grants for new ideas and does not duplicate the work of other research funders. Its mission and its results are clear. Each year, the program issues an annual report detailing what it has done to fight prostate cancer. This transparency allows taxpayers—among them prostate cancer survivors—to clearly understand what this government entity is doing to fight the disease. Additionally, only 10 percent of the funding for these programs goes towards administrative costs.

Unfortunately despite excellent reviews from all communities regarding achievements and fiscal efficiency, funding to this innovative program has been substantially reduced from $100 million in fiscal year 2001 to $80 million in fiscal year 2007. In fiscal year 2006, 1,117 proposals were received and only 207 funded. Of the 910 proposals remaining over 200 met the standards set by the DOD PRCP but were turned away due to funding constraints. What if one of these researchers held the knowledge to discover the cause of prostate cancer?

According to its business plan laid out in 1998, the DOD PRCP should be receiving over $200 million to fully meet its potential. We call on this committee to take a bold step forward and open the opportunities for this program to progress as the original founders had intended and increase funding to the PCRP by $20 million in fiscal year 2008.

REQUEST

To properly fight the war on prostate cancer, I respectfully request this committee appropriate $100 million for the DOD Congressionally Directed Medical Research Program's (CDMRP) Prostate Cancer Research Program (PCRP).

Mr. Chairman, the prostate cancer community has done remarkable work. This work is continuing to make progress. Public-private collaboration and new scientific discoveries are moving us toward a better understanding of how prostate cancer develops and kills, but, it must continue to develop. Investments in research now make the difference to future patients and their families. The War on Cancer must be funded appropriately so researchers can find new treatments, test them in the clinical setting and deliver them to patients.

On behalf of the prostate cancer patient community and the National Prostate Cancer Coalition, I thank you for your time and ask you to continue to help funding the war against this terrible disease.

Senator INOUYE. Our next witness is Ms. Sue Vento, a member of the Board of Directors of the Mesothelioma Research Foundation.

Welcome back, ma'am.

STATEMENT OF SUSAN VENTO, MEMBER, BOARD OF DIRECTORS, MESOTHELIOMA RESEARCH FOUNDATION

Ms. VENTO. Good afternoon, Chairman Inouye.

Thank you so much for the opportunity to be here less than 2 weeks before Memorial Day to address a fatal disease afflicting our military veterans and many others.

My name is Sue Vento. I serve on the Board of Directors of the Mesothelioma Applied Research Foundation, the national nonprofit collaboration of researchers, physicians, advocates, patients, and families dedicated to advancing medical research to improve treatment for mesothelioma.

Please consider the irony—a hard working science teacher who went on to become a leading national advocate for workers and for the environment, dies suddenly because of an environmental carcinogen he was exposed to in the workplace. This future Member of Congress grew up in a large Italian and German family on St. Paul's east side, the second oldest of eight children. From an early age, he learned the importance of hard work from his parents as he delivered newspapers and bussed tables in a hotel restaurant. Later he worked at factories and a brewery in order to pay his college tuition to become a science teacher. At 30, he was elected to the Minnesota State House. Six years later he was elected to his first of 12 terms in the U.S. House of Representatives, where he served on the Resources and Banking Committees. His name was Bruce Vento, he was my best friend, and my husband.

In January 2000, Bruce was on a congressional trip. He mentioned on one of our evening phone calls that he wasn't feeling well. He noted a shortness of breath and back pain. Immediately upon returning, he went to the House physician and was then taken to Bethesda Naval Hospital. The following day, Bruce was told he had lung cancer. He flew home that evening and we spent the weekend talking about how best to proceed. He decided he wanted to see specialists at the Mayo Clinic in Rochester, Min-

nesota for further testing. On January 29, Bruce was told that he did not have lung cancer, but instead was diagnosed with pleural mesothelioma.

Mesothelioma is a diffused tumor of the linings of lungs, abdomen, or heart, which kills approximately 3,000 Americans each year and many thousands more worldwide. It relentlessly invades the tissues of the chest and abdomen, crushing the lungs and causing excruciating pain in most afflicted patients at the end of their lives. The average survival for individuals with mesothelioma is only 1 year.

Bruce's diagnosis was puzzling because the cause of mesothelioma is exposure to asbestos. Bruce racked his brain to determine where he could have been exposed to this deadly carcinogen. He later recalled those jobs at the factories and the brewery during the 1960s. His exposure to asbestos was similar to that of millions of Americans, who have also been exposed in their work and home settings.

Until its fatal toxicity became fully recognized, asbestos was widely utilized in this country because of its fireproofing, insulating, filling, and bonding properties. Starting in the late 1930s and through the late 1970s, the Navy used asbestos extensively. It was used in engines, nuclear reactors, decking materials, pipe covering, hull insulation, valves, pumps, gaskets, boilers, distillers, evaporators, soot blowers, air conditioners, rope packing, and brake and clutches on winches. In fact, it was used all over Navy ships, even in living spaces, where pipes were overhead, and in kitchens where asbestos was used in ovens, and in the wiring of appliances.

Aside from Navy ships, asbestos was also used on military planes, on military vehicles, and as insulating material in Quonset huts and living quarters.

As in Bruce's case, thousands of veterans have been stricken with mesothelioma many years after their exposure to the substance. On Valentine's Day 2000, surgeons removed Bruce's right lung, the lining of the lung, and one-half of his diaphragm. At the end of March, he began chemotherapy, followed by 6 weeks of radiation therapy. Following the completion of the radiation, we were confident that Bruce was through the worst of it. But within a few weeks, we were told that the cancer had spread to Bruce's other lung. In September, we were urged to arrange for hospice care, which we did the next day. On a beautiful autumn morning, the morning of October 10, just 8½ months after being diagnosed, Bruce died at our home with his family at his side.

Since Bruce's death, I have learned about other victims of the disease. Many of them veterans of our Nation's armed services. Approximately one-third of today's mesothelioma victims served in the United States on Navy ships or in shipyards. These Navy victims include former Chief Naval Officer, Admiral Elmo Zumwalt, Jr., who led the Navy during Vietnam and was renowned for his concern for enlisted men. Despite his rank, prestige, power, and leadership in protecting the health of Navy servicemen and veterans, Admiral Zumwalt died in January 2000, just 3 months after being diagnosed with mesothelioma.

Lewis Deets was another veteran stricken with mesothelioma. Four days after turning the legal age of 18, Lewis joined the Navy.

He served in the Vietnam war from 1962 to 1967 as a ship boiler man. For his valiance in combat operations against the guerilla forces in Vietnam, Lewis received a letter of commendation and the Navy Unit Commendation Ribbon for exceptional service.

In December 1965, while Lewis was serving aboard the U.S.S. *Kitty Hawk* in the Gulf of Tonkin, a fierce fire broke out. The boilers filled with asbestos were burning. Two sailors were killed and 29 were injured. Lewis was one of the 29 injured. He suffered smoke inhalation while fighting the fire. After the fire, he helped rebuild the boilers, replacing the burned asbestos blocks. In 1999, he developed mesothelioma and died just 4 months later at age 55.

Bob Tragget is a 56-year-old retired sailor who was diagnosed with mesothelioma a few years ago. Bob was exposed to asbestos as a sailor in the U.S. Navy from 1965 to 1972, proud to serve his country aboard a nuclear submarine whose mission was to deter a nuclear attack upon our country. To treat his disease, Bob had what today is, what is today, state of the art for mesothelioma treatment. He had 3 months of systemic chemotherapy with a new and quite toxic drug combination. Then he had a grueling surgery to open up his chest, remove his sixth rib, amputate his right lung, remove the diaphragm and parts of the linings around his lungs and his heart. After 2 weeks of post-operative hospitalization to recover and still with substantial pain, he had radiation, which left him with second degree burns on his back, in his mouth, and in his airways. Recently, the tumor returned on Bob's left side, but he continues the battle.

Regrettably, mesothelioma has been an orphan disease in medical research. Three years ago the first treatment for mesothelioma patients was approved by the FDA. Even this approved treatment, which is regarded as the new standard of care, is associated with only a 3-month survival advantage in the majority of cases, which are detected in an advanced state. Hence, funding for early detection and improved treatment of this disease is critically important.

With a huge Federal investment in cancer research through the National Cancer Institute and $3.75 billion spent in biomedical research through the Department of Defense Congressionally Directed Research Program since 1992, we are making important progress in the treatment of many types of cancers and other diseases. But for mesothelioma, the National Cancer Institute has provided limited funding in the range of only $1.7 to $3 million annually over the course of the last 5 years. And the Department of Defense does not yet invest any mesothelioma research, despite the pronounced military service connection.

Advancements in the treatment of mesothelioma have lagged far behind other cancers. On behalf of families like mine, impacted by mesothelioma, I urge you to direct the Department of Defense to please include mesothelioma as an area of emphasis in the DOD's peer-reviewed medical research program. Inclusion in the list of the congressionally identified priority research areas will enable mesothelioma researchers to compete for Federal funds, based on the scientific merit of their work. This will provide urgently needed resources to explore new treatments and build a better understanding of this disease.

Admiral Zumwalt and Lewis Deets would not have wanted you to remember them by the cancer that took their lives, nor would Bruce. Indeed, Congress can be inspired by these men and take up the challenge of identifying a cure for a disease that particularly impacts our Nation's veterans. Veterans like Bob Tragget, who are now struggling with mesothelioma.

Navy personnel and shipyard workers exposed decades ago are developing the disease today. Many others are being exposed now and will develop the disease in 10 to 50 years. While active asbestos usage is not as heavy today as in the past, even low-dose incidental exposures can cause mesothelioma, as my family learned when Bruce was stricken.

On behalf of the Mesothelioma Applied Research Foundation, I appeal to you for your help in ensuring a vigorous Federal response to mesothelioma and I thank you for your consideration.

Senator INOUYE. I have a 16-inch incision on my chest. I was scheduled for a pneumonectomy, and so I know something about this.

Ms. VENTO. Yes, you do.

Senator INOUYE. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF SUSAN VENTO

SUMMARY

Mesothelioma is a deadly cancer which is caused by exposure to asbestos. In 2000, this long-overlooked disease took the life of Congressman Bruce Vento of Minnesota, who had served in the House of Representatives for twelve terms. His wife, Sue Vento, has become a passionate advocate for increased investment in mesothelioma research. Today, on behalf of the Mesothelioma Applied Research Foundation, Ms. Vento comes before the Senate Defense Appropriations Subcommittee to urge the subcommittee to direct the Department of Defense (DOD) to include mesothelioma as an area of emphasis in the DOD's Peer Reviewed Medical Research Program. Inclusion in the list of Congressionally identified priority research areas will enable mesothelioma researchers to compete for federal funds to assist in identifying more effective treatments for this challenging cancer.

Chairman Inouye, Ranking Member Stevens, and distinguished members of the U.S. Senate Defense Appropriations Subcommittee: Thank you for this opportunity, less than two weeks before Memorial Day, to address a fatal disease afflicting our military veterans and many others—mesothelioma. My name is Sue Vento, I serve on the Board of Directors of the Mesothelioma Applied Research Foundation, the national nonprofit collaboration of researchers, physicians, advocates, patients and families dedicated to advancing medical research to improve treatments for mesothelioma.

Consider the irony: A hard working science teacher who went on to become a leading national advocate for workers and the environment dies suddenly because of an environmental carcinogen he was exposed to in the workplace.

This future Member of Congress grew up in a large Italian and German family on St. Paul's Eastside, the second oldest of eight children. From an early age, he learned the importance of hard work from his parents as he delivered newspapers and bussed tables in a hotel restaurant. Later, he worked at factories and a brewery in order to pay his college tuition to become a science teacher. At 30, he was elected to the Minnesota State House. Six years later, he was elected to his first of 12 terms in the U.S. House of Representatives, where he served on the Natural Resources and Banking Committees. He was Bruce Vento; he was my best friend and my husband.

There was little that ever slowed down Bruce. He was a very active person—traveling almost every weekend back to Minnesota's 4th Congressional District to meet with constituents and to do his best as their representative in the U.S. House. In mid-January 2000, Bruce was on a Congressional trip. He mentioned on one of our evening phone calls that he wasn't feeling well—he noted a shortness of breath and back pain. Immediately upon returning he went to the House physician and was

then taken to Bethesda Naval Hospital. The following day, Bruce was told he had lung cancer.

He flew home that evening, and we spent the weekend talking about how best to proceed. He decided he wanted to see specialists at the Mayo Clinic in Rochester, Minnesota, for further testing. On the morning of January 29th, 2000, Bruce was told that he did not have lung cancer, but instead he was diagnosed with pleural mesothelioma.

Mesothelioma is a diffuse tumor of the linings of the lungs, abdomen or heart which kills approximately 3,000 Americans each year, and many thousands more worldwide. It relentlessly invades the tissues of the chest and abdomen, crushing the lungs and causing excruciating pain in most afflicted patients at the end of their life. The average survival for individuals with mesothelioma is only one year.

Bruce's diagnosis was puzzling because the cause of mesothelioma is exposure to asbestos. Bruce wracked his brain to determine where he could have been exposed to this deadly carcinogen. He later recalled those jobs at the factories and the brewery during the early 1960's. His exposure to asbestos was similar to that of millions of Americans who have also been exposed in their work and home settings. Until its fatal toxicity became fully recognized, asbestos was widely utilized in the United States because of its fireproofing, insulating, filling and bonding properties.

Starting in the late 1930's and through the late 70's the Navy used asbestos extensively. It was used in engines, nuclear reactors, decking materials, pipe covering, hull insulation, valves, pumps, gaskets, boilers, distillers, evaporators, soot blowers, air conditioners, rope packing, and brakes and clutches on winches. In fact it was used all over Navy ships, even in living spaces where pipes were overhead and in kitchens where asbestos was used in ovens and in the wiring of appliances. Aside from Navy ships, asbestos was also used on military planes, on military vehicles, and as insulating material on quonset huts and living quarters. As in Bruce's case, thousands of veterans have been stricken with mesothelioma many years after their exposure to the substance.

On Valentine's Day, surgeons removed Bruce's right lung, the lining of the lung, and half of his diaphragm. At the end of March he began chemotherapy followed by six weeks of radiation therapy. Following the completion of the radiation, we were confident that Bruce was through the worst of it. But within a few weeks, we were told that the cancer had spread to Bruce's other lung. On September 25th, we were urged to arrange for Hospice care, which we did the next day. On the beautiful, autumn morning of October 10, 2000—just ten months after being diagnosed, Bruce died at our home with his family at his side.

Since Bruce's death, I have advocated for more medical research on behalf of mesothelioma patients and their families because the threat of this deadly cancer remains very real. Through my work on the Board of the Mesothelioma Applied Research Foundation, I have learned about other victims of the disease—many of them veterans of our nation's armed services. Approximately one-third of today's mesothelioma victims served the United States on Navy ships or in shipyards. A study at the Groton, Connecticut shipyard found that over one hundred thousand workers had been exposed to asbestos over the years at just this one worksite. Because of the ten to fifty year latency of the disease, many of the millions of exposed servicemen and shipyard workers are just now developing mesothelioma.

These Navy victims include former Chief Naval Officer Admiral Elmo Zumwalt, Jr., who led the Navy during Vietnam and was renowned for his concern for enlisted men. Despite his rank, prestige, power, and leadership in protecting the health of Navy servicemen and veterans, Admiral Zumwalt died the same year as Bruce, just three months after being diagnosed with mesothelioma.

Lewis Deets was another veteran stricken with mesothelioma. Four days after turning the legal age of eighteen, Lewis joined the Navy. He served in the Vietnam War for over four years, from 1962 to 1967, as a ship boilerman. For his valiance in combat operations against the guerilla forces in Vietnam he received a Letter of Commendation and The Navy Unit Commendation Ribbon for Exceptional Service. In December 1965, while Lewis was serving aboard the U.S.S. *Kitty Hawk* in the Gulf of Tonkin, a fierce fire broke out. The boilers, filled with asbestos, were burning. Two sailors were killed and 29 were injured. Lewis was one of the 29 injured; he suffered smoke inhalation while fighting the fire. After the fire, he helped rebuild the boilers, replacing the burned asbestos blocks. In 1999, he developed mesothelioma and died four months later at age 55.

Commander Harrison F. Starn Jr., joined the Navy before college to serve in World War II, then became an officer and served in the Korean War, the Cuban missile crisis and the Vietnam War. During his career he served aboard a cruiser, destroyers and landing-troop ships, all of which had heavy asbestos. After retiring from the Navy, he opened a scuba diving center in Virginia, and actively supported

fire departments, rescue squads and law-enforcement agencies. This patriot died last year of mesothelioma at the National Naval Medical Center in Bethesda.

Bob Tregget is a 56 year old retired sailor who was diagnosed with mesothelioma a few years ago. Bob was exposed to asbestos as a sailor in the U.S. Navy from 1965 to 1972, proud to serve his country aboard a nuclear submarine whose mission was to deter a nuclear attack upon the United States. To treat his disease, Bob had what today is the state of the art for mesothelioma treatment. He had three months of systemic chemotherapy with a new, and quite toxic, drug combination. Then he had a grueling surgery, to open up his chest, remove his sixth rib, amputate his right lung, remove the diaphragm and parts of the linings around his lungs and his heart. After two weeks of postoperative hospitalization to recover and still with substantial postoperative pain, he had radiation, which left him with 2nd degree burns on his back, in his mouth, and in his airways. Recently, the tumor returned on his left side, but Bob is hanging on.

Approximately 23 million Americans have been occupationally exposed to asbestos over the past 50 years and are now at risk. There is grave concern now for the heroic first responders from 9/11 who were exposed to hundreds of tons of pulverized asbestos at Ground Zero and throughout the city. The destruction wrought by Katrina has potentially exposed countless more. Asbestos is virtually omni-present in all the buildings constructed before the late 1970s. Asbestos exposures have been reported among the troops now in Iraq. The utility tunnels in the U.S. Capitol building may have dangerous levels. For those who could develop mesothelioma as a result of these exposures, the only hope is effective treatment.

Regrettably, mesothelioma has been an orphan in medical research. Until three years ago, there was not even one treatment for mesothelioma approved by the FDA as better than doing nothing at all. Even this approved treatment, which is regarded as the new standard of care, is associated with only a three month survival advantage in the majority of cases which are detected in an advanced state. Hence, funding for early detection and improved treatment of the disease is critically important.

Since 1999, research and advocacy for mesothelioma has been championed by the Mesothelioma Applied Research Foundation, which has awarded over $4 million in seed money grants to the brightest investigators around the world. Researchers are learning which genes and proteins can give a signature for the disease, and which of these also control the pathways that will turn a normal cell into a mesothelioma. Now we need the federal government to partner with us in order to make sure that promising findings receive the funding necessary to be fully developed into effective treatments for patients.

With the huge federal investment in cancer research through the National Cancer Institute, and $3.75 billion spent in biomedical research through the Department of Defense Congressionally Directed Research Program since 1992, we are making important progress in the treatment of many types of cancer and other diseases. But for mesothelioma, the National Cancer Institute has provided virtually no funding, in the range of only $1.7 to $3 million annually over the course of the last five years, and the Department of Defense does not yet invest in any mesothelioma research despite the pronounced military-service connection. Advancements in the treatment of mesothelioma have lagged far behind other cancers.

Therefore, on behalf of families like mine directly impacted by mesothelioma, I urge the subcommittee to direct the Department of Defense to include mesothelioma as an area of emphasis in the DOD's Peer Reviewed Medical Research Program. Inclusion in the list of congressionally identified priority research areas will enable mesothelioma researchers to compete for federal funds based on the scientific merit of their work. This will provide urgently needed resources to explore new treatments and build a better understanding of this disease.

My husband Bruce Vento, Admiral Zumwald, Commander Starn and Lewis Deets would not have wanted you to remember them by the cancer that took their lives. Instead, Congress can be inspired by these men and take up the challenge of identifying a cure for a disease that particularly impacts our nation's veterans—veterans like Bob Teggett who are now struggling with mesothelioma. Navy servicemen and shipyard workers exposed decades ago are developing the disease today. Many others are being exposed now and will develop the disease in 10 to 50 years. While active asbestos usage is not as heavy today as in the past, even low-dose, incidental exposures can cause mesothelioma as my family learned when Bruce was stricken.

On behalf of the Mesothelioma Applied Research Foundation, I appeal to you for your help in ensuring a vigorous federal response to mesothelioma. Thank you for you consideration.

Senator INOUYE. Our last witness is Mr. D. Michael Duggan, Deputy Director of the American Legion National Security Commission.

Welcome, Mr. Duggan.

STATEMENT OF D. MICHAEL DUGGAN, DEPUTY DIRECTOR, AMERICAN LEGION NATIONAL SECURITY COMMISSION

Mr. DUGGAN. Thank you very much, sir. Good afternoon. We thank you for this great opportunity. As the Nation's largest organization of war time veterans, I and my organization thank you and your subcommittee for over the years, continuing to fund Defense budgets and especially at higher levels during times of war. The Armed Forces and our men and women in uniform know they can count on you, and this particular subcommittee as well, and that is deeply appreciated.

According to the Department of Defense, fiscal year 2008 Defense budget would advance ongoing efforts to prevail in the global war on terrorism, defend the homeland against threats, maintain America's military superiority, and to support military members and their families. The American Legion believes that this budget must also continue to increase active Army and Marine Corps end-strengths. Our major concerns are that we hope the Army is, in fact, not being broken, not only by this war, but by their load strength and trying to do too much with too few.

We also urge the full funding of TRICARE healthcare programs and not to have DOD TRICARE fees increased. Continue to increase and support military quality of life issues to include a 3.5-percent military pay raise, in lieu of the 3 percent administration's requested pay raise level.

Severely wounded service members recovering in military hospitals, such as Walter Reed Army Medical Center and Bethesda Navy Hospital, need to receive the very best of care, particularly for traumatic brain injuries, the signature wound, not only for their treatment, but of course, for their research. Combat stress also needs more help, we think, as well as post-traumatic stress disorders, as well as, of course, therapies for missing or prosthetic limbs, as well.

DOD, we think has to do a better job, though, in interfacing with the Department of Veterans Affairs. We would like to see also, the Wounded Warrior Program fully funded, as well, too. That is a really worthwhile program. The military's medical evaluation boards, the PEBs and MEBs.

And, we feel as military disability retirement process has to be seriously reformed. And perhaps, even the rating and the evaluation of airmen and soldiers be done, not by the military necessarily, but by the VA, which has a lot more experience in rating and evaluation, as well, too.

Walter Reed is still a national treasure. Despite its shortcomings and it's the only military hospital in the world, we believe, that can treat up to 1.1 million outpatients, as well as some 26,500 inpatients and an increasing, over 3,000 severely wounded soldiers who are still coming in. We think, therefore, particularly during the war years, that Walter Reed should not be torn down, that it should be

renovated to the best that it can, the space and whatever it needs to still be able to support that staggering workload, as well.

As a matter of fact, the American Legion signed a memorandum of understanding with Walter Reed, so as to provide a manned office there to assist military members in transferring from military healthcare to veterans healthcare.

Other than that, Senator, thank you for your continued support. We would ask, also and urge, that there be any additional funding or full funding for the POW/MIA structures as well, too, for their, so that they can continue their recovery operations, as well as fund any new initiatives, such as the issuance of electronic beepers to service members who are going into combat and could wind up being captured or missing in action.

Finally, I would be remiss if I didn't ask for continued funding support for the concurrent receipt of military retired pay and veterans disability compensation, as well as the elimination of the SBP/DIC offset, which has affected so many military survivors and widows over the years.

Again sir, thank you for your leadership, thank you for being a great veteran, and thank you for this opportunity.

Senator INOUYE. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF D. MICHAEL DUGGAN

Mr. Chairman: The American Legion is grateful for the opportunity to present its views on defense appropriations for fiscal year 2008. The American Legion values your leadership in assessing and authorizing adequate funding for quality-of-life (QOL) features of the Nation's armed forces to include the active, reserve and National Guard forces and their families, as well as quality of life for military retirees and their dependents.

Since September 2001, the United States has been involved in the war against terrorism in Operations Iraqi Freedom and Enduring Freedom. American fighting men and women are again proving they are the best-trained, best-equipped and best-led military in the world. As Secretary of Defense Robert Gates has noted, the war in Iraq is part of a long, dangerous global war on terrorism. The war on terrorism is being waged on two fronts: overseas against armed insurgents and at home protecting and securing the Homeland. Casualties in the shooting wars, in terms of those killed and seriously wounded, continue to mount daily. Indeed, most of what we as Americans hold dear is made possible by the peace and stability that the Armed Forces provide by taking the fight to the enemy.

The American Legion adheres to the principle that this nation's armed forces must be well-manned and equipped, not just to pursue war, but to preserve and protect the peace. The American Legion strongly believes past and current military downsizing were budget-driven rather than threat-focused. Once Army divisions, Navy warships and Air Force fighter squadrons are downsized, eliminated or retired from the force structure, they cannot be reconstituted quickly enough to meet new threats or emergency circumstances. The Active-Duty Army, Army National Guard and the Reserves barely met their recruiting goals, and the Army's stop-loss policies have obscured retention and recruiting needs. Clearly, the active Army is struggling to meet its recruitment goals. Military morale undoubtedly has been adversely affected by the extension and repetition of Iraq tours of duty for active duty, and now, National Guard units alerted for their second tour.

The Administration's fiscal year 2008 budget requests more than $481 billion for defense or about 17 percent of the total budget. The fiscal year 2008 defense budget represents a 11.3 percent increase in defense spending over current funding levels. It also represents about 4.0 percent of our Gross National Product. Active duty military manpower end-strength is now over 1.55 million. Selected Reserve strength is about 863,300 or reduced by about 25 percent from its strength levels during the Gulf War of 16 years ago.

Mr. Chairman, this budget must advance ongoing efforts to prevail in the global war on terrorism, defend the homeland against threats, maintain America's military superiority, and to support Servicemembers and their families. A decade of over-use

of the military and past under-funding, necessitates a sustained investment. The American Legion believes the budget must continue to increase Army and Marine Corps end-strengths, fully fund Tricare programs, accelerate improved Active and Reserve Components' quality of life features, provide increased funding for the concurrent receipt of military retirement pay and VA disability compensation ("Veterans Disability Tax") and elimination of the offset of survivors benefit plan (SBP) and Dependency and Indemnity Compensation (DIC) "Widow's Tax" that continues to penalize military survivors.

If we are to win the war on terror and prepare for the wars of tomorrow, we must take care of the Department of Defense's greatest assets—the men and women in uniform. They do us proud in Iraq, Afghanistan and around the world. They need our help. Therefore, The American Legion urges this Subcommittee and this Congress to continue to fund the war effort in Iraq and Afghanistan as well as our troops and their families.

In order to attract and retain the necessary force over the long haul, the active duty force, reserves and National Guard continue to look for talent in an open market place and to compete with the private sector for the best young people this nation has to offer. If we are to attract them to military service in the active and reserve components, we need to count on their patriotism and willingness to sacrifice, to be sure, but we must also provide them the proper incentives. They love their country, but they also love their families—and many have children to support, raise and educate. We have always asked the men and women in uniform to voluntarily risk their lives to defend us; we should not ask them to forego adequate pay and allowances, adequate health care and subject their families to repeated unaccompanied deployments and sub-standard housing as well. Undoubtedly, retention and recruiting budgets need to be substantially increased if we are to keep and recruit quality service members.

The President's fiscal year 2008 defense budget requests over $10.8 billion for military pay and allowances, including a 3.0 percent across-the-board pay raise. This pay raise is inadequate and needs to be increased to 3.5 percent so as to close the pay gap. It also includes billions to improve military housing, putting the Department on track to eliminate most substandard housing several years sooner than previously planned. The fiscal year 2007 budget further lowered out-of-pocket housing costs for those living off base. The American Legion encourages the Subcommittee to continue the policy of no out-of-pocket housing costs in future years and to end the military pay differential with the private sector.

Together, these investments in people are critical, because smart weapons are worthless to us unless they are in the hands of smart, well-trained Soldiers, Sailors, Airmen, Marines and Coast Guard personnel.

The American Legion National Commander has visited American troops in Europe and the Far East as well as a number of installations throughout the United States, including Walter Reed Army Medical Center and Bethesda National Naval Medical Center. During these visits, he was able to see first-hand the urgent, immediate need to address real quality of life challenges faced by service members and their families. Severely wounded service members who have families and are convalescing in military hospitals clearly need to continue to receive the best of care, particularly for PTSD, Traumatic Brain Injuries and therapies; and the DOD interface with the VA must be more seamless. Also, the medical evaluation board process needs to be reformed and expedited so that military severance and disability retirement pays will be more immediately forthcoming. The soldiers' best interests must be fairly represented before the medical evaluation boards. To this end, The American Legion has established an office at Walter Reed AMC to assist the medical evaluation system and the transition of discharging patients to the VA. Our National Commanders have spoken with families on Women's and Infants' Compensation (WIC) which is an absolute necessity to larger military families. Quality-of-life issues for service members, coupled with combat tours and other operational tempos, play a role in recurring recruitment and retention efforts and should come as no surprise. The operational tempo and lengthy deployments, to include multiple combat tours, must be reduced or curtailed. Military missions were on the rise before September 11 and deployment levels remain high. The only way to reduce repetitive overseas tours and the overuse of the reserves is to increase, recruit and fill active and reserve Army and Marine Corps end-strengths.

Military pay must be on a par with the competitive civilian sector. Activated reservists must receive the same equipment, the same pay and timely health care as active duty personnel. The Reserve Montgomery GI Bill must be as lucrative as the MGI Bill for active duty personnel. If other benefits, like health care improvements, commissaries, adequate quarters, quality child care and impact aid for DOD edu-

cation are reduced, they will only serve to further undermine efforts to recruit and retain the brightest and best this nation has to offer.

Despite frequent visits to Walter Reed Army Medical Center, The American Legion was shocked and disappointed by the publicized shortcomings that surfaced at Walter Reed. Clearly, the first priorities are to beef up its military medical staff, improve its facilities, expand its treatment and living space, and most importantly, evaluate and improve the Medical Evaluation Board process: Clearly, the MEB/PEB process is too time-consuming and too often inappropriate judgments and ratings are being rendered and appear to be shortchanging the troops. The military MEB/PEB process must be reformed in favor of a system which fairly rates and compensates disabled soldiers while affording these disabled soldiers the retirement benefits they so rightly earned and deserved.

Walter Reed Army Medical Center is a National Treasure, not merely the Army's flagship hospital. Two years ago, Walter Reed AMC treated over 1.1 million Army outpatients, and 26,500 inpatients and hundreds of severely wounded soldiers from the combat zones. Walter Reed continues to treat Active Army, Army Reservists, Army National Guardsmen, and Army military retiree veterans and their families. There is no other military or civilian medical center or hospital in the United States that can treat patients of this magnitude or severity; and Walter Reed has been doing this since the turn of the last century.

Frankly, The American Legion has overwhelmingly opposed having Walter Reed on the Base Realignment and Closure (BRAC) List, and continues to oppose its closure. The American Legion recommends, in light of the emergent need to renovate the Medical Center, that Walter Reed be removed from the BRAC list and that military construction funding be dedicated for major phased-in renovations of the Medical Center, rather than constructing other medical facilities and tearing Walter Reed down. This appears to be the practical and economical thing to do especially during time of war when severely wounded soldiers need the best in medical care.

As a major step toward resolving the problems brought to light at Walter Reed AMC, The American Legion signed a Memorandum of Understanding with Walter Reed which will establish an office there to assist in the transition of wounded service members from Department of Defense to the Department of Veterans Affairs. The American Legion also supports the retention of the Armed Forces Institute of Pathology, on the grounds of Walter Reed as an absolute necessity and is valued both to the Department of Defense and the Department of Veterans Affairs.

To step up efforts to bring in enlistees, all the Army components are increasing the number of recruiters. The Army National Guard sent 1,400 new recruiters into the field last February. The Army Reserve is expanding its recruiting force by about 80 percent. If the recruiting trends and the demand for forces persist, the Pentagon under current policies could eventually "run out" of reserve forces for war zone rotation, a Government Accountability Office expert warned. The Pentagon projects a need to keep more than 100,000 reservists continuously over the next three to five years. The Defense Appropriations bill for fiscal year 2005 provided the funding for the first year force level increases of 10,000. The Army's end-strength increased 30,000 and the Marine Corps end-strength increased 3,000.

The budget deficit is projected to be over $427 billion which is the largest in U.S. history, and it appears to be heading higher perhaps to $500 billion. National defense spending must not become a casualty of deficit reduction.

FORCE HEALTH PROTECTION (FHP)

As American military forces are again engaged in combat overseas, the health and welfare of deployed troops is of utmost concern to The American Legion. The need for effective coordination between the Department of Veterans Affairs and the DOD in the force protection of U.S. forces is paramount. It has been fifteen years since the first Gulf War, yet many of the hazards of the 1991 conflict are still present in the current war.

Prior to the 1991 Gulf War deployment, troops were not systematically given comprehensive pre-deployment health examinations nor were they properly briefed on the potential hazards, such as fallout from depleted uranium munitions they might encounter. Record keeping was poor. Numerous examples of lost or destroyed medical records of active duty and reserve personnel were identified. Physical examinations (pre/and post-deployment) were not comprehensive and information regarding possible environmental hazard exposures was severely lacking. Although the government had conducted more than 230 research projects at a cost of $240 million, lack of crucial deployment data resulted in many unanswered questions about Gulf War veterans' illnesses.

The American Legion would like to specifically identify an element of FHP that deals with DOD's ability to accurately record a service member's health status prior to deployment and document or evaluate any changes in his or her health that occurred during deployment. This is exactly the information VA needs to adequately care for and compensate service members for service-related disabilities once they leave active duty. Although DOD has developed post-deployment questionnaires, they still do not fulfill the requirement of "thorough" medical examinations nor do they even require a medical officer to administer the questionnaires. Due to the duration and extent of sustained combat in Operations Iraqi Freedom and Enduring Freedom, the psychological impact on deployed personnel is of utmost concern to The American Legion. VA's ability to adequately care for and compensate our nation's veterans depends directly on DOD's efforts to maintain proper health records/health surveillance, documentation of troop locations, environmental hazard exposure data and the timely sharing of this information with the VA.

The early signs of Combat Stress, PTSD, and the Traumatic Brain Injuries must be detected early-on and completely treated by the military and the VA. The entire medical issue of Traumatic Brain Injuries (TBIs) needs to be recognized, reported, treated and researched. The American Legion strongly urges Congress to mandate separation physical exams for all service members, particularly those who have served in combat zones or have had sustained deployments. DOD reports that only about 20 percent of discharging service members opt to have separation physical exams. During this war on terrorism and frequent deployments with all their strains and stresses, this figure, we believe, should be substantially increased.

MILITARY QUALITY OF LIFE

Our major national security concern continues to be the enhancement of the quality of life issues for active duty service members, reservists, National Guardsmen, military retirees and their families. During the last Congressional session, President Bush and the Congress made marked improvements in an array of quality of life issues for military personnel and their families. These efforts are vital enhancements that must be sustained.

Mr. Chairman: During this period of the War on Terrorism, more quality of life improvements are required to meet the needs of servicemembers and their families as well as military retiree veterans and their families. For example, the proposed 3.0 percent pay-raise needs to be significantly increased. The 3.1 percent military comparability gap with the private sector needs to be eliminated; the improved Reserve MGIB for education needs to be completely funded as well; combat wounded soldiers who are evacuated from combat zones to military hospitals need to retain their special pays, and base pay and allowances continued at the same level so as not to jeopardize their family's financial support during recovery. Furthermore, the medical evaluation board process needs to be reformed and fair and considerate of the soldiers' best interest so that any adjudicated military severance or military disability retirement payments will be immediately forthcoming; recruiting and retention efforts, to include the provision of more service recruiters, needs to be fully funded as does recruiting advertising. The Defense Health Program and, in particular, the Tricare healthcare programs need to be fully funded.

The Defense Department, Congress and The American Legion all have reason to be concerned about the rising cost of military healthcare. But it is important to recognize that the bulk of the problem is a national one, not a military specific one. It is also extremely important, in these days of record deficits, that we focus on the government's unique responsibility and moral obligation to fully fund the Defense Health program, particularly its Tricare programs, to provide for the career military force that has served for multiple decades under extraordinarily arduous conditions to protect and preserve our national welfare. In this regard, the government's responsibility and obligations to its servicemembers and military retirees go well beyond those of corporate employers. The Constitution puts the responsibility on the government to provide for the common defense and on the Congress to raise and maintain military forces. No corporate employer shares such awesome responsibilities.

The American Legion recommends against implementing any increases in healthcare fees for uniformed services and retiree beneficiaries. Dr. William Winkenwerder, the former Assistant Secretary of Defense (Heath Affairs), briefed The American Legion and other VSOs/MSOs that rising military healthcare costs are "impinging on other service programs." Other reports indicate that the DOD leadership is seeking more funding for weapons programs by reducing the amount it spends on military healthcare and other personnel needs. The American Legion believes strongly that America can afford to, and must, pay for both weapons and

military healthcare. The American Legion also believes strongly that the proposed defense budget is too small to meet the needs of national defense. Today's defense budget, during wartime, is about 4 percent of GDP, well short of the average for the peacetime years since WWII. Defense leaders assert that substantial military fee increases are needed to bring military beneficiary costs more in live with civilian practices. But such comparisons with corporate practices is inappropriate as it disregards the service and sacrifices military members, retirees and families have made in service to the nation.

The reciprocal obligation of the government to maintain an extraordinary benefit package to offset the extraordinary sacrifices of career military members is a practical as well as moral obligation. Eroding benefits for career service can only undermine long-term retention and readiness. One reason why Congress enacted Tricare for Life is that the Joint Chiefs of Staff at the time said that inadequate retiree healthcare was affecting attitudes among active duty troops. The American Legion believes it was inappropriate to put the Joint Services in the untenable position of being denied sufficient funding for current readiness needs if they didn't agree to beneficiary benefit cuts.

Reducing military retirements budgets, such as Tricare healthcare, would be penny-wise and pound-foolish when recruiting is already a problem and an overstressed and overstrengthened force is at increasing retention risks. Very simply the DOD should be required to pursue greater efforts to improve Tricare and find more effective and appropriate ways to make Tricare more cost-effective without seeking to "tax" beneficiaries and making unrealistic budget assumptions.

Likewise, military retiree veterans as well as their survivors, who have served their Country for decades in war and peace, require continued quality of life improvements as well. First and foremost, The American Legion strongly urges that FULL concurrent receipt and Combat-Related Special Compensation (CRSC) be authorized for disabled retirees whether they were retired for longevity (20 or more years of service) or military disability retirement with fewer than 20 years. In particular, The American Legion urges that disabled retirees rated 40 percent and below be authorized CRPD and that disabled retirees rated between 50 percent and 90 percent disabled be authorized non-phased-in concurrent receipt. Additionally, The American Legion strongly urges that ALL military disability retirees with fewer than 20 years service be authorized to receive CRSC and VA disability compensation provided, of course, they're otherwise eligible for CRSC under the combat-related conditions. The funding for these military disability retirees with fewer than 20 years is a "cost of war" and perhaps should be paid from the annual supplemental budgets.

Secondly, The American Legion urges that the longstanding inequity whereby military survivors have their survivors benefit plan (SBP) offset by the Dependency and Indemnity Compensation (DIC) be eliminated. This "Widows' Tax" needs to be corrected as soon as possible. It is blatantly unfair and has penalized deserving military survivors for years. A number of these military survivors are nearly impoverished because of this unfair provision. As with concurrent receipt for disabled retirees, military survivors should receive both SBP AND DIC. They have always been entitled to both and should not have to pay for their own DIC. The American Legion will continue to convey that simple, equitable justice is the primary reason to fund FULL concurrent receipt of military retirement pay and VA disability compensation, as well as the SBP and DIC for military survivors. Not to do so merely perpetuates the same inequity. Both inequities need to be righted by changing the unfair law that prohibits both groups from receiving both forms of compensation.

Mr. Chairman: The American Legion as well as the armed forces and veterans continue to owe you and this Subcommittee a debt of gratitude for your continuing support of military quality of life issues. Nevertheless, your assistance is needed in this budget to overcome old and new threats to retaining and recruiting the finest military in the world. Service members and their families continue to endure physical risks to their well-being and livelihood as well as the forfeiture of personal freedoms that most Americans would find unacceptable. Worldwide deployments have increased significantly and the Nation is at war. The very fact that over 300,000 Guardsmen and Reservists have been mobilized since September 11, 2001 is first-hand evidence that the United States Army desperately needs to increase its end-strengths and maintain those end-strengths so as to help facilitate the rotation of active and reserve component units to active combat zones.

The American Legion congratulates and thanks Congressional subcommittees such as this one for military and military retiree quality of life enhancements contained in past National Defense Appropriations Acts. Continued improvement however is direly needed to include the following:

—Completely Closing the Military Pay Gap with the Private Sector: With U.S. troops battling insurgency and terrorism in Iraq and Afghanistan, The American Legion supports a proposed 3.5 percent military pay raise as well as increases in Basic Allowance for Housing (BAH).
—Commissaries: The American Legion urges the Congress to preserve full federal subsidizing of the military commissary system and to retain this vital non-pay compensation benefit for use by active duty families, reservist families, military retiree families and 100 percent service-connected disabled veterans and others.
—DOD Domestic Dependents Elementary and Secondary Schools (DDESS): The American Legion urges the retention and full funding of the DDESS as they have provided a source of high quality education for military children attending schools on military installations.
—Funding the Reserve Montgomery GI Bill for Education.
—Providing FULL concurrent receipt of military retirement pay and VA disability compensation for those disabled retirees rated 40 percent and less; providing non-phased concurrent receipt for those disabled retirees rated between 50 percent and 90 percent disabled by the VA; and authorizing those military disability retirees with fewer than 20 years service to receive both VA disability compensation and Combat-Related Special Compensation (CRSC).
—Eliminating the offset of the survivors benefit plan (SBP) and Dependency and Indemnity Compensation (DIC) for military survivors.

OTHER QUALITY OF LIFE INSTITUTIONS

The American Legion strongly believes that quality of life issues for retired military members and their families are augmented by certain institutions which we believe need to be annually funded as well. Accordingly, The American Legion believes that Congress and the Administration must place high priority on insuring these institutions are adequately funded and maintained:
—The Uniformed Services University of the Health Sciences: The American Legion urges the Congress to resist any efforts to less than fully fund, downsize or close the USUHS through the BRAC process. It is a national treasure, which educates and produces military physicians and advanced nursing staffs. We believe it continues to be an economical source of CAREER medical leaders who enhance military health care readiness and excellence and is well-known for providing the finest health care in the world.
—The Armed Forces Retirement Homes: The United States Soldiers' and Airmen's Home in Washington, D.C. and the United States Naval Home in Gulfport, Mississippi, have been under-funded as evidenced by the reduction in services to include on-site medical health care and dental care. Increases in fees paid by residents are continually on the rise. The medical facility at the USSAH has been eliminated with residents being referred to VA Medical Centers or Military Treatment Facilities such as Walter Reed Army Medical Center. The Naval Home at Gulfport, Mississippi was destroyed by Hurricane Katrina, The American Legion recommends that the Congress conduct an independent assessment of the USSAH facilities and the services being provided with an eye toward federally subsidizing the Home as appropriate. The facility has been recognized as a national treasure until recent years when a number of mandated services had been severely reduced and resident fees have been substantially increased.
—Arlington National Cemetery: The American Legion urges that the Arlington National Cemetery be maintained to the highest of standards. We urge also that Congress mandate the eligibility requirements for burial in this prestigious Cemetery reserved for those who have performed distinguished military service and their spouses and eligible children.
—2005 Defense Base Realignment and Closure Commission: The American Legion was disappointed that certain base facilities such as military medical facilities, commissaries, exchanges and training facilities and other quality of life facilities were not preserved for use by the active and reserve components and military retirees and their families. The American Legion urges the phased-in renovation and the retention of Walter Reed particularly for the duration of the War

THE AMERICAN LEGION FAMILY SUPPORT NETWORK

The American Legion continues to demonstrate its support and commitment to the men and women in uniform and their families. The American Legion's Family Support Network is providing immediate assistance primarily to activated National Guard families as requested by the Director of the National Guard Bureau. The American Legion Family Support Network has reached out through its Departments and Posts to also support the Army' Wounded Warrior program (AW2). Many thou-

sands of requests from these families have been received and accommodated by the American Legion Family across the United States. Military family needs have ranged from requests for funds to a variety of everyday chores which need doing while the "man or woman" of the family is gone. The American Legion, whose members have served our nation in times of adversity, remember how it felt to be separated from family and loved ones. As a grateful Nation, we must ensure than no military family endures those hardships caused by military service, as such service has assured the security, freedom and ideals of our great Country.

CONCLUSIONS

Thirty-four years ago, America opted for an all-volunteer force to provide for the National Defense. Inherent in that commitment was a willingness to invest the needed resources to bring into existence and maintain a competent, professional and well-equipped military. The fiscal year 2008 defense budget, while recognizing the War on Terrorism and Homeland Security, represents another good step in the right direction. Likewise our military retiree veterans and military survivors, who in yesteryear served this Nation for decades, continue to need your help as well.

Senator INOUYE. Today we've received testimony from 26 witnesses, and it may surprise you to know that most of them supported programs that are considered evil—add-ons, and earmarks. Most of the programs that you have supported today are in those categories—either earmarks or add-ons—which is to show that the Constitution is still correct, the Congress does have a role to play in establishing the budget.

Mr. DUGGAN. Absolutely.

Senator INOUYE. And, I can assure you that we were not elected to be rubber stamps.

Mr. DUGGAN. Thank you, sir.

CONCLUSION OF HEARINGS

Senator INOUYE. With that, the scheduled hearings have now been completed, and this subcommittee will now consider the bill. And, we will stand in recess, subject to the call of the Chair.

[Whereupon, at 12:50 p.m., Wednesday, May 16, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

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