

**HEARING TO RECEIVE TESTIMONY ON THE
DEFENSE AUTHORIZATION REQUEST FOR
FISCAL YEAR 2009, THE FUTURE YEARS DE-
FENSE PROGRAM, AND THE FISCAL YEAR
2009 REQUEST FOR OPERATIONS IN IRAQ
AND AFGHANISTAN**

Wednesday, February 6, 2008

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

The committee met, pursuant to notice, at 9:31 a.m. in Room SD-106, Dirksen Senate Office Building, Hon. Carl Levin, chairman of the committee, presiding.

Committee Members Present: Levin [presiding], Kennedy, Reed, Akaka, Bill Nelson, E. Benjamin Nelson, Pryor, Webb, Warner, Inhofe, Sessions, Collins, Chambliss, Dole, Cornyn, Thune, and Martinez.

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

Majority Staff Members Present: Daniel J. Cox, Jr., Professional Staff Member, Madelyn R. Creedon, Counsel, Gabriella Eisen, Counsel, Evelyn N. Farkas, Professional Staff Member, Richard W. Fieldhouse, Professional Staff Member, Creighton Green, Professional Staff Member, Michael J. Kuiken, Professional Staff Member, Gerald J. Leeling, Counsel, Peter K. Levine, General Counsel, Thomas K. McConnell, Professional Staff Member, Michael J. McCord, Professional Staff Member, William G.P. Monahan, Counsel, Michael J. Noblet, Professional Staff Member, and William K. Sutey, Professional Staff Member.

Minority Staff Members Present: Michael V. Kostiw, Republican Staff Director, William M. Caniano, Professional Staff Member, David G. Collins, Research Assistant, Gregory T. Kiley, Professional Staff Member, Lucian L. Niemeyer, Professional Staff Member, Lynn F. Rusten, Professional Staff Member, Robert M. Soofer, Professional Staff Member, Sean G. Stackley, 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: Jessica L. Kingston, Benjamin L. Rubin, and Brian F. Sebold.

Committee Members' Assistants Present: Sharon L. Waxman, Assistant to Senator Kennedy, Jay Maroney, Assistant to Senator Kennedy, James Tuite, Assistant to Senator Byrd, Frederick M. Downey, Assistant to Senator Lieberman, Elizabeth King, Assistant to Senator Reed, Bonni Berge, Assistant to Senator Akaka, Christopher Caple, Assistant to Senator Bill Nelson, Caroline Tess, Assistant to Senator Bill Nelson, Andrew R. Vanlandingham, Assistant to Senator Ben Nelson, Jon Davey, Assistant to Senator Bayh, M. Bradford Foley, Assistant to Senator Pryor, Gordon I. Peterson, Assistant to Senator Webb, Stephen C. Hedger, Assistant to Senator McCaskill, Sandra Luff, Assistant to Senator Warner, Anthony J. Lazarski, Assistant to Senator Inhofe, Lenwood Landrum, Assistant to Senator Sessions, Todd Stiefler, Assistant to Senator Sessions, Mark J. Winter, Assistant to Senator Collins, Clyde A. Taylor IV, Assistant to Senator Chambliss, Lindsey Neas, Assistant to Senator Dole, David Hanke, Assistant to Senator Cornyn, John L. Goetchius, Assistant to Senator Martinez, Brian W. Walsh, Assistant to Senator Martinez, and Erskine W. Wells, III, Assistant to Senator Wicker.

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

Chairman Levin: Good morning, everybody. The committee meets this morning to receive testimony from the Secretary of Defense, Robert Gates, the Chairman of the Joint Chiefs of Staff, Admiral Mike Mullen. Joining them is Comptroller of the Department of Defense Tina Jonas. Our witnesses are here to present the President's Fiscal Year 2009 budget request for the Department of Defense, including both the so-called base budget and the additional bridge fund requested for operations in Iraq and Afghanistan for just the first part of 2009 Fiscal Year.

I want to start by welcoming if he is here, but he is not, but I will welcome him anyway, a new member of our committee, Senator Wicker. We're glad to have him and I will want him to know that I've got it on unassailable authority from a former colleague of his, a member of the House of Representatives who I have known for over 70 years, my brother, that he will make a fine addition to this committee.

First some thanks to our witnesses for their service and the very positive way that you have worked with this committee. We very much appreciate the relationships which have been created and which are so important.

I know our witnesses would agree that our first thanks will go to the men and women serving in our military. We are all truly grateful for their professionalism and dedication to our country and for the sacrifices that they and their families make.

Last year this committee on a bipartisan basis compiled a record of accomplishment that we can be very proud of. First, we enacted an historic Wounded Warrior Act which will improve the health care and benefits of recovering veterans and service members and their families. Our law will vastly improve the coordination between the Department of Defense and the Veterans Administration. It will end the confusing and conflict system of disability de-

terminations that have existed for too long between the Department of Defense and the Veterans Administration.

We also enacted legislation that requires private security contractors operating in combat zones in Iraq and Afghanistan to comply with orders and directives from military commanders and with Department of Defense rules relative to the use of force. Our legislation established a commission on wartime contracting in Iraq and Afghanistan to investigate Federal agency contracting for reconstruction, logistics support, and security functions in those countries. We established a new special inspector general for Afghanistan reconstruction to provide oversight and address contracting abuses. We extended the term of the special inspector general for Iraq reconstruction.

We enacted the far-reaching Acquisition Improvement and Accountability Act, which tightened the rules for Department of Defense acquisition of major weapons systems, subsystems and components, to reduce the risk of contract overpricing, cost overruns, and failure to meet contract schedules and performance requirements.

And we legislated a defense acquisition workforce development fund to ensure that Department of Defense has enough skilled people to effectively manage its contracts; and we strengthened statutory protections for whistleblowers.

We established a chief management officer for the Department of Defense and each of the military departments to ensure continuous top level attention to DoD management problems.

I'm highlighting what we achieved last year in areas of oversight and accountability because we are here today to talk about a request for over a half a trillion dollars of taxpayer funds for the Department for the next Fiscal Year, excluding the cost of Iraq and Afghanistan, and possibility exceeding \$700 billion when you include the full cost of those wars next year. We are jointly responsible with the President for how those funds are spent.

Last year's actions to strengthen oversight and accountability were necessary, but they're not sufficient. The Department of Defense faces huge problems in its acquisition system. Over the last few years we've seen an alarming lack of acquisition planning, the excessive use of time and materials contracts, undefinitized contracts, and other open-ended commitments of Department funds. These problems have been particularly acute in Afghanistan and Iraq, but they are in no way limited to those two countries.

The Government Accountability Office has reported that cost growth on seven of the Department of Defense's largest acquisition programs ranged from 26 to 188 percent. In a period of just 5 years, the GAO told us, the cost of the Department's top five weapons systems programs had almost doubled, growing from \$290 billion to \$550 billion.

The reforms that we adopted last year, now signed into law, are an important step towards addressing problems in the Department's acquisition programs. But it will take years of work by the Department and close oversight by Congress to make sure that we get the job done.

Many other challenges lie ahead. We have an Army and a Marine Corps which are way overstretched. The stress on our forces

from operations in Iraq and Afghanistan continues to build. The media reports that there is a strong possibility that General Petraeus will recommend that force levels in Iraq remain at the pre-surge level of approximately 130,000 troops for some unspecified period of time once the five surge brigades complete their redeployment this summer.

Meanwhile, our Army troops continue to face multiple tours of 15-month duration, with only 12 months or less at home between rotations, and Marines also see more time deployed than at home. These levels of deployment without adequate rest for the troops and repair and replacement of equipment simply cannot be sustained.

Over the past year, 30,000 additional troops have helped produce a welcome lessening of violence in Iraq and a lower U.S. casualty rate. But the purpose of the surge as stated by the President has not been achieved. That purpose, again as stated by the President, was to “provide enough space so that the Iraqi government can meet certain benchmarks or certain requirements for a unity government.”

But the State Department reported to us as recently as November 21 of last year that “Senior military commanders now portray the intransigence of Iraq’s Shiite-dominated government as the key threat facing the U.S. effort in Iraq, rather than Al Qaeda terrorists, Sunni insurgents, or Iranian-backed militias.”

The military progress on the ground was achieved with huge sacrifice and brilliance. We cannot accept that that sacrifice will be squandered by Iraqi leadership continuing to fail to achieve the key political benchmarks that they set for themselves long ago, in particular amending the constitution, passing a hydrocarbons law that fairly shares Iraq’s oil wealth with all citizens, passing a provincial powers act, and conducting provincial elections.

The value of the new de-Baathification law, if it is a law, despite the constitution of Iraq saying that it isn’t because it failed to get the unanimous approval by the presidency council required for it to become a law, the value will depend upon how it is implemented.

For years, the Iraqi leaders have failed to seize the opportunity our brave troops gave them. It’s long past time that the Iraqi leaders hear a clear, simple message: We can’t save them from themselves. It’s in their hands, not ours, to create a nation by making the political compromises needed to end the conflict. That message is not the language of surrender. It’s commonsense pragmatism and the only realistic path to success.

A critical priority for this and future budgets must be the war on Afghanistan. Unlike the war in Iraq, the connection between Afghanistan and the terrorist threat manifested itself on September 11th, and it is clear that the American support for the Afghanistan mission remains strong. Unfortunately, as a number of reports issued recently made clear, the administration’s strategy in Afghanistan is not yet producing the results that we all want.

A report by the Afghanistan Study Group chaired by retired General Jim Jones and Ambassador Thomas Pickering, finds the Afghanistan mission is “faltering.” The report states that “Violence, insecurity, and opium production have risen dramatically as Af-

ghan confidence in their government and its international partners falls.”

Last year was the deadliest year since 2001 for U.S. and coalition forces in Afghanistan. A separate report from the Atlantic Council states: “Make no mistake, NATO is not winning in Afghanistan.”

The United States has recently announced its decision to commit an additional 3200 marines to Afghanistan, despite our already overstressed U.S. forces. Unfortunately, some of our allies have not demonstrated a similar commitment to providing troops and equipment which are needed for the Afghanistan mission.

Finally, Mr. Chairman, I’m disappointed that the budget request does not include a request for the full amount of the estimated expenditures in Iraq and Afghanistan for next year, as required by our law. While the monetary cost is not the most important part of the debate over Iraq or Afghanistan, it does need to be art of that debate and the citizens of our Nation have a right to know what those costs are projected to be.“

Again, with thanks to our witnesses, I turn to Senator Warner.

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

Senator Warner: Thank you, Mr. Chairman. I join you and I think all members of the committee in welcoming our witnesses today.

Senator Levin and I have had quite a few years in the context of these hearings and I think the Gates-Mullen team is going to set new high records for cooperation between the civilian side and the military side of the Department of Defense. I have watched each of you very carefully here in the past month or so and, Admiral Mullen, this is your first appearance as Chairman; and Mr. Secretary, you’ve got a fine teammate there. And you really have earned the respect and the admiration and the confidence, of not only the Congress of the United States, but indeed the men and women of the armed forces and their families, which is the bottom line about which we’re here today.

So I wish you luck.

I join my colleague in drawing your attention to that law. It was the 2008 Fiscal Year, 2007 National Defense Authorization Act. It was very explicit in requiring the full presentation of your expected costs in Iraq and Afghanistan. Nevertheless, I’m sure you have an explanation and we’ll receive it.

We are seeing signs of progress in Iraq, some progress in Afghanistan. But I think by any fair standard that level of progress to date is falling below the expectations that we had hoped here as a Nation. Senator Levin quite appropriately observed that the elected officials in Iraq are simply not exercising the full responsibility of the reins of sovereignty, and that puts our forces in a certain degree of continuing peril and risk. I would hope the administration and indeed the witnesses before us would do everything we can to expedite and get some reconciliation, because time and time again I think every single panel that’s been up here in all these years, Mr. Chairman, has said there is no military solution for that problem; it has to be a political one.

I also would be interested to know if you're beginning to lay plans as to how you convey a year hence this Department to a new administration and what steps you might take to lay that foundation, to have hopefully a seamless transition, Mr. Chairman, in your case to the successors who will come in. The Admiral hopefully will remain on. But I think we should begin to look at that at this time.

I also join the chairman in recognizing the important work done by General Jones, Ambassador Pickering, the Atlantic Council, and the National Defense University that presented papers here to the Senate in the past week. I stayed throughout that briefing and found it extremely beneficial -- a clear example of how the non-governmental organizations are doing responsible work and valuable contributions toward the problems that face us today.

Dwell times, deployment lengths, term of service in Iraq, these are high on our agenda and I do hope both of you give us your best views as to what period might we anticipate that the 15-month tour can be reduced, hopefully to 12 and even beyond that if facts justify it. But the young men and women of the armed forces and their families all over the world are going to follow that hearing, this hearing, and listen to what you have to say on that point.

One of our most important duties each year is the procurement and I point out that this committee, and indeed the Congress, passed extensive acquisition reform last year. I urge you to bring to the attention of the Congress how well that is working or, in the case it is not working to your satisfaction, to draw that to our attention.

We also had as a committee chartered a commission to study the reserve and guard. There were excellent individuals on that committee. They received mixed reviews in the press, but I would hope that that report did bring to your attention some necessary corrective measures and that you will spend some part of the time in your testimony addressing that.

Ms. Jonas, thank you very much for year after year coming up here with all the figures. Now you've got a little extra money. We're going to watch very carefully how you spend that money.

Thank you, Mr. Chairman.

Chairman Levin: Thank you, Senator Warner. [Recess.]

Chairman Levin: Secretary Gates?

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

Secretary Gates: Thank you, Mr. Chairman. Mr. Chairman, members of the committee: It is a pleasure to be here for my second and last posture statement. Let me first thank you for your continued support for our military these many years. I appreciate the opportunity today to discuss the President's Fiscal Year 2009 defense budget request.

Before getting into the components of the request, I thought it might be useful to consider it quickly in light of the current strategic landscape, a landscape still being shaped by forces unleashed by the end of the Cold War nearly 2 decades ago. In recent years, old hatreds and conflicts have combined with new threats and

forces of instability, challenges made more dangerous and prolific by modern technology, among them terrorism, extremism, and violent jihadism, ethnic, tribal, and sectarian conflict, proliferation of dangerous weapons and materials, failed and failing states, nations discontented with their role in the international order, and rising and resurgent powers whose future paths are uncertain.

In light of this strategic environment, we must make the choices and investments necessary to protect the security, prosperity, and freedom of Americans for the next generation. The investment in defense spending being presented today is \$515.4 billion, or about 4 percent of our gross domestic product when combined with war costs. This compares to spending levels of 14 percent of gross domestic product during the Korean War and 9 percent during Vietnam.

Our Fiscal Year 2009 request is a 7.5 percent increase, or \$35.9 billion, over last year's enacted level. When accounting for inflation, this translates into a real increase of about 5.5 percent. The difference consists of four main categories, which are outlined in more detail in my submitted statement. Overall, the budget includes \$183.8 billion for overall strategic modernization, including \$104 billion for procurement to sustain our Nation's technological advantage over current and future adversaries; \$158.3 billion for operations, readiness, and support to maintain a skilled and agile fighting force; \$149.4 billion to enhance quality of life for our men and women in uniform by providing the pay, benefits, health care, and other services earned by our all-volunteer force; and \$20.5 billion to increase ground capabilities by growing the Army and the Marine Corps.

This budget includes new funding for critical ongoing initiatives, such as global train and equip to build the security capacity of partner nations, security and stabilization assistance, foreign language capabilities, and the new Africa Command.

In summary, this request provides the resources needed to respond to current threats while preparing for a range of conventional and irregular challenges that our Nation may face in the years ahead.

In addition to the \$515 billion, \$515.4 billion base budget, our request includes \$70 billion in emergency bridge funding that would cover war costs into the next calendar year. A more detailed request will be submitted later this year when the Department has a better picture of what level of funding will be needed.

The 2007 National Defense Authorization Act, as you have pointed out, requires the Department of Defense to provide an estimate of costs for the global war on terror. We would like to be responsive to the request. Indeed, I was responsive to a similar request last year. Some have alleged that the administration has taken this position in order to somehow hide the true costs of the war. Nothing could be further from the truth. The Department has been very open about what we know about our costs as well as what we don't know.

So the challenge we face is that a realistic or meaningful estimate requires answers to questions that we don't yet know, such as when and if the Department will receive the requested \$102 billion balance of the Fiscal Year 2008 supplemental war request and

for how much, and what if any adjustments to troop levels in Iraq will result from the upcoming recommendations of General Petraeus, Central Command, and the Joint Chiefs of Staff.

We should also keep in mind that nearly three-quarters of the Fiscal Year 2009 supplemental request will likely be spent in the next administration, thus making it even more difficult to make an accurate projection.

I have worked hard during my time in this job to be responsive and transparent to this committee and to the Congress. Nothing has changed. But while I would like to be in a position to give you a realistic estimate of what the Department will need for the Fiscal Year 2009 supplemental funds, I simply cannot at this point. There are too many significant variables in play.

I can give you a number. I will give you a number if you wish. But I will tell you that the number will inevitably be wrong and perhaps significantly so. So I will be giving you precision without accuracy.

As I mentioned earlier, Congress has yet to appropriate the remaining balance of the Fiscal Year 2008 war funding request, \$102.5 billion. The delay is degrading our ability to operate and sustain the force at home and in the theater and is making it difficult to manage the Department in a way that is fiscally sound. The Department of Defense, as I've said, is like the world's biggest supertanker: It cannot turn on a dime and it cannot be steered like a skiff.

I urge approval of the Fiscal Year 2008 request as quickly as possible.

Finally, I would like to thank the members of this committee for all you have done to support our troops as well as their families. I thank you specifically for your attention to and support of efforts to improve the treatment of wounded warriors over the past year.

In visits to the combat theaters and military hospitals and in bases and posts at home and around the world, I continue to be amazed by the decency, resilience, and courage of our troops. Through the support of the Congress and our Nation, these young men and women will prevail in the current conflicts and be prepared to confront the threats that they, their children, and our Nation may face in the future.

Thank you, Mr. Chairman. [The prepared statement of Secretary Gates follows:]

Chairman Levin: Thank you.

Admiral Mullen?

STATEMENT OF ADMIRAL MICHAEL G. MULLEN, U.S. NAVY,

CHAIRMAN, JOINT CHIEFS OF STAFF

Admiral Mullen: Good morning, Mr. Chairman. Good morning, chairman. Thank you, Senator Warner, distinguished members of this committee. Thanks for the opportunity to appear before you today. I'm honored to be here alongside Secretary Gates, a man whose leadership and insight I greatly respect and admire.

We are here, as you know, to discuss with you the President's Fiscal Year 2009 budget submission and, more broadly, the state of our armed forces. Let me speak for a moment about the latter. The United States military remains the most powerful, most capa-

ble military on the face of the Earth. No other nation has or can field and put to sea the superb combat capabilities resident in our Army, Navy, Air Force, and Marine Corps.

I say this not with false pride or arrogance. I say it with conviction, for it is an indisputable fact. This stands as testament, of course, to the brave, talented men and women who serve, active, reserve, National Guard, and civilian, as well as their families. I've been on record as saying that they are the finest I have ever seen. I meant it then, I mean it now. Each trip to the field, each visit to a base, each bedside I stand beside, only reaffirms that for me.

I know you have also made such visits and can attest to the same. So I also believe our enormous strength speaks well of the hard work of this committee and the Congress as a whole, as it does of the American people, who through you, their elected representatives, have invested heavily and wisely in their national defense.

We are grateful. We will continue to need that support, for, however powerful we may be today, that power is not assured tomorrow. That is why the budget we are submitting this week includes more than \$180 billion for strategic modernization, including \$3.6 billion for the Army to continue to develop the Future Combat System, and another \$3.5 billion to procure 20 more F-22 fighters, and another \$700 million in research and development.

That's why it calls for money to continue to build the next generation aircraft carrier and guided missile destroyer, increased spending on missile defense, as well as funding to complete the standup of AFRICOM. And it's why we are asking for more than \$20 billion to increase the size of the Army and the Marine Corps.

Some have argued there isn't much new in this budget, no big surprises. Maybe so. Quite frankly, we ought to take a little bit of pride in that, because it says to me that we've looked pragmatically at all our requirements, that we did our homework, and that from a fiscal perspective we have a good handle on where we want to go.

You know, a reporter reminded me just the other day as investments budgets are really a type of strategy. If that's so, and I believe it is, this budget reveals great balance in our strategy for the future, a realization that, while we continue to fight and develop counterinsurgency warfare, we must also prepare for, build for, and train for a broad spectrum of traditional war-fighting missions.

We are doing well in Iraq, no question. Violence is down, business is up, Al Qaeda is clearly on the run. Ambassador Crocker and General Petraeus deserve a lot of credit. The surge of forces we sent them and their innovative application of counterinsurgency tactics have markedly improved security on the ground. As both men have made clear, this progress is tenuous and must be carefully watched. I understand their concerns as we keep bringing home the surge brigades. Conditions on the ground count.

But tenuous, too, sir, is the long risks we are taking to our security commitments elsewhere in the world if we do not address the toll that ongoing combat operations are taking on our forces, our gear, our people, and their families. The well is deep, but it is not infinite. We must get Army deployments down to 12 months as soon as possible. People are tired. We must restore our Marine

Corps expeditionary capabilities. They are dangerously on the wane. We must stay dominant at sea, in space, as well as in cyberspace. Others are beginning to pace us in the speed of war.

We must do a better job identifying and treating not only the wounded we see, but the wounds we do not see. Too many of our returning warriors suffer in silence. And I greatly appreciate the law that you put into effect last year specifically with respect to treating our wounded warriors.

This budget allocates \$41.6 billion to provide world-class care and quality of life for the entire force. We must honor military families by enhancing the GI benefits transferability, by broadening Federal hiring preferences for military spouses, and by expanding child care benefits in appreciation for their many sacrifices.

We must continue to stay persistently engaged around the globe, building partner capacity, improving international and inter-agency cooperation, and fostering both security and stability.

I urge Congress to enact the authorities in the joint State Department-Defense Department Building Global Partnerships Act. I was called to testify before the House Armed Services Committee a few weeks ago about our progress in Afghanistan. I told them then that we are seeing only mixed progress and that Afghanistan was by design an economy of force operation. I told them we do what we can there. I stand by those comments even as we prepare to send more than 3,000 marines over there and even as Secretary Gates continues to press our NATO allies for more support.

The business of war, not unlike governing, is about choices. Military leaders must make hard decisions every day, choices that affect the outcome of major battles, whole nations, and the lives of potentially millions of people. As we head into this new year with fresh assessments of our progress in Iraq, a new push in Afghanistan, and a continued fight against violent extremists, as we consider the depth and breadth of traditional capabilities, we must improve. Please know that I and the Joint Chiefs remain committed to making informed choices, careful choices, and choices which preserve at all times and in all ways our ability to defend the American people.

Thank you. [The prepared statement of Admiral Mullen follows:]
Chairman Levin: Thank you, Admiral.

We're going to do our best to get the Secretary and the Admiral out as close to noon as we can, so let's try a 7-minute first round.

Mr. Secretary, you've indicated all the reasons why an estimate that you give us about war costs for '09 would not, necessarily at least, turn out to be a realistic estimate, but that you are still willing to give us that estimate as the law requires, if we ask. So I'm asking. What is your estimate?

Secretary Gates: Well, a straight line projection, Mr. Chairman, of our current expenditures would probably put the full year cost in a strictly arithmetic approach at about \$170 billion.

Chairman Levin: The bridge funding in the budget is 70. That's included in the 170.

Secretary Gates: Yes, sir.

Chairman Levin: So that means that the total if that estimate turned out to be accurate, that the total then would be the \$515 billion base budget plus the 170.

Secretary Gates: Yes, sir.

Chairman Levin: That would be a total then of \$685 billion, does that sound right?

Secretary Gates: Yes, sir. But as I indicated, I have no confidence in that figure. Part of the reason I've felt able to comply with the law last year was that I felt the assumptions that underpinned were fairly reliable and that we could have confidence in them. And I think you saw the analysis that underpinned it and made it possible for us to do that. We just don't have that at this point and we will certainly provide it just as soon as we have it.

Chairman Levin: Thank you.

General Petraeus recently said that he thinks "It would be prudent to do some period of assessment before deciding on further troop reductions after we get back to the 130,000 pre-surge level in July." Do you agree with General Petraeus that we should have a period of waiting before we make any further decisions after we get back to the 130,000 pre-surge level?

Secretary Gates: I have not discussed this with General Petraeus. I have made clear to him that I believed his recommendation should be based on his view of the situation on the ground in Iraq. I have tried to structure the decision process this time around as I did last August and September. General Petraeus will give us, give me and the President, his recommendations based solely on the views he has in the situation in Iraq.

Chairman Levin: So at this time at least, you can't say that you agree with what he has said?

Secretary Gates: That's right, I neither agree nor disagree. I intend to be visiting Iraq again in the near future and I'm sure we'll have that discussion.

Chairman Levin: Then the President has said, however, to General Petraeus that if he wants to slow down the reduction it's up to him. The President has explicitly said that it's up to General Petraeus as to whether the drawdown will continue. Is that your understanding?

Secretary Gates: Well, as I started to say, Mr. Chairman, we will also receive the evaluation and recommendations of Admiral Fallon at Central Command and also of the Joint Chiefs. Frankly, I expect that I will have my own views, and I would expect that, as last fall, the President will take into account all of those points of view before making a decision.

Chairman Levin: So that you then don't -- you're not telling us, then, that what the President said, that it's up to Petraeus, is what will in fact occur? Your understanding is that it's not "up to Petraeus," that it's going to be a matter of many recommendations given to the President and he will then decide; is that correct?

Secretary Gates: The President certainly will decide. I certainly don't want to put any daylight between myself and his comments. It's clear that General Petraeus' view will have a very strong impact on this, but I think that the President will need to hear other points of view as well.

Chairman Levin: Mr. Secretary, any agreement with another nation, whether it's called a status of forces agreement or something else, has always been submitted to the Senate for advice and consent as a treaty if it contains a commitment to defend another na-

tion with military force. Now, is it the intention as far as you know to submit any agreement which is negotiated with the government of Iraq to the Senate for its advice and consent if there is any commitment in such an agreement to defend Iraq beyond the term of this administration?

Secretary Gates: I'm certainly no lawyer, but I would say that any elements in the agreement, in any agreement that's put together that involves the treaty ratification authorities of the Senate, would require that it be submitted. At the same time, I would tell you that we have somewhere at any given time between 80 and 100 status of forces agreements with other nations, none of which over history have been submitted to the Senate. So I think it will depend very much on the content of the agreement.

Chairman Levin: Do you know of any SOFA agreement which has committed our forces to the defense of a country?

Secretary Gates: I'm not that well versed. I'd have to check.

Chairman Levin: Would you let us know, because we don't.

Secretary Gates: Okay.

Chairman Levin: It's a major difference. We have all kinds of status of forces agreements with other countries, 80 to 100, whatever the number is, but those SOFAs, those agreements, do not contain commitments to defend other countries. Those commitments are contained in treaties which are submitted to the Senate, and if you have any evidence or any information to the contrary would you submit that for the record?

Secretary Gates: Yes, sir. And I will just tell you that the subjects that I have seen listed that we are interested in in this status of forces agreement do not include that kind of a commitment.

Chairman Levin: Well, except that there was a declaration of principles for a long-term relationship that was signed between the President and the prime minister of Iraq, and it includes the following language: "Providing security assurances and commitments to the Republic of Iraq." So those words are in there, words which I think should raise real concerns on a bipartisan basis. This is not a partisan issue. This has to do with the constitution of the United States and the role of the Senate.

So if there's any information you have about those SOFAs which make commitments, security commitments to other countries, please let us know, would you?

Secretary Gates: Yes, sir.

Chairman Levin: The security adviser of Iraq, Adviser Rubae, recently said that the Iraqi government is at a stalemate. Do you agree with that?

Secretary Gates: No, sir, but it's pretty slow.

Chairman Levin: Now, this is Iraq's own security adviser. Now, are you concerned by the slowness of the political coming together in Iraq?

Secretary Gates: Yes, sir, although I would say that, particularly at the national level, and I would say that just in recent weeks, there has been some evidence that they are beginning to move on some of these pieces of legislation. The de-Baathification law and the accountability and justice law has passed and it has become law. The presidency council if it -- according to the Iraqi constitution, if the presidency council does not veto it or act upon it within

10 days it becomes law. So it has become law and will -- well, it has to be published and then it will become law.

They are debating the provincial powers law as we speak. They are debating a budget. So they are beginning to act on some of these pieces of legislation, and of course you have been briefed many times on the activities that are taking place at the provincial level. So it's clearly important for them to continue to move and in my view to move faster on some of the legislation they are finally debating.

Chairman Levin: Just in terms of what the constitution of Iraq provides, it specifically provides that legislation requires unanimous approval of the presidency council within 10 days of its delivery in order to become law or it is sent back to the council of representatives. I know what's been stated about it, but nonetheless that's what the constitution provides.

So we'd appreciate if you'd have your lawyer take a look at the language of the constitution and then tell us, given that language, whether or not we have confidence that, despite the Iraq constitution's own language, that nonetheless that is the law.

But I think you would agree that, even if it is "the law," that how it is implemented is critically important. Would you agree with that?

Secretary Gates: It is critically important the spirit in which it is implemented. And I would say further that I understand that President Talabani and the presidency council may also introduce some amendments to the law.

Chairman Levin: Thank you very much.

Senator Warner?

Senator Warner: Thank you, Mr. Chairman.

I just go back to the chairman's question about the status of forces agreement. Have your researchers check 1951, the NATO type of structure. That did come to the Congress. It was a very important one. And I just feel that Congress should be made a full partner in the decisions with respect to both Afghanistan and Iraq as we go forward into the next administration, and that we need the support of the Congress because therein rests the support of the American people. So I do hope that you lay that foundation.

Returning to the NATO issue, I want to commend you for the very strong and pragmatic public statement you've made with regard to your concern concerning that situation in Iraq and the participation or lack of participation by certain countries who've committed forces to that military operation. The problem of national caveats has been one that's been before this country and the Congress for deliberation many times. But it's just a question of basic burden-sharing, risk-sharing of the forces that are committed to that region. I find it difficult that we can ask the U.S. forces, the British, the Canadians, and several others who do fully participate in sharing the risks, to do the whole thing and the others simply do not participate.

So I hope that you continue with your strong statements and efforts to reconcile that problem. That brings me directly to the question of the decision by the President, which I support and I think the Congress thus far has supported, of sending two Marine Corps battalions over there this coming spring.

Was that decision necessitated by the shortfalls in the commitments made by the NATO partners?

Secretary Gates: Yes, sir. I would say that, in reference to my public comments, I have achieved a goal I have been working for for the last year: I have brought unity to the alliance, unfortunately not in the right direction.

Yes, sir, this is a concern. I think we have to be realistic about the political realities that face some of the governments in Europe. Many of them are coalition governments. Some of them are minority governments, and they are doing what they think is at the far end of what is politically acceptable.

But I worry a great deal about, and will say so in a conference in Munich this weekend, I worry a great deal about the alliance evolving into a two-tiered alliance, in which you have some allies willing to fight and die to protect people's security and others who are not. I think that it puts a cloud over the future of the alliance if this is to endure and perhaps even get worse.

I believe that focus on people meeting their commitments in Afghanistan will be an important element of the Bucharest summit of NATO in early April. I leave here this afternoon to go to a, after the House hearing, to go to a NATO defense ministers meeting in Vilnius and once again will become a nag on the issue, but I think it is important. And there are allies that are doing their part and are doing well. The Canadians, the British, the Australians, the Dutch, the Danes, are really out on the line and fighting. But there are a number of others that are not.

Senator Warner: Well, I would not suggest you use the word "nag." I think you've been very forthright, clear, and I think convincing of the need to rectify this situation. So press on, Mr. Secretary, because you owe no less to the men and women of our country and the other countries who are taking the full measure of the burdens and the risks in that region.

The most troubling aspect of that region, of course, is this enhanced, each year enhanced, drug trade, and the revenues from that drug trade in Afghanistan, the poppy crop, are recycled directly to the Taliban. The Taliban then invests them in weapons and use those weapons against our forces and our other allies in that region.

What should be done in your judgment? I mean, we just can't start another nine-point plan and a six-point plan. Somebody has got to say this has to be addressed head-on.

Secretary Gates: This gets to a larger issue in Afghanistan and that is in my view the continuing need, as I suggested almost a year ago, for a strong figure empowered by NATO, the EU, and if necessary the United Nations, to coordinate international efforts in the non-military side of the effort in Afghanistan. I very much regret that the appointment of Lord Ashdown didn't work, but it goes to the counternarcotics problem.

First of all, I believe that our allies do not take this problem as seriously as we do, even though most of that opium ends up on the streets of Europe. Afghanistan at this point I think produces 93 percent of all of the opium, or heroin rather, in the world.

Also, I think we've gotten too caught up in debates about specific means of eradication. The United States favors aerial spraying be-

cause we've seen it work in other places, such as Colombia and so on. It's clear that the Afghans themselves, the Afghan government, and most of our allies are opposed to it. So my view is let's move on and figure out what kind of a comprehensive strategy we should have.

My view is that if you're going to eradicate a man's crop you better be there the day before with money and seeds to let him know that he's going to have a livelihood for the next year, and you better have roads so that he can take those crops to market. So I think we have to do all these things at once. You can't do it serially, kind of doing one thing and then do another. It seems to me you have to do eradication, you have to do interdiction, you have to do alternative development, and so on.

Senator Warner: Thank you, Mr. Secretary.

Admiral Mullen, the tours of our men and women of the armed forces, the current tour of the Army of some 15 months, what can you share with the committee with regard to the future and the likelihood that that'll be brought down to a more realistic level of one for one, in other words at least a month back home for every month over there, and those months over there not to exceed 12?

Admiral Mullen: It is the views of the Joint Chiefs and many in leadership that we need to get to one to one as quickly as we can, 15-month deployments are too long. General Casey has spoken to this very consistently. That said, there's a very delicate balance between what we need to do on the ground to sustain the gains in Iraq and balance that with the stress on the force.

In fact, there is a review that's ongoing to look at when that might occur. We've had discussions about it, and my goal would be to support that sooner rather than later, but that decision clearly hasn't been made.

Senator Warner: I conclude with one of your quotes. In October of 2007 you said: "The ground forces are not broken, but they are breakable." I draw your attention to some statistics that I reviewed yesterday. Whether it's divorce, AWOL, alcohol, and I could go on, suicide, there are some very serious indicators and they could be directly the result of the pressures.

Admiral Mullen: I think they in great part are, and it has built up since October. I'm still in the same position. I don't think that we are broken, but we clearly can break them. We are focused on this very heavily in literally every decision we review.

Chairman Levin: I thank you. I share your view that they're not broken, but we must be alert. It's an all-volunteer force and it's the most valuable asset we've had as a part of our Department of Defense for generations.

Admiral Mullen: Yes, sir.

Chairman Levin: Thank you, Senator Warner.

Following our usual early bird approach, Senator Reed.

STATEMENT OF HON. JACK REED, U.S. SENATOR FROM RHODE ISLAND

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

Thank you, gentlemen, for your service. Mr. Secretary, one item in the defense budget is not often cited, but it's important. That is the investment in critical basic research for universities, and I com-

mend you for maintaining that in a very difficult budget environment.

Secretary Gates: I was heavily lobbied by some of my former colleagues, but, frankly, I felt it was very important to send a signal that we were going to again emphasize fundamental research, peer-reviewed research. So it's about 200, \$300 million for '09 and about a billion dollars over the FYDP.

Senator Reed: Thank you, Mr. Secretary.

Admiral Mullen, following on Senator Warner's line of questioning, if there is a decision to freeze our force levels at 15 brigades in Iraq this summer, that would almost automatically require continued use of 15-month deployments for the Army and an accelerated callup of Reserve and National Guard forces to maintain that force structure?

Admiral Mullen: In the review of this that I've undertaken so far, General Casey has indicated that that may not be the case. He's really working his way through that right now, that in fact it is possible that we could get to shorter deployments. But that again is all tied into the General Petraeus and Ambassador Crocker coming back with their assessment and their recommendation, what the President decides, because clearly that's the bulk of the deployed force right now and both sustaining what we're doing as well as creating any relief is going to be in great part based on that decision.

Senator Reed: But I think one of the obvious consequences is that any -- the real opportunity to reduce the tours to 12 months would be seriously compromised if in fact we commit to 15 brigades indefinitely.

Admiral Mullen: With some assumptions, we think it's actually doable, and in fact then if you end up with a 12-month, 12 out to 12 back, clearly, and to sustain at a certain level, say if we sustain it at 15 brigades, you just would end up deploying sooner.

Senator Reed: Does that put pressure on Reserve and National Guard units?

Admiral Mullen: It may put pressure on -- it would put pressure on the entire force, including the Reserve and National Guard.

Senator Reed: Mr. Secretary, the Army needs approximately \$260 billion for their grow the force initiative, reset, reequip, modernization operations through 200 -- through Fiscal Year 2011. It looks as if there's about \$141 billion roughly committed. There's a big delta. Are you concerned that we won't be able to continue this modernization and force increase for the Army?

Secretary Gates: I must say, I think that if you look at the total cost of the Future Combat System over the entire duration, I think the total cost of that program is about \$120 billion and, frankly, it is hard for me to see how that program can be completed in its entirety. One of the things that I think is attractive about the way the Army has approached this is that as they are developing new technologies they are putting them into the field right away, instead of waiting to bring this thing full up.

But I think that, in light of what inevitably are going to be pressures on the defense budget in the future, I think that that one is one that we will have to look at carefully.

Senator Reed: And tomorrow or this week, later this week, Mr. Secretary, we'll hear from the Commission on the National Guard. One of their concerns is a shortage of equipment within the National Guard inventories for response to a civilian incident here in the United States, and they're estimating that it's about a \$47 billion shortfall which is not being covered at the moment.

Do we have such a gap? Does it effectively compromise our ability to respond to incidents within the United States?

Secretary Gates: There is a gap. We have in fact \$46.8 billion in the budget between Fiscal Year 2007 and Fiscal Year 2013 for the National Guard, and we will push \$17.5 billion worth of equipment to the Guard over the next 24 months -- helicopters, 16,000 trucks, communications, and so on. But the fill -- the historic fill rate for equipment for the Guard has been about 70 percent. That fell to about 40 percent in 2006, was up to 49 percent in 2007. We'll get it to about 66, 65, 66 percent during the course of 2008, and we hope into the low 70s by 2009 -- by the end of 2009.

Our goal with what we have budgeted now would put the Army at a fill rate of 77 percent in 2013 and the Air Force, the Air Guard, at about 90 percent. If you want to try and get them to 100 percent, which we've never done before, that would require an additional amount of money. But one important part about this, about this new equipment going to the Guard, is that it is exactly the same equipment that is in the active force. That will be a first. They have always in the past had either equipment that had been used by the active force or equipment the active force was no longer using because it had been replaced by more technologically sophisticated stuff. What we're going to be sending out to them is the same stuff, the same equipment that is provided to the active force.

Senator Reed: I appreciate your efforts and your concern about this issue, but it seems we do have an equipment gap here with our Guard forces, principally attributed to deploying equipment in Iraq, leaving it there, and then, as you point out, trying to modernize old equipment that's been in the inventory too long.

This raises a very general point and that is, do you agree with Admiral McConnell's assessment that Al Qaeda in Pakistan is growing in its capacity and capability to recruit, train, and position operatives within the United States, conduct an attack against the United States? And doesn't it raise some serious question on our overall strategy if we have basically weakened our position in the United States in civil response? We have committed hundreds of thousands of troops to Iraq. We've put billions of dollars -- we're debating how many billions that will go to Iraq. And yet our enemy, which poses an existential threat to the United States, according to our intelligence leaders, is growing in their capacity as we discuss and debate Iraq.

Secretary Gates: I think that Admiral McConnell is correct in saying that Al Qaeda is taking advantage of the safe havens on the Pakistani side of the Afghan border to expand and train for attacks. Much of what we hear concerns attacks in Europe, to be frank about it. But clearly there's no doubt that they have the intent of attacking the United States and, frankly, I think that's one

of the reasons why you're seeing a major push for equipment over the next 24 months.

Senator Reed: Well, Mr. Secretary, I don't think anyone has done a more credible job in my short tenure here as Secretary, and unfortunately your short tenure, too. And I want to also commend Admiral Mullen for his distinguished service. But I think we will look back and seriously question some of the strategic decisions that have been made in the last several years, particularly in reference to our last discussion.

Thank you.

Chairman Levin: Thank you, Senator Reed.

Senator Inhofe?

STATEMENT OF HON. JAMES M. INHOFE, U.S. SENATOR FROM OKLAHOMA

Senator Inhofe: Thank you, Mr. Chairman.

Let me first of all say to both our witnesses, I really believe your opening statements were about the best I've ever heard -- very direct, and you got into some areas other people don't want to get into. Secretary Gates, you for the first time I ever heard anyone in the last 7 years talk about where we should be in our overall defense system in the future. It's been 7 years since that's really been discussed with this panel, and you talked about percentages of GDP, where we've been in the past, where we are today.

I believe I'm accurate when I say that if you go back to the 100 years of the 20th century that it averaged 5.7 percent of GDP. Then of course, at the end of the drawdowns of the 90s it went down to under 3 percent, about 2.7 percent. Unfortunately, a war came right after that, so you don't know what's going to -- that's an uncertainty.

Another uncertainty is what our needs are going to be in the future, because when I was serving in the other house just in 1994 we had a witness that said in 10 years we'll no longer need ground troops. So I think that you'll be surrounded with very brilliant admirals and generals trying to say what are our needs going to be in the distant future of say 10 years from now and they're going to be wrong.

So, having said that, where we are today if we include the supplemental spending over this last year would be up to 4.7 percent; without that, 3.7 percent. I know you've probably given some thought in looking into the future about where we should be. Do you want to share any thoughts with us that you've had on that subject?

Secretary Gates: Well, I think that -- I used to say during the Cold War that one of -- that if you were to graph the defense budget of the United States over a 30 or 40-year period it would look like the EKG of a fibrillating heart, and there would be deep cuts and then great increases, and it would go up and down. It is not an efficient way to do business.

One of the advantages that I believe the Soviets had -- they had many disadvantages, but one was they had fairly steady growth in their military spending over a protracted period of time. Four times in the 21st century, we made the same mistake. We fought a war, thought the world had changed for the better forever, and disarmed

ourselves -- after World War I, World War II, Vietnam, and the Cold War. And every time it turned out the world hadn't changed and so we had to rearm.

Now, it seems to me that if we had a steady state and a bipartisan agreement of the investment of America's wealth that are required over the long term to protect the Nation and everybody agreed and pretty much stuck to that figure, then I think we would all be advantaged, and I think, frankly, that when we do have to fight again we will save both lives and treasure.

I think that number, if you look at it historically, probably ought to be in the 4 percent of GDP range.

Senator Inhofe: I appreciate that very much.

You generally agree with his comments, Admiral?

Admiral Mullen: Yes, sir.

Senator Inhofe: One of the reasons that I bring this up is because there is an expectation of the American people that our kids that are over there have the best of everything, and it's just not true, in terms of equipment. I know that Senator Warner has left now, but I can recall when he was chairman of this committee that I said the best non-line of sight canon or artillery piece that we have for close support is a Paladin, which is World War II technology, where you actually have to swab the breech after every shot. That's something people don't understand. There are five countries, including South Africa, that make a better one.

I bring it up at this point because we're making some decisions that I think are very significant. When John Jumper in 1998 had the courage to stand up and say that now the Russians -- and he was referring to their Su-27s and Su-30s -- are making a better strike vehicle than ours. Of course, he was referring to the F-15s and F-16s. In many ways they were better. And during that time frame China made a very large purchase. That was unclassified.

But I think that's very significant, because until we got into the F-22 we were in a position where we didn't have the best. Yes, our pilots are better, but the equipment wasn't in some ways as good. Some people say we could get by now with expanding the F-15s, maybe the E models, but they're not stealthy, they don't have -- they're not -- to me, that wouldn't work.

Now, we're set up right now, we are flying 112 F-22s, 6 are being accepted by the Air Force, 50 to be built, and ultimately 183, and it's my understanding that that's when it stops and that would mean that the line would start deteriorating around 2009 or 2010. This is something that does concern me and I'd like to get your comments as to what -- and then of course it would be another year before you'd get into the Joint Strike Fighter and others.

Do you agree with this level of procurement in F-22s?

Secretary Gates: Yes, sir, we are, as you say, we are keeping the line open. We will -- there is a buy of 20 F-22s in the base budget. We will probably ask for several more as part of the supplemental. But we do intend to keep the line open. I'm persuaded that the 183 is probably the right number, or something in that ballpark. I know that the Air Force is up here and around talking about 350 or something on that order.

My concern is that the F-22 is \$140 million a copy and the Joint Strike Fighter will be about half that, about \$77 million a copy. So

if -- my worry is that if the F-22 production is expanded that it will come at the expense of the Joint Strike Fighter. The reality is we are fighting two wars, in Iraq and Afghanistan, and the F-22 has not performed a single mission in either theater. So it is principally for use against a near-peer in a conflict, and I think we all know who that is, and looking at what I regard as the level of risk of conflict with one of those near-peers over the next 4 or 5 years until the Joint Strike Fighter comes along, I think that something along the lines of 183 is a reasonable buy.

Senator Inhofe: Well, I'd like to ask Secretary Gates and all of your people to keep an open mind on this, because this is moving. It's not static.

The last question I would ask would be just a real quick response if I could, Admiral Mullen. I've had occasion to spend quite a bit of time in both the CENTCOM and Africa, some 27 trips. The one thing I consistently hear is that we have to enhance our train and equip, our 1206, 1207, 1208, and the CERP program. Those are the two most popular programs out there. I would like to know if you agree with that?

Admiral Mullen: I do, very strongly. General Petraeus and General McNeil in Afghanistan speak literally about CERP money as ammo for making good things happen. And clearly the 1206 train and equip has tremendous leverage, far beyond the value of the money that we're actually spending.

Senator Inhofe: And making it global?

Admiral Mullen: And making it global.

Senator Inhofe: I agree with that.

I know my time has expired, but just for the record if you could give us your thoughts about what's happening with AFRICOM now, and particularly as the five African brigades that we have been concerned about, but nothing seems to keep -- to happen there. I think of Africa as being a real critical area. So maybe for the record you could -- thank you, Mr. Chairman. [The information referred to follows:] [COMMITTEE INSERT]

Chairman Levin: Thank you so much, Senator Inhofe.

Senator Bill Nelson?

**STATEMENT OF HON. BILL NELSON, U.S. SENATOR FROM
FLORIDA**

Senator Bill Nelson: Thank you, Mr. Chairman.

Gentlemen, you know my personal appreciation and affection for the job that you're both doing. You've brought a candor that was desperately needed in the Defense Department. This opinion that I express is shared by many of us on this committee and we appreciate it.

Now, one of the areas of the lack of candor has been brought out in the questioning by the chairman today. There's a budget request of \$515 billion and over and above that what is called a bridge fund of \$70 billion for the war, when in fact the testimony here, asked by the chairman, it's \$170 billion. So I realize your hands are tied by the White House and specifically the budget office of the White House, and I agonize for you as you go through this. But this is part of the candor that we need. Again, I just reiterate, thank you

for the candor that you have brought in the relationship between the Congress and the Defense Department.

Let me just ask a series of questions, some of which deal with the subcommittee that I have the privilege of leading here, the Strategic Subcommittee. First of all, I just want to get for the record, do we have any other difference, Admiral Mullen, on the question of whether or not we ought to have the 11 aircraft carriers that we have for projection of our defense, or should it be less?

Admiral Mullen: 11.

Senator Bill Nelson: Okay. And now that that environmental impact statement has been completed on the question of making Mayport nuclear-capable and therefore spreading the Atlantic fleet of carriers from just one port to two ports, do you think that the Department of Defense will budget for the necessary improvements to Mayport in order to make it capable of receiving a nuclear carrier?

Admiral Mullen: I remain where I was when I was the CNO and we discussed this, Senator Nelson, which is I believe that strategic dispersal is important, or that capability is important. It was tied to this process, and obviously I would lean on Admiral Ruffhead and Secretary Winter for recommendations to myself and the Secretary of Defense, but clearly to have that capability you need to invest in it, and we need to continue to do that.

Senator Bill Nelson: On another subject, Admiral Strevitus -- you in the uniformed military are working up a recommendation to the Secretary of the Navy and the Secretary of Defense about reactivating the Fourth Fleet to give Admiral Strevitus more power to project in the Western Hemisphere. Have you made that recommendation yet, and if not --

Admiral Mullen: It has not been made to me. I thought it was a great idea when I was the CNO.

Secretary Gates: One reason I like to come to these hearings is I learn so much. [Laughter.]

Senator Bill Nelson: That's exactly why I brought it up, Mr. Secretary, so you would hear it firsthand.

In the subcommittee that the chairman has given me the privilege of heading, the Strategic Subcommittee, we're getting some of our combatant commanders that they do not have the near-term capabilities against the existing short and medium-range missiles that would threaten our forward-deployed forces. We even stated this 2 years ago in our authorization act, to place a priority -- and this was the act on Fiscal Year 2007 -- priority on the near-term effective missile defense capabilities. And yet the Department in its budget is not placing more emphasis and resources on these near-term capabilities.

So I'm wondering, where the disconnect here?

Admiral Mullen: Senator, I'm a big proponent of missile defense and in fact we have fielded capability on a number of our ships which give us some of the kind of capability that you're talking about, and that capability continues to be fielded. It's not out there now as we would have it be in the future and I think we need to continue to emphasize that.

The challenge -- my view is the challenge in the Missile Defense Agency has been how to best proportion the investments there for

the future. And in fact, the overall missile defense budget this year has been increased. But it's a growing concern, growing threat, and it's one I think we need to continue to focus on, not just in the near term but in the far term.

Senator Bill Nelson: We're talking about the Aegis, we're talking about the Standard missile --

Admiral Mullen: Yes, sir.

Senator Bill Nelson: -- interceptor, and we're talking about THAAD. And our concern in our subcommittee is that the military analysis shows that you're only planning to buy half as many THAAD interceptors and the Standard missile interceptors as the commanders are asking for.

Admiral Mullen: Well, we deal with the commanders, the combatant commanders, all the time and we work these requirements. The combatant commanders are not going to get everything they ask for. There's an affordability as well as distribution and risk-taking aspect of this, all of which goes into the equation.

We have in fact fielded that capability, as you indicated, in some parts of our fleet and it's, as is always the case, it's a balance between meeting the requirement, the timing of it, affordability, and where those systems are in development.

Senator Bill Nelson: A final question. I have the privilege also of serving on the Intelligence Committee. Yesterday in the opening -- in the open session, General Hayden, the Director of the CIA, stated his belief that Pakistan, the government, finally has a new appreciation of the problem of the uncontrolled tribal areas, and his opinion was that the Pakistani government for the first time sees the situation in this area poses a direct threat to the stability of the government of Pakistan.

Do you agree with this assessment?

Secretary Gates: Yes, sir, I do. I think that -- and I think it's a fairly recent development and probably brought home most vividly to them by the assassination of Mrs. Bhutto, that this is a serious threat. Al Qaeda has been public about threatening the leadership of the Pakistani military and the Pakistani civilian government. They have declared their desire to overthrow the Pakistani government, and I think that plus the insurrectionist activity that's going on in the northwestern part of the country has really gotten the Pakistani government's attention.

Now, the problem that they face in a way is a little bit the problem that the NATO alliance faces. The NATO alliance has trained and equipped over the past 50 years, almost 60 years, to meet the Soviets coming through the Fulda Gap. Pakistan has been focused for all these years on the threat to their east, to the Indian conventional military threat. So my view is that the Pakistanis just as they recognize a new kind of threat to the stability of the country are going to have to make some changes in terms of the training and equipping of their force.

Senator Bill Nelson: Of course, that's the next question that we have to ask, and part of that has to be off the record.

Thank you all very much for your service to our country.

Thank you, Mr. Chairman.

Chairman Levin: Thank you, Senator Nelson.

Senator Sessions?

**STATEMENT OF HON. JEFF SESSIONS, U.S. SENATOR FROM
ALABAMA**

Senator Sessions: Thank you very much.

Gentlemen, thank you for your service. You have indeed won a great deal of respect and credibility on both sides of the aisle here in the Congress. Your candor and good judgment I think have been responsible for that and we appreciate it very much.

Secretary Gates, I think your opening remarks, in which you talk about the new strategic threats we face, failed states, terrorism, and the like, represents a significant statement. You have indicated that we need to confront and be prepared to confront those threats for years and years to come. Are you confident that what we're doing within the Defense Department now is the right balance between a potential peer competitor some time in the future, hopefully some years out, and the immediate threat of these kind of failed states and terrorist activities?

Secretary Gates: I think we do have a good balance. I think it would be probably unrealistic for me to say with confidence that we've got it all just right. When you've got a budget this big and so many programs, you hope to get the balance in the right place. I think that what we have to do is figure out how to prepare for the diverse kinds of threats we're going to face.

One of the issues, for example, that I've been discussing with the Army and where General Casey, frankly, has been very helpful is the fact that the Army is more likely to face asymmetric kinds of threats in the decade, in the years to come, than it is a major conventional war, and how do they prepare and equip for that over the long term and at the same time be able to retain the full spectrum capabilities?

So it's a matter not of one foot or the other, but the amount of weight you put on one or the other feet. So I think that another example of this is in the kind of ships that the Navy is buying. We've had these problems with these Littoral Combat Ships, but I think that they're exactly the right kind of ship for the kind of threat we're going to face in places like the Persian Gulf, where they can take on swarms of small boats and where they can go in shallower water and so on.

So I think we've got it pretty right, but I would never be in a position with a budget this big to say we've got it exactly right.

Senator Sessions: Admiral Mullen, do you want to comment on that?

Admiral Mullen: I think, to Senator Inhofe's statement earlier about projecting, predicting the future, we're in an incredibly uncertain time. It's a dangerous time, and to best prepare for that I think we've got to have a balance. We've got to have this irregular warfare thing right. We need to continue to swing in that direction. But I also think we need to invest well for the future with respect to our conventional forces.

I mentioned space and cyberspace. Those are of great concern to me as well. Most importantly, we've got to get it right for our people, particularly our young people, so that we see that we're headed in the right direction, because they're the ones that always have to fight the fight.

Senator Sessions: Well, thank you. I appreciate the Secretary mentioning the Littoral Combat Ship and I hope, Admiral Mullen, we can break through some of the delays that are occurring there and not lose momentum on that critically important ship.

I'm also pleased, Mr. Secretary, in your written remarks that you noted the need for the Air Force number one priority, the tanker. We'll soon be having a selection on that and it's something we're going to need to invest in for a number of years. 48-year-old tankers just cannot continue to meet our Nation's need.

You mentioned cyberspace, Admiral Mullen. I am concerned about that. Even our new defense structure commits us even more deeply to high tech, satellite, communications, computer systems. And of course the history of warfare has been that enemies have figured ways to penetrate communications systems and whole wars have turned on intelligence and spying activities. We of course have nations like China and others that are highly sophisticated in these areas.

Are you confident that as we commit more to a high tech military that we have the defensive capabilities to guarantee the security of those systems in the event of a conflict?

Admiral Mullen: I'm confident that we recognize the problem. The threat is exactly as you described it today, as it has always been; and that we have taken significant steps to invest to get it right for the future. But I would not sit here and give you a 100 percent guarantee that we could defend. It's a very active domain.

Senator Sessions: It is -- I just got to tell you, the history of warfare is that somebody always figures a way to break these systems, and we're investing in them so heavily that I hope that you will invest a lot in security.

Admiral Mullen: We are.

Secretary Gates: Senator, I might just say that one of my concerns is not only that they break them, but that somehow they figure out a way to deny them to us. One of the things that I've asked for is a study of what kind of, if you will, old capabilities we could resurrect as a backup in the event we lost some of the high tech capabilities to communicate and so on that we have right now.

This world of cyber war is going to be very unpredictable and very dangerous, and it seems to me we maybe ought to look back at some old pretty simple technologies so that we're not blind, deaf, and dumb if we're denied some of these high tech capabilities.

Senator Sessions: Thank you very much for that insight. I think you need to press that because we absolutely could find ourselves, I think, in a situation where we're not able to utilize some of the technologies we thought we would be able to utilize.

Missile defense site in Europe. Secretary Gates, you noted you personally have met with our Polish and Czech friends, that progress is being made there for a radar site at the Czech Republic and interceptors in Poland. Could you give us an update on that and why you think it's important?

Secretary Gates: I think that we're continuing to move forward. It is my hope that we can reach agreement and break ground this Fiscal Year. I think that the Polish foreign minister when he made his public remarks after meeting with Secretary Rice indicated that the effort would go forward. I think the Poles clearly are concerned

about whether there is an increased threat to their own security as a result of hosting these sites. Obviously the Russians are making a lot of threats. So we will be discussing that with them. But I think it is continuing to go forward.

Senator Sessions: I would just note, I can't imagine why the Russians would object to this system. It poses no real threat to their massive capability in missiles. It's just very frustrating and another example of I think just bad behavior by the Russians that's disappointing.

Secretary Gates: We would like for them to be our partners in this, and we have made a number of forthcoming offers. Anybody can understand that this is not capable of being used against Russian missiles. The geometry is all wrong, the number of interceptors. And I said, if your problem -- I told President Putin: If your problem is breakout, that you think 10 years from now we'll do something different with this site that would make it a threat, we'll negotiate that with you so that there are limits. And we talked about reciprocal presence in the sites.

So we've really put a lot on the table in the hope that the Russians will see we're serious about this partnership. We both face the same challenge and that is the growing Iranian ballistic missile threat.

Senator Sessions: You promised when you took this office that you would personally analyze conditions in Iraq and that you would give us your best judgment about where we should deploy, how we should deploy, the number and so forth. In all the discussions that we'll be having, we want that opinion.

Secretary Gates: Thank you.

Chairman Levin: Thank you, Senator Sessions.

Senator Ben Nelson?

**STATEMENT OF HON. E. BENJAMIN NELSON, U.S. SENATOR
FROM NEBRASKA**

Senator Ben Nelson: Thank you, Mr. Chairman.

Let me add my appreciation to your service and particularly for the candor that you've been able to express in your position, Mr. Secretary and Admiral Mullen, as you continue in your role. I know you're going to give us your best estimate on what we need to do to keep our country safe in the midst of growing concerns and different kinds of challenges.

Mr. Secretary, I dropped a letter your way today about the budget. My concern is the concern that was raised initially and one that you've responded to. I understand the difference between precision and accuracy. I don't know why they have to be at odds as far as they are in terms of the numbers.

My concern is that we continue to bring together our desire for precision and getting it right accurately as well, so that the distance between the bid and the ask isn't quite so great, because it makes it very difficult to have anything back here called a budget. I don't know if I coined this word, but we came up with it in the office: It looks like a budget is now a "fudge-it." There's fudging in it, just because you don't know certain things.

But I think we need to narrow down those differences as much as we possibly can. I know you told us that you were going to try

to do that. The system here is broken and it's not your fault, but it is an opportunity for you to try to help us fix it so that we don't go through the rest of this decade with a broken system, to be inherited by the next administration. It just isn't going to enable us to get something that we can deal with.

On high technology, let me say that I really think that, whether it's asymmetrical war or whether it's cyber concerns, that we have to be not only in a defensive posture -- clearly we have to be able to defend what we have. If we lose our high tech capability, you're right, we better have some low tech response capability to be able to deal with that. But I also hope that we're at a position where we're not bragging, but making the world aware we have the ability to be on the offense on this as well.

If the rest of the world understands that we can take our their cyber, assuming we can, we can take our their cyber capabilities, perhaps we can ultimately agree to certain things and reduce that risk to both sides, so that we don't continue to face the uncertainty of what high tech cyber war might look like.

What I'd like to do is go just for a minute on the Pakistan military aid funding. I've been watching the media reports, the coalition support funds, the CSF, and the foreign military financing aid that have been provided to the government of Pakistan and it seems, according to the reports, this funding seems to have been used for means other than to fight Al Qaeda and Taliban forces in Waziristan.

According to a New York Times article on December 24, "Military officials believed that much of the American money was not making its way to front-line Pakistani units. Money has been diverted to help finance weapons systems designed to counter India, not Al Qaeda or the Taliban, the official said." The end of the quote.

In another article from the L.A. Times on November 1, they also talk about the billions of dollars that have been made in U.S. military payments over the last 6 years, but raising the question as to where those dollars have gone.

So my question, first question, is are U.S. funds being used effectively and appropriately as well by the Pakistani government in fighting Al Qaeda and the Taliban?

Secretary Gates: Based on the information that's available to me, Senator, I think they are. The funds have been used to help support I think something like 90 Pakistani army operations, to help keep about 100,000 troops in the field in the northwest. We have a process where the Pakistanis come to the embassy when they have an operation that they're going to perform. The embassy has to validate that it is in support of U.S. military and security objectives. It is then reviewed by Central Command, that not only further validates whether it's a legitimate military operation, but also whether the cost is reasonable. Then it's finally reviewed and approved by Ms. Jonas here.

They have made airfields and seaports available to us. Half the convoys -- half the material going into Afghanistan goes on Pakistani roads, convoys that are protected and so on.

But as to some of the specifics, maybe I could ask Ms. Jonas to respond.

Ms. Jonas: Senator Nelson, I'd just like you to know that I often talk to the IG on this, and when the program was initially set up we set it up in conjunction with them. He's looking at the program also to see if we can -- if there are any management reviews that we can, or additional things that we can tighten up.

I will tell you that my office in particular spends a lot of time testing the reasonableness of the costs. So there are plenty of things that we would turn down as well. But we do rely on the field to tell us, and to CENTCOM, as to how that is supporting the objectives.

Senator Ben Nelson: Would that involve trying to decide not simply whether the use is appropriate, but are we getting results from it as well? Because I think that's the concern I have. How much do we need to provide to get the results that we are hoping for, and that is to avoid having the buildup in Waziristan and in the border, the non-border area where you've got a reconstituting, reconstitution of the Taliban and the expansion and redevelopment of Al Qaeda?

So even if the money is being spent appropriately under the way in which it's been designated, are we getting the bang for the buck that we really ought to be getting? And if we're not, is it because it's not enough or is it because it's not being used, while appropriately, not in the most effective manner possible to get the results we're after? Do we ask those kinds of questions or do we just go through -- I don't mean to be pejorative here, but go through and check the boxes to see that it's done appropriately, but what about effectively?

Ms. Jonas: Well, certainly that would be the responsibility of Admiral Fallon and CENTCOM to judge that, along with the field.

Admiral Mullen: Senator Nelson, if I may.

Senator Ben Nelson: Yes, Admiral.

Admiral Mullen: I know Admiral Fallon and I have specifically talked about this. I know he has addressed it with the leadership. To the Secretary's point, there has been a tremendous investment and we think generally it has flown in the right direction. Your question about results or output or effects I think is a very valid question, particularly at a time, as was pointed out earlier, as this threat seems to be both expanding as well as turning inward. We know that General Kianni, who heads their army now, we all think is a very, very -- a great leader and has the right focus. It's going to take him a while to get the focus where it needs to go. It's going to take him years to get at this as well; and that our continued support is really important.

To the level of detail where these dollars are going, I think it is a great question to look at from the standpoint of the effects. What we have seen from here, that's the case. Admiral Fallon is asking the same questions and I know they are in the field. I would hope that we would have detailed answers to that down the road that would answer that, that could put your concerns at ease.

Secretary Gates: Senator, maybe we could ask Admiral Fallon to do a report for the committee for the record on his view of the effectiveness of this investment.

Senator Ben Nelson: Well, because if it's an investment and let's say it's effective to a certain level, would we I suppose like to ask

the question, if we doubled the money would we get triple the results? I think there are certain kinds of questions you ask about a program like that, and when we don't seem to be getting where we want to be and they're reconstituting themselves and they're gaining strength in certain areas we have to ask the question. If we always do what we've always done, we'll always get what we always got. I think we need to break that and take a look at how we move forward to get the results we're after. If it's money, then we need to address that. If it's commitment, we need to address that. And I'm not talking about our commitment, but I'm talking about the commitment of the other government.

The other question which I hope to find out is what do our friends in Delhi think is being done with this money, because there are also reports that they're concerned that a lot of the money we're giving that's supposed to be going to Waziristan is just simply being used to build up the military strength of the Pakistan military on the border of India.

So there are a lot of issues here and I hope that we could get from Admiral Fallon a pretty detailed explanation of that. Also, if he had his druthers and an open checkbook and an open opportunity, what would he ask for?

Secretary Gates: I think one of the concerns that we're dealing with right now is there's I think quite a bit of sensitivity in Pakistan to the American footprint and presence in Pakistan, particularly an American military presence. I have said publicly that we are ready, willing, and able to help the Pakistani army should they need help in training for the new kind of mission and so on.

They're very proud. They have a long history of sort of being representative of the nation. And I think, just further to Admiral Mullen's point, until General Kianni sort of gets on top of the whole situation and what their needs are, I think we're kind of in a standby mode at this point, other than this program.

Senator Ben Nelson: Well, with two wars costing us, what, 12 to \$16 billion at a pretty fast clip, one wonders what some of that money diverted to a stronger presence to attack Waziristan might get us and be cost savings in the long term, plus less threat -- now my time's run out -- less threat to our troops if we're able to bring down the pressure there in Afghanistan and in Iraq.

Thank you, Mr. Chairman. Thank you, gentlemen.

Chairman Levin: Thank you, Senator Nelson.

Why don't we do this, Secretary Gates. If you would alert Admiral Fallon to the line of questions that Senator Nelson has raised about the effectiveness of that spending, perhaps by the time he comes here, which is March 4, I believe, he could be prepared to give us that report. We would appreciate that very much.

Thank you, Senator Nelson.

Senator Collins?

STATEMENT OF HON. SUSAN M. COLLINS, U.S. SENATOR FROM MAINE

Senator Collins: Thank you.

Secretary Gates, I want to talk to you a bit about two reports that were released last week on Afghanistan which Chairman Levin has already alluded to. Both of them are pretty stark in their

warnings about what is at stake in Afghanistan. One begins with "Make no mistake, NATO is not winning in Afghanistan. Unless this reality is understood and action taken promptly, the future of Afghanistan is bleak, with regional and global impact."

The other says that "Afghanistan stands today at a crossroads." It talks about that the progress of the last 6 years is threatened by some of the factors that you've already discussed. And it says that the United States and the international community have tried to win the struggle in Afghanistan with too few military forces and insufficient economic aid. The reports recommend that the "light footprint in Afghanistan" be replaced by the right footprint of U.S. and allied force levels.

My first question to you is, what is your reaction to these two reports and the recommendation? And second, I recognize that we're sending 3200 Marines this spring to Afghanistan, but is that going to be sufficient to put Afghanistan back on course if NATO forces aren't joining in an increased commitment?

Secretary Gates: Well, first, I think that I guess what I would say is that I think that we are -- and it sounds a little familiar -- we're being successful in the security and particularly in the military arena. General Rodriguez reports that January was the first month, to the eastern region of Afghanistan, it was the first month in 2 years where the level of violence was actually less than it was 2 years ago. That's clearly where the U.S. has the biggest presence. It's our area of responsibility, and the counterinsurgency is going very well there.

The Taliban no longer occupy any territory in Afghanistan. They were thrown out of Mussaqawa a few weeks ago before Christmas. Now, that said, I think that -- and the Taliban have had some real setbacks. Probably 50 of their leaders have been killed or captured over the past year and we know that that's had an impact on their capability and also on their morale.

All that said, because they are failing in the conventional kinds of attacks on us, they are turning more and more to suicide bombers and to terror and to IEDs. So I would say that, while we have been successful militarily, that the other aspects of development in Afghanistan have not proceeded as well. Clearly, the counternarcotic is a problem. Corruption is a problem. The ability of the government to get services to the countryside is a problem. Effectiveness of government ministries in many cases is a problem.

Then kind of overarching this is a problem that I started trying to work on a year ago, which was to bring about greater coordination of the civil effort among the NATO allies. There are some 40 partner nations active in Afghanistan, not to mention hundreds of nongovernmental organizations. There is no overarching strategy. There is no coordinating body that looks at what's working best and what's not working and shares those experiences or that coordinates and says, you need to focus on electricity, and you need to focus on roads and so on, in terms of your commitment, rather than everyone kind of doing their own thing all the way around the country.

So the importance of somebody filling the position that Lord Ashdown was considered for is critically important, and I started proposing that a year ago. I also proposed the Nordvik last fall that

what NATO needs is a 3 to 5-year strategy that looks out beyond the end of 2008, beyond 2009: Where do we want to have Afghanistan? Where do we see Afghanistan being in 3 to 5 years, and what kind of forces will it take, what kind of civil commitment will it take, what kind of economic aid and development?

One of the biggest problems with Afghanistan is that it's poor. Total government revenues this year will be \$675 million. That compares with nearly \$50 billion budgeted in Iraq, and Iraq has 5 million fewer people. So the contrast and the importance of the international community helping Afghanistan in some respects is even more important than in Iraq because of the poverty in Afghanistan.

But this strategy is necessary, with some milestones on how we can tell whether we're making progress in these areas. and I think that there will be a strategy like this approved at Bucharest at the summit, that also will I hope serve as an educational tool for the people of Europe to better understand the threat to them coming out of Afghanistan, which will then further empower the political leaders to do more.

Now, to the second part of your question, I've been working this problem pretty steadfastly for many months at this point and I would say that I am not particularly optimistic. I think that -- I think there are some additional opportunities and I think there are some straws in the wind that suggest some governments may be willing to do more and do more in a meaningful way, not just symbolic.

My hope is that in Vilnius and then in Bucharest we'll get some better indication of what they're prepared to do. Some nations are stepping up. The Poles are sending additional people. So I think that there are some who are stepping up to do more, but I sent a letter -- after I made the decision on the Marines, I sent a letter to every defense minister in NATO asking them, basically trying to leverage our dispatch of the Marines into getting them to dig deeper. In several cases I made specific requests of specific kinds of units and in some cases named units and where they needed to go.

I haven't gotten any responses yet, but I'm sure I will in Vilnius. But we'll see. We just have to keep working it.

Senator Collins: Thank you.

Chairman Levin: Thank you, Senator Collins.

Senator Warner has just made an excellent suggestion, as always, that you, if you would, send that letter to us so we can make it part of the record, if that is a public letter.

Secretary Gates: Well, it was public after it leaked in Germany.

Chairman Levin: Well, why don't you leak it to the record. If you could leak it for our record. [The information referred to follows:]
[COMMITTEE INSERT]

Chairman Levin: Senator Webb?

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

Senator Webb: Thank you, Mr. Chairman.

I first would like to observe that I really appreciate the tone of the relations that we're having out of the Department of Defense now, as compared to even a year ago when we were having some

of these hearings. I think Admiral Mullen, Admiral Fallon, General Conway and others have really demonstrated a willingness to rethink where we're going on a lot of these issues. It's vitally important that we do this and do it in a timely way.

I was writing before the invasion of Iraq that my concern was that we were falling into a double strategic mousetrap. I think if you look at this budget that's before us today, you see the ramifications of that, a double strategic mousetrap meaning first of all we were going to be tying up our military in one spot, burning it out, burning out our people, burning out our equipment, at the same time that the enemy that we're facing, the true enemy that we're facing, which is global terrorism, international terrorism, would retain its mobility.

I'm looking at the Washington Post this morning, the Director of National Intelligence identifying what he called global hot spots -- Iraq obviously, Saudi Arabia, Iran, Afghanistan, Pakistan, China to the extent that it is providing missile sales and other weaponry to Iran. They're all focusing in that area in a way that we haven't been able to control it, in a large sense because of what's happened with our commitment in Iraq. To me that argues very strongly for our getting our people off the streets of Iraq and out of this role as occupier.

The second strategic mousetrap is that we were tying up so much of our national attention and so much of our budget in one specific spot, while we were ignoring our strategic interests around the world, our larger strategic interests. And we're seeing that coming home to roost now with the size of this budget. I support what we need to be doing, particularly with growing the Navy back to where it needs to be, but it's pretty unfortunate, I think, from my own perspective that we're having to face these problems that were avoidable with a proper strategy.

As you know, my question really is on the GI Bill. I've had meetings, I've had discussion with Admiral Mullen about this and others. I proposed a GI Bill a year ago that would give the people who've been serving since 9-11 the same range of benefits as those who served since World War II -- during World War II. We took care of 8 million people after World War II, paid their tuition, bought their books, gave them a monthly stipend.

We keep talking about these young men and women as the new greatest generation, and yet we're having a very difficult time with this administration and, from what I'm hearing, inside the Department of Defense, getting an agreement that this is something that these people have earned. Senator Clinton is on this bill. Senator Obama is on it. Governor Romney has indicated he supports something of this nature. We're still waiting for Senator McCain, who speaks so strongly about people who serve. We're still waiting for people on the other side here.

But my question for you is this. What I've been hearing from the Pentagon is that there are people who believe that giving these young men and women this kind of a benefit will affect retention. I'm an old manpower guy. I spent 5 years in the Pentagon. My view on this is that it will increase the pool of people to be recruited, that right now we're burning out this one pool we've been going after time and time again with all these bonuses, and we've

been seeing indicators from the Army that categories in terms of mental categories being recruited are going down. This would open up a whole new group of people potentially.

I'm wondering if it's true that the position of the Department of Defense is that this is somehow going to affect your ability to manage the force?

Secretary Gates: I have not heard that, Senator, and I am certainly willing to take a close look at the bill and see what the budgetary implications are and so on. Personally, I've been trying to do what we can in terms of enhancing the benefits and the flexibility of the benefits. For example, the President's recommendation in the State of the Union Address that a service person who does not intend to use his or her Montgomery GI Bill education benefits could transfer those to a spouse or to a child in their family, I heard that recommendation in one of my meetings with military spouses at Fort Hood.

So I think we look for -- we are looking for areas in which we can both help the families as well as the service members. I'm very happy to take a look at this bill.

Senator Webb: We've been trying to get people in the Department of Defense to give us a specific comment on this for more than a year now. The Montgomery GI Bill averages out, the average payment on it averages out to \$6,000 a year. If you were going to go to the schools that some of our World War II veterans were able to go to -- Senator Warner, for instance, was able to go to Washington and Lee -- he and I have discussed this -- and UVA Law School. The Montgomery GI Bill wouldn't even cover 13, 14 percent of that today.

So whatever the benefit is to be transferred -- and there are questions about transferability. As someone who spent 4 years as a committee counsel on the Veterans Committee 30 years ago, the benefit itself is not measured to the value of the service.

I'd be interested if the Admiral had any thoughts on this.

Admiral Mullen: I'm an old manpower guy myself, Senator. Listening to you when you talk about this, it's my belief we need to take care of these people from the moment we recruit them until they -- literally, for as long as the system can support them, depending on whether they -- depending on what they do, whether they stay in and whether they get out. That doesn't, obviously, mean we take care of them for the rest of their lives, although I do feel strongly we have to have a system which supports those who are wounded in that regard.

Specifically on this, I don't think there is any benefit that when I go out and talk to the troops and we meet with families -- this gets talked about; it's the education benefit which they both see, talk to -- you talk to young enlisted, that so many came in for the education benefits. We know that it will lift up the country no matter what they do, whether they stay or go.

I don't immediately sign up to whether this is affecting retention at all. I can certainly -- I can get a little bit of that. But from the beginning to the end, from when they come in to when they leave, whether it's a few years or a career, we need to have a system which supports that. And education is a ticket to the future, whether you're in the service or not.

So we need to, I think, take a very careful look at it. I've not been made aware of this literally until we've talked in the last couple days, and I'm happy to certainly lend my ear as well.

Senator Webb: I would suggest and hope that we can take a look at it soon, to try to get something through this year. We've been working on it for a year. We've been trying to get the other side to understand that this is not a political issue, it's an issue of rewarding service. And all we're saying is try to give the same thing that we gave these people coming out of World War II.

For every dollar that was spent on their education, we got seven dollars back in tax receipts because we increased the value of their professional lives. So I would hope we could work in a pretty rapid manner on this.

Secretary Gates: Yes, sir. And I say, I'm not a manpower guy, but the GI Bill did pay for my Ph.D. at Georgetown.

Senator Webb: Thank you, Mr. Chairman.

Chairman Levin: In your case it's probably 14 or 15 times the investment.

Senator Webb: So far.

Chairman Levin: So far, right.

Senator Warner: Could I just commend my colleague from Virginia, and I wish to associate myself with your goals. I think we will be able to in this committee effectually put forward a bill.

Senator Webb: I thank the senior Senator for saying that.

Chairman Levin: And I want to thank Senator Webb also for his persistence on this.

But could you, Secretary Gates, get to us within the next month or so the position of the Department on this bill that Senator Webb and others have introduced?

Secretary Gates: Yes, sir.

Chairman Levin: We need to know what the Department's view is on it. We're entitled to know that, and Senator Webb surely has been I think not only very clear and right on this issue, but he's been patient as well. We're entitled to an answer.

Senator Dole?

**STATEMENT OF HON. ELIZABETH DOLE, U.S. SENATOR FROM
NORTH CAROLINA**

Senator Dole: Thank you, Mr. Chairman.

Secretary Gates, Admiral Mullen, let me just underscore again, as each of our members have said, our thanks for your great service to our country and your candor before this committee --

Chairman Levin: Senator Dole, if you would allow an interruption.

Senator Dole: Sure.

Chairman Levin: Forgive me for doing this, but I'm reminded that the question of this bill -- this bill has been referred to the Veterans Affairs Committee, not to this committee. So that any report that you give to us should go also to the Veterans Affairs Committee because it is within the jurisdiction of Senator Akaka's committee.

Thank you. I apologize, Senator Dole?

Senator Dole: That's just fine.

Admiral Mullen, you've endorsed the proposal to fund the annual defense budget at no less than 4 percent of the GDP. A review of this budget certainly makes it clear that we need to substantially increase the baseline budget. Accordingly, I am sponsoring with Trent Franks in the House of Representatives a joint resolution that calls for the United States to fund the annual defense budget at no less than 4 percent of the GDP.

But rather than discuss percentages and dollars, would you share your view on the implications for our military in terms of modernization, the growth of our military, the quality of life, the modernization, the research and development, if indeed we continue to inadequately support our armed services?

Admiral Mullen: Senator, I've been in and out of Washington and a lot of time in the budget world since the mid 90s, and I've recently discussed very publicly the need to have 4 percent as a floor. Not unlike the other discussions, I'm not sure that's exactly right, but I think it's an important target. Over the last 10 or 12 years for me, as I've watched us through budgets which have been lower and budgets which have gotten larger, the impact of the growing cost to invest correctly for our people -- and it's not just the members, but their families and the quality of life to have them stay in and to ensure that they see themselves as valued as we all say they are, and without whom we can't do anything -- the growing challenges that we have across a full spectrum of requirements, and there are challenges in the acquisition world and we do need to contain those costs. But modern systems have gotten more expensive. The growing cost of operations. Those are sort of the three big accounts.

As I look back at a lot of people trying to get this right, and there are a lot of really dedicated people, I just worry a great deal about, in the world that we're living in right now, with the terrorist threat that we have, the weapons of mass destruction threat, the uncertainty, the regional instability, cyberspace, space, the growing challenges that possibly come from a near-peer competitor in the long run, the technology gap which is closing and which we're being closed on, that to underinvest across the board in a balanced way would be very dangerous.

As I really roll it up and do the math, for me it's about 4 percent. It isn't exactly that, but I think at a minimum we need to do that.

To Secretary Gates' point earlier, we've made this mistake before. We can't do this now. It is a dangerous world, and if we do that I think we draw a great risk to ourselves in the future.

Senator Dole: Thank you.

Secretary Gates, let me speak to you about the need for a Goldwater-Nichols II inter-agency reform initiative. I read with great interest your speech to K State, Kansas State, recently. You indicated there that, based on your experience serving seven presidents, as a former Director of CIA, and now as Secretary of Defense, you said: "I'm here to make the case for strengthening our capacity to use soft power and for better integrating it with hard power. One of the most important lessons of the wars in Iraq and Afghanistan is that military success is not sufficient to win. Economic development, institution-building, the rule of law, promoting international reconciliation, good governance, providing basic serv-

ices to the people, training and equipping indigenous military and police forces, strategic communications, and more -- these, along with security are essential ingredients for long-term success."

You also mention that "What we do know is that the threats and challenges we will face abroad in the first decades of the 21st century will extend well beyond the traditional domain of any single government agency. These new threats require our government to operate in a wholly different manner, to act with unity, agility, and creativity."

I would like for you to complement -- or to comment on the implications if we were not to move in the direction that you've suggested in this very impressive K State speech.

Secretary Gates: Well, in many respects I think some of the challenges that we've faced in Iraq in terms of getting the development, reconstruction, the civil side of the equation right; the deployment, the difficulty that it has posed by trying to staff the Provincial Reconstruction Teams, as an example.

In a way, this goes back to the question of resources. The reality, as I talk about in the speech, is that at the height of the Cold War AID had 15,000 employees. It has 3,000 now and it's basically a contracting agency. AID in its heyday was an expeditionary agency. It had all of the kinds of agricultural, rule of law, civic institution, all those kinds of people who knew and wanted to serve overseas and served in many third world countries, developing countries, and they knew what their role was and they were very good at it. It was an important component of America's arsenal in the Cold War, where that was as much a war of ideas as it was of military power.

So we've really hampered ourselves. The freeze on the hiring of foreign service officers in the 1990s. One of the lines that I used in that speech is, you could -- you could take the entire foreign service and it would not be enough people to crew a one single carrier strike group.

So I think the government is out of balance. Now, the fact that I'm up here for a \$515 billion budget suggests that I don't mean that we correct the balance by lowering the defense budget. But I think that there needs to be greater attention both in the Executive and in the Legislative Branches in how do we strengthen some of the civilian side of the government that deals with international affairs.

The second part of the problem is how do you structure it, how do you organize it? And I would confess to you -- and one of the few negative comments about that speech was that I didn't put forward any ideas on how to fix the problem. What we have done in the Pentagon is go to -- is let a contract to a nonpartisan, non-governmental think tank to try and come up with some ideas that could perhaps serve as a basis for legislation or action by a new administration in terms of how you structure it.

The problem with the Goldwater-Nichols analogy is the same problem that I had with that analogy in the creation of the Director of National Intelligence. It is that the reason Goldwater-Nichols works in the Department of Defense is that at the end of the day there is one guy at the top that makes all the decisions, and that's

not the case in a 16-member intelligence community and it's certainly not the case in the inter-agency.

But clearly the structure -- the theme of that speech was this last year was the 60th anniversary of the National Security Act. It created the Air Force, it created the Department of Defense, it created the National Security Council, it created CIA. It was a huge piece of legislation, of enormous consequence, and really provided the framework for decisionmaking for the entire Cold War. My suggestion was, if you are going to write the National Security Act of 2007, what would it look like.

I just think that the Legislative Branch, because you have a lot of research capabilities up here, a lot of historical experience, the Executive Branch, and we're doing our part in the Defense Department, needs to begin to focus on this. Frankly, I think it needs to be as a new president looks out at the world, getting this right and figuring out how to restructure to use all of the elements of national power that we have should be a high priority for the new president.

Senator Dole: Thank you very much.

My time has expired.

Chairman Levin: Thank you, Senator Dole.

Senator Akaka?

STATEMENT OF HON. DANIEL K. AKAKA, U.S. SENATOR FROM HAWAII

Senator Akaka: Thank you. Thank you very much, Mr. Chairman. I want to welcome our witnesses, Secretary and Admiral Mullen.

As a result -- to Secretary Gates: As a result of the remediation for the problems identified at the Walter Reed Army Medical Center, DoD and VA are currently cooperating and collaborating I would say on an unprecedented level. Secretary Gates, do you believe that the Department can sustain the current level of cooperation and collaboration, and how will this be administered?

Secretary Gates: Well, I think that one of the things that has played a critical role in bringing the Departments together and making sure that the various levels of the Departments are doing what they're supposed to be doing in terms of both the Dole-Shalala recommendations, the legislation that you have passed and others, is the fact that the Deputy Secretary of Defense, Gordon England, and the Deputy Secretary of Veterans Affairs meet every week, and their subordinates are in the room and they have a checklist of what they're supposed to do, and they are methodically working through it.

I think that -- and I believe this -- I am confident that this practice will continue certainly for as long as Gordon England and I are in our positions.

I think that it's -- when you are sitting up here a year from now confirming a new Secretary of Defense, it seems to me that that provides a useful opportunity to encourage that Secretary to continue this practice, because that's what it takes, frankly. It takes top-level attention and it takes short deadlines for getting things done, and it has worked and it's really worked remarkably well. But it requires continued top-level attention.

Senator Akaka: Well, I want to thank you for placing that in the record. I'm so glad to see that continue to happen.

Some have suggested, Secretary, that a permanent joint DoD and VA transition office be established. Do you have any thoughts about that?

Secretary Gates: I'm very open to this, because my approach -- when we started dealing with this problem I said, you know, we need to look at this from the standpoint of the soldier or the sailor or the airman or the marine. You know, forget all these bureaucracies. Forget all these different org charts and everything else. I'm a soldier, I've been wounded, or even if I haven't been wounded; how do we create a structure that makes -- this is perhaps a contradiction in terms and so idealistic it sounds naive -- but that in effect makes the bureaucracy the ally of the soldier, not the adversary, and a seamless transition, so that the bureaucracy smooths the way rather than making it a series of obstacles to be overcome.

I think you can do that, and I'm open to -- as we were doing a lot of the wounded warrior things, I said, go out and just interview some wounded soldiers and tell them: If you had a clean sheet of paper, based on your experience so far, how would you design this system? What would you make it look like?

So I'm open to anything that's going to make the bureaucracy more user-friendly to those who have served it.

Senator Akaka: Thank you for those responses, Mr. Secretary.

Secretary, given the increased interaction between DoD and VA, disagreements could occur that can't be resolved over jurisdiction or responsibility between DoD and VA within either the DoD-VA joint executive council or the DoD-VA senior oversight committee. In these cases, who do you think is responsible for brokering these disagreements between the two Departments, and how would the process work?

Secretary Gates: Well, happily we haven't had any of those yet. I would assume that if there were a really tough problem that couldn't be solved by the deputies that it would come to Secretary Peak and myself. I find it difficult to imagine that we couldn't come to an agreement. But if for some reason we couldn't then clearly the next step would be to take the issue to the President.

Senator Akaka: I want to thank you also for mentioning "seamless transition," because we have been working on that and we have been working here as the Armed Services Committee as well as the Veterans Committee on that.

Many of the programs currently under development, Mr. Secretary, at DoD continue to be delayed or are experiencing cost overruns. The GAO report just released February 1 identified 11 programs that are the result of poor Department acquisition practices and reiterates some of the issues brought out in the testimony at the end of the last Congressional session.

Some failures identified include: overreliance on testing, immature technologies, and early entry into signed contracts prior to a thorough engineering analysis, both of which drastically drive up costs on these programs.

Secretary Gates, what is the status of ongoing efforts within the Department of Defense to improve the efficiency of the acquisition process?

Secretary Gates: I think you could probably fill this room with studies of the Department of Defense acquisition process over the past number of decades. We have a new Under Secretary for Acquisition, Technology, and Logistics, John Young. John has tried to lay out for his entire group a new approach to acquisition that tries to minimize the kinds of problems that you've just described. I would invite -- and I'm happy to have Mr. Young come up and talk to you about it or come up and talk to the committee, because I think -- one of my real regrets is that Mr. Young is only going to have a little over a year in office, because I think he's on the right track and I think he's got it right.

There's another problem, though, and someone alluded to it at the very beginning of the hearing. In the 1990s, because of -- for two reasons -- one, four successive national defense authorization acts that required the Department to reduce the number of acquisition officers by 95,000 people altogether; and the Department's own actions to reduce personnel because of the budget -- that took the number of acquisition people in the Department of Defense, people working acquisition issues, from something like 620,000 to fewer than 300,000.

Maybe more importantly, between 1990 and now the Defense Contract Management Agency dropped from 24,000 contract experts to just over 9,000. So one of the things we have to do is figure out how many is the right number to be involved in managing these contracts, because it seems to me, given the problems we've had in Iraq and the problems we've had that you alluded to, the number where we are now probably isn't right.

One of the things that the Army has done -- there's been a lot of criticism and a lot of justifiable criticism about contracting problems in Iraq. We had 63 contract managers in Iraq until December of 2007. We now have over 300 that the Army has sent out, the Army alone has sent out there.

So it's clearly partly a process problem, but it's also a resource problem, and I think we're trying to address both of those. But I invite the committee and I invite you to sit down with Mr. Young, because I think some of the programs he's putting in place are quite valuable.

Senator Akaka: Thank you very much, Secretary.

Thank you, Mr. Chairman.

Chairman Levin: Thank you, Senator Akaka.

Senator Chambliss arrived on the spur of the moment. Senator Chambliss, you are next.

STATEMENT OF HON. SAXBY CHAMBLISS, U.S. SENATOR FROM GEORGIA

Senator Chambliss: Thank you, Mr. Chairman. And I apologize to whoever I cut off here.

Chairman Levin: Well, Senator Martinez was looking expectantly, and properly so. But you aced him out. Senator Chambliss?

Senator Chambliss: Mr. Secretary, Admiral, thank you for being here this morning. Thanks for your great service to our country.

Secretary Gates, in addition to requiring a force to defend the homeland and to deter in and from four regions, the national military strategy requires our military "to conduct two overlapping

swift-defeat campaigns. Even when committed to a limited number of lesser contingencies, the force must be able to win decisive in one of two campaigns.“ These are quotes from that document, as you know.

According to the strategy, it does not represent a specific set of scenarios nor reflect temporary conditions. Regarding tactical aviation, it is well known that there have been several studies regarding how much and what type of tactical aviation our national military strategy requires. Specifically, there have been at least three studies on this issue within the last 5 years: one by DoD, one by the Air Force, and one by an independent group.

Each of these studies has come to a different conclusion. Only one of them, the DoD study, has concluded that we only need 183 F-22s. DoD’s joint air dominance study, which was done in support of the 2005 QDR, assumes that of the two major regional operations that the force is sized against, only one of those is a stressing scenario that requires a large number of F-22s. I’m very concerned about this assumption. As a previous DCI, you know how hard it is to predict the future and I think that you would agree that our ability to predict our next military opponent over the last 10 to 20 years has been very inconsistent, and we’ve always been wrong.

The DoD study completely discounts the possibility of a resurgent Russia over the next 20 years and uses predictions regarding proliferation of surface to air missiles and fifth generation fighter aircraft that are exceptionally conservative and that do not match estimates that I received from intelligence personnel in the Pentagon just this morning specifically related to the double-digit SAM capability that Iran will have in 2024, the year the DoD study uses for its scenarios.

We can’t talk specific numbers because this is an unclassified hearing, but suffice it to say that the information that I received, the Pentagon estimates Iran’s double-digit SAM capability at two to five times higher than the DoD study assumes. This would obviously require a much larger fifth generation fighter force to counter and would be a much more stressing scenario.

Secondly, based on projections that I received from the Pentagon, there are at least 17 other nations that will have double-digit SAMs by 2024, including many of the Central Asian republics, Pakistan, Syria, Egypt, Libya, Algeria, Belarus, Vietnam, and Venezuela.

Also, the DoD study makes the assumption, which I frankly don’t agree with, that the F-22 and the Joint Strike Fighter are equally capable against surface-to-air missiles, and also assumes that no F-22s will be required for homeland defense or to deter the threat from four regions, as the national military strategy requires.

Now, given this threat information, the assumptions in the DoD study, and the fact that of the three studies only one recommends procuring only 183 F-22s, how confident are you that we are procuring the right number at 183?

Secretary Gates: Well, Senator, I know that the Air Force’s view is that they would like to have 350 of these aircraft. I think at the end of the day, at least for me, it has ended up being a cost-benefit

analysis of the F-22, of the growth of the F-22 program beyond 183 or so aircraft, and the impact on the Joint Strike Fighter program.

My concern is that the F-22 is almost twice as expensive as the Joint Strike Fighter. My worry is that a significant expansion of the production of the F-22 in the out years will encroach on the production and the affordability of how many Joint Strike Fighters can be purchased.

My view on this was that we have sort of come to this conclusion in this administration in terms of the F-22, but there are 20 F-22s in the '09 budget. We, as I indicated earlier, we will probably add, ask for probably four or so more as replacement aircraft in the supplemental for '09. So my objective was to keep the line open, quite frankly, so that a new administration as it looks at the Defense Department, at the defense budget and priorities, can make the decision. If they choose to expand the F-22 force, then the production line will still be open that would enable them to do that.

Senator Chambliss: Well, if you ask for four additional F-22s in the supplemental, how long is it your thinking that that will keep the line open?

Secretary Gates: 2010.

Senator Martinez: Well, do you have any concerns about the fact that if that is not the case and you don't have money for long-lead procurement in this budget, that in effect you're going to be shutting down that line because you're not going to have subcontractors out there that are going to have the assurances that they need from a long-lead standpoint? Is there a concern on your part that's real referenced to the shutting down of that line?

Secretary Gates: Well, I am concerned. My objective is to give the next administration an option. What I've been told is that this will keep the line open, that gives them that opportunity.

Senator Chambliss: Has the fact that we now have -- I'm not sure what the exact number is today; I think the last one I saw was about -- 160 F-15s, which the F-22 is replacing -- we've had a significant issue with the F-15. We have about 160 of them that are grounded, I think, as of today. Has that factored into your decision --

Secretary Gates: Yes.

Senator Chambliss: -- or is that late issue that came into the picture not a factor?

Secretary Gates: No, in fact that was an issue that helped persuade me to keep the line open.

Chairman Levin: Thank you.

Senator Chambliss: Thank you, Mr. Secretary.

Chairman Levin: We are not going to be able to quite meet our noon promise, but we'll do -- we'll come very, very close. We're not going to be able to have a second round of questions, however. There has been some requests for that. We'll have to have those questions asked for the record, which we will keep open. But we are not going to be able to have a second round.

Secretary Kennedy?

**STATEMENT OF HON. EDWARD M. KENNEDY, U.S. SENATOR
FROM MASSACHUSETTS**

Senator Kennedy: Thank you very much.

Thank you, Secretary Gates, for your service. Admiral Mullen, thank you very much for what you do for the country.

I'd like to come back to an item that was talked about in the early part of the hearing by the chairman and the ranking member. That is the agreement, the negotiations to sign a permanent long-term agreement with the Iraqis on the role of U.S. military in the future operations and Iraq. The agreement's expected to be concluded by mid-July.

Obviously, the stakes are extremely high. Congress I believe must have the opportunity to approve or disapprove any security commitment, agreement, or assurance, pledge or guarantee, regardless of what it is called, that affects our troops and our national security. We're mindful that to date the Iraqi foreign minister is describing the agreement as a treaty. In a January 15 press conference with Secretary Rice he said: "Our leaders have agreed to set a group of principles for the long-term treaty." The Iraq parliament is demanding to ratify the final agreement and the Iraqi government has said it will submit any U.S.-Iraq pact to the parliament for ratification.

General Lute, the Assistant to the President for Iraq and Afghanistan, said in November that Congressional input "is not foreseen." "We don't anticipate now these negotiations will lead to the status of a formal agreement, which would then bring us to formal negotiation or formal input from the Congress."

And yet, our troops are involved. Our national security is involved, and Congress should have the opportunity to approve or disapprove such an agreement. Congress even approves a security arrangement with the Marshall Islands, Micronesia. There's no convincing reason to bypass Congress.

But let me ask you, before getting into comments about this issue. The existing authority under international law for the military presence in Iraq was extended in December '07 through the end of '08. Wouldn't it make more sense to seek a short-term extension to enable the next administration to decide what form our commitment should take, if any?

Secretary Gates: Well, sir, Senator Kennedy, the status of forces agreement that is being discussed will not contain a commitment to defend Iraq and neither will any strategic framework agreement. My understanding is -- and it's, frankly, a clearer point than I made earlier, and we certainly do not consider the declaration of principles as a security commitment to the Iraqis.

My view is that there ought to be a great deal of openness and transparency to the Congress as we negotiate this status of forces agreement, so that you can satisfy yourselves that those kinds of commitments are not being made and that there are no surprises in this.

Senator Kennedy: Well, I appreciate that and appreciate your view. You know, we have had other examples of statements that have been made where the administration's changed its position. In the last 4 years the administration said there would be no permanent bases. The President on April 13, 2004: "As proud and independent people, Iraqis do not support indefinite occupation. Neither does America." Secretary Rumsfeld: "We do not have plans for permanent facilities in Iraq, no." Ambassador Khalilzad states August

15, 2005: "We do not seek permanent military bases." Secretary Rice, May 7: "We do not in the process these days of doing permanent military bases."

Now we have the National Defense Authorization this year and the President included a signing statement on the provision that prohibits funding for the establishment of any military installation or base for the purpose of providing for permanent stationing of U.S. armed forces, saying and indicating that he would not apply that language if it impedes his constitutional authorities.

So we've had language from the administration giving the assurance to the Congress one way and then the administration going the other way.

Why not just simplify it? Why not just get the Iraqis to extend the UN resolution which has been the basis for this? Why not let them do it and then permit the next administration, Democrat or Republican, to make that judgment?

Secretary Gates: Well, first of all --

Senator Kennedy: And if they are not going to do it, why won't they do it? And if they won't do it, why shouldn't we take action that says that if they're not going to take responsibility in this area why should we continue to give effectively a blank check of American troops?

Secretary Gates: Well, we certainly are not going to give anybody any blank checks. It was very difficult to negotiate the UN extension for 2008 and I think that the general feeling from the experts, including our ambassador and General Petraeus, is that it would be extremely difficult to get the Iraqis to agree to extend even a short extension of this.

They clearly -- in a way, they've got a vote in this, and they don't want permanent bases either. And they are interested in asserting sovereignty and, my personal view -- I haven't talked to the President about it -- but I suspect that that language had more to do with the constitutional issues than with the substance of whether or not we want permanent bases in Iraq. The fact is in every meeting that I've taken part in it has been affirmed from the President on down that we do not want permanent bases in Iraq.

Senator Kennedy: Well, the language is specific on this communique under item 3, the security sphere: "Providing security assurances and commitments." And that language is signed by the President of the United States. That has the President of the United States' signature on it. That means something. That means something. And what we are asking here is that, in terms of binding a new administration, you've had the authority under the UN resolution in the past. The Iraqis have the opportunity to say that they can extend it for a year or renegotiate it in 6 months. They're the ones that -- we're involved in fighting for their country. We don't get the reconciliation, the political accommodation. And why can't we expect that they would say, all right, you're going to get 6 months and 12 months and leave the opening to a new administration, a new President, Republican or Democrat, to work those items out?

When we have the President of the United States signing that document that talks about security, it seems to me that the American people are entitled to that kind of voice in its decision.

Secretary Gates: Senator, my view is that there is nothing in the status of forces agreement that we are just beginning to negotiate that would bind a future administration. It basically, like other status of forces agreements, sets forth the rules by which we continue to operate in Iraq in terms of protecting our soldiers, in terms of the legal relationship, and so on. I don't think that there's anything here that in a substantive way binds any future administration.

Senator Kennedy: My time is up. Can you give the assurance that the Senate will have an opportunity to review it before it's implemented?

Secretary Gates: As I indicated, I think there should be full openness as we go through this process.

Senator Kennedy: Well, I'll assume that that's an affirmative answer.

Secretary Gates: That's a yes.

Senator Kennedy: Thank you.

Chairman Levin: Senator Martinez?

STATEMENT OF HON. MEL MARTINEZ, U.S. SENATOR FROM FLORIDA

Senator Martinez: Thank you, Mr. Chairman.

Gentlemen, thank you both for your patience. I think I maybe it, so soon you get to leave, and thank you for coming and being with us and for your service.

I wanted to just reiterate, as my colleague from Florida, Senator Nelson, indicated, my continuing interest on the issues relating to Mayport and thank the chairman. As the CNO you made some great statements on that and I appreciate that, and we look forward to the continuation of the EIS and the future of Mayport, which is so important to Jacksonville.

Also, very interested in issues relating to the potential for a Fourth Fleet. Admiral Strevitus does a terrific job with the Southern Command and, Mr. Secretary, I think as you look into these issues that it will be apparent that, given our responsibilities as well as the threats in the region, that this may be an idea whose time has come.

I am, too, and I want to just let you know, very concerned about the issue of rotations and the 15-month deployment. Mr. Chairman, I'm sure that you are equally concerned about it. I recently have had occasion to visit with a young man that I've known since he was a small baby, and he is back for 2 or 3 weeks. It does underscore for me personally the difficulty of these long deployments. I realize what a difficult circumstance you find yourself in, but just count me on the side of needing to look for solutions to that issue in the short term.

My concern -- two quick questions. One was on the issue of intel sharing with Turkey. I was recently there and the Secretary and I discussed I think the very positive effect, that our cooperation in terms of the threat presented to Turkey by the PKK has been very well received and it's a good thing. My question is twofold. Number one, how is this cooperation going?

Secondly, I just heard yesterday about a series of aerial attacks that had taken place in northern Iraq by the Turkish forces. How are we preserving the integrity of Iraq as well as maintaining our

Iraqi friends in the northern part of Iraq sufficiently content with what's taking place?

Admiral Mullen: Coincidentally, Senator, I actually met with General Sigon yesterday. He's been here for about the last week or so. He continues to be -- he has been the point of contact with the Turkish general staff along with General Cartwright, the vice chairman, and General Petraeus. We've worked our way over these last few months to a level of cooperation that had not been seen.

Clearly it's a very delicate balance and I think all the senior leadership, not just in the military, all the senior leadership of both countries understand that the balance is there, that this needs to stay both in balance and it is very delicate. We speak frequently with both General Petraeus and Admiral Fallon about this. General Petraeus is very aware each time there's any kind of operation which occurs similar to the one that you just read about, and it is in that balance that I think the long-term success of all the interests, the interests of this sovereign country of Iraq, clearly the internal interests that are there particularly in the north, as well as the interests of Turkey, and that this is focused on exclusively the PKK, which is a known terrorist organization.

So we've made a lot of progress. In addition to -- we also believe that, not unlike in many areas that we've talked about, that there isn't just a military solution here, that this will, we would hope, buy some headroom so that the other aspects of this can be addressed for a long-term solution to this very difficult and long-standing problem.

So from my standpoint, it's gone -- the intel sharing, the entire aspect of this has gone exceptionally well. It's just, like many things, it's a very delicate balance and we've got to keep our focus on this to make sure that that balance is sustained.

Senator Martinez: I think Prime Minister Erdogan, who I met with when I was in Ankara, was very appreciative of the cooperation, but also very cognizant of the fact that it was more than just a military solution. I think that General Sagin also echoed those comments when he was here. I saw him last week as well.

Shipbuilding. I was concerned in looking at the current proposal that we may be seeing a reduction of seven ships from the projected schedule that we were on. I know the LCS issue and I know how passionately you feel about the importance of this. I concur with you, and I know the path we're on to try to allow the two current ships to be completed and proceed forward. But it does concern me that we are falling drastically off schedule from what was projected in our shipbuilding program to get us to the 313-ship Navy that I think you and I both believe is important.

Admiral Mullen: Yes, sir.

Senator Martinez: What can you tell me?

Admiral Mullen: I think the analysis which went into underpinning that 313 number is still very solid. I think it's important to remember that was sort of the minimum, the minimum number of aircraft carriers, the minimum number of surface combatants, the minimum number of submarines, all those things. And we had built ourselves down to a certain number that we could produce. Certainly we hoped the numbers would be up tied to LCS.

LCS had a very tough year last year. I thought the Department and Secretary Winter in particular handled that very, put it under a microscope to bound the problem both in requirements and costs. It is a vital part of the Navy as soon as we can get it out there. The Secretary of Defense talked earlier about designing the right kind of ships for the kind of swarming tactics which we recently saw in the Persian Gulf that the Iranians executed, and that in containing it -- and I think we can from a cost standpoint and we now need to move forward.

Clearly, we weren't able to execute the third and the fourth in the class. We're now just with the first two. I think the overall acquisition strategy there is a good one and that once we get to the type model series that we want we then need to generate them as quickly as we can and build up to that 55-ship requirement.

I think the submarine aspect of the program is solid. Clearly we're moving forward with the new destroyer, which is also in this budget. That's a really important transformational platform for the Navy for the future and I really believe for the Department in many ways. So the investment -- I think it's somewhere above \$14 billion this year, although some of that is overhaul money -- continues to be there.

I know I've spoken with Admiral Ruffhead, that his priority -- I've heard him say it personally and publicly, that his number one priority is ships. You can't have much of a Navy without ships.

Senator Martinez: That makes sense.

Mr. Chairman, may I have one more question or am I out of time?

Chairman Levin: Well, I don't know if you're out of time or not, but why don't you quickly ask a question.

Senator Martinez: Okay, thank you.

Mr. Secretary, the one issue that does greatly concern me, as I know it does you, is the NATO cooperation in Afghanistan. I was chagrined that we had to send 3500 Marines there because it appears that our allies didn't understand the seriousness of their commitment, or at least didn't understand their commitment the same way we did.

I wonder, in addition to what you said earlier, if there's anything you can tell us in terms of how we can bring about the kinds of results we need from NATO to undertake their responsibilities as it relates to Afghanistan?

Secretary Gates: Senator, I leave after the House hearing this afternoon for Vilnius for a NATO defense ministers meeting, and clearly our role in Afghanistan is a key element. I mentioned earlier that I've sent -- I'm trying to leverage the fact that we're sending these Marines to get our allies to backfill behind the Marines when they come out in winter. And I'm going to provide a copy of that letter to the committee.

I think we can -- the reality is some of them have very difficult political circumstances at home. They're minority governments or they're in coalition governments and there's a difficult problem. One of the things I'm going to do in Vilnius, or actually in Munich at the Veracruz conference, is there are going to be a number of American legislators there and a number of European legislators, and I want to try and bring them together at a reception, because

I think, frankly, one area where the Congress can help us is in your interactions with European parliamentarians to talk about the importance of Afghanistan and success in Afghanistan, not just for their own security, but also for the future of the alliance.

I think that the problem is they need to be more courageous in going out and trying to educate their population about why Afghanistan matters, and I think you in many respects have more credibility with them as elected representatives than people like me. So I think whatever you can do, that's one place where I think you can be helpful.

Senator Martinez: Well, thank you.

Thank you, Mr. Chairman.

Chairman Levin: Thank you so much.

Senator Warner, just wants to make a statement about our new Senator.

Senator Warner: Thank you. Mr. Chairman, we have a new member, Senator Wicker, who took Senator Lott's seat from Mississippi. He has been trapped in this line of tornadoes in getting here to the Senate today and therefore he's absent. I ask unanimous consent that his statement and questions be admitted for the purposes of the record.

Chairman Levin: Any statement will be made part of the record, and of course his questions will be asked for the record.

[The prepared statement of Senator Wicker follows:] [COMMITTEE INSERT]

Senator Warner: I thank the chair.

Chairman Levin: We know that -- we found that out and we're glad you made that part of the record.

We're very grateful to our witnesses, particularly, may I say, Secretary Gates, for your statement of a few minutes ago giving us the flat-out assurance that any agreement with Iraq will not include a security provision. That's what an anonymous person from the White House apparently said yesterday, as reported in this morning's paper. You have taken the anonymity away from that and given us your direct statement, and we now have it on authority and that's what we welcome so much. It was important, I think, on a bipartisan, an institutional basis, as you heard this morning, that any agreement not include security commitments to a country since that belongs in a treaty.

Secretary Gates: That certainly is what I have been informed about with the status of forces agreement.

Chairman Levin: Thank you.

And again, to all of our witnesses, thank you so much for your service, and we came reasonably close to keeping our commitment.

Secretary Gates: Thank you, sir.

Chairman Levin: Again, our thanks. We will stand adjourned.

[Whereupon, at 12:13 p.m., the hearing was adjourned.]