

**HEARING TO CONSIDER THE FOLLOWING  
NOMINATIONS: MARY BETH LONG TO BE  
ASSISTANT SECRETARY OF DEFENSE FOR  
INTERNATIONAL SECURITY AFFAIRS;  
JAMES SHINN TO BE ASSISTANT SEC-  
RETARY OF DEFENSE FOR ASIAN AND PA-  
CIFIC SECURITY AFFAIRS; CRAIG W.  
DUEHRING TO BE ASSISTANT SECRETARY  
OF THE AIR FORCE FOR MANPOWER AND  
RESERVE AFFAIRS; AND JOHN H. GIBSON  
TO BE ASSISTANT SECRETARY OF THE AIR  
FORCE FOR FINANCIAL MANAGEMENT**

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**Tuesday, December 18, 2007**

U.S. SENATE  
COMMITTEE ON ARMED SERVICES  
*Washington, D.C.*

The committee met, pursuant to notice, at 10:03 a.m. in Room SH-216, Hart Senate Office Building, Hon. Carl Levin, chairman of the committee, presiding.

Committee Members Present: Levin [presiding], Webb, Warner, and Thune.

Other Senators Present: Senator Norm Coleman.

Committee Staff Members Present: Richard D. DeBobes, Staff Director, and Leah C. Brewer, Nominations and Hearings Clerk.

Majority Staff Members Present: Jonathan D. Clark, Counsel, Madelyn R. Creedon, Counsel, Evelyn N. Farkas, Professional Staff Member, Michael J. Kuiken, Professional Staff Member, Gerald J. Leeling, Counsel, Peter K. Levine, General Counsel, Michael J. McCord, Professional Staff Member, and William G.P. Monahan, Counsel.

Minority Staff Members Present: Michael V. Kostiw, Republican Staff Director, David G. Collins, Research Assistant, Derek J. Maurer, Minority Counsel, David M. Morriss, Minority Counsel, Lynn F. Rusten, Professional Staff Member, Kristine L. Svinicki, Professional Staff Member, Diana G. Tabler, Professional Staff Member, Richard F. Walsh, Minority Counsel, and Dana W. White, Professional Staff Member.

Staff Assistants Present: Kevin A. Cronin, Ali Z. Pasha, and Benjamin L. Rubin.

Committee Members' Assistants Present: Jay Maroney, Assistant to Senator Kennedy, Elizabeth King, Assistant to Senator Reed, Richard Kessler, Assistant to Senator Akaka, Gordon I. Peterson, Assistant to Senator Webb, Sandra Luff, Assistant to Senator Warner, Todd Stiefler, Assistant to Senator Sessions, Brian Polley, Assistant to Senator Cornyn, and Stuart C. Mallory, Assistant to Senator Thune.

**OPENING STATEMENT OF HON. CARL LEVIN, U.S. SENATOR  
FROM MICHIGAN**

Chairman Levin: Good morning, everybody.

Today the Armed Services Committee considers the nomination of: Mary Beth Long to be Assistant Secretary of Defense for International Security Affairs; James Shinn to be Assistant Secretary of Defense for Asian and Pacific Security Affairs; Craig Duehring to be Assistant Secretary of the Air Force for Manpower and Reserve Affairs; and John Gibson to be Assistant Secretary of the Air Force for Financial Management.

We welcome our nominees and their families to today's hearing. We know of the long hours which senior Department of Defense officials put in every day, we appreciate the sacrifices of our nominees who are willing to make those sacrifices to serve our Nation, but we also know that they're not alone in making these sacrifices. So we thank in advance the family members of our nominees for the support and assistance that they will be providing.

In the last 2 years, Ms. Long has served as Principal Deputy Assistant Secretary of Defense for International Security Affairs and, if confirmed, she will be responsible for helping formulate DoD policy in the Middle East, Europe, and NATO and Africa. Foremost of these challenges will be the situation in Iraq, where there is no indication that Iraq's political leaders are taking advantage of the breathing space created by a reduction in violence to make the political compromises necessary for reconciliation, and in Afghanistan, where we continue to try to persuade our NATO allies to step up and provide the troops, equipment, and trainers needed for the success of our mission, and where NATO's reputation is on the line.

Almost as challenging is our policy towards Iran, where a new national intelligence estimate, or NIE, found that Iran halted its nuclear weapons program in the fall of 2003, but it also found that Iran could resume that program very easily and therefore, given its bellicose rhetoric and support for terrorists, remains a major threat.

Over the last 4 years, Dr. Shinn has served first as National International Officer for East Asia on the National Intelligence Council and more recently as Principal Deputy Assistant Secretary of Defense for Asian and Pacific Security Affairs. And if confirmed Dr. Shinn will be responsible for Department of Defense policy in an area that encompasses more than half the world's population. The challenges that he faces will include the use of Pakistani territory as a haven by Al Qaeda and the Taliban, the unstable situation in Afghanistan and Pakistan themselves, and managing the U.S. relationship with the growing economic and military power of China.

Mr. Duehring has served the Department of Defense as Principal Deputy Assistant Secretary of Defense for Reserve Affairs. If confirmed, he will face the challenge of managing the downsizing of the active duty Air Force without sacrificing the ability of the Department to accomplish its national security mission.

Mr. Gibson has served the Department of Defense as Deputy Under Secretary of Defense for Management Reform and Acting Deputy Under Secretary of Defense for Financial Management and, if confirmed, he will face the challenge of modernizing the Air Force's business systems so that they can provide the timely, accurate, and reliable financial information needed to manage the Department.

We wish our nominees well as they take on these challenges. We'll ask you later on as you make your opening comments to introduce your families if they are with you. Now I'll call on Senator Warner.

**STATEMENT OF HON. JOHN WARNER, U.S. SENATOR FROM VIRGINIA**

Senator Warner: Thank you, Mr. Chairman.

I had the privilege yesterday of having an extensive opportunity to visit with each of these nominees and my first observation is as citizens we're very fortunate that four very, very capable individuals are stepping up to serve once again another chapter in their already distinguished public service careers.

At this point in time in any administration, lots of folks are thinking of how they can best plan their next chapter, usually in the private sector. But each of these individuals have served with distinction in the Department of Defense and now are willing to accept another level of promotion and finish out presumably this term of the presidency of George Bush. So we're fortunate in that context.

I've also had the opportunity to meet the families and at the appropriate time I'd be delighted to have you introduce those, because families are a very essential part of your ability to perform these tasks. Having served in the Department myself for many years a long time ago, I know the long hours, the separation from family that's occasioned by these arduous challenges that you're going to accept, and without that support you simply cannot perform your duties as ably as you must.

So with that, Mr. Chairman, let us proceed. Thank you.

Chairman Levin: Thank you so much, Senator Warner.

Let me now ask each of you the standard questions which we ask of all nominees that appear before this committee, and you can answer it all at once. First, have you adhered to applicable laws and regulations governing conflicts of interest?

Ms. Long: Yes, sir.

Mr. Shinn: Yes, sir.

Mr. Duehring: Yes, sir.

Mr. Gibson: Yes, sir.

Chairman Levin: Have you assumed any duties or undertaken any actions which would appear to presume the outcome of the confirmation process?

Ms. Long: No.

Mr. Shinn: No.  
 Mr. Duehring: No.  
 Mr. Gibson: No.

Chairman Levin: Will you ensure your staff complies with deadlines established for requested communications, including questions for the record in hearings?

Ms. Long: Yes, sir.  
 Mr. Shinn: Yes, sir.  
 Mr. Duehring: Yes, sir.  
 Mr. Gibson: Yes, sir.

Chairman Levin: Will you cooperate in providing witnesses and briefers in response to Congressional requested?

Ms. Long: Yes, sir.  
 Mr. Shinn: Yes, sir.  
 Mr. Duehring: Yes, sir.  
 Mr. Gibson: Yes, sir.

Chairman Levin: Will those witnesses be protected from reprisal for their testimony or briefings?

Ms. Long: Yes, sir.  
 Mr. Shinn: Yes, sir.  
 Mr. Duehring: Yes, sir.  
 Mr. Gibson: Yes, sir.

Chairman Levin: Do you agree, if confirmed, to appear and testify upon request before this committee?

Ms. Long: Yes, sir.  
 Mr. Shinn: Yes, sir.  
 Mr. Duehring: Yes, sir.  
 Mr. Gibson: Yes, sir.

Chairman Levin: Do you agree to provide documents, including copies of electronic forms of communication, in a timely manner when requested by a duly constituted committee or to consult with the committee regarding the basis for any good faith delay or denial in providing such documents?

Ms. Long: Yes, sir.  
 Mr. Shinn: Yes, sir.  
 Mr. Duehring: Yes, sir.  
 Mr. Gibson: Yes, sir.

Chairman Levin: Let me start with you, Ms. Long. Will you give us your opening comments and introduce anybody you might wish to introduce to us?

**STATEMENT OF MARY BETH LONG, NOMINATED TO BE ASSISTANT SECRETARY OF DEFENSE FOR INTERNATIONAL SECURITY AFFAIRS**

Ms. Long: Thank you, Mr. Chairman, Senator Warner, members of the committee. Thank you for the opportunity to come here today for this confirmation hearing. I'm deeply honored that President Bush and Secretary Gates nominated me for the position of the Secretary of Defense for International Security Affairs -- excuse me, the Assistant Secretary of Defense for International Security Affairs. If confirmed, I look forward to working closely with the committee, with the United States Senate, and with your colleagues in the House of Representatives in a spirit of true bipartisanship to advance the security of the United States.

I'd like at this time to introduce and to thank my Pennsylvania family: my mother, Betsy Long, and my father, Ken Long, who are sitting behind me; my brother-in-law, Dan Herman; as well as my Alexandria family who are here to support me.

There are some issues that are so vital to our Nation that we cannot be effective in meeting these challenges unless the Congress and the President work together. So I look forward, if I am confirmed, to working with this committee to meet those challenges. In my time thus far in the Department I have been privileged to work with this committee and its staff on a number of issues and I look forward to doing so in the future if confirmed.

Thank you. [The prepared statement of Ms. Long follows:]

Chairman Levin: Thank you so much, Ms. Long.

Mr. Shinn?

**STATEMENT OF JAMES SHINN, NOMINATED TO BE ASSISTANT SECRETARY OF DEFENSE FOR ASIAN AND PACIFIC SECURITY AFFAIRS**

Mr. Shinn: Thank you, Chairman Levin, Senator Warner, other members of the committee. Thank you for the opportunity to appear before you today. I'm grateful to President Bush for his confidence in putting forward this nomination and to Secretary Gates for his support. If confirmed, I look forward to working with this committee and other members of Congress on Asian affairs.

Would you like us to introduce family members?

Chairman Levin: You're more than welcome to do so.

Mr. Shinn: I'd like to, if I may, acknowledge my wife Masika, who's not here. She's with my daughter in school today. We've been married for more than 25 years and I'd like to acknowledge her for her love and support in this job. [The prepared statement of Mr. Shinn follows:]

Chairman Levin: We thank you for that. Okay, thank you.

Senator Coleman, are you ready to make an introduction? I know you've just been able to get here a bit breathlessly, but—

**STATEMENT OF HON. NORM COLEMAN, U.S. SENATOR FROM MINNESOTA**

Senator Coleman: I am ready, Mr. Chairman, and it comes I believe at an opportune time. I thank you, Mr. Chairman and Senator Warner, for the opportunity to be with you today, and it's my great honor to introduce, to come before you today to introduce Mr. Craig Duehring from our home State of Minnesota. Mr. Duehring is the embodiment of the old saying, "Make service your first priority and success will follow." His service began in 1968, shortly after completing his studies at Minnesota State University at Mankato in southern Minnesota. Within a year he had deployed to Vietnam, where he completed over 800 missions during the Vietnam War as a forward air controller. Throughout his 28 years in the Air Force, Mr. Duehring flew more than a dozen types of aircraft, amassing over 1200 hours in the A-10 Thunderbolt II.

His military awards and decorations include the Silver Star, the Defense Superior Service Medal, two Distinguished Flying Crosses, three Meritorious Service Medals, 27 Air Medals, 2 Air Force Commendation Medals, the Vietnamese Cross of Gallantry Individual

Award, and the Vietnamese Staff Service Honor Medal First Class. You must have a heavy chest to carry all of those, a strong chest to carry those medals.

Mr. Duehring is also a recipient of the Air Force's highest individual award for leadership in the senior officer category, the Lance P. Sijan Award.

Mr. Duehring's service since retiring from the Air Force has been equally impressive. Prior to his current assignment, Mr. Duehring served 6 years as a Principal Deputy Assistant Secretary of Defense for Reserve Affairs. He performed the duties of Acting Assistant Secretary of Defense for Reserve Affairs in the absence of the Assistant Secretary of Defense for Reserve Affairs, including an extended period during and following the attacks on September 11, 2001.

Throughout these assignments Mr. Duehring has continued his connections to the North Star State. He has an excellent working relationship with the Adjutant General of the Minnesota National Guard, Larry Shellito, along with the entire Minnesota Guard organization.

In the spring of 2005 I had the pleasure of touring Minnesota with Mr. Duehring to thank Minnesota's National Guardsmen and Reservists for their service and to solicit their input on the challenges facing our citizen-soldiers and their families. When we stopped in Rochester, Minnesota, we had the chance to visit with Terry Wermagter and Linda Hauten, volunteers with the Family Readiness Resource Group in Austin, Minnesota. The FRG serves the soldiers and families of Bravo Company, 434th Main Support Battalion, Minnesota National Guard, which was deployed in support of Operation Iraqi Freedom at the time. The company included both Terry and Linda's husbands.

Mr. Duehring took the time to listen to concerns of those families and to find new ways to support their efforts with their Family Readiness Group. He heard the story about the FRG raising more than \$10,000 to assist local military families through the sale of 3,000 yellow ribbon shirts and other items and he applauded the families for encouraging the community of Austin, Minnesota, to set aside the eleventh day of each month to recognize and support their soldiers and families.

The point, Mr. Chairman, is that Mr. Duehring knows the personal impact of the work the Office of Reserve Affairs does every day. He knows what it means for the families who are dealing with their loved ones being overseas. He knows the value of reintegration for our troops returning home to civilian life and he knows how to make a positive impact on these families at a Federal level.

Mr. Chairman, I am confident that Mr. Duehring will continue his excellent record of service in the position of Assistant Secretary of the Air Force for Manpower and Reserve Affairs and I look forward to and fully support his confirmation.

Chairman Levin: Thank you so much, Senator Coleman, and we know you have to leave because you've got a hectic schedule, as always. But we thank you very much.

Senator Coleman: Thank you, Mr. Chairman.

Chairman Levin: Mr. Duehring?

**STATEMENT OF CRAIG W. DUEHRING, TO BE ASSISTANT SECRETARY OF THE AIR FORCE FOR MANPOWER AND RESERVE AFFAIRS**

Mr. Duehring: Thank you, Mr. Chairman, Senator Warner, and distinguished members of the committee. A special thank-you to Senator Coleman for taking time out of his busy schedule to come and help a fellow Minnesotan along in a very important occasion.

I would like to first introduce my wife, Terry Duehring, who's here with me today, as she always is and has been for 26-plus years, going on 27 years. I'd also like to mention my father-in-law, Chief Master Sergeant Richard Blevins, Retired, United States Air Force. He joined the Air Force in 1947 when it became a separate service, retired in 1977. So this year is his 60th anniversary, just as it is for the United States Air Force. Dad, as you know him, has been an inspiration to me, a role model, and a mentor. He's here and his good wishes and his prayers will sustain me today.

I'm honored to appear before you today as the President's nominee to become the Assistant Secretary of the Air Force for Manpower and Reserve Affairs. I'm also grateful to the Secretary of Defense and the Secretary of the Air Force for choosing me as their candidate for this important position. As you know, in June of this year the President appointed me to fill an existing vacancy as the Acting Assistant Secretary, so I have had nearly 6 months learning the ropes and doing what I could to learn the issues that most affect the Air Force today, and to work with my colleagues to implement changes to policy within the limits of my appointment.

One of my first goals was to get out and listen to the airmen and to their families and to express their -- who will express their concerns in their own words. To that end, I visited 11 bases and 4 major headquarters in slightly over 2 months. My normal means of communication is a town hall format, where anyone can ask any question and make any statement. It is the fastest, most effective way I knew to take the pulse of what was happening in our Air Force today.

When I answered the questions sent over last week by the committee, I identified four areas of concern which are a compilation of what I learned on those visits and what the Department has set as goals. Briefly, they were: one, continuing to fight the global war on terrorism; two, reduce the stress on our airmen and families; three, provide the best possible treatment for our wounded warriors; and four, recapitalize and prepare for the next war.

Mr. Chairman, I have done what I could as a senior staff officer, but as an acting my authority is limited. During the 6 years that I was the Principal Deputy Assistant Secretary of Defense for Reserve Affairs, I appeared before Congressional committees and panels nine times. During that same period, members of this committee and other Congressional committees in concert with the Department of Defense passed 168 separate legislative items that enhanced the effectiveness of and provided for the members of the reserve component.

I have never found anyone who recalls so much being done for our service members in such a short period of time. It is an astounding achievement, a tribute to the teamwork that exists today.

If confirmed, I will be able to take my place as a full member of that team and we will set even more records.

I look forward to your questions. [The prepared statement of Mr. Duehring follows:]

Chairman Levin: Thank you, Mr. Duehring.  
Mr. Gibson?

**STATEMENT OF JOHN H. GIBSON, TO BE ASSISTANT SECRETARY OF THE AIR FORCE FOR FINANCIAL MANAGEMENT**

Mr. Gibson: Mr. Chairman, Senator Warner, and distinguished members of this committee: Thank you for the opportunity to appear today before this committee to be considered for the position of Assistant Secretary of the Air Force, Financial Management. I would like to recognize several family members with me today, without whose support none of this would be possible. My wife Loris and my youngest son Davis are with me today. Unfortunately, my oldest son, Holden, could not be with us. However, as any parent of a teenager will empathize, when he professed his need to be in school I did not argue the point. I want to publicly thank them all for their tremendous sacrifice that they have made to allow me the chance to serve my country. Life in Texas was happy, productive, and stable, but they were willing, although not always enthusiastic, to join me in my quest to serve, and for this I owe them so very much.

It is an honor to be nominated by the President and supported by Secretary Gates, Secretary England, and Secretary Wynn to serve in this position, and if confirmed it will be a tremendous and challenging opportunity to serve in an organization of dedicated men and women in both the uniformed and the civilian forces who are consummate and dedicated professionals. This opportunity also has a very special personal meaning, as I will be joining the service of my father.

If confirmed, it is my plan to work with these professionals to address the budgetary and financial management issues facing the Air Force, with the goal of maximizing the budgetary resources to meet the mission demands, and continuing to advance business operations, financial processes and systems to improve Air Force financial management.

Accountability, transparency, and communication are all fundamental philosophies of mine and if I am fortunate enough to be confirmed I look forward to working closely with you, Mr. Chairman, this committee, and Congress on Air Force financial management issues.

Thank you again for your consideration today and I look forward to your questions. [The prepared statement of Mr. Gibson follows:]

Chairman Levin: Thank you so much, Mr. Gibson.

Let me start with you, Ms. Long. The purpose of the surge of U.S. troops into Iraq at the beginning of the year was to reduce the violence in order to give the Iraqi political leaders the breathing space to make political compromises necessary for reconciliation. Prime Minister Maliki set out a series of legislative benchmarks -- laws on de-Baathification, hydrocarbons, amnesty, disarmament -- in September of '06. They were reaffirmed by the presidency coun-

cil in October of '06. They were supposed to have been completed long ago.

How many of the legislative benchmarks which the Iraqi government set for themselves have been achieved?

Ms. Long: Senator, none of those benchmarks have been achieved.

Chairman Levin: On a scale of A to F, what grade would you give the Maliki government?

Ms. Long: Senator, at this time I would give the Maliki government an F.

Chairman Levin: By the way, it's an 8-minute round. Will that work for all of us?

What are the mechanisms, the means, available to us to pressure the Maliki government to work out these differences, to work out the political compromises which are essential to win the conflict. According to everybody, without those political compromises, there's not going to be an end to the conflict. What are the pressure points that we can apply?

Ms. Long: Senator, I share your concern that the national government chaired by Prime Minister Maliki has not performed in an exemplary manner by passing key legislative reform, and if confirmed I will work with you and your committee to use all of those leverages that we have available to us to encourage the national government to move forward.

I think there are a number of leverage points. Working with the Congress, both General Petraeus and Ambassador Crocker serve as facilitators in working with the various blocs within the national government of Iraq in order to persuade them and to encourage them of the importance of the legislation.

Of course, the presence of our troops in Iraq provides us a certain amount of leverage and influence in order to persuade the Iraqis of the need for legislative reform in order to secure the gains that we've already gained through the increased stability.

As you know, Senator, we're also working with Iraq's neighbors to help the neighbors of Iraq influence that government, provide it with the security and confidence that it will be a stable presence in the region. Then of course, we work through the multi-national and multilateral organizations to encourage them to help the Iraqis come to reconciliation and to pass these key legislative reforms.

Chairman Levin: Thank you.

Relative to our Iran policy, the recent NIE states that one of the intelligence community's key judgments is that in the fall of 2003 Teheran halted its nuclear weapons program. What changes, if any, in our policy either have resulted or -- are there any changes in our policy that result from this NIE?

Ms. Long: Senator, I agree that the NIE is a watershed moment in our posture vis a vis Iran and that, if confirmed, I will work, again with your staff, to explore all the possibilities presented by the new intelligence. Probably the most significant opportunity is the intelligence community's more strongly held position that Iran did have hidden an illegal weapons program, and I think that the world, Iran, and the United States are all reassessing what the meaning of that more strongly held view is as an opportunity for Iran to come clean regarding the program and as an opportunity

for the international community to understand the influence that it had exerted against Iran up until 2003, which led to this decision, was the right kind of influence, and an opportunity to increase that in order to further Iran's transparency and its turn away from a nuclear program.

Chairman Levin: So that the NIE presents opportunities, if it's accurate?

Ms. Long: I think it does present opportunities, yes, Senator.

Chairman Levin: You describe it as a watershed moment.

Ms. Long: I think it's a watershed moment, Senator, in that for the first time the intelligence community from a moderate to a high confidence standard does believe and affirmed its earlier position that Iran had an illegal weapons program.

Chairman Levin: Is it also significant that they -- is there significance to their finding that that was suspended in 2003?

Ms. Long: I think it is significant, Senator, in that it shows that the international pressure that was put on Iran up until that time had its effect and persuaded the Iranians to put aside the nuclear weapons program, at least at that time.

Chairman Levin: If in fact they had suspended it, is that fact a significant fact?

Ms. Long: If in fact they have suspended it, I believe that is a significant fact in that it shows that the pressure applied had an impact, Senator.

Chairman Levin: Is that the only significance to it?

Ms. Long: No, Senator, I think there are a number of other significances, as I alluded.

Chairman Levin: All right.

Dr. Shinn, let me ask you about China. The Quadrennial Defense Review identifies China as a likely competitor. Is it a foregone conclusion that China and the U.S. will be at odds over security in the Pacific?

Mr. Shinn: I think that's probably the most important question that we face, Senator, going forward. I don't think it's a foregone conclusion by any means that we're bound to be competitors because of China's military buildup. But it could turn out that way.

Chairman Levin: Well, what actions should be taken to try to avoid an unhealthy competition?

Mr. Shinn: Senator, I think the combination of engagement with the Chinese, military to military engagement in particular, can help remove the possibility for accidents, for example, and misunderstandings. On the other hand, I think equally important is for us to maintain our forces in readiness in the Pacific, to signal to the Chinese that we're serious about our defense commitments in the region.

Chairman Levin: Mr. Duehring, let me ask you just one question and I'll turn it over to Senator Warner. The Boston Globe in a recent paper reported that the administration has proposed a new regulation that would require the military services to coordinate with the politically appointed general counsels before any member of the Judge Advocate General Corps could be promoted. Are you familiar with that?

Mr. Duehring: Sir, the first time I heard of that was when somebody pointed out that very article yesterday afternoon. I honestly have no other information on that.

Chairman Levin: Well, we are going to be asking the administration if that is accurate, because this would effectively give civilian lawyers who are political appointees a veto over the recommendations of promotion boards. If that article is true, would you agree that that might be an inappropriate interference with the promotion board process?

Mr. Duehring: Mr. Chairman, I'd like to look at it a little bit further, because I don't know if all the information is in that report. Sometimes that happens. It may be taken out of context, and I'd like to be able to prepare a decent statement perhaps at a later time.

Chairman Levin: If you could give us your answer for the record after checking that out, we would appreciate that.

Mr. Duehring: Yes, sir. [The information referred to follows:] [COMMITTEE INSERT]

Chairman Levin: My time is up. After Senator Warner, Senator Webb has kindly agreed that he will -- first, he'll be recognized after Senator Warner. Then he will take over the gavel for a little while until I return. Thank you very much, Senator Webb.

Senator Warner?

Senator Warner: Thank you very much, Mr. Chairman.

Ms. Long, I'd like to return to the chairman's opening question, a very important one, about Iraq and how our President designed this policy, together with the regional military commanders, notably General Petraeus and Admiral Fallon, the overall commander, the surge concept. Militarily, the surge has achieved its goal, namely to reduce the level of casualties, not only of the U.S. and other coalition forces, but of the civilians.

One of the perhaps unintended consequences has been the proliferation of a lot of reconciliation at the bottom. It had been taking place in certain areas, particularly those sectors where the Marines had been operating for some time. But it seemed to flourish as the surge proceeded. Will that constitute some leverage on the central government which, as you very succinctly agreed with the chairman, has just not performed the responsibilities of a government of a sovereign nation to exercise the levers of sovereignty to the greater benefit of its citizens? It has failed to do that in many ways.

So could you describe your understanding of what is taking place in terms of the bits and pieces of reconciliation that appear to be taking place in a number of provinces?

Ms. Long: Thank you for your question, Senator. Absolutely, that one of the benefits of the surge, as well as the combined strategic emphasis on the counterinsurgency strategy that General Petraeus and Admiral Fallon instituted, is this grassroots development, which we now call the Concerned Local Citizens. There are over 60,000 of these groups that are now operating in Iraq.

Senator Warner: 60,000 groups?

Ms. Long: 60,000 individuals. Excuse me.

Senator Warner: Individuals, I see.

Ms. Long: Yes, that are either parts of tribes or other local groups, neighborhood groups. It started, as the Senator correctly pointed out, in al-Anbar under the auspices of the Marine Corps and now we are working to spread that to other provinces.

These groups have sworn their cooperation with coalition and U.S. forces and are cooperating with us and the Iraqi forces against Al Qaeda and the foreign fighters in Iraq. In addition to that, these groups are working with local governments and are strengthening at a grassroots level the reconciliation efforts that the Senator referred to.

From a national level, there are reconciliation efforts that are in place, that have not met the key legislative benchmarks that Senator Levin was referring to, but have been effective in furthering some of the Maliki government's goals. For example, while there isn't a formal revenue-sharing plan, revenue has been distributed to the various provinces and is being pushed out beyond Baghdad.

On the area of reconciliation as well, Senator, there was recently passed a pension reform law that for the first time treated former Baathists similarly to --

Senator Warner: There's been some modest action by the Maliki government, but it is not in any way measurable as it relates to the goals set out in January of this year when the President announced the surge policy --

Ms. Long: That's correct, Senator.

Senator Warner: -- that surge to provide a security blanket of types to enable the government to fully exercise its sovereignty. But I draw your attention again to the question I had: Were these proliferations of small reconciliations at the bottom a means to leverage this government to wake up and begin to do more at the top, or has the government tried to frustrate in any way the development of these reconciliations at the lower level?

Ms. Long: They are indeed a leverage, Senator.

Senator Warner: They are leverage?

Ms. Long: Yes.

Senator Warner: Has the government tried to encourage it? I've read reports it's tried to frustrate it in some ways.

Ms. Long: Senator, my understanding is Prime Minister Maliki has met with representatives of some of the Sunni tribal groups. The national government is now going through the process of deciding or determining to what level it will support various groups. Some of the groups, individuals will be integrated into the normal security apparatus and some will not. It's very much in flux at this point.

Senator Warner: So Maliki then has given some tacit recognition to this taking place and in some ways, as you say, cash is flowing down, although whoever opened the spigot could close it overnight, that cash flow. So that's in place.

Ms. Long: That's correct, Senator.

Senator Warner: Well, I hope that we can take some modest encouragement. But do you see any evidence that would lead you to the conclusion that in the near-term future, say the next 90 days, there's likely to be any actions taken by the Maliki government on the main ones -- de-Baathification, the allowing of the provinces to have free elections, things like that?

Ms. Long: Senator, we're very concerned that the Maliki government act. I do understand that the government plans after the period of the haj to take on as its first priority effort passage of the Iraqi budget, which will have significant impact on some of these efforts, and then quickly to turn to de-Baathification. So I am aware that that is the priority effort of the Maliki government within the next 90 to 120 days, sir.

Senator Warner: If you had to diagnose the problem of why the Maliki government hasn't performed, is it rooted in the time, historic corruption that exists, the hatred and mistrust that exists between the Sunnis and the Shia? Are those still the fundamental basic causes that preclude these human beings elected by their own people, or parties as the case may be in this government, not by the President of the United States -- we didn't select these people, but we have to, as we say, deal with the cards that were dealt us -- is that still the basic reason they can't come together?

Ms. Long: Senator, I would agree that those are the basic reasons. And I would allude to what Ambassador Crocker has alluded to, which is, even beyond getting these groups together for the first time, these are individuals who don't have a lot of government experience, do not have a lot of organizational experience, and a very, very young government institutional apparatus.

Senator Warner: Well, I'm concerned about, while our losses of life and limb have gone down, we're still sustaining loss of life as a consequence of the inaction of the central government. If they were to act responsibly and do as prescribed by their constitution and charter, I personally think there would be far fewer casualties today, both of the coalition forces, of our military, and the civilians. Do you agree with that?

Ms. Long: I agree. Every casualty is one casualty too many, sir.

Senator Warner: Mr. Shinn, as to Turkey, we read this morning this report to the effect that there's going to be some active military action initiated by the Turkish government against the PKK factions. Could you bring us up to date on that and what are the implications on our ability to try and keep as much tranquility in that region of Iraq as possible?

Mr. Shinn: Senator, I agree that's a pretty important point. I would have to defer to Ms. Long, within whose area Turkey and Iraq principally fall.

Senator Warner: It's on the border of your area.

Mr. Shinn: Yes, sir.

Ms. Long: As the Senator is aware, we share the concern regarding the turbulence in northern Iraq and we are working with the Turkish government and the Iraqi government, as well as the regional Kurdish government, all of whom have openly declared the PKK to be a terrorist organization, to make sure that to the extent possible the conflict and the instability in northern Iraq is minimized.

As this committee is aware, General Petraeus as well as the Vice Chairman are working personally with the Chief of Staff Segun in Turkey in order to further diplomatic and other non-kinetic solutions to this problem, sir.

Senator Warner: This is my last question here, to Mr. Shinn on the question of the Navy and the denial of our ships to make those

port calls. Having had some experience myself in the Navy secretariat, I know full well that those port calls are planned well in advance, with full notification and I assume recognition in writing of the acceptance of the ship to dock and stay there for a period of time.

What's your best analysis of what happened -- great hardship to the crew and families of our carrier -- and how can that be precluded in the future?

Mr. Shinn: You're right, Senator, it was a big hardship on the members, the family members of the crew, as well as the crew themselves of the carrier, as well as the other vessels who were denied access to Hong Kong in the same period of time.

We've heard various explanations, both official and unofficial, from the Chinese government as to what happened. Frankly, we're still baffled. They don't completely add up. There have been several explanations, none of which are satisfactory, and we look forward to a plausible and full official explanation from the Chinese government of what happened.

Senator Warner: More importantly is that you have a procedure by which it cannot happen again.

Mr. Shinn: Absolutely.

Senator Warner: I pointed out to you the value of the Incidents at Sea Agreement which was negotiated many, many years ago between the United States and the Soviet Union to, at that time the Soviet Union, now Russia, that is still in effect, and it obviates many of these types of situations.

Mr. Shinn: That was a good model, and in fact I understand from Admiral Fallon when he was at PACCOM that the sea agreement that you negotiated with the Russians was an inspiration for the Military Maritime Consultative Agreement, the so-called MMCA, which was designed to help avoid these kind of misunderstandings.

Senator Warner: By the way, Admiral Fallon, I had the privilege of discussing both of you with him and he's very favorably impressed with your professional services, both Ms. Long and you, Mr. Shinn.

Thank you, Chairman Webb, for your indulgence.

**STATEMENT OF HON. JAMES WEBB, U.S. SENATOR FROM VIRGINIA**

Senator Webb [presiding]: Thank you, Senator Warner, my senior Senator.

I'd like to thank all of you for your willingness to continue to serve. As you may know, I have 5 years in the Pentagon, 1 as an active duty marine and on then-Secretary Warner's staff actually, my last year in the Marine Corps, and then 4 as a defense executive. It's a great place to work, as you know; get motivated every day by the people who wear the uniform.

I also grew up in the Air Force. I think both of you gentlemen know what that means. Anybody who's seen the movie "The Great Santini," that was the way I grew up. I can still remember standing at parade rest in front of my chest of drawers on Saturday morning, waiting for the old man to come in and inspect my room.

I have some questions for all of you. If my time runs out, I'll come back. The first thing I would like to just -- I'd like to give you

the opportunity to clarify this for the record, Mr. Duehring, on these political promotions. It's an extremely serious impingement for anyone who has spent time around the career military. It was one of the central issues in the Tailhook scandal, frankly, the aftermath of the Tailhook scandal, when this committee was insisting on doing a secondary evaluation of the fitness reports of people who had already passed through the promotion boards. I spoke strongly about that well before I ever thought I would run.

I would assume you agree that, other than in the form of a fitness report of a civilian superior or reporting officer, that there should be no political input in the military promotion process?

Mr. Duehring: Senator, there should definitely be no political input in the promotion process. There's no difficulty with that. My concern was when I got the question, was I didn't really understand what the article was reporting. So any answer that I gave would be sheer conjecture on my part and I thought, since I just heard about it, it would be better just to take it for the record.

Senator Webb: But as a guiding principle, I think we should all agree that there should be no political input in the promotion process other than through the forms of fitness reports. Wouldn't you agree with that?

Mr. Duehring: No political input, that's correct, sir.

Senator Webb: Can you explain for this committee what the functions of the Patrick Henry Center for Individual Liberty are?

Mr. Duehring: It was a conservative organization, one of many here in the Washington area, that headquarter here. It was built around its founder, Gary Aldrich, who had been an FBI agent and retired, and promoted conservative causes. And at the time I had just moved back to D.C. and needed to get involved in something to keep my mind going until I found out what I was really going to be able to do to serve my country. So for several months --

Senator Webb: Could you explain the mission statement of the 501[c][3]?

Mr. Duehring: Generic?

Senator Webb: Yes.

Mr. Duehring: Or of the --

Senator Webb: Well, of the 501[c][3]. This was a 501[c][3] organization.

Mr. Duehring: Yes, sir.

Senator Webb: What was the mission statement of the organization?

Mr. Duehring: It was called the Patrick Henry Center for Individual Liberty. He -- people came to him to talk about if they thought that they were being prosecuted or persecuted for what they might have said, that he would give advice because of his background.

Senator Webb: Former government officials?

Mr. Duehring: I don't recall any government officials.

Senator Webb: Or former Federal employees? Basically former Federal employees who believed that they had been improperly treated?

Mr. Duehring: It was very much like -- I would say it was like a counseling service. So he didn't actually go out and do something

on their behalf except talk to them directly. It was a very, very small group.

Senator Webb: Thank you.

Ms. Long, I'd like to ask you a question just as a follow-on to the question with respect to Iran and the national intelligence estimate. What is your view of the motivation of Iran in its cooperation with the multinational effort that resulted in the formation of the Karzai government in Afghanistan?

Ms. Long: Senator, the cooperation of Iran in the early stages of the Afghan government I believe -- I don't have the details on that. I do understand that there was some cooperation provided, particularly support to or acknowledgment of U.S. military activities in order to deconflict and provide safety so that none of our actions were misinterpreted. But beyond that, sir --

Senator Webb: But it did actively participate in a multinational effort preceding the comments of the administration that marked them as members of the axis of evil. Would you have any thoughts on what their motivation would have been?

Ms. Long: No, I would not, Senator Webb. Unfortunately, Afghanistan falls in Mr. Shinn's area of responsibility. However, I am responsible for the area of Iran and I do not have any insights as to Iranian motivations at that time.

Senator Webb: But it does impact -- this does impact on the question of Iran's motivation in taking certain actions, whether -- on the one hand, you were indicating that in your view that Iran would have terminated its, let's just say, its alleged nuclear program. But let's assume for the conversation that it exists -- that they terminated that simply as a result of international pressure. But they did step forward in the Afghani situation, preceding our labeling them a member of the axis of evil, in a way that assisted the formation of the Karzai government.

That would seem to me to be an indicator at some level that they operate from practicality, rather than simply from external pressure.

Ms. Long: Senator, I would agree with you. I think Iran from a practical standpoint often does a risk versus gain analysis of particularly its standing in the international community. At the same time, it cooperated on the formation of the Karzai government, however, it was continuing to fund and to support Hezbollah and other terrorist activity worldwide.

Most recently, I believe Karzai has been fairly clear in that he finds Iran to be a destabilizing influence in Kabul, as well as a new source or at least a newly discovered source of support to insurgent activity and Taliban along Afghanistan's border. So it's very difficult to gauge the motivations of Iran. On the one hand, they are very concerned about their international standing; on the other, not concerned enough to cease their international activities in support of terrorism.

Senator Webb: Well, and on the other other, there were opportunities that this administration had that were arguably overlooked that could have affected Iran's conduct in a different way. That's the point.

Mr. Shinn, you've got long experience in East Asia. I've been concerned for many years about Chinese military activities in the

South China Sea and beyond. Actually, I wrote a piece in the New York Times 9 years ago about the Spratlys and the Paracels, and here we see it popping up again. There were demonstrations in Hanoi that sort of coincided with the military visit there.

But I'm wondering about your take on Chinese intentions and activities in the Spratlys and the Paracels.

Mr. Shinn: That's a good question, Senator, and I'm afraid I don't have any good answer to the question. We have observed -- I have observed and studied Chinese military activities in the South China Sea and, even beyond that, their expansion of the People's Liberation Army, air force, and navy. The problem we have is divining their intent. They have this great capability, but the intent remains fairly opaque, whether it's in the South China Sea or across the straits in Taiwan.

That's one of the reasons for, I think, the great care with which we have to, care and vigilance with which we have to deal with the Chinese military.

Senator Webb: So you're involved in this area now in your present job?

Mr. Shinn: Yes, sir.

Senator Webb: Have you seen any indications in the time that you've been in this job that the Chinese have increased their interest in sovereignty issues in the Paracels and the Spratlys?

Mr. Shinn: We have certainly seen a greater level of military activity in the region -- some ships, some aircraft that are outside what I take to be some of their historic patterns. Whether they intend to use that to advance their sovereignty claims in the South China Sea, I'm not sure. But the risk is always there, Senator.

Senator Webb: The activities have increased, is your comment?

Mr. Shinn: Yes, sir.

Senator Webb: Thank you.

Senator Thune?

**STATEMENT OF HON. JOHN THUNE, U.S. SENATOR FROM  
SOUTH DAKOTA**

Senator Thune: Thank you, Mr. Chairman.

Thank you all very much for your service to our country and your willingness to take on new and additional responsibilities and work on behalf of the people of this country in maintaining our national security. So thank you very much for being here today and for your willingness to accept those responsibilities and respond to questions that some of us have regarding those.

I'd like to direct a couple questions if I might to Mr. Gibson. First off, as you know, the Air Force Financial Service Center opened earlier this year at Ellsworth Air Force Base. The Air Force is leading the way when it comes to financial transformation to serve our Nation's airmen, and I'm very proud that this effort is taking place in my home State.

My question is, are you familiar with that Air Force Financial Service Center and do you support the Air Force financial service transformation efforts that are being undertaken at Ellsworth?

Mr. Gibson: Senator, your question addresses a very important aspect of financial management and that is continuous improvement of the business operations. I am not familiar with a lot of the

details and analysis that went into that movement and consolidation at Ellsworth. However, if I'm confirmed I would believe it would be my responsibility to be a champion and be a leader in the area of continuing to improve business operations in the Air Force and I would make it a priority to get up to speed on that and once again support and continue that effort.

Senator Thune: I would welcome the opportunity to host you at Ellsworth and show you the work that's under way out there. But like I said, we've been very pleased that Ellsworth was chosen for that mission. We think it's an important one. We think that the transformation that's being undertaken by the Air Force is important and might be something that is replicated in some of the other services. But I would hope that we could count on you to be able to continue to support that important mission and its location at Ellsworth Air Force Base.

Mr. Gibson: Senator, as I mentioned, it's a priority of mine and it would be a pleasure to come out and see that operation and what's being done there.

Senator Thune: You served in previous positions, Office of the Secretary of Defense, Under Secretary of Defense, the Comptroller, Acting Deputy Under Secretary of Defense for Financial Management. Based on that experience, could you provide some examples of the types of challenges that the Air Force faces in managing its resources because of a lack of predictability in funding and the failure to get the necessary bridge funding that would come with a global war on terror supplemental? What types of issues do you deal with when you don't have the kind of reliability and predictable funding stream that you need?

Mr. Gibson: Senator, I am familiar with that concept. However, budget execution has not been in my portfolio. I would hesitate to comment on some of the ramifications associated with execution of the base bill and the supplemental bill and the appropriate actions it might have on operations. Again, I would hesitate to comment on that.

Senator Thune: That's probably a very safe answer for you right now.

One other question. That deals with, earlier this year the Air Force released its long-range strike white paper, which states that the procurement spike for the next generation long-range strike platform is expected to begin in the year 2011. If confirmed, one of your responsibilities along with the director of the Air Force budget will be making program and budget decisions and preparing the program objective management -- memorandum I should say, or POM, in the Future Years Defense Program.

Given this, as the Air Force builds the fiscal year 2010 through 2015 POM will you support the proposed 2011 funding spike for the next generation long-range strike platform?

Mr. Gibson: Senator, I'm not familiar with all the details relating to that program. If I'm confirmed, Senator, my understanding is my role would be to work with Air Force leadership, the programming area, the program budget folks, to take the budgetary resources that we have and match them as best we can to the priorities of the missions.

Senator Thune: Period?

Mr. Gibson: Period.

Senator Thune: I was waiting for the next part of that answer.

Let me address one other, if I might, issue in which I have a great deal of interest, and that's the area of aviation fuel expenditures. In fiscal year 2006, the Air Force, according to the numbers I have, consumed 2.6 billion gallons of aviation fuel at a cost of approximately \$5.7 billion. That breaks down to approximately 7.1 million gallons per day is used. To make matters worse, every time the price for a barrel of oil goes up by ten dollars the Air Force faces another \$610 million increase in fuel costs.

As you know, these costs need to be reprogrammed from existing accounts or accounted for in an appropriations supplemental. To address that problem, the Air Force has set a goal of obtaining 50 percent of its fuel needs from domestic sources by the year 2016. One of the sources, those sources, is a 50-50 synthetic fuel blend used in the successful 2007 flight test of a B-52, and it's slated for testing in the engines of the C-17 and the B-1 bomber. If confirmed, would you support further funding of research and purchase of synthetic fuels for use by the Air Force and will you work to program funds for synthetic fuels for the next future years defense program for fiscal years 2010 to 2015?

Mr. Gibson: Senator, I'm aware of the ongoing efforts to improve, maximize what we get from our fuel dollars. This includes a number of initiatives, part being -- both reaching economies and also alternative fuels such as the synfuels. I'm not familiar with the specifics with regard to the Air Force budget in this matter. However, if confirmed, if this effort truly supports maximizing what we do with our budgetary resources and helps achieve the mission, then I would fully support it.

Senator Thune: I appreciate your responses and I know that in a setting like this your responses -- my questions are somewhat specific and your answers probably by necessity have to be somewhat general. But once you are confirmed, I would love to sit down with you and perhaps drill down a little bit with some of these issues that I've raised.

Mr. Gibson: Senator, if I'm confirmed it would be my pleasure.

Senator Thune: Thank you very much.

Thank you, Mr. Chairman.

Chairman Levin [presiding]: Senator Warner?

Senator Warner: Thank you, Mr. Chairman. I think we've had -- in your absence we've continued under the leadership of Senator Webb a very good series of questions. I'm going to wrap up with one for Mr. Duehring.

First, the issue of annual enrollment fees for the retirees eligible for TRICARE is an issue of great concern to the Department and the Congress. I understand that a DoD task force is calling for urgent action to increase TRICARE fees for retirees, including a fee for TRICARE For Life. TRICARE is something that this committee can take great pride in. We did the basic legislation on that some years ago.

What are your views about the cost of TRICARE and whether a means needs to be developed to change the enrollment fee structure?

Mr. Duehring: Well, Senator Warner, as a retiree I am very interested in what happens to TRICARE and the fees, if they have to be increased or what have you. Our office right now has not been involved in that discussion. I do know there is a discussion at the DoD level. It has not come down to the services yet. We're all aware of the fact that the TRICARE budget is increasing.

What I will do, if confirmed, I will take the interests of the committee, and of course, as I mentioned before --

Senator Warner: Would you find the opportunity to reply to the record on this very quickly, the best you can?

Mr. Duehring: Yes, sir. [The information referred to follows:] [COMMITTEE INSERT]

Senator Warner: Again, Mr. Shinn -- and I also address this to Mrs. Long because you have jurisdiction over NATO. NATO is the military force now operating in Afghanistan. Afghanistan is in Mr. Shinn's AOR. The New York Times reported on December 16th the following: "Deeply concerned about the prospect of failure in Afghanistan, the Bush Administration and NATO have begun three top to bottom reviews of the entire mission, from security and counterterrorism to political consolidation and economic development, according to American and alliance officials. The reviews are an acknowledgment of the need for greater coordination in fighting the Taliban and Al Qaeda in Afghanistan, halting the rising opium production and trafficking that finances the insurgency, and helping the Kabul government extend its legitimacy and control." The article is very well written and it goes on.

I think we want in our record this morning your perspectives on the current situation and the future situation in Afghanistan, and if you would lead off, and then I would invite Ms. Long to make a contribution with respect to NATO.

Mr. Shinn: Thank you, Senator. With regard to the strategic planning exercise that was mentioned in the newspaper, I'm aware of at least two such reviews: one that Secretary Gates discussed last week with the NATO allies in Scotland, where the idea was for us to have a joint vision for the 3 to 5-year horizon, with appropriate milestones for Afghanistan that everybody could sign up to at the Bucharest summit. And I would defer to Ms. Long in a moment to talk more about that.

The other review was undertaken again by Admiral Fallon, known to you and to me in my previous job; when he took over the CENTCOM job, as is his bent, drilled down very deeply into the fundamental strategy in Afghanistan, and continues to work that with the mission in Kabul, in particular how to integrate the economic with the military part of the counterinsurgency.

With regard to the overall situation in Afghanistan, I also had a chance to discuss this with Senator Levin when I called on him yesterday. The situation --

Senator Warner: We also discussed it --

Mr. Shinn: Yes.

Senator Warner: -- when you visited with me yesterday, and I have a very, very high regard for Admiral Fallon, as you know. I'm quite interested in what steps he is taking on this. Are one of these reported being prepared by CENTCOM?

Mr. Shinn: By CENTCOM I collaboration with the embassy, yes, sir.

Senator Warner: With the embassy?

Mr. Shinn: Yes, sir.

Senator Warner: There are three of them. So that would account for one. The other one, is that originated by Secretary Gates?

Mr. Shinn: Yes, the one working with the NATO allies was initiated by Secretary Gates. I'm not familiar with what the third one might be.

Senator Warner: And where are we going to come to grapple with the question of narcotics, which is a very serious question because it's generating so much cash, which cash is beginning to infiltrate back to finance the operations of the Taliban?

Mr. Shinn: That's absolutely right and that's one of the more alarming aspects of the conflict in Afghanistan, with no easy answers. As you know, the export of opium from Afghanistan was in excess of 8,000 metric tons last year. It's a big increase from the year before. And even though we have, we and our allies and the Afghan government, have a five-part strategy to deal with this, the results have not been very encouraging.

Senator Warner: If anything, discouraging, because of the increase of production this past season over the previous year.

Now, Ms. Long, to the NATO aspect of it, because NATO is a full partner in the situation. Recently, the Secretary of Defense, in I thought very stern terms, talked to NATO about their role and what must be done to strengthen our operating forces. I presume part of that report and discussion bordered on the question of narcotics, which is the banker for the Taliban.

Ms. Long: It did, Senator. The only thing I would add to what Dr. Shinn said is to explain that the 3 to 5-year vision is exactly what the Senator alluded to. It's a mechanism for focusing and enhancing NATO's efforts in Afghanistan, to include the narcotics effort. And narcotics and the counter-narcotics activity of NATO in conjunction with the Afghan government was one of the subjects that was raised most recently at the meeting in the United Kingdom of contributing nations that are participating in the regional command.

Senator Warner: Well, bottom line, each of these problems is contributing to the loss of life, American life, and the loss of American limb. We have an obligation to do everything we can, an obligation to those in uniform and their families back home, to get a firmer grip on this situation.

My last question would be related to Russia, which again is in your portfolio, Ms. Long. I wonder how you sleep at night. You've got all the problems one can possibly imagine.

Obviously, the relationships have somewhat deteriorated here in the last perhaps 18 months, partially because Russia now is feeling the benefit of the revenues from its sale of petroleum. Its coffers are now somewhat filled as compared to several years ago. How do we propose to try and improve those relationships? Because we are relatively the two powerful nations that border those areas in Central Europe.

Ms. Long: Thank you, Senator. I share your concern regarding our dealing with Russia, and there has been a recent shift in Rus-

sia's relationship not only with the United States, but with the international community. Probably the most obvious evidence of that is its recent suspension of the CFE Treaty and most recently not to provide the data information that is required under that agreement on December 15th.

On the one hand, we remain strict with our principles of democracy in dealing with Russia in terms of its development and its responsible role as an international player. On the other hand, in terms of things like missile defense, we are reaching out to Russia in order to garner its support and its participation, where we can encourage it to do so, to play a role and a constructive role in regional security by either exchanging data with it regarding the missile defense issue or even inviting it to participate by visiting some of our missile defense structures here in the United States.

So it is a balancing, Senator. But we know that we need to move forward in order to deal with Russia in today's context.

Senator Warner: Is Russia beginning to reinvest and refurbish its military --

Ms. Long: There are some indications --

Senator Warner: -- to a measurable increase?

Ms. Long: There are some indications that Russia is reinvesting in portions of its military, yes.

Senator Warner: Which portions are receiving that benefit?

Ms. Long: I'd rather have that conversation in closed session, Senator.

Senator Warner: All right.

Ms. Long: I apologize. I'm not sure how much of it is open.

Senator Warner: Clearly, the figures show that they're pumping some of these new revenues back into refurbishing their military?

Ms. Long: Russia has not abandoned development of its military, no, Senator.

Senator Warner: I thank the witnesses. I wish you well. You have my support. I do hope, Mr. Chairman, we can act on these nominations with dispatch, with the usual dispatch that you use.

Chairman Levin: Thank you.

We're just going to pause for one moment. [Pause.]

Chairman Levin: Ms. Long, let me pick up on the NATO question that you were asked. The Secretary was quoted or reported to have said something about toning down U.S. appeals to NATO allies for more troops, equipment, and trainers for the NATO-led effort in Afghanistan. Is it your understanding that Secretary Gates intends to pull back from pressuring, pressing our allies to do more?

Ms. Long: Senator, I believe the newspaper article quoted the Secretary as saying that he would no longer hammer NATO allies. I think that is open to misinterpretation. If confirmed, I do believe I will be working with the Secretary to continue putting pressure on NATO in order for it to fulfill its commitments in Afghanistan. What I believe the Secretary was referring to was looking for more creative ways, including this visionary statement, in order to continue enhancing NATO's efforts in Afghanistan.

Chairman Levin: You made reference in the answers to your pre-hearing questions about the CFE Treaty and indicated that if outstanding problems can be solved the present treaty can and should

be replaced by the adapted treaty to reflect post-Cold War realities. Can you just expand on that a bit here?

Ms. Long: Thank you, Senator. I think one of the criticisms of the CFE is, for example, the bloc-to-bloc structure that that treaty envisioned or actually is based upon. I believe that that basis was appropriate at the time that the treaty was formed because it dealt with an East-West configuration that has changed since the dissolution of the Soviet Union.

My understanding is that one of the provisions of the treaty that may be addressed by the adapted, if it is passed by the countries, is to dissolve the bloc-to-block treatment and deal with the equipment and forces from a national perspective. That would be one of the issues, Senator.

Chairman Levin: Mr. Duehring, the Defense Authorization Act which we just passed authorizes an active Air Force end strength of 329,000. Is there any reason why we should not expect the President's request for fiscal year 2009 to include those numbers that you know of? There was a reference to a lower number that the chief of staff of the Air Force made. Do you know what the intent is or what the Air Force's request is in that regard? Is there any reason to believe it's not going to be the 329?

Mr. Duehring: Well, the last information I had was from before the time that that act was passed. So I have a little bit of a history of intentions, but what I'd like to do is study that a little bit more. We're all concerned about the decreasing numbers and the impact it has on our ability to carry out the war. I'll be happy to take that.

Chairman Levin: All right. Let us know anything that you're willing to tell us about that for the record, would you? Anything that you're able and willing to tell us about that, for the record; if you can just answer that for the hearing record. [The information referred to follows:] [COMMITTEE INSERT]

Chairman Levin: Mr. Duehring, a recent CBS News investigation found that the suicide rate among veterans is twice that of civilians and it's clear that some military personnel returning from Iraq and Afghanistan are struggling with those experiences. Do you know what the Air Force is doing to assess the mental health situation of our service members and to aid that situation of those members who are returning from Iraq and Afghanistan? Do you know what efforts are under way there?

Mr. Duehring: Mr. Chairman, I know that the Air Force actually started some work in this area around 1997 when it created a program to try to stem the rising tide of suicides which was occurring even at that time. I was looking at the charts that we prepared for this briefing and there's a noticeable dropoff. I know that our suicide rates run very, very closely to the statistical average for the United States. Of course, any suicide is bad. It's part of our ongoing program of assessments that we do when people return from overseas, and if confirmed I will make this one of my very highest priorities.

Chairman Levin: Mr. Gibson, given your experience in the Office of the Secretary of Defense, under the Comptroller as the Deputy Under Secretary of Defense for Management Reform, and you also have some previous experience in the Comptroller's organization as a financial management official, would you give us your assessment

as to how the DoD management systems and business processes measure up to private sector standards?

Mr. Gibson: Senator, your comments and your question are about a significant issue in the Department with regard to financial management. Ultimately, our goal is to generate timely, accurate, and reliable information. One aspect of this is improving our processes, our business processes. But another is modernizing our financial systems. This is a significant undertaking and through the creation of the Business Transformation Agency we are working this at the enterprise level, with tiered accountability.

It is hard for me to compare the systems at the Department, being that the complexity and size -- we are the largest corporation in the world. But I can tell you that we are working this issue through the enterprise transition plan, and if I am confirmed it would be a top priority of mine to support the enterprise transition plan and its compliance in the Air Force.

Chairman Levin: Mr. Gibson, every couple years the Government Accountability Office puts together a high-risk list of management problems in the Federal Government. The Department of Defense routinely accounts for more than half of the items on the GAO high-risk list. Are you familiar with that GAO high-risk list?

Mr. Gibson: Yes, sir, I am.

Chairman Levin: Are you going to be able to make progress in that area? How confident are you, given the history of either failed efforts or lack of efforts in this area? How confident are you that the Air Force will look different in terms of management a year or 2 years or 3 years from now than it does, that it'll look different?

Mr. Gibson: Senator, two key areas that relate to financial management associated with the GAO high-risk are performance and governance of our business systems and financial management weaknesses related to providing timely, accurate, and reliable data. If confirmed, I intend to make progress towards an unqualified audit opinion a high priority. And improving financial processes and modernizing systems via the financial improvement and audit readiness plan and the enterprise transition plan will be a significant aspect.

Additionally, if confirmed, providing governance and oversight of business systems will be a priority and GAO will be a valuable third party partner, and I will continue to work with them on these issues.

Chairman Levin: Thank you.

Mr. Gibson, Mr. Duehring, Mr. Shinn, Ms. Long, thank you all for your testimony, for your willingness to serve. We again thank your families for their support, and we will stand adjourned.

[Whereupon, at 11:24 a.m., the hearing was adjourned.]