

**HEARING TO RECEIVE TESTIMONY ON THE
UNITED STATES CENTRAL COMMAND AND
THE UNITED STATES SPECIAL OPERATIONS
COMMAND IN REVIEW OF THE DEFENSE
AUTHORIZATION REQUEST FOR FISCAL
YEAR 2009 AND THE FUTURE YEARS DE-
FENSE PROGRAM**

Tuesday, March 4, 2008

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

The committee met, pursuant to notice, at 9:34 a.m. in Room SD-106, Dirksen Senate Office Building, Hon. Carl Levin, chairman of the committee, presiding.

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

Committee staff members present: Richard D. DeBobes, Staff Director, and Leah C. Brewer, Nominations and Hearings Clerk.

Majority staff members present: Daniel J. Cox, Jr., Professional Staff Member, Evelyn N. Farkas, Professional Staff Member, Gerald J. Leeling, Counsel, Peter K. Levine, General Counsel, Thomas K. McConnell, Professional Staff Member, Michael J. McCord, Professional Staff Member, 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, Gregory T. Kiley, Professional Staff Member, and David M. Morriss, Minority Counsel.

Staff assistants present: Fletcher L. Cork, Jessica L. Kingston, and Benjamin L. Rubin.

Committee members' assistants present: Sharon L. Waxman, assistant to Senator Kennedy, James Tuite, assistant to Senator Byrd, Frederick M. Downey, assistant to Senator Lieberman, Elizabeth King, assistant to Senator Reed, Christopher Caple, assistant to Senator Bill Nelson, Andrew R. Vanlandingham, assistant to Senator Ben Nelson, Jon Davey, assistant to Senator Bayh, Gordon I. Peterson, assistant to Senator Webb, Anthony J. Lazarski, assistant to Senator Inhofe, Todd Stiefler, assistant to Senator Sessions, Mark J. Winter, assistant to Senator Collins, Clyde A. Taylor IV, assistant to Senator Chambliss, Jason Van Beek, assistant to Senator Thune, and Brian W. Walsh, assistant to Senator Martinez.

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

Chairman LEVIN. Good morning, everybody. Today we welcome Admiral Fallon, Commander of the United States Central Command, and Admiral Olson, Commander of United States Special Operations Command.

Admiral Fallon and Admiral Olson command virtually all of the U.S. forces who are currently participating in combat. We ask you to convey to the men and women under your command our heartfelt gratitude for the many sacrifices that they and their families are making on our behalf. Of course, our thanks also go to you personally and to your families for the contribution which you and they are making.

Admiral Fallon's command is responsible for U.S. security interests in 25 nations that stretch from the Horn of Africa through the Arabian Gulf region into Central Asia. He commands the bulk of U.S. troops in combat today and is responsible for an area with a host of security challenges. In that position, Admiral Fallon also uses diplomatic skills to help us deter and prevent conflict almost as much as his military skills when a military response is appropriate. Today we will be seeking his views on a host of troubling issues in his AOR, his area of responsibility, predominantly, but not entirely, the conflicts in Iraq and Afghanistan.

Admiral Olson represents the over 50,000 military and civilian personnel working for the Special Operations Command, SOCOM, who are fulfilling critical direct and indirect long-term and short-term missions all over the globe. Special operations personnel have been heavily concentrated in the CENTCOM AOR since 2003, so it is fitting that we have the two commanders here together today.

Our Army, Marine Corps, and Special Operations Forces are overstretched and increasingly stressed. General Petraeus has advocated "a period of consolidation, perhaps some force adjustments and evaluation before continuing with further reductions" in troop levels in Iraq once the five surge brigades complete their redeployment this summer.

Although General Petraeus also said that there's "every intent," in his words, to further reduce forces, President Bush has already indicated he would support a recommendation for a pause in redeployments. In other words, there is a strong possibility that force levels in Iraq will remain at pre-surge levels of approximately 130,000 and that troop levels in Iraq will be about the same when President Bush leaves office as they were in December 2006, before the surge.

At the same time, Iraqi leaders continue to squander the opportunity our troops and our taxpayers have given them. Our soldiers risk their lives while Iraqi politicians refuse to take political risks. We cannot have the lives of American servicemembers held hostage to Iraqi political dickering. The State Department said last November that the "Shiite-led government is a larger threat than Al Qaeda." The report went on to say 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.”

In Afghanistan, we’re now increasing American troop levels, with over 3,000 additional marines slated to deploy in the coming months, and more may well be needed. 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, although for shorter, more frequent periods.

These levels of deployment without adequate rest for the troops and repair and replacement of equipment cannot be sustained. General George Casey, the Army Chief of Staff, has said that the “Army is out of balance” and that “the current demand for our forces exceeds the sustainable supply.”

For too long, United States military operations in Afghanistan have taken a back seat to the war in Iraq. Chairman of the Joint Chiefs, of the Joint Staff, Admiral Mullen acknowledged as much in December when he said, “It is simply a matter of resources, of capacity. In Afghanistan we do what we can. In Iraq we do what we must.” That’s not acceptable.

While the President paints a rosy picture of the situation in Afghanistan, just last week the Director of National Intelligence Michael McConnell told this committee that “The Taliban-dominated insurgency has expanded” to previously peaceful areas west and around Kabul. He testified that the Taliban controls about 10 percent of the country, while the Afghanistan government is capable of controlling about 30 percent, which leaves about 60 percent of the country outside of either’s control.

Defense Intelligence Agency Director General Maples stated that Al Qaeda’s presence in Afghanistan is “increasing to levels unseen since 2001 and 2002” and that the number of attacks, suicide bombings, and improvised explosive devices continues to rise.“

As has been reported, Admiral Fallon is conducting an assessment of the Afghanistan mission, one of a number that the administration and NATO are undertaking. The Atlantic Council report, which by the way says that NATO is not winning in Afghanistan and that, despite efforts of the Afghan government and the international community, Afghanistan remains a failing state and could become a failed state,” that Atlantic Council report also says that the assessments that Admiral Fallon is making hopefully will be completed in a matter of weeks, not months, and we’ll be interested in Admiral Fallon’s recommendations for strengthening the U.S., NATO, and international community’s efforts in Afghanistan.

Another major challenge in the CENTCOM area of responsibility is addressing the safe havens that the Taliban, Al Qaeda, and other violent extremists have found in the tribal areas along Pakistan’s border with Afghanistan. As Director McConnell recently testified, the tribal areas are serving not only as a staging area for attacks into Afghanistan, but also as a terrorist training location for attacks in Pakistan, Middle East, Africa, Europe, and the United States.

Director McConnell and Secretary Gates have testified recently that they believe that Pakistan’s political leaders now perceive that the lawlessness pervading—prevailing in the border tribal areas

represents a potentially mortal threat to Pakistan. We'll be interested in Admiral Fallon's views on what opportunities exist to encourage Pakistan to confront extremist elements on its territory and eliminate the sanctuary for the Taliban and Al Qaeda along the Afghanistan border.

Only 80 percent of—I'm sorry. Over 80 percent of SOCOM's operators are deployed in the CENTCOM area of operation. However, SOCOM's responsibilities are global and the operations in Iraq and Afghanistan are affecting the command's ability to maintain critical language and cultural skills and relationships in other parts of the world. The Quadrennial Defense Review-recommended increase in the size of SOCOM will help address that problem. I hope Admiral Olson will comment on whether that increase is sufficient.

In addition, while the Department included funding in SOCOM's budget for some personnel growth, the fiscal year 2009 budget request is \$300 million less than their budget for this fiscal year. This comes in a year when the overall DOD funding request is 7.5 percent above this year's level and when the services have increased funding requests ranging from 7 to 9.6 percent above the fiscal year '08 base budget.

Some of the decrease in SOCOM funding is due to one-time military construction costs. But since SOCOM's end strength continues to increase, it's unclear why the procurement account, for example, has decreased by 17 percent.

The \$300 million decrease in SOCOM funding from fiscal year '08 to '09 is all the more perplexing given the fact that SOCOM also gave the committee: one, a list of 31 additional procurement and research and development programs that they would like funding for, totaling \$413 million; and two, have given us a list of 12 unfunded military construction projects totaling \$186 million.

On top of this, Admiral Olson, I understand that in response to an inquiry from Senator Bayh, that you recently identified a \$300 million unfunded requirement for and intelligence, surveillance, and reconnaissance, or ISR, which is a critical asset in the hunt for terrorists in the CENTCOM area of operation, and that \$300 million itself falls short of the additional \$900 million which Admiral Fallon has indicated in a CENTCOM joint needs statement is necessary for counter-terrorism in his area of operations.

So we have many issues to explore today. We are very appreciative of our witnesses' appearance here today and of their service to this Nation, and I call upon Senator Warner.

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

Senator WARNER. Thank you, Mr. Chairman. I followed your statement very carefully and much of the statement that I will ask to have put into the record today reflects views in many respects parallel to yours.

I want to, of course, join in thanking our two witnesses and their families for their service, and each and every one of the many in uniform that you have in your command, and the important component of the civilians who work dedicated in your commands.

Mr. Chairman, in the past few weeks I've had an opportunity to go over and visit with Admiral McConnell, the head of the National

Intelligence and I expressed to him a need that we here in the Senate Armed Services Committee, indeed the entire Senate, would value greatly updates in the intelligence area on Afghanistan and Iraq. I've included and ask unanimous consent to put in today's record here his response to me. He said he would publish a paper in March updating the NIE threat on the homeland here in the United States, publish an NIE on Afghanistan by late summer, early fall, but the Iraq piece will be ready in March.

Chairman LEVIN. It will be made part of the record. [The information referred to follows:] [COMMITTEE INSERT]

Senator WARNER. I thank you.

Chairman LEVIN. Thank you, Senator Warner.

Senator WARNER. I recall, Mr. Chairman, a trip with you and our colleague Senator Sessions in 2006 to Iraq, and I remember coming back and I expressed my own views that the situation is just drifting sideways. Well, I'm pleased this morning to acknowledge that I feel that the surge operations initiated by President Bush in January of 2007 have moved forward in Iraq and turned a situation from one that was unpredictable going down to some definite signs of improvement in that area.

The President said that this was to clear and secure neighborhoods, to help them protect the local population, to help ensure that the Iraqi forces left behind are capable of providing the security that Baghdad needs. He further added that when this happens daily life will improve, Iraqis will gain confidence in their leaders, hopefully, and the government will have the breathing space.

Well, certainly the military operations under the leadership of these two fine witnesses this morning has shown that it has resulted in that security situation. They are approaching, I think—Admiral Fallon will give us greater details—a time when we'll take a brief breathing space ourself to determine the true levels. But I hope the Admiral can assure us that the commitments the President made to bring home the forces by July, the surge forces, can be met and that that interregnum between further reductions, which I hope will be achievable, will not be a lengthy one.

I also said at the time when the President spoke that more responsibility should be given to the Iraqi forces. I'm anxious to hear your views this morning, Admiral. In my judgment the Iraqi forces have shown a significant increase in their professional ability to work and carry out the responsibilities of protecting the sovereign nation of Iraq.

Nevertheless, the violence there, while it has fallen off considerably, it remains, as is Al Qaeda remains, a threat. I think, Admiral Olson, particularly your forces in Special Ops under General McCrystal—and I do hope that he can soon return to the United States and take on new responsibilities with the Joint Staff—you told me yesterday that General McCrystal has 120 days of accrued leave. He hasn't hardly been home to see his family in this long, extensive, and distinguished tour he's had over there.

But nevertheless, a substantial degradation of Al Qaeda has taken place, but it still remains a threat.

The factions, as you mentioned, Mr. Chairman, in Iraq are disappointing—Shia factionalism, criminal activities, corruption re-

mains at a higher than acceptable level; and sectarian distrust prevails at a level far unacceptable throughout Iraq.

I acknowledge that the Iraqi Council of Representatives passed a long-awaited de-Baathification law, a provincial powers law, an amnesty law for detainees, and a budget for 2008. Credit is owing for those achievements. But I regret that the political situation remains far short of demonstrating the decisive leadership needed to preserve and grow a new sovereign nation.

For example, the Provincial Powers Act was passed by the legislature and rejected by a member of the Presidency Council. This is another example of moving ahead two steps and then one backwards. Let us hope that that can be readily cured and that legislation can go forward, because the Iraq people have a tremendous potential, tremendous potential, for developing a nation which could become the envy of all the countries in the Middle East. There is untapped natural resources in that nation, principally oil, that can restore the economy to a strong, vibrant economy and match any of the increases that we've seen by different countries in the Middle East.

But your soldiers, your sailors, your airmen and marines have made it possible for the increases that have taken place thus far in political reconciliation.

In the coming months the United States Government and Iraq will negotiate a strategic framework agreement and a status of forces agreement that will chart our long-term mutual relationship. Our colleague Senator Webb has taken the lead on that. I was privileged to join him yesterday, Mr. Chairman, for a special briefing and I judge that hopefully he'll join us this morning and address that important issue.

But Admiral, I think it's important that you likewise address those agreements and give us your best estimate of the timing and particularly the necessity. The underlying necessity for such agreements is to protect the individual serviceperson wearing the United States uniform and carrying out missions in that AOR.

Turning to Afghanistan, the chairman quite properly recited the number of attacks by the Taliban insurgency exceeded that of the previous year. The poppy situation is absolutely abysmal in my judgment, and it is really the responsibility of the Department of State and the NATO as a whole to come to grips with this situation. I find it totally unacceptable that our forces are facing an enemy using ammunition and arms and other things purchased as a consequence of the recycling of the poppy culture profits into armaments. I think I just find that just totally unacceptable and I hope that this year some stronger, much stronger initiatives can be undertaken to bring about a cessation of that poppy crop, which today is the most significant drug dissemination source in the whole world.

I'd like to commend our Secretary of Defense, Robert Gates, for his tireless efforts over the past few weeks to impress upon NATO allies the importance of NATO's mission in Afghanistan. In testimony before this committee last month, Secretary Gates expressed concern and said the alliance evolving into a two-tiered alliance, in which some are willing to fight, some are not. The people's security is at stake.

The debate on the importance of the mission in Afghanistan is the most complicated mission that the NATO allies have faced since the alliance was formed. Failure there by NATO could bring about the demise of NATO.

The committee will want to know your views on the role of NATO and what they should do to prepare ourselves for a stronger retaliation against the Taliban and for the need for each of the NATO participants to live up to their commitments with regard to the manpower levels.

The chairman made reference to the three reports on Afghanistan that were brought before this committee. I share with him the views in those reports and I'm sure you have seen them, Admiral Fallon.

Another area of concern is Pakistan. Working with the Pakistan armed forces, with their government, is an essential, essential relationship to our mission in Afghanistan. So much of our supplies, so much of the particularly petroleum and so forth, has to transit Pakistan. The tribal areas are certainly moving in a direction which is antithetical to a strong central government in Pakistan, and I hope that we can work in partnership to alleviate that threat to Pakistan.

I would like to close, Mr. Chairman, with a note on Iran. It appears to be enhancing its ability to project its military power, primarily with ballistic missiles and naval power. Iran continues to provide support for violent terrorist groups in Lebanon and Syria and seeks to deepen its influence in Iraq and western Afghanistan.

I want to close in recognition of America's Gold Star Mothers, Mr. Chairman. I was visited by them recently. As you know, this is an organization of mothers who have lost a son or a daughter in the war. It was founded shortly after World War One. These women who have suffered a parent's loss continue to provide support for mothers and families of service members of today's generation.

The Gold Star Mothers across the country, our Nation owes you a debt. I would expressly ask in a question: I wonder what the reaction of a Gold Star Mother who lost a son or a daughter in Iraq as a consequence of the illegally imported weaponry that Iran is sending into Iraq—I wonder what their reaction is to the visit by Ahmedinejad in Iran—from Iran to Iraq this week? I'd like to have your comments on that eventually, Admiral.

Thank you.

Chairman LEVIN. Admiral Fallon?

**STATEMENT OF ADMIRAL WILLIAM J. FALLON, U.S. NAVY,
COMMANDER, UNITED STATES CENTRAL COMMAND**

Admiral Fallon: Senator Levin, Senator Warner, distinguished members of the committee: It's a great honor to be back in front of you again this morning, and particularly to appear with my distinguished colleague Admiral Olson. Tampa's in an unusual state now with all this maritime leadership not seen before. Not that we spend much time there. We're focused out in the region, where we certainly have lots of challenges, as both Senator Levin and Senator Warner have highlighted here today, and many issues. And I'd be pleased to get into these as I get into the testimony.

I would like to begin by picking up on both Senator Levin and Senator Warner's comments about the hard work and sacrifice of our men and women in uniform and those civilians that support them. Every day that I get the chance to visit and work with our people, I am more proud, if that's possible, of the great work that they do in our behalf, under conditions that are certainly challenging in many respects. But they and their families, who have shouldered this burden of our engagement in troubled areas for several years consecutively now, I can't say enough about them and certainly join you in saluting them.

I've got to tell you that going to Iraq I am very encouraged. From the time that I sat here about 10 months ago, the situation has improved substantially in the security arena, and I believe that there are many other aspects of the situation that are coming together, that have contributed to this improvement, and I see this on an upward vector, and I'll be pleased to get into the details of your questions in talking about Iraq.

In Afghanistan, I'm encouraged. I know that there are a lot of reports, a lot of commentaries that are rather negative. But I'm encouraged for a couple of reasons with what I see in Afghanistan. First of all, the government of Afghanistan still enjoys broad support from the people. We're working very closely with the Afghan security forces, particularly the army. And I'm really encouraged by the leadership, determination, and the willingness to go out and engage; and at the end of the day these are the people that are really going to provide stability and security that are going to enable this country to stand on its own two feet.

There are certainly lots of other issues—Pakistan, Lebanon, Somalia, lots of places in which stability and security are fragile, if at all existent. But with each of these places, there are also opportunities for us to engage, to help people to help themselves, to try to make this a better region.

So in Pakistan, for example, they're suffering turmoil politically, under attack internally from an insurgent threat, just completed an election as the world watched, and they are in the process of forming a government, which we certainly encourage and will certainly do our utmost to support. Again, opportunities for us to not only help them to help themselves, but to help some of our interests, and particularly the recent use of these ungoverned areas or previously ungoverned areas along the Afghan border.

I see other signs of hope. The recent agreement that was brokered by Kofi Annan in Kenya to try to bring to a halt the strife and bloodshedding that's been going on there in recent days. We engage throughout the region to try to provide stability and security, to do what we can to lend our experience, our resources, through the generosity of certainly this committee and your colleagues in the Congress, to lend the opportunity for our people, our best ambassadors, to work with these people, to show by their example how things could be done differently and better, to provide opportunities.

So as I get around and spend most of my time out in the region, I'm encouraged. I wish we had more hours in the day to both engage to a greater degree in each of these countries—and I've got to tell you in summing up here that I couldn't be any more proud

of the work that our men and women do every day throughout this region.

Thank you for the support that you provide to them and to their families. I am grateful to be here again and I'll look forward to your questions. Thank you very much, sir. [The prepared statement of Admiral Fallon follows:]

Chairman LEVIN. Admiral Fallon, thank you.
Admiral Olson?

STATEMENT OF ADMIRAL ERIC T. OLSON, U.S. NAVY, COMMANDER, UNITED STATES SPECIAL OPERATIONS COMMAND

Admiral Olson: Mr. Chairman, Senator Warner, distinguished members: Thank you as well for this opportunity to appear before you to report on the Special Operations Forces. I'm very honored to represent the 54,000 soldiers, sailors, airmen, and marines and government civilians of Special Operations Command. With your permission, I submit my written posture statement for the record and will limit my opening remarks.

The strong and steady interest of the Congress and this committee has helped Special Operations Forces attain global capability and effectiveness. Since your creation of United States Special Operations Command, now almost 21 years ago, our joint force has proven itself in many well-known and lesser known operations, and it's been a steady presence with our friends and allies.

Throughout the command, its strength has been its extraordinary people, enabled by unique authorities and a dedicated budget. As you know well, United States Special Operations Command is charged by legislation to prepare and provide fully capable Special Operations Forces to conduct operations worldwide. These activities include counterterrorism, counterproliferation of weapons of mass destruction, direct action, special reconnaissance, unconventional warfare, training with foreign forces, civil affairs, psychological operations, and information operations as they relate to special operations.

By direction of the President, United States Special Operations Command is also the lead combatant command for synchronizing Department of Defense planning for the global campaign against terrorism.

So in aggregate, these doctrinal terms define a complex set of tasks that are best accomplished by a specially selected, trained and equipped joint force with proven skill, discipline, courage and wisdom. It's a force that must operate with equal confidence and equal effectiveness across the spectrum of conflict from pre-crisis through intense conflict and to stabilization and reconstruction. Such a joint force must be carefully managed to optimize its readiness.

When deployed outside the United States, Special Operations Forces are almost always in support of geographic combatant commanders. They're present in 58 countries today, mostly in small numbers, often with low visibility, low profile presence. Over 80 percent, as you said, sir, of our deployed forces today are in the Central Command area of responsibility working for Admiral Fallon, focused on a careful balance of direct and indirect actions

to defeat terrorists and violent insurgents and contribute to local stability.

Operational commanders have learned that no other force can accomplish such a broad scope of missions in such diverse operational environments, and so global demand for this force does exceed supply, and I anticipate no decrease in demand even as some United States forces eventually draw down from Iraq. In fact, I expect an increase in demand for Special Operations Forces as local environments transition from a larger conventional force presence to a smaller train and assist kind of activity presence, especially considering the continuing deficit of Special Operations Forces in the other geographic combatant commanders' regions.

To answer this, as a result of program decisions of the last few years, including the QDR in the last POM cycle, we are expanding as fast as we reasonably can, as fast as we can reasonably absorb the growth. In the long term, I estimate that 3 to 5 percent growth per year is about right for Special Operations Forces manpower. If we must expand organic enablers like aviation, like cordon and search forces, like interrogator forces, intelligence analysts, airfield control and the like in order to become more self-sufficient, though, those numbers would increase.

Many of the mobility platforms and much of the equipment used by Special Operations Forces are initially procured by the services and then modified for Special Operations-peculiar mission requirements. So most of Special Operations Command acquisition programs must be carefully synchronized with the services. Recapitalizing our fixed wing transport fleet and our intelligence, surveillance, reconnaissance capability in terms of systems, not just platforms, are our most critical needs.

For these and other programs that deliver Special Operations-peculiar items, speed of process is essential and I'm committed to exploring the scope of my authorities in order to make that system more responsive.

In any case, I'm convinced that Special Operations will be required to at least sustain and perhaps grow its levels of both operational effort and funding for the foreseeable future.

I remain humbled to command such a force, such a capable and versatile group of soldiers, sailors, airmen, marines, and civilians, at this important time, and I also remain in awe of the courage and dedication demonstrated by this force every day.

I thank you for your continued support and I look forward to your questions. [The prepared statement of Admiral Olson follows:]

Chairman LEVIN. Thank you, Admiral.

We'll have a 6-minute first round, but hopefully we'll have a second round as well.

Admiral Fallon, what further reductions in U.S. troop levels do you see for the rest of this year, assuming the current level of violence continues?

Admiral Fallon: Senator, I'm eagerly awaiting General Petraeus' response to some planning guidance that I provided to him recently for his assessment of courses of action. I think there should be little doubt that our desire is to continue to bring our force levels down in Iraq as the Iraqis demonstrate their ability to stand up

and take responsibility for security in the country. Those trends are certainly encouraging and moving in the right direction.

But it's critical that, of course, we not lose the ground that's been so hard fought this year in providing the overall stability and security. So I don't want to give you a number until I see General Petraeus' input, but I think that we are clearly in agreement in the direction we want to go.

Chairman LEVIN. Admiral, as Senator Warner said, the surge has helped produce a reduction in violence. I think that's clear. Its primary purpose, however, was to give the political leaders the chance to work out political differences. There was recently a ballyhooed statement ballyhooing the decision of the assembly over there to adopt some legislation which would have represented progress. There was a bundle of three bills. One of them was then vetoed by a member of the Presidency Council.

What is the status of the other two bills that were in that bundle? Are they interrelated?

Admiral Fallon: Senator, they were interrelated in the political discussions that enabled the Council of Representatives to vote and move those forward. But the other two bills, my understanding is that they are still in play and we have every expectation that they're going to go forward. They are not linked—they were linked politically for the purpose of getting approval through the COR, but now that they're agreed they're independent.

Chairman LEVIN. Are they law?

Admiral Fallon: Are they law? They should become law once the period, the waiting period, expires on those.

Chairman LEVIN. Senator Warner asked a question which I think is a very pertinent one and I want to comment on it and then ask you to answer it. That has to do with the visit of Ahmedinejad to Iraq. We've shed a lot of blood and our taxpayers have spent a lot of money to give Iraq an opportunity to be independent. Next door is a threat to them. It's called Iran—seeking weapons of mass destruction, nuclear weapons, against the wishes of the United States, and providing weaponry which is killing our men and women still.

Then we see their leader, a virulent leader, a vituperative leader, their president, who comes to visit Iraq. I think it's offensive. They've got every right to invite whoever they want, the Iraqi leaders. They're sovereign. But we have a right to express an opinion about it. Have we expressed an opinion about this to the leadership of Iraq?

Admiral Fallon: Senator, I'll address a couple of aspects of that if I could. Certainly, as you indicated, Iraq's a sovereign country. They have the right to do what they choose. The reality is that Iran is a neighbor that shares a long border with them. As with many things in life, there are mixed blessings. It's not all one way.

I would highlight a comment that's alleged to have been made by Minister Bulani, the minister of interior, I think yesterday in Iran, in which he was asked what he thought about it, the visit, and as I understand it highlighted the fact that there are many things that are perceived as good coming from Iran, and he highlighted food and other things that are helping make life better for some Iraqis. On the other hand, the point you made: There are le-

thal weapons, training, support coming over, that are being used against not only our people, but moderate Iraqis. So it's a mixed bag.

From my perspective, we are not going to be able to help to solve the problems inside that country without assistance from outside. In the past year it's been encouraging to note the many countries who have come to begin to assist Iraq in very positive ways. Iran has not been one of those to the best of my insight and observation.

There may be an opportunity here. My understanding from speaking to General Petraeus and Ambassador Crocker on this subject is that we certainly have expectations that the Iraqi leadership in their engagement with Ahmedinejad would convey to him the necessity of stopping this lethal flow of equipment and beginning to show positive signs that they are willing to work with the Iraqi government and with us. As you know, we've had a series of engagements, the first in many decades, with Iran. We have had one scheduled engagement that keeps being postponed. I think this is a venue in which we might be able to move some kind of a dialogue forward to get them to be more cooperative and helpful in this area.

I've got to tell you that it's a difficult picture to absolutely determine where we are. The levels of lethal assistance into Iraq, difficult for us to pinpoint, but there's certainly been a diminution of activity in the last several months, particularly regarding these IEDs, explosively formed penetrators, the particular version of those, that are obviously coming from, at least our vision, obviously coming from Iran. How much of this is directly a result of decisions made in Teheran and how much of it is due to our own people and their good work in the field, I don't know. But this kind of trend is something that we want to see accelerated and moved on.

Chairman LEVIN. I'm not raising the question of having some kind of contacts with Iran and expressing positions to Iran. I'm talking about inviting that particular president, a vituperative extremist, to Iraq, and I don't think it's a mixed bag at all. That invitation, I don't think it's a mixed blessing. I think it's an unmixed mistake. Not the opening to Iran, not the conversations, not the discussions, but that particular invitation to that particular president it seems to me sends exactly the wrong message to Iran and to the world.

Senator Warner?

Senator WARNER. Mr. Chairman, I join you on that issue of the visit by the president.

And I'm glad that you gave I think a fairly comprehensive answer to the chairman's question, and I would hope that others in the administration would express their indignation about this visit and the comments made by that president, because they go to the very heart of the enormity of the sacrifices of life and limb that we have suffered in trying to provide Iraq the ability to become a strong sovereign nation and a working partner for all the Nations in that region. So I hope that you can—you I think are the only one that I know of that has expressed any opinion thus far. A White House spokesman sort of touched on the question here recently, but I cannot find where anyone else spoke out on it.

Let's turn to NATO. We are sending over two battalions of marines, one to provide a training mission for the Afghani forces, the second to—and I asked this of the Commandant and I think he acknowledged it—is to sort of be a 9–11 type force, to be utilized in Afghanistan wherever the situation is tough. And these marines are up to that tough fight. You know that.

But I believe those two battalions were needed because of the shortfalls in the commitments made by other nations in forming the alliance that went in under the command of NATO, into Afghanistan. Do you share that view?

Admiral Fallon: Senator, if I could first, if you'll permit me to double back, lest there be any doubt. My view of Iranian behavior regarding Iraq and their activities is they've been absolutely unhelpful, very damaging; and absolutely don't condone any of their activities. I have yet to see anything since I've been in this job in the way of a public action by Iran that's been at all helpful in this region, and particularly in Iran—in Iraq, rather.

To Afghanistan and the marines: As we looked at the situation there and, as Senator Levin indicated, we've been doing some assessment of where we are and what we might be able to do in the future, it seemed to me that we could benefit from an injection of forces there if we could pull them together, to capitalize on the situation we find ourselves in at the end of winter, as we approach the end of the winter here.

I believe that General McNeal ought to be able to take advantage of this significantly capable maneuver force, special purpose Marine air group task force, that's moving into the country, to give him the flexibility to deal with the Taliban and their Al Qaeda allies, to really move us up into security and stability.

As you know as well as—we all know that there's been a long-standing requirement from General McNeal for additional maneuver forces from NATO writ large. It's clear that that requirement is not being met, and it seemed to me that from my view we ought to do anything we can to try to help General McNeal and give him the assets that he needs.

At the same time, the other battalion I believe is going to be of great value to us in helping to grow the Afghan security forces in a way that will be helpful to us. This is another shortfall that we've had for some time, that we have not been able to come up with enough people. I think this is going to be very, very useful and helpful to us, and so I'm anxious to get these folks over there and put them to work.

Senator WARNER. Let's turn to this question of the emerging of the major narco-state as it relates to the poppy production. This has sort of been the football that's been passed around to several countries to deal with, and it has each year increased in size and the flow of funds from this are directly in large measure going into the Taliban to enable them to do the combat missions against NATO and the U.S. forces.

Now, when are we going to see a turnaround in this situation, and what actions? Now, I ask these to you in a very forceful way for your views on this, but it is largely the responsibility I think of the Department of State and the Afghan government under

President Karzai. Therein rests the primary responsibility. But we cannot tolerate this.

It's interesting to note in history that when the Taliban were in control of Afghanistan the poppy production was but a mere fraction of what it is today. So it's literally grown in size as a consequence of the situation to try and liberate Afghanistan so that it can join the Nations of the world as a democracy. In that area we have failed.

What steps are likely to be taken in the future or what steps are you in your position asking of our government and other governments to end this exponential growth in the poppy production?

Admiral Fallon: Senator, this scourge of poppy production afflicts not only the Afghan people, but, as you indicated, many parts of the world. Why the increase? I think several factors are at play here. Last year the weather conditions they tell me were pretty much ideal for the production of this stuff. The fact that the Taliban are using poppy production as a means to fund their activities is pretty widely accepted.

If we're going to get it fixed, we collectively, ourselves, the Afghan government, the rest of the world that's trying to assist this government, are going to have to get their act together, I believe, and focus on getting the job done. From what I know and information, there are a couple of initiatives within the Afghan government to do this. There's a drug eradication operation with people and materials and funding within the government of Afghanistan. There's a new initiative. We've been in discussion with the Afghan military and they have decided to dedicate a new battalion, or CANDAC, as they call it, whose specific and only task will be to work on this drug eradication. They're in training right now. They're getting the materials and the tools to do this, and we expect to be able to put them in the field here in a couple months and actually have them going after those poppy fields that are under cultivation.

As I get around Afghanistan and look at different areas, it's really a mixed bag. Those areas which have been historically most productive here in growing these, these poppies, are those that are typically the most unstable, the most insecure.

A couple months ago I went around and met some of the governors and made an interesting observation. Those provinces that were particularly well led, strong governors, the poppy production is either nonexistent or minimized. I met with a couple of them who had a problem of significance last year. They've assured me that they've taken steps in the fall, and that's when the initial actions had to be done to prevent the planting of this crop. They've taken actions. I'll be anxious to see what really transpires.

President Karzai and his government for their part have got to step up and recognize this is a problem. I realize it's complex, that it's a traditional activity in the country, but it's got to stop, and my sense is that progress—

Senator WARNER. Well, I hope they could take a lead on it. My time has expired, but we ought to send a message to Karzai. I know he's up for reelection in about a year, but he can't sit on his hands and tolerate this situation. He's got to move out assertively.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Warner.
Senator Lieberman?

Senator LIEBERMAN. Thanks, Mr. Chairman.

Admiral Fallon, Admiral Olson, thank you for your extraordinary service.

I want to say just briefly, about the Ahmedinejad visit to Iraq, that I share my colleagues' sense of outrage about it. I also want to thank you for, both in your prepared statement and your testimony here this morning, making very clear that there's no doubt in the mind of the American military that the Iranians continue to provide lethal training and equipment to the Iraqis, even though—and this is why I say this—Ahmadinejad when he was in Iraq denied any such behavior by Iran, which is simply a lie.

Admiral Fallon: The facts prove otherwise.

Senator LIEBERMAN. The facts prove otherwise, and I thank you for saying that.

A few questions about Iraq. Again, it means a lot to hear from you, looking back to last year—and I'm quoting you—that, regarding Iraq, you're very encouraged that we're on an upward vector. I appreciate that. I know, as you said, we fought hard to achieve that, so did the Iraqis, and we're fortunate for that.

We're now in the process of pulling down the additional troops, moving out the additional troops that were sent as part of the surge. That withdrawal will be completed in July. Then there'll be the pause.

I wanted to ask you this, and I quote from you again. You said: "It's critical that we not lose the ground that we fought so hard to attain in Iraq." There's been some concern, acknowledging the reality of the stress on our forces as a result of Iraq and Afghanistan, that there'd be pressure to pull more forces down after the pause, based more on the stress on the forces than on conditions on the ground. And I wanted to ask you personally, in your role at CENTCOM. My belief, based on what I've heard you say today and before, is that the primary consideration in responding to General Petraeus' recommendation will be that we not lose the ground that we have fought so hard to obtain and win in Iraq thus far. Am I right?

Admiral Fallon: Yes, sir, Senator. I think there may be too much focus on the word "pause" and what that means, what it might mean or might not mean. The reality is that as we go forward to the midyear point this year there is a plan that's been well vetted and very complex, that will continue to draw down those surge brigades as their 15 months in country comes to an end. That in itself is a recognition of this other reality that there's great stress on our force.

Senator LIEBERMAN. Right.

Admiral Fallon: It's not only that these units are going to be withdrawn. We have every expectation that that's going to continue apace. But there are also some other brigade combat teams that are in the process of rotating so that their numerical reliefs will be coming in at the same time. This is an awful lot of activity in a short period of time.

What I think General Petraeus is going to—what I expect he's going to come in and recommend to me and to the chain of com-

mand is that it's prudent to make an assessment of where we are. It's not just pulling troops out, but he has a really significantly difficult task, in that as we withdraw these many thousands of troops he has to reset the lines of command and control within the country. It's significantly different now than it was a year ago, because there are many more Iraqi security forces that are now in the field and coming in. They did their own surge this past year, increasing their numbers.

So General Petraeus has this major task of resetting the battlefield here, and that's the focus of not trying to lose—to keep the momentum going, to keep the stability and security. It is truly remarkable today to look at the statistical evidence and, as many of you know because you were in there to see it, to actually see the difference on the ground.

Senator LIEBERMAN. It is remarkable, and it didn't happen as an accident. There was tremendous effort by our forces under your leadership and others, and some excellent work by the Iraqis as well.

Let me ask you one final question. Over the last weekend there's been some confusion about a pause ending automatically after 45 days. In other words, there was a story in some of the press based on communication with an unnamed national security official which led some to believe that there would be a 45-day pause and then automatically the troops would begin to come out.

President Bush said that that was not his intention, that there would be a review and troops would come out based on conditions on the ground and of course based on recommendations from General Petraeus, yourself, and up the chain of command.

So what was the confusion about the 45 days?

Admiral Fallon: I think the confusion is because this is all speculation. The facts are General Petraeus has yet to come back to me formally with his recommendations and of course I haven't—I'm going to wait until I see what he says before we decide.

Senator LIEBERMAN. Right.

Admiral Fallon: The reality is that we'll look at the whole situation. I'll be eager to hear what he has to say and to have his input into that. I think nothing is written in stone. Even after—assuming decisions are made, that people are going to be smart enough to recognize that we'll take actions based on the conditions we find. And if those conditions change, I expect that there'll be every consideration.

But all of this is speculation. The facts are that he has not come in with his recommendations. I think we ought to just wait a few weeks and see what he has to say, and then we'll be happy to take that and go forward.

Senator LIEBERMAN. Well, I appreciate that, and I find it reassuring, one in that General Petraeus is the key original source of recommendation from the field; two, that conditions on the ground will determine the pace of the reduction in our forces, which all of us want. We spent a lot of time arguing in the Senate about the troops coming out. Everybody wants the troops to come out. The question is are we going to order them out from here, are they going to be brought out by the military and the Commander-in-

Chief based on what's happening on the ground, and I hear you say, of course, the latter.

I am happy to see I have a moment more. The one of the three new laws that did not make it because of a veto on that council presumably will be passed before—and that's the provincial election law, which will provide for elections, or at least in its original form, no later than October 1. Very important from everybody I've talked to.

I just want to get a reassurance that one of the factors that you'll consider as you consider the pace of withdrawal of troops is that we wouldn't want to take on any additional risk or vulnerability at a time of the elections when we presume the terrorists would be looking to create maximum disruption.

Admiral Fallon: Senator, the provincial powers legislation in Iraq is a political document. You are much more aware of how this works than I. My understanding is that the process that has been codified by the Iraqi people in their legislation to date affords an opportunity for that legislation to go back and be reviewed and hopefully move forward.

It's complex. There are aspects of this that we're cheering. I personally would like to see elections as soon as practical in as many areas as we can. We deal with risk every day. I think that's the job that has been entrusted to me and I'll certainly seriously consider every aspect of that risk in making my recommendations and decisions.

Senator LIEBERMAN. Thank you very much, Admiral.

Thanks, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Lieberman.

Senator Inhofe?

Senator Inhofe: Thank you, Mr. Chairman.

First of all, let me associate myself with the remarks of Senator Warner in terms of the progress of the surge, and also in your printed statement—I'm not sure you got to it in your verbal statement—talking about the quality of the training in Afghanistan. I'm very proud that—I was over there what, 3 or 4 years ago, and we turned over the training of the ANA to the Afghans, and that happened to be the Oklahoma 45th that was over there. So I think that we've been following their progress and they've been very successful.

Let me real quickly, my three favorite programs that I want to get your opinions on. You did cover them somewhat in your opening and in your written statement. First of all, the train and equip, 1206, 1207, 1208, they expire this year. We tried to get reauthorization last time and expanding the authority that goes with those train and equip programs, but were unable to do it, not because there was opposition, but we just ran out of time.

So I'd like to have both of you on the train and equip programs give us your candid opinion.

Admiral Fallon: Eric, do you want to step up to the mike?

Admiral Olson: It's hard to overstate the importance of those authorities, particularly 1206 and 1208, in the world in which I operate. 1208 is an authority peculiar to Special Operations. It is an authorization, not an appropriation. It authorizes \$25 million to be spent around the globe on Special Operations train and equip ac-

tivities. We have grown into 1208 very well and in fact we are approaching the \$25 million limit.

Senator Inhofe: I understand that's actually the smallest of the three programs. But you're the one to address that.

Admiral Olson: It is by a long shot, yes, sir. And the realization has struck me that once in it's hard to back out, and so this will have to be an increase in authority over time.

Senator Inhofe: Do you agree, Admiral Fallon, with his comments on the significance of the program?

Admiral Fallon: Senator, I certainly do, and if I could offer an endorsement to an OSD proposal, the building partnership capacity, global partnership capacity initiative, which would propose pulling together the 1206, 1207, and the CERP together.

Senator Inhofe: Yes, the other thing I was going to ask you about is the CERP program that it's been my opinion is so significant to the commanders out there, and money well spent.

Admiral Fallon: As I look at the progress that's been made in Iraq and progress in Afghanistan, and particularly in the eastern region where U.S. forces are operating in Afghanistan, this is one of the most important and crucial factors in progress in both areas, is this ability to actually use a relatively small amount of funds compared to some other expenditures to directly affect capacity-building with our partners on the ground, to give our commanders the opportunity to actually fix things right on the spot.

It's so different to watch our people in Afghanistan, for example, and their ability to deal with challenges and watch the way other countries do it. So I strongly encourage the support.

Senator Inhofe: I see Admiral Olson nodding in agreement. And of course that's the program that needs to be globalized, and I think you would agree with that. Anyway, that expires also this year, so we need to address that.

Then the third one and the last one is the IMET program. There was a time when we treated that program as if we were doing countries a favor by bringing their people over and training them and actually requiring Article 95 cooperation before allowing them to do it. I think we recognized in the last authorization bill that we're really—it's doing us the bigger favor, so we eliminated that requirement.

Do you see that as a high priority program, the two of you?

Admiral Olson: Sir, as part of my responsibilities for synchronizing planning in the global war on terrorism we develop and recommend the list of priority countries, 1 through 204 in terms of their importance. As I go through the top countries on that list, I'm struck by how underfunded IMET is in most of those countries. In the places we go and the people with whom we work, having trained in the United States is a badge of honor that is proudly worn, almost a self-selection criteria. It's clear early who has trained in the United States and who hasn't. The power of IMET to bring people to this country, to train them in skills and knowledge at schools and universities, is truly powerful. I think you said it very well when you said we used to think of it as doing something for them, but it truly is doing something very important for us.

Senator Inhofe: It builds an allegiance that stays there. And I've noticed this in a lot of the African countries, so I do appreciate it. We need to do that.

Speaking of Africa, with the AFRICOM coming on I've had extensive conversations with General Ward. Do you think the transition's coming along all right? Just a short answer.

Admiral Fallon: Thanks, Senator. If I could double back, I have to say something about IMET. Of all the programs that are funded by this institution, there are none that I think offer us the potential on leverage to do good for ourselves and people around the world than this program. It's really painful for me to watch the down side of the use of this program in a way to either punish or to try to get the attention of other countries. I understand the rationale behind it, but I've got to tell you the damage it does is significant.

Let's take one country, Pakistan. For almost a decade, for reasons that we well understand and appreciate, we had a situation in which we did not—were not permitted to have this kind of engagement with this country. We are paying price for that right now, because we have a large block of the leadership of their military services that, frankly, are dubious of trust with us. As we try to help them face the challenges they undergo today, it's really a challenge.

So I can't say enough for IMET. It's not only the opportunity to train people and make the associations, but when they go back and spread this word it's very, very helpful.

To AFRICOM, my intention is to take that part of Africa in which we are engaged right now, in the Horn, which is grouped under a command, Joint Task Force-Horn of Africa, and to try to take that organization and structure as it exists, to transfer it to AFRICOM, to continue the same kind of good work that they're doing. Every single one of our ambassadors, every single one of the leaders of those countries in that region, tell me they're grateful, appreciate, and they want it to continue in just that manner.

Senator Inhofe: And I think you've got the right guy running that over there. He's doing a very good job.

My time has expired, so the last two questions I'll ask for the record if you don't mind. One is your feelings about the African brigades. It's been going very slowly. The East African Brigade in Ethiopia and the West in Ghana with ECOWAS are doing pretty well, but the other three are not. So I just would like to get for the record something as to what you feel the status is and the significance is.

Then the last thing: You and I, Admiral Fallon, fought and lost a 3-year battle called the battle of Vieques, and we did the best we could. It was not a partisan thing. It wasn't Democrats or Republicans. But we lost. It's interesting now that the very opposition in Puerto Rico that was there is now coming back saying: We've changed our minds. Well, we were right and they were wrong.

But for the record, I'd like to have you inform us as to the quality of the integrated training that was there before and after and how we're progressing in making up for that vacuum that I think is sorely missed.

Thank you, Mr. Chairman. [The information referred to follows:]
[COMMITTEE INSERT]

Chairman LEVIN. Thank you, Senator Inhofe.

Senator Reed?

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

Admiral Fallon, I know my colleagues have commented on the visit of President Ahmadinejad, but I think his visit and, frankly, the civil, more than civil, the warm response he received in Baghdad, raises a fundamental question about our strategy. Iran now seems to me more powerful than it was 5 years ago, both politically and one might argue also militarily, working not directly but indirectly through surrogates in Iraq itself, in Lebanon and elsewhere.

From a strategic point of view, doesn't this question what we've been doing the last 5 years?

Admiral Fallon: Senator, I'm not sure. What we've been doing in regard to what?

Senator Reed: To Iran. We've seen them grow. We have invested trillions of dollars in our efforts in the region. Iran I would have argued, I argued back in 2003, was a much more serious threat to stability in the region and to our interests in the region than Iraq was. And now we've seen them, frankly, become more robust, more politically accepted. And I think it underscores a fundamental strategic fault or flaw that this administration has pursued for the last several years.

Admiral Fallon: Senator, a complex issue of Iran. I would give you maybe a little different view of Iran and their influence and their stature, if you would, in the region. As I talk to countries throughout the region and all of Iran's immediate neighbors, what I come away with is a lot of skepticism, a lot of distrust, a lot of anxiety about them. In my opinion their stature has not grown. To the contrary, countries are taking a very dim view of their engagement.

They know the game. They know that Ahmadinejad gets out, gets a lot of face time. We see other people in other parts of the world that act in a similar manner. But at the core of things, people are concerned, and they are engaging with us—these are the neighbors—to ascertain our intentions, to be able to stand tall, to not knuckle under to any Iranian intimidation or pressure. They're anxious to have us support them.

Nobody's looking for another conflict, but they are certainly looking for support from us in our approach. And it seems to me that that's what we ought to be trying to do, and that's certainly what I do in my engagement with these countries.

Senator Reed: So how would you assess the influence of Iran in Iraq today versus 5 years ago?

Admiral Fallon: Influence of Iran in Iraq? I think the situation is so different in Iraq today than 5 years ago that it's pretty difficult to say, because you'd have to set up the conditions and the conditions are very different. I think that—

Senator Reed: Would Ahmadinejad have made a trip to Baghdad 5 years ago?

Admiral Fallon: Speculation: probably not. But if you were to—and I suspect the pollsters are out hard at work today asking this same question, what do you think about this, of the Iraqi people.

Even in the south, where the Iranians have been working overtime to try to maximize their influence, there's increasing skepticism from every report that I see from our engagement with the people there. They're dubious of Iran's real intentions.

I mean, frankly, practically, most everybody in Iraq has been happy to take their money, and they've been spreading a lot of it around by every account. But they're now realizing that there may be other intentions here, and I'm beginning to sense a significant pushback. Again, I don't know all the factors that are at play, particularly in the south, but I do know that things have kind of gone the other way now, and I think that as people—first of all, as the Iraqis get more confident in their own ability, my sense is that there's going to be a little bit of—I'm out in front of my headlights here, but every indication I have is that people are realizing that there's no free lunch here. Yes, they like the tomatoes and the potatoes and the mattresses and the other things that are helping, and I've been to the borders. I've watched this incredible amount of traffic coming across.

The Iraqi people welcome the average Iranian pilgrim who wants to come and visit the shrines, and there's a tremendous traffic there and that's an economic benefit, of course, to the people. You can see the interaction with them. But I think the people, they're not stupid. They recognize that this is a potential double-edged sword, and I think it ought to be—it's in our interest to continue to work with the Iraqi people. It's pretty obvious to me, if you look at just the data of responses to questions in the last 6 months, people have—as security and stability have expanded in this country, people have come to realize that the reason that's expanded is because of our engagement with them and not the Iranians. They have not been particularly helpful.

So I think it's in our best interest to continue to engage, to continue to try to build security and stability, and I think the Iraqi people are going to be smart enough to realize what's going on here.

Senator Reed: So you aren't troubled by the presence of the Iranians—

Admiral Fallon: Of course I am.

Senator Reed:—politically or tactically on the ground?

Admiral Fallon: Of course I am. We want to do everything we can, and from the military standpoint we are working overtime with our commanders to try to cut off this Iranian influence in all of its aspects inside of Iraq.

Senator Reed: There is about 60,000 Sunni militia in the CLCs that have not been integrated into the formal structure of the security forces there. The government in Afghanistan, heavily dominated by Shia and Kurds, seem reluctant to do that. What's your estimate of this taking place? Because I think there are many that are concerned that if it doesn't take place in the next few months these forces will become less supportive and cooperative with us. In fact, there was a "strike," quote unquote, in Diyalah a few days ago by CLC forces.

Admiral Fallon: A complex question. Very few free lunches or one-way streets certainly in this country. We have clearly welcomed the initiative of the people to step up and be willing to put

themselves and their lives on the line. I think it's impractical to expect that all of these folks are going to be able to be integrated into the Iraqi security forces. In recognition of that, General Petraeus and our team in Iraq have been working to try to have other opportunities available. There are a number of initiatives that are beginning to be under way in and around Iraq to try to provide other opportunities, vocational training and—it's jobs, that's the bottom line. At the end of the day, this is probably the most important thing, the number one issue with the majority of people in the country: Give me some meaningful work and give me a future and we'll think things are getting better.

There are issues to work through. This issue in Diyalah that you mentioned has been resolved, at least for now, by a step by the Iraqi central government to make an adjustment to the leadership in the security forces in Diyalah that it turned out was acceptable to those CLCs, now called Sons of Iraq, that have—they've seen fit to now go back on the job.

As I was out the week before last in Anbar, went all through the province looking and watching at what's going on, I saw enthusiasm among the people, those CLCs that are so effective. You go to a city like Fallujah now or Ramadi and you walk around in the city, very few American troops are seen, marines in this case. A few more Iraqi soldiers, but many more police and Sons of Iraq. They're out there doing the—it was interesting to me as I was out and about on this last trip. I started off with a large contingent of marines to look out for my safety, and we got into the city and as we got deeper into the city it was just—all of a sudden, turned around and the marines kind of faded back and the fellows that were escorting me and pointing things out and providing security were almost all Iraqis, and they were proud of it.

The requests that I got were: Can you please help us to get jobs? We want a future and this is the answer.

So a long answer, I'm sorry, to your question. But I don't believe it's practical to make them—put them all back in the army or the police, and we've got to work hard to make sure we have other opportunities.

Senator Reed: Thank you. My time has expired.

Chairman LEVIN. Thank you, Senator Reed.

Senator Sessions?

Senator Sessions: Thank you, Mr. Chairman.

I think it's a bit interesting that those who want the United States to talk with anybody in the world now feign the greatest concern that Iraq would talk with its neighbor, which is—and having some sort of relationship with Iran is important for their long-term success; wouldn't you agree, Admiral Fallon?

Admiral Fallon: Of course. It's their neighbor. They've got to figure out how to deal with them.

Senator Sessions: How many miles of border is that? Do you happen to know?

Admiral Fallon: I'd be guessing at the number. It's a long border.

Senator Sessions: A long border. They've had a traditional—at least they have a good bit of contact. So I don't know how to handle this. We tell the Iraqis they've got to step up and act like a real country and to solve political problems, and then they try to meet

with a country that could destabilize them or could be some sort of halfway decent partner in the future and we jump on Maliki. So I am somewhat taken aback by this line of questioning.

Admiral Olson and Admiral Fallon—well, first, Admiral Fallon, let me ask you this. At the 30,000 foot level there's been a good bit of discussion off and on about what kind of military commitment works best in this region. I saw an article I think in the Washington Times quoting I believe Colonel Nagel, who favors a more intensive training of regular army, I believe, in things that relate to nation-building. General Casey says he hopes we don't have another one of these happen again, and certainly we all hope that's true.

But I'm not convinced we won't have a continual demand on the part of the United States as a government to provide leadership to states that could fall into the failed state category and be a danger to the neighbors and us. So I think that is a continual thing.

Frankly, I find that the military performs better than the State Department and other agencies who've been very weak in my view in providing leadership.

So I guess what I want to ask you first, and I'll ask you, Admiral Olson, are we configured correctly? Are we thinking further, hard enough in the years to come about what kind of capabilities our military needs in these grey areas between war and piece and reconstruction and stability in the areas that may be very important to us?

Admiral Fallon: Senator, we need a multifaceted approach to this, it seems to me. Many of the skill sets and capabilities that I believe are and will continue to be very effective in this engagement are skills that our people are learning in significant efforts now inside of Iraq, that will be transferable to other places.

The key thing is to be engaged. We need to be there. We need to be visible. We need to gain the trust and confidence of people in each of these countries. My number one objective, big picture, would be to build capacity in each of these nations so that they can look after their own security as the primary instrument of stability in their countries. The extent to which we can do that is of course a factor of their willingness to have us, and that means you've got to have engagement to be able to build trust, to be invited to help—because it's their country; they have to invite us in—having the tools available. You've been very generous in providing—

Senator Sessions: Let me just ask it a little bit different. My question is a little bit different. Are you satisfied that our budget and plans within the United States military are sufficiently focused on preparing ourselves for situations like Iraq in the future? Have we thought that through sufficiently, and do you have any observations?

Admiral Fallon: I have one observation to start with: that as we look to the future the one thing that's certain is the future will never be exactly as the events we've just engaged in. So we have ourselves in a position now where we've honed and refined the skill set that's very effective in Iraq, that has been demonstrated, and trying to figure out which of these applications really suits Afghanistan. So I think we're in very good shape now for that.

We also have to be mindful that there are other capabilities that might be required in other situations, and I think the challenges for the services in particular are to try to balance those requirements. Sometimes they appear to be in competition, but what I find is the number one thing is people. If we can train our people to be agile of mind and to be broad-based in their skill sets, so they're very adaptable, they can handle these situations.

So of all the things you could do, the emphasis on people and trying to get and retain the best people, have their skill sets as broad as possible, would be the number one thing. I think we're generally okay, but I got to tell you that from my perspective I'm focused on the execution right now. What I see I like. There are not many things except maybe more of them or a little more flexibility in the application of the things that you've given us, but generally I'm satisfied that we're in pretty good shape right now.

Senator Sessions: Admiral Olson?

Admiral Olson: Senator, all of the services are working to build a train and assist capability into their forces. It's access and how you apply that that I think is important. Certainly in Iraq and Afghanistan, where we're focused on building an army from scratch, the big services have a capacity to do that that's very important.

In most of the countries of the world, there is in fact a limited appetite for that, and where we earn access through a lower profile presence and an enduring engagement, and those are the areas that I am more particularly focused on, where some sort of cultural awareness that builds up over a regionalization over time, a linguistic skill, a maturity of experience, and the personal relationships that then do contribute significantly to building these partner capacities for the purpose of either disengaging from that country as they grow their own sovereign capabilities or because we're going to fight alongside them in some special circumstances at some point in the future.

We're contributing from Special Operations Forces a great number of operational detachments, Alpha, Special Operations A Teams, and a few SEAL platoons, to Admiral Fallon to do that in specialized units across Iraq and Afghanistan. It works well there the way we are doing it in partnership with the big services the way that they are doing it. The issue is how do you break down big service units to do this kind of training and will the future structure support sort of taking from the big organizations the specific capabilities that you need to train to specific skills once we get beyond simply building an army.

Senator Sessions: Well, thank you.

Thank you, Mr. Chairman. I would just note that I do think we need to not only think about how to replicate Iraq in the future better, a situation like that, but the other kind of situations we might have and some sort of cadre and training program for a number of persons that could help us be more effective from day one I think might be helpful.

Chairman LEVIN: Thank you, Senator Sessions.

Senator Collins?

Senator Collins: Thank you, Mr. Chairman.

Admiral Fallon, many of us are so concerned about the strain that extended and repeated deployments in Iraq and Afghanistan

has had on our troops. Last week General Casey testified that we would be able to return to the 12-month, the 12-month deployment, once the number of Army brigades was drawn down to 15. But in reviewing his testimony, it's not clear to me whether he's talking about 15 combat brigades in both Afghanistan and Iraq or just in Iraq. Could you clarify that issue for the committee?

Admiral Fallon: Senator, I can give you my opinion, but I'm not sure. I think you probably need to get General Casey to be sure. My understanding is that it's 15 in Iraq, but I defer to General Casey because he's the one that's doing the detailed look at his force structure.

Senator Collins: We have had two recent reports, one from the Atlantic Council of the United States, the other from the Afghanistan Study Group, that both warned that we have insufficient military forces in Afghanistan to accomplish the goals, as well as an effort on the economic and diplomatic side that is not robust enough. In effect, both of these reports warn that Afghanistan is on the brink, that we're at a tipping point, and both of them are an urgent call for action.

We are sending 3200 additional marines into Afghanistan to try to deal with this problem. My concern is that if NATO troops do not step up to the challenge that's outlined in this report and if our NATO allies continue to operate under constraints that make them less effective in dealing with the resurgence of the Taliban, that in fact we're going to end up with another enormous effort, imposing still more strain on our troops, and that it will be impossible for us to go back to a normal deployment length of 12 months and to stop repeatedly sending back the same troops after insufficient rest periods.

Based on your assessment, what do you see as the demands for additional American troops in Afghanistan?

Admiral Fallon: Senator, I'll start by saying that I'm not as pessimistic as some of these reports and studies seem to indicate the situation is in Afghanistan. Regarding the use of U.S. forces, we've taken steps and the President's approved the deployment of two marine units, one to address the need for maneuver forces under the NATO command, under ISAF. There's been a longstanding request to have two more brigade-size forces for General McNeal.

Now, there's been another request to have more trainers working for General Cohn, who works for me, to provide for the training of the Afghan security forces. We're sending units to address both of these issues, not in the full numbers that have been desired, but I think that they're going to be very helpful this year.

The challenges that General McNeal faces in the ability to use the existing forces in Afghanistan are well known. The caveats and conditions under which these forces are used in my opinion provide some significant tactical limitations. They are what they are and, as you know, there are many efforts being made to address that issue with the other countries of NATO, to try to get more responsiveness and more flexibility in the use of those troops.

I think that this year this influx of troops ought to—I expect to have some significant results. I don't think that the situation in Afghanistan is going to be in the long term solved by a huge influx of additional forces. I think that we need to get people focused on

executing the specific tasks in Afghanistan that are going to be helpful to returning this country. It's different than Iraq, very different, in many, many ways. Our forces have been very successful, particularly in the past year, working in the eastern regions where we have primacy and basically responsibility. What I see is the kinds of engagement with the local populations—we learn a lot of lessons from Iraq in this regard—that basically provide stability and security, but encourage them through the instruments like CERP that you've made available and through other means, and the engagement with the international community, to help build their futures—schools, development, water, power, management, all these things that are essential to daily life. This combination of factors in a focused, flexible manner has been what's given us the results in the east and we have every expectation we'll be able to build on that this year.

Senator Collins: Thank you.

I want to turn briefly to Pakistan. Obviously, the recent violence in population, the increase in car bombings, the assassination of the former prime minister, combined with the election changes in which a strong ally of our country, President Musharraf, was resoundingly—his party was resoundingly rejected, all into question what the impact will be on cooperation with the United States in the hunt for Usama bin Laden and for Taliban and Al Qaeda leaders, particularly in the federally Administrated Tribal Areas of Pakistan.

How do you see these recent events affecting the cooperation that the United States desperately needs from the Pakistan government?

Admiral Fallon: My first comment would be that I find it impossible to separate Afghanistan from Pakistan. There's a border out there between the countries, but the reality is that you have a significant Pashtun tribal ethnic reality that spreads into significant parts of both countries. The Pak leadership now understands that, I believe, the principal threat to their long-term security and stability are the same folks that are operating out of the FATA, that are a problem for us in Afghanistan. So we have a lot of common ground here.

Certainly a lot of swirl and change in Pakistan. I think it remains to be seen how this is going to work out. The good news is there's a process, there's a democratic process that has provided an election, and there is maneuvering going on and the political actions now to try to form a new government, which we certainly hope will be supportive of stability in that country, which will be helpful to us and the region in the long run, and also that they'll continue to support us in our endeavors to address the terror threat and the leadership of those networks that we believe emanate in the FATA.

We have had, I believe, significant engagement of a positive manner with the Pak military. General Qiani, the new army chief, whom I've had the pleasure to meet, I think is very, very aware of the responsibilities he has to not only help, as the army is the dominant institution in that country to provide internal security, but he very well recognizes the threat that's posed by these extremists, and the same kind of behaviors that we see in Afghanistan

now spreading into other areas of Pakistan. They're going to have to deal with it.

From my perspective, we want to stay engaged. We want to encourage them to work with us as they have in the past and to a greater extent, so that we can leverage our relationship to help them help themselves and to help us in the process. I think it remains to be seen. It's certainly a critical time for this country of Pakistan and certainly for us. For our part, it seems to me the priorities for us are to encourage them to work toward solutions that are going to be politically acceptable and that are going to give their people the best chance for security for the future.

Senator Collins: Thank you.

Admiral Fallon: Thank you.

Chairman LEVIN. Thank you, Senator Collins.

Senator McCaskill?

Senator McCaskill: Thank you, Mr. Chairman.

I want to focus in for a minute on the money being spent, and I want to particularly focus in on the money being spent in Pakistan. I think that there have been a number of reports, as we've had with the moneys in Iraq also, of fraud, waste and abuse in terms of military aid to Pakistan. I know that we are spending \$80 million a month on the combat support operations, the coalition support funds program, which reimburses—supposedly reimburses Pakistan for conducting military operations to fight terrorism on the Afghan border.

My concern is as I look at all the materials on this, I know that the U.S. embassy is supposed to verify that Pakistan has in fact incurred these expenses in support of combat activity on the Afghan border, and that I know the expenditures are sent to Central Command, where they are supposedly evaluated and the claims are looked at and then reimbursement is forwarded on to the Pentagon, OMB, and to Congress.

But the Pakistan military provides no receipts and many officials now believe that these invoices are being inflated. I think another concern obviously is that a senior military official has said that this aid, this \$80 million a month, a total of \$5.7 billion which we have provided, is really being used on a weapons system to potentially be involved with India; that Pakistan is focusing these moneys on something other than the goal that we want them to be working on, which is obviously the tribal unrest and terrorism that is obviously in play along the Afghan border.

I would certainly like your take on this and what procedures can you put in place or your staff put in place to get a handle on these reimbursements, to make sure that they are going onto fighting terrorism in these tribal areas, as opposed to some long-term strategic goal that the Pakistan government has in terms of the threat they feel from India?

Admiral Fallon: Ma'am, I'll take this one to start with. The first comment I would make is these coalition support funds which are made available by the Congress are intended to reimburse partner nations for their logistic and military activities in support of our operations in Iraq and Afghanistan, OIF and OEF specifically.

I can tell you what I've done in the 10 months or so that I've been in charge of Central Command, and that's to pay a lot more

attention—I can't tell you what went on in the past, but I can tell you we're paying a lot of attention to it now—and trying to make sure that these moneys are being used for the purposes for which they were intended. This is very complex and the support that the Paks provide to us is extensive. I can tell you, frankly, that we would be very hard-pressed to be able to conduct our operations in Afghanistan today anywhere near the scope that we conduct them without this significant assistance from Pakistan.

The Paks I believe understand that the challenge—I don't know what it was like in the past, but they certainly understand now that the threat that they face is really the same threat that we're facing in Afghanistan. It's the same people and I think many of the same intentions.

The process by which we look at these expenditures and try to validate the purpose for which they are being spent is one in which there's no rubber stamp. We are looking very carefully at these things and as I look at the way things appear to have gone in the past and how they go now, we have in many ways slowed down the process. This has, I'll tell you honestly, it's created some friction with the Paks because they submit these vouchers, if you would, outlining what they say they have spent the money on and we're scrutinizing them very carefully.

In the past year, my folks tell me we've only approved about 80 percent of those requests that have come in, as we try to drill into them and find out what's really being done.

That said, I think it's only fair to recognize that the Paks are heavily engaged. They have lost several thousand people killed and wounded to these insurgents that are up along the border there. They have been engaged certainly in the past year that I've been watching them to a much greater degree than they were in the past. They have moved a significant number of forces. Somewhere well over 100,000 troops have now been moved from the east, where traditionally they have been focused on an Indian, a perception of an Indian problem, and they are increasingly engaging in the west.

In operations in the Swat Valley, for example, where they were I think surprised to see insurgents and terrorists take over that area, they have fought to push them back out of that valley. It's been painful to watch and painful for them to endure, but they've been successful.

So I see a lot of activity. North Waziristan, South Waziristan, they're actually moving. I think that in the big scheme of things there's little doubt that in the past they were focused on India as the big threat to the country. I think they see things differently now. They've taken steps. It is different now than it was 6 months ago and certainly a year ago, and they're working in this area.

People make all kinds of accusations. Well, for example: No money should be spent for F-16s because that's a big weapon system. In fact, they have a significant need for close air support to help their troops that are engaged on the ground. They don't have the capabilities we do. So they are trying to use every one of their means to try to address this issue.

The fact of the matter is their capabilities need a lot of work. That's part of our engagement here, is to help make them more productive, make them more effective in their engagement.

So we're looking very hard at this money. I understand it's a large amount of money and we would like to have it spent in the right way. But they do a lot of things every day. Every single aircraft that flies into Afghanistan from the south and east, and that's the vast majority of them, have to overfly Pakistan. They have to have support, they have to be deconflicted and so forth. So there are lots of things on these lists of charges and requests for reimbursement that the Paks submit that I think have a basis. How much exactly is stuff that we have to go through. But we're working on this process. We're working very hard with our own people in Islamabad to make them more aware of the need to be very careful in scrutinizing this. We're working on it.

Senator McCaskill: So is it your sense then, Admiral, that since you have taken over that you're comfortable that we are in fact drilling down and getting receipts and actually getting documentation for what they are requesting in terms of this \$80 million that we're spending on a monthly basis, which is a lot of money for the American tax dollars?

Admiral Fallon: Yes, it certainly is. I'm not going to say that I'm comfortable with any of this. I'll tell you that we're certainly giving it good close attention. The idea that you have a receipt for every flight hour that's expended or the repair costs of the helicopters or whatever I think is a little difficult to do. But we are certainly engaged with the Paks in this and I think we're in a lot better shape than we were in the past, and we're going to keep at it.

Senator McCaskill: I know I'm out of time. I do hope that—I'm hopeful I can stay for another round because I want to ask some of the same kind of accountability questions on the money that's going into Afghanistan.

Admiral Fallon: Sure.

Senator McCaskill: Thank you, Mr. Chairman.

Chairman LEVIN: Thank you, Senator McCaskill.

Senator Martinez?

Senator Martinez: Thank you, Mr. Chairman.

I want to thank the gentlemen, Admiral Fallon and Admiral Olson, for being here today. I thank you both for your service, and the troops that serve under you. Again I want to tell you how proud I am that both of your commands are headquartered at Tampa, Florida, in the great Sunshine State. We're proud to have you there.

Admiral Fallon, earlier you answered some questions about Iranian influence in the region and I was intrigued by your comments because it did appear to me that you suggest that their influence vis-&-vis the area of influence that they could possibly project, their neighborhood, you indicated they were viewed with skepticism, distrust, with a dim view, and their influence was not increased, but in fact there was great concern about them.

My question is then, it appears that their neighbors and the neighbors of Iraq—you suggested that those neighbors were concerned also about our commitment, and that you were asked repeatedly by these neighbors about our commitment. I guess my

question to you is, given the fact that things have dramatically improved on the ground from a year ago, that in fact levels of violence are greatly decreased in Iraq, would it be fair then to say that our continued presence in Iraq has added stability to the region, and that in fact these neighbors feel better about the fact that we continue to be committed than they would feel if we in fact had not maintained that commitment, but had in fact withdrawn precipitously?

Admiral Fallon: Senator, as with most of these issues, there's more than one side to the story. I think it would be fair to say that many of the countries in the region were not particularly pleased with us, directly related to the level of violence in Iraq in the past years, directly related to the continuing instability and the concerns about where this all was going. Now that the forces in Iraq have made substantial progress, they like it a lot better and now they're concerned the other way. Probably the majority of that concern is in the other direction, that they don't want us to pull out and have this thing drift back into a more chaotic state again.

So it's the battle of perceptions. I think it really highlights how important it is to have consistent messaging, based on behavior on our part. There is concern about our commitment and as many of these countries look at the way we have engaged periodically and then seemingly gone into periods where we have not seemed to have focused on their region and their countries, they begin to doubt us.

It's like anybody else. They want to be loved, they want to be engaged. They want to feel that we are going to be with them all the time.

Now, we have requirements from our side, too. We want to be with them, but we want them to behave in a manner that's going to be helpful to their own people and to us in the region. So as with most things, you've got to look at the entire thing from all the angles. But today there's pleasure, increased confidence that the situation in Iraq is improving. I believe that countries would like to see us engaged, to remain engaged in the region. Certainly the concern about Iran demonstrates that. And they want us to do it in constructive ways. So I think it's in our interest to continue to stay there in some number, in some form, and stay engaged.

Senator Martinez: In terms of continuing the low level of violence, I don't think there's any question that it was very important that the Mahdi Army and Moqtada al- Sadr made a commitment to continue their ceasefire. Can you tell me how we deal with an individual that is as volatile as this individual, who has such deep hatred of the United States, and yet seems to be in such an influential position as it relates to the level of violence in Iraq, and how we will move to a more permanent level of stability?

Admiral Fallon: The short answer is, because we don't have direct engagement with this individual, Moqtada al- Sadr, we rely on those Iraqis that deal with him, not just the government of Iraq and those clerics with whom he deals, and that's how we try to convey our messages, which are it's in the interest of not only his group but the rest of the people of Iraq to continue this so-called freeze, to continue to focus their energy in non-kinetic ways, in ways that are not going to incite levels of violence.

I believe that as the Iraqi people see the benefits of people not resorting to force of arms they are liking things a lot better and that becomes a pressure in itself. So it's the Iraqi people working with the Iraqis and these leaders of these groups to influence them to act in reasonable and appropriate ways.

Senator Martinez: Thank you, Admiral.

Admiral Olson, recently, in fact Saturday, the Colombian government struck a great success in their continuing fight against the FARC, a terrorist group that has been responsible for now over 3 years, I guess, the kidnapping of 3 Americans, in addition to over their history over 100 Americans who have been kidnapped by this group over time. I know that your Special Operations Forces have been engaged in training in Colombia as well as other missions, including humanitarian missions, as you mentioned. Could you speak to us about your work in Colombia? It looks to me like your training has taken hold because this operation on Saturday seems to have been a pretty neat deal.

Admiral Olson: Yes, sir. We do have a longstanding engagement with the Colombians, as you're well aware. Our presence in Colombia has ranged from 200 to 500 people as it's ebbed and surged over the last several years. Under the rules of the engagement, we are in a train and assist role. We do not conduct operations with the Colombians, but we do train and advise and assist, and we say goodbye to them as they go off on their operations and then we welcome them back as they return.

This has been a successful engagement. It is conducted largely by Army Special Forces, but we have had marines and Navy SEALs down there conducting that engagement because so much of their transportation is dependent on the riverine system within Colombia. So it's been a good partnership.

I second your thought that this operation that was successful this past weekend against the number two FARC leader was at least in large part a manifestation of that relationship. In fact, one of the Colombian soldiers I'm told who was killed in that operation is one on whom one of our Special Operations leaders down there had pinned a U.S. medal not too many years ago because of the value of the relationship that we had built with that particular Colombian soldier.

So this is a continuing effort for us. I think that we should be encouraged by the level of Colombian activity against the FARC in particular. They had gone many years without having this kind of success. Now they've had several successes over the last couple of years.

Senator Martinez: Well, I would just—my time is up, but I would conclude by just following on that comment. The fact is that the Colombian government is a democratically elected government. President Uribe was elected with an overwhelmingly positive vote by their people and it is distressing to see that neighboring governments seem to be intent upon destabilizing the Colombian government and situation by providing assistance to the FARC.

It's interesting that in this operation apparently some very direct and clear evidence of this destabilizing influence of neighboring governments came to light, which I think many of us have sus-

pected for a long time, but it's pretty clear that that in fact took place.

I'm proud of your people standing on the side of a democratically elected government against those who through violence would seek to destabilize.

Thank you.

Chairman LEVIN. Thank you, Senator Martinez.

Senator Nelson?

Senator Bill Nelson: Thank you, gentlemen, for your service to our country, and its especially a privilege that we have your two headquarters located in our State.

Admiral Olson, you need two modified C-27s as a gunship and you also need some more Ospreys to do your role. You want to tell the committee about that?

Admiral Olson: Sir, two separate issues. I'll address them separately. The C-27 we're discussing as a prototype for what we call Gunship Light. The AC-130 gunship has proven very powerful and in high demand in Afghanistan and Iraq with its surgical strike capability from an orbital flight. We are soon to experience a degradation of that fleet due to the center wingbox issue that has struck the entire C-130 inventory. The Air Force solution for the next generation gunship is several years away, at least fiscal year '15, '16, perhaps '17.

So we're looking at a lighter version of the C-130. If you take a C-130 and put it on a copy machine and push the 50 percent button, you get a C-27. It's a twin engine. It looks a lot like the C-130. So this is an integration effort to determine the art of the reasonable with respect to mounting guns on a C-27, flying it in an orbital pattern to provide quick response, primarily to troops in contact or where troops may be expected to be in contact, with the surgical precision that we've come to expect from the AC-130.

I've talked to the Chief of Staff of the Air Force about this. We are—it would be an exaggeration to say that we are moving forward together on this, although we are supportive of the goals of the effort, and he has spoken about that as well. But with the acquisition authorities that I am granted as the Commander of Special Operations Command, we are striving to move forward with a prototype development of that C-27.

The V-22 Osprey is our next generation rotary wing lift, at least for the Air Force component of Special Operations. We have come to depend on the MH-53 Pave Low fleet, the last one of which will be retired in October of this year. We have an inventory of 31. We're building towards an inventory of 50 CV-22s, largely to replace that capability. It's a Special Operations-modified version of the V-22. We pay about one-quarter of the cost, the Air Force pays about three-quarters of the cost, as we make the SOF-peculiar modifications to it.

In my view that airplane is being delivered to us at too slow a rate. There are opportunities in the production line to accelerate that and so we are seeking some funding in order to do that.

Senator Bill Nelson: Admiral Fallon, you may have gone over this while I had to go and just give a speech, but let me quote from your comments: "Looking to the future and as U.S. forces are withdrawn, we are planning to normalize long-term bilateral relations

through a framework agreement that reflects our shared political, economic, cultural, and security interests, as well as a status of forces agreement.”

Then you go on to say: “As Iraq increasingly asserts its sovereignty, we want to continue to assist in developing Iraqi capacities to secure and defend their country.” That’s what the military does and it does it very well, our military.

Every presidential candidate has some version of a withdrawal that they have laid out on the table for the American people to consider. Will political reconciliation occur in your opinion, and do you see any evidence that it’s occurring other than what you’ve stated in your testimony here, the 2008 national budget, the provincial powers, amnesty, the de-Baathification law, provincial powers laws, and so forth? Look over the horizon for us.

Admiral Fallon: Well, we certainly have every expectation they’re going to continue down this path to stability and enable us to do what I believe the vast majority of our people would like, and that is to be able to withdraw the bulk of our combat forces and let the Iraqi security folks take over in their own country.

This will be enabled by continued political development in the country. It’s painful to watch sometimes. But I see things that go on almost on a daily basis. When I got here last year, I went out and tried to make a point to meet the leaders throughout Iraq, particularly those in the central government, and, frankly, came back with mixed opinions of folks. My opinion at that time, after meeting them for the initial go-around, was that most were very narrowly focused based on their backgrounds from political parties. Recognition that the people in many of the key positions were there precisely because they weren’t really powerful, because those were the deals that were brokered.

It’s been encouraging to watch the development of these people from Prime Minister Maliki on down, to see them take responsibility, and increasingly we’re seeing the results of that. It’s not a straight line and I don’t think it’s going to be. There are things that are frustrating. This is a different culture than ours and, frankly, it’s a different political process and philosophy in this country. But it’s coming along.

I’ll give you one example. There was an impasse, as you know, in this legislation and there were a number of items teed up: the budget, the Provincial Powers Act that Senator Levin already talked about, the amnesty legislation. None of them—they all appeared to be stymied and as we watched they’d take one after the other and weren’t making progress. They got innovative. They bundled them, put them all on the table together, and in the process found ways to make the political accommodations that got them all passed, amazingly, in one day. It was kind of astounding. All of a sudden it was, how’d they do this?

So I think we have to continue to engage them, continue to point out to them the cost of this in terms of blood, sweat, and tears on the part of our people, which is, as you know, very substantial, the resources that we’ve devoted to this country.

They’re working on it. They’re taking responsibility in my view, whether it’s in the political process, whether it’s in the recognition—it seems to me they are more aggressive now in going out

and addressing issues away from the capital, and this is essential to me. If they can't figure out how to get people in the provinces the basics that they need, we're not going to be successful, nor they. But increasingly I see them paying attention to it.

I give you another couple of examples. I was out in Anbar 2 weeks ago and it was pointed out to me by the marines out there that they had a problem on the border, one of the border crossing points with Syria. The issue was that the Iraqis out there, Sunnis most of them, all of them actually in this area, had been attending to business and they were having to do it out of their own resources, and the central government had not seen fit, or at least that was the story, to pay these guys and to provide them the other resources they needed. And it was gnawing at them. Just this weekend, got a report. They actually sent a delegation out, addressed the issues, paid the arrears, and people were moving forward.

I mentioned this thing in Diyalah the other day with the Concerned Local Citizens/Sons of Iraq. It was gnawing at them and it was starting to cause the compromise to come apart. They took appropriate steps to fix it in the budget.

They are increasingly taking responsibility financially for themselves. The lines have crossed. They are spending this year three times more on their security than we will spend. Where 3 years ago we were spending the bulk of the money, they are now spending the vast majority of it, and the trends are in the right direction.

They were particularly not effective in using their own resources for their own people. That's increased I think 55 percent or so is the data this year. It's still got a long way to go. But they are getting better at their own budget execution.

Anyway, day after day, slowly but surely, it's generally moving in the right direction. It's got to continue. Part of the role of our folks that are engaged out there is to keep beating the drums to ensure that they don't lose sight of the fact that they've got to continue to make progress.

Thank you, sir.

Senator Bill Nelson: Thank you, Mr. Chairman.

Chairman LEVIN. Senator Webb, if you're ready we can call on you at this time.

Senator Webb: Mr. Chairman, could I yield to Senator McCaskill while I get my bearings here? Am I the last person?

Chairman LEVIN. You are, but we're going to have a second round.

Senator Webb: If I could just have 5 minutes.

Chairman LEVIN. Sure.

On the question of the Iraqi resources, you say now being spent more and more to support their own troops. The Iraqi oil ministry goal for '08 is to produce 2.2 million barrels of oil a day. Now, the exports that we know of have revenues that are estimated \$41 billion in '07 and according to the current rate in '08, extrapolating that rate would give us an estimate of \$56 billion of oil exports for '08.

How much of that oil revenue is Iraq spending for its own security and economic development?

Admiral Fallon: Senator, this year the number's about \$9 billion in security. The number for us is about \$3 billion. In total development, I don't have it off the top of my head, but I know that when we were out there the week before last that their intention was to bump a surge amount, if you would, of \$10 billion additional into development.

The trends are increasingly for them to increase and take over responsibility. In the big scheme of things, this year the lines crossed in development resources. As I recall, the number now is total that they've invested is about \$51 billion versus \$48 billion for us since '02. So they're working on it. They've got a long way to go, as you know.

Chairman LEVIN. Since '02, that's about 6 years or 5 years, and that's about maybe \$7, \$8 billion a year. But I'm talking \$40 billion in oil money, oil revenues from exports last year, and perhaps \$56 billion this year. How much of that is just being stashed away in foreign banks, do you know?

Admiral Fallon: A lot of it's in our banks, the vast majority.

Chairman LEVIN. Why should that money not be spent in Iraq, on Iraqi projects?

Admiral Fallon: Senator, it should be. The facts are that their ability to institutionalize and effectively distribute those funds is lacking. It's increasing. It's getting better. As I indicated, it's double this year, the expenditure rate, than the year before. This is not going to happen overnight. We've got to continue to engage with them.

I think it illustrates a real important fact here. While we couldn't be where we are without security and stability provided through the military, the major issues in their long-term viability are not military. It's government and development of those institutional processes within the country that are going to enable them to actually be effective in this business.

Chairman LEVIN. I can't accept the answer that they're not capable of administering their own revenues. They have a budget which is approximately this amount, and it's totally unacceptable to me that we are spending tens of billions of dollars on rebuilding Iraq while they are putting tens of billions of dollars in banks around the world from oil revenues. It doesn't compute as far as I'm concerned and I think that we ought to get an accounting from our either inspector general or our GAO of those oil revenues, and we'll be sending a letter to one or the other to do just that. And I take it you wouldn't have any objection to that?

Admiral Fallon: Senator, I'm with you on this one. I think it's not just sitting in the banks trying to get somebody rich on interest income. It's because they're in a holding position now until they can figure out how to effectively disburse this money.

This is another—there's another dimension to this that I find pretty fascinating. Because of the tradition in this country with Saddam and his henchman and the way they took all resources and used them for private funds, the Iraqi leaders at every level appear to be highly sensitive to the image of corruption, not that there isn't that that goes on, but to the perception that they might somehow misuse these funds, the National funds.

So we find what I consider are very extraordinary actions on their part, risk avoidance, if you would, in taking what seem to me to be appropriate, prudent decisions to go ahead and get with the program. It's the checks and balances kind of thing.

But clearly we'd like to see them take a more active role, spending more of their money, and so we end up spending less of ours, no doubt about it.

Chairman LEVIN. Well, if they can't figure out how to spend their own money and if the fear of being perceived as being corrupt is the reason, they sure can transfer those resources to us. We'll administer them the way we administer our own funds, for their reconstruction. I mean, we're putting a lot more money into reconstruction up to now than they have.

Admiral Fallon: But that's changed. They are putting more in now.

Chairman LEVIN. It's changing, but that money, which is sitting somewhere in banks, can be applied to reconstruction, if necessary through our administration. Some of us voted when this war began to have the future delivery of Iraqi oil to fund the cost of this war. We had a vote on that issue. In fact, it was represented by some people that the Iraqis would pay for the cost of this war.

The least they can do, instead of stashing that money in banks, is have that money go to current reconstruction projects. So we're going to press that issue in the way that I indicated, and there may be other ways to do it as well.

Admiral Olson, let me get to some of the questions that I had in my opening statement that I'd like to address. Kind of working backwards, do your special operators have sufficient Predators and other assets to conduct aggressive search and seizure missions against Al Qaeda and Taliban leaders in and around Afghanistan and in Iraq? Do you have enough of those type of assets?

Admiral Olson: I'd like to give you a yes or no answer, Mr. Chairman. It's a balance of what Special Operations should provide and what should be provided by the rest of the theater. There are now 50-something orbits, is the term, flown over Iraq, most of which are provided by CENTCOM, some of which are provided by Special Operations Command. We're providing on the order of 11 or 12 of those.

In total, that's not sufficient. If the question is are there sufficient Predators, there aren't. But I'm not convinced that a dollar for intelligence, surveillance, reconnaissance capability is best spent on Predators at this point. It's a very complex system, with bottlenecks in training the operators, training the intelligence analysts, developing the hangars and the ramp space and the bandwidth and developing the full motion video sensors. That is all part of the ISR system.

So the short answer is we have insufficient capability for intelligence, surveillance, and reconnaissance in total.

Chairman LEVIN. And what is your shortfall? On ISR what is your shortfall?

Admiral Olson: Sir, the most severe shortfall is manpower now. It's trained operators of the systems and trained intelligence analysts to evaluate and distribute the information that is gathered through the surveillance.

Chairman LEVIN. Do you have a dollar shortfall? You've given us a list of dollar shortfalls.

Admiral Olson: Yes, sir.

Chairman LEVIN. Could you total them up for us?

Admiral Olson: Sir, the shortfall that I've presented is on the order of about \$300 million in short-term funds, and that's balanced across leasing capability, buying capability, investing in training capability. There are air space management challenges. There's a lot that goes into this. But with \$300 million I believe that I can reasonably enhance the Special Operations capability as our share of the much larger development of the total military capability.

Chairman LEVIN. Have you requested that money in the budget?

Admiral Olson: Sir, we're in discussion with your staff.

Chairman LEVIN. No, no. I mean in the administration's budget.

Admiral Olson: No, sir, we did not.

Chairman LEVIN. Why was that?

Admiral Olson: Because—because we were depending on service capability to provide for that shortfall. We have long supported a stated requirement for 30 continuous orbits in Iraq. That's a CENTCOM requirement, supported by U.S. Special Operations Command. We internally have grown at a rate that we believe we reasonably could, in order to support our share of that total shortfall. But I did not submit in my budget request the funds to make up for the entire military shortfall.

Chairman LEVIN. Senator Webb?

Senator Webb: Thank you, Mr. Chairman.

Admiral Fallon, Admiral Olson, I apologize for having had to step out of here. As so often happens up here, we have two very important hearings going on at the same time, and I'm at the bottom of the food chain here, so I had to wait longer than I thought I would at the other one before I could ask my questions.

I have—and I also wanted to make sure that I reviewed the questions that had been asked of you so I wouldn't be redundant here.

I have two areas that I would like to get some clarification on. The first is, how would you describe the center of mass of Al Qaeda activity in your region, Admiral Fallon? Where would you put that?

Admiral Fallon: I would answer with—the first word would be “distributed.” These guys are pretty clever. They've figured it out. They leverage the technology today and they recognize the inherent danger of pulling all the folks in one spot.

We have a working assumption that the most senior leadership resides somewhere in the Afghan-Pak border area, probably in the FATA. But we have lots of evidence that indicates that they have established nodes, if you would, in lots of other places in the region. And it seems that the CENTCOM region, for better or for worse, mostly for worse, I think, seems to be attractive to them. That's not surprising because we have more poorly governed or lawless places, I suspect, than most in the world. So they tend to come to these areas and take refuge there and try to operate, and using the technology to communicate back and forth. So I think that's the—

Senator Webb: Recognizing that they are mobile, would you say that the center of mass of their activities is Pakistan?

Admiral Fallon: Again, I don't have a body count. I think there are a couple of things that are pertinent here. One is they've got lots of allies and allied groups, and these affiliated organizations sometimes maybe present the appearance of mass, but I suspect that there are fractures and fissures and different views among these folks.

I think this offers us an opportunity in some respects. The fact that they are distributed in different countries means that they have to communicate somehow, some way. And when they talk one way or another or move, it gives us an opportunity to use regional assets, not just U.S. but the countries in the region, to help us in identifying and hopefully capturing these people.

Senator Webb: Just to say editorially, one of the problems I've had since day 1 with what we did in Iraq is that we took probably the greatest maneuver force in the world and locked it down in a strategic mousetrap, occupying these different cities, while the people we ostensibly were going after remained mobile. So we have a situation here where a huge portion of our military is essentially in a classic holding action for political reasons while this mobility is occurring over us.

The question I want to get to because I'm running out of time is a little different. It's something that Senator Warner and I have discussed at some length. There are—and I want your views on this very much. There are two agreements now that are being negotiated at the Executive Branch level between our government and the Iraqi government pertaining to the future relationships, long-term future relationships that we are going to have in Iraq. There is some great concern, particularly on this side of the aisle, that we are going to be placed in a position as a government, as the government changes one way or the other after November, where because of the reliance of the Iraqi government on some of these terms that are being negotiated and because of sort of a lack of clarity with us here in the Congressional branch about what is being done, where we will be kind of ineluctably drawn into a long-term relationship while it hasn't been properly debated.

Are you familiar with the differences between these two agreements that are being negotiated? I'd like your thoughts on that?

Admiral Fallon: Yes, sir, I think I'm pretty tuned in to this, and I'm very, very, very focused on it because it's essential. We have—the reality is that we have got to have in place the appropriate protections for our troops, and not just for their personal protection, which is essential, but to enable them to be effective in operating in Iraq. Come the 31st of December of this year when that UN Security Council resolution expires, we're going to be in a different ballgame.

So we've got a critical task in front of us to figure out. The two, from my view, they're different, but they're very complementary and essential, and you've got to have both. What we're trying to do here in what's called the strategic framework agreement is to frame expectations with the government of Iraq about our mutual vision of the future. You know, what is it we expect to have in the

way of a relationship between the countries? Certainly a lot different than the one that's been in place for the last couple of years.

So that's the key aspect of the SFA. Certainly we have got to for our part, I believe, affirm for the Iraqis their sovereignty. This is their country and they want to have a future, and they want to be able to make decisions about their security. At the same time, we want to ensure that our interests are protected, and most importantly those interests are our people, that they can actually continue to do what they do.

We would like to be able to continue to work against this extremist threat, the terrorist threat, the Al Qaeda network that remains in Iraq. We want to be able to deal with the challenges that we face.

At the same time, there's another aspect of this and that's the detail of just the physical presence of people in another country, as you're well aware. We have SOFAs, for example, with dozens and dozens of countries around the world. They're individually negotiated and they cover the interests and specifics of various nations.

It's essential that we have a replacement for the UN SCR. We have a process to do these things that is well tested. I don't believe that we have any intention of putting ourselves in a position where we are making an international agreement such that it would necessitate Senate review of this or anything along those lines. These are essential agreements that should be made at the Executive level and I think that's clearly our intention from my view of what we're trying to do in this duality approach, if you would.

Senator Webb: We may have some disagreement on that with respect to the umbrella agreement that we are trying to—we had a meeting yesterday with some people from the administration on this. When I say “we,” I'm saying among this body. There are people who are concerned that that first agreement is not a security agreement. When you talk about long-term relations with a country, it's essentially a national agreement. It's committing the country and that sounds an awful lot like a treaty.

We have always operated under some sort of umbrella, particularly when we're putting people into harm's way, whether it's international compacts like NATO or bilateral security agreements like the Philippines, Japan, etcetera. And so we, those of us who are concerned, may want some further clarification on this.

Recognizing that the clock is ticking, that actually is one of the reasons that the concern level up here and that the level of sincerity perhaps from the administration both have come into question.

Admiral Fallon: Senator, from my perspective I can pledge to you that we'll be as open as we possibly can. There's every intention to keep you informed. I think from my discussions with the folks that were up briefing you yesterday that's certainly their intention as well, to keep you well informed and to keep your confidence.

Senator Webb: Well, I hope we can shed some more light on this. I have great respect for the job that you've been doing and hopefully we can get this into the open air. If we don't, it's going to become a campaign issue; I can promise you that.

Admiral Fallon: We have highlighted a couple of agreements with countries around the world. We have many agreements. In my

previous assignment out in the Pacific, we've reached agreement with countries on similar things. One that comes to mind, very important for us, was an SFA- equivalent with Singapore. It was an executive agreement to codify expectations with that country.

But back to the key point here, the intention is to be very open, very forthcoming, to alleviate any concerns in this regard.

Senator Webb: Thank you, Mr. Chairman.

Chairman LEVIN: Thank you, Senator Webb.

Senator Warner?

Senator WARNER: Thank you, Mr. Chairman.

I want to commend my colleague, Senator Webb, for taking this initiative. I feel just as strongly as he about these agreements.

Now, the SOFA agreement follows the pattern of military agreements we've had with many nations, and that's to protect our individual soldiers, airmen, marines, and sailors for their personal activities in carrying out the missions assigned by the President. Second, we would not want the strategic framework agreement in any way to tie the hands of the next president, whoever that may be, as he or she directs the future missions of our country on behalf of not only Iraq, but indeed Afghanistan, too, because this is a pattern.

Lastly, I don't know whether this rises to the level of advise and consent. Senator Webb said a treaty. I'll leave that to perhaps our elders on the Foreign Relations Committee. But I do think it's important, Mr. Chairman, that Senator Webb and I recommend to you that we have a hearing on this at the appropriate time, and that there be the maximum amount of transparency. Now, any negotiation requires a certain amount of confidentiality between the negotiators, but at the present time get it all out, so that there's no hidden agenda in the minds of the American people or in the minds of the Iraqi people about where the two nations want to go.

So I urge you also that we move out on this thing, because I would think it would be helpful to have it wrapped up in the next 90 or 120 days and therefore not become drawn into good old-fashioned politics of America as we elect our next president and it become or could be distorted or whatever.

I want to turn to this problem of the rest of the United States Government. Throughout the years this committee has pushed for the administration to get more of the departments and agencies of this government involved in Iraq. I think that's slowly come to pass. But do we have a similar situation in Afghanistan, Admiral Fallon? Now, there there's some question about the security, personal security of people of other agencies and departments coming over to perform their functions. But it is essential. You stressed the need for jobs in Iraq. I stress the need for jobs in Afghanistan if we're going to have a strong and stable sovereign country.

Admiral Fallon: Senator, I couldn't agree more. In fact, as I look at Afghanistan the priorities for that emerging country are in other than military things—electrical power, roads, water management, agricultural development. These are the things that are really going to turn this into a going concern.

There's a fact of life in this business of the inter- agency and their personnel. The Department of Defense and our military forces are by nature expeditionary. We are used to deploying, used to

going out in the world and engaging. We spend—as you know, our rotational forces are out there all the time. The other institutions of this government are focused historically domestically, with the exception of the Department of State. Secretary Rice has had an initiative to substantially ramp up the number of people in the Department of State. It's going to take a while to do that.

I am anxious to get more people to engage in these things because not too many of them are there.

Senator WARNER. Good. I mentioned also the Department of Agriculture. If we're going to come to grips with this insidious, frightful problem of the growing poppies and the increased revenue there—from flowing into military operations to support the Taliban, we've got to help that agricultural base develop alternatives. Let's hope that that can really be on the top of everybody's list.

Admiral Fallon: Yes, sir.

Senator WARNER. Admiral, I noted with a great deal of pleasure that the USS COLE deployed into your region. One of your 24 countries is Lebanon. We all remember the events of the 1980s, to include the tragic bombing of the marine barracks that killed 241 marines. I remember Senator Tower and I went out there within 48 hours, I believe, of that tragic incident to make our assessment.

What's the intent of the deployment of the COLE and what's the likelihood that that deployment structure will stay in place for a while?

Admiral Fallon: Well, Senator, the deployment is really sent as a signal. In my opinion, it's designed to let folks know that we are certainly very interested in this part of the world and particularly in activities within Lebanon. It's been frustrating to me to watch. I visited Lebanon back in September for the first time in several decades, in fact since I was back there in '83, the last time. There had not been a senior military officer visit.

I was well received by the government, the leadership there, the defense minister. It's clear that they want to engage with us. But meanwhile we've watched now this political impasse drag on and on where—the inability to get a president. It's very clear that outside actors are influencing this in Lebanon. The message here is that we are watching with keen interest, that we are not actively putting our fingers into this thing, we're not trying to destabilize anything, but we want to demonstrate through our presence that we are committed to helping Lebanon to move forward and hopefully resolve their crisis.

I'm very anxious to get our people engaged in helping the Lebanese armed forces to be more confident and more able to provide security and stability. As they demonstrated in the refugee camp activities this last summer, they've got a lot of challenges. We want to be more engaged.

Senator WARNER. Well, I think sending the COLE is quite a symbol. As we all remember, that ship and its crew suffered a tragic incident when a terrorist rammed it and exploded. We repaired that ship and she's back on the line.

Are there other ships accompanying it in this force or is it a single ship?

Admiral Fallon: I believe that there will be other ships that are going to operate in the area, sir.

Senator WARNER. Well, I would hope that would be the case.

My last question, Mr. Chairman. There's been the assertion that the Afghan situation should be separated from the Iraq situation. They are coupled in that it's a common effort to enable two nations to achieve strong sovereignty, but I think Senator Gates—excuse me—Secretary Gates again very wisely said the Europeans have a problem with our involvement in Iraq and project that to Afghanistan, and do not understand the different kind of threat.

I assume you associate yourself with that analysis by the Secretary of Defense, and I thought you'd share with us your own views here.

Admiral Fallon: Senator, both Iraq and Afghanistan are stability challenges in my region. Each is unique; many circumstances that are different. I can't explain all the thought processes within the heads of the people in the various countries that are involved here, but I can tell you that we need help in Afghanistan. There are lots of folks who have raised their hands and said, we aim to be of assistance here. It seems to me we have got to figure out a better way to get people to be committed to working together in a really complementary and effective manner if we're going to be successful.

Senator WARNER. There's no reason why they can't supply some of the non-military aspects of the recovery in Afghanistan.

Admiral Fallon: You know, I think we're a little cautious to say, look, here's how it works and how it's effective. Our example in the east bringing to bear those other instruments that you've made available to us in the way of moneys and ability to operate to help people in their daily lives, it seems to me these are very obvious examples of how things could be more effective than they are now. Removing caveats and allowing troops to really have their value on the ground is critical. I just don't understand what people are thinking about in this except for the risk aversity of things.

It's very different in Afghanistan. For example, the drumbeat today is things are really going to heck in a handbasket and there's no doubt about that the IEDs, the suicide bombings, are up significantly from a year or 2 ago, but the scale of violence in Afghanistan is a fraction of what it is in Iraq. I'm not trying to sugar-coat this at all, but it needs effective engagement.

There are lots of folks there. If we could get everybody to put in a solid effort without all these caveats, I think we'd be a heck of a lot further down the road.

Senator WARNER. Is Iran trying to project along its border, particularly in that segment of Afghanistan, its own influence and destabilizing some of the efforts that we and NATO are trying to achieve?

Admiral Fallon: No doubt that the Iranians are influencing Afghanistan. In many ways it's positive. I've had this conversation with President Karzai. They have provided a lot of assistance to Afghanistan.

Senator WARNER. "They" being—

Admiral Fallon: The Iranians.

Senator WARNER. Recently have provided assistance, economic assistance?

Admiral Fallon: Yes, sir. In the west, in Herat and that area, there's substantial Iranian investment and activity. The cost of that—

Senator WARNER. Do you view that as positive?

Admiral Fallon: That's positive. What I don't like is the flip side of it, that we found several instances last year in which it was pretty apparent that they were trying to provide lethal assistance of a similar kind—

Senator WARNER. The IED type?

Admiral Fallon: Haven't seen much evidence of that, but we've seen other things. Now, it's not on a scale of what's going on on the other border, but it's still unhelpful. Now, what else we don't know remains to be seen. It could be a very positive influence. In some ways it is. The flip side of it is as you know.

Senator WARNER. Mr. Chairman, I think our witnesses have shared very superb professional perspectives on your responsibilities in that AOR. I compliment you and your troops under you.

Chairman LEVIN. Thank you, Senator Warner.

Senator McCaskill?

Senator McCaskill: Thank you, Mr. Chairman.

It is my understanding—and please correct me if I'm wrong—that we have approximately 85,000 Sunnis on the payroll on a monthly basis in Iraq?

Admiral Fallon: Closer to—this is the former Concerned Local Citizens, called "Sons of Iraq" now?

Senator McCaskill: Well, I'm just curious how many Sunnis we have on the payroll. I don't know what we call them or what they're doing. I just want to figure out what is the number of Sunnis that we are paying every month with American tax dollars.

Admiral Fallon: Well, Senator, I think you're focused on those volunteers that have helped us with local security. The answer is about 90,000 total and I'm told that about 80 percent of those are Sunnis, about 20 percent Shia. So the number is probably closer to 70, 75,000.

Senator McCaskill: And they're receiving somewhere between \$200 and \$400 a month from us?

Admiral Fallon: I don't know exactly what General Petraeus and his folks are paying them, but they're receiving certainly a salary.

Senator McCaskill: Is it the sense that this is making a big difference in terms of stability?

Admiral Fallon: Huge difference, a very positive difference.

Senator McCaskill: Have we thought about paying 90,000 Afghans a month? How about 90,000 Paks a month?

Admiral Fallon: The situations are different in both countries. I don't think you can take this—we have looked at this. A lot of people have said, well, this thing worked over here, let's get it going in Afghanistan. It's very different in many respects.

The lesson's not lost on us. We're trying to figure out how to work with the indigenous people, with the tribes. I would tell you that right off the bat my experience and knowledge here in Afghanistan tells me that it's much more complex. Many more tribal affinities, local tribal affinities. Many of them don't particularly get along with the folks over in the next valley. So we've benefited immensely in Iraq by—in places where there's large tribal influences

that cover big swaths of territory, folks have cooperated with one another. We think this is going to be a significant challenge in Afghanistan.

I'm open to any suggestion that would help us move forward, but I don't think that we can just take this template and plop it down over top of either of these countries.

Senator McCaskill: How are we going to get out from underneath this payroll? I mean, what I'm trying to—you know, it's so frustrating. I think the amount of money—and by the way, I was kind of facetious when I talked about Afghanistan, but the Atlantic Council has said only 10 cents of every dollar we're spending there is getting to the Afghans.

I'm curious also for your take on what kind of measures do we have in place to make sure these taxpayer dollars that we're spending in Afghanistan in fact is getting any kind of efficacy in terms of our goals in Afghanistan, and what's the long term? If we're doing this, whether it's 75,000 or 85,000 Sunnis that we're paying every month with American money, when do we stop paying them?

I know some have characterized that payroll as—I know our military has performed there very well under General Petraeus as it relates to security. But clearly this amount of people on the payroll has also greatly contributed to what has occurred in terms of more security, and I don't know how we get out from under that.

Admiral Fallon: Well, Senator, we are very grateful for the willingness of these folks to step up and assume responsibility at the local level. It's been extraordinarily helpful in achieving the stability gains that we've made. We recognize that this is not a long-term solution, that we will have to have a way to transition these folks to some future employment, and that's what it's really about. It's about jobs and that's what they want.

Some of these folks will—have been already and the plan is to continue to try to transition them into the Iraqi security forces, the army and the police. Many will not be able to do this, for a lot of reasons. So we're looking at other alternatives. Some of them are already under way. There are several trials that are involving a couple thousand of these people now to get them retrained through vocational schools, through other economic opportunities.

The answer here in my opinion is as the economic activity levels increase in Iraq this is really the solution. General Petraeus and his commanders are certainly aware of this. They know that we have to have long-term solutions. Again, these are not all military. We've got to have help from the development agencies and others.

I'm encouraged by the beginnings of investment from outside private money into Iraq and the future of this country, and that's the real answer, giving them alternatives. So we know we have to transition them. We're working to try to effect those transitions as best we can.

Senator McCaskill: But we have the same challenge in Afghanistan in terms of alternatives to poppy.

Admiral Fallon: Of course.

Senator McCaskill: And so if we think this—I understand the tribal differences and I understand it's not quite as static as Sunni, Shi'ite, Kurd as in Iraq, that it is more complex in Afghanistan. But if what we're doing in terms of spending money in Afghanistan has

not been successful—and 10 cents on the dollar is certainly not successful—it seems to me that we need to roll out the full employment plan in Afghanistan.

Admiral Fallon: I can't vouch for 10 cents on the dollar, but I can tell you that there are certainly a lot of people that are intensely focused on trying to make Afghanistan a success. I would look at their security forces. We are actively and very positively, I believe, engaged in trying to make this force—not only allow it to grow, but to grow in a manner that they're really going to be capable of providing security. That's coming along.

The real answer is in economic development. But this country is very different than Iraq. For starters is the literacy rate. It's in the 30 to 35 percent range. That means you've got limited options when you start talking about economic opportunities. You've got to start somewhere. The good news is there are millions of youngsters that are in schools now and that's a really positive sign.

So there's no easy answer to this, this business in Afghanistan. At the end of the day it's a very different culture than ours, too, and they're going to have to come up with Afghan solutions to many of these challenges. We can advise them, we can be there to help provide security and stability, which we certainly are, and to encourage them. I get people—citizens around the country send to me almost on a weekly basis ideas about how—things that we might be able to try in Afghanistan, and I'm anxious to listen to them. Some of them I think are actually pretty worthwhile. We do what we can to give these over to our development folks and say, what can you do to help us?

We're working the problem. We've got to have stability and security as an underpinning, but we know that the real future in Afghanistan is economic development and we're committed to try to help.

Senator McCaskill: I just, I worry that the economic development is going to take so long, and that sometimes what we try to do militarily is so expensive. Believe me, it's weird that I would be sitting here pitching for lining up folks and putting them on the payroll paid for by the American taxpayer. But if in fact the problem with the poppy and the problem with all the tribal fighting in Afghanistan and the resurgence of a lot of the terrorist elements in that country and the Taliban is because of dire poverty—you know, it took years for us to figure out how to begin to stabilize in Iraq, and the formula seems to be not only a good strategy, obviously, by the military, but the fact that we are now signing up people and giving them money every month. It seems to me that it's time for an analysis as to how the employment plan may cost out in terms of a cost-benefit analysis in terms of the money that we're spending.

Clearly it doesn't appear that we're getting NATO to step up to do what they need to do to help us. And if it's just a matter of us stretching even more thinly our boots on the ground in the Middle East, it's weird that I think that this might be a good idea, because if somebody would have told me I would be pitching this idea I'd say this is not what I would normally be doing.

But I would certainly ask that you take a look at that in terms of just lining people up and paying them like we are the Sunnis in Iraq.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCaskill.

Do we have any idea how much it would cost us to pay farmers in Afghanistan—these are the poorest folks—not to grow poppy? Do we have any idea? I'm not talking about the drug lords and the places, the heroin labs and the precursor folks. I'm talking about just those farmers. Do we have any idea, to pay them 100 bucks a month, what it would cost us?

Admiral Fallon: No, I don't, Senator. But it seems to me that just paying them money is not the answer. The answer is to give them a future, give them some viable—

Chairman LEVIN. I agree. We give them seeds and give them something else to grow. But do we know how much it would cost?

Admiral Fallon: No. We're working on it. What I'm sensing is these people have been there for a long time. They're hardy, they're tough. They've managed to eke out an existence and thrive to an extent. There are more people, as you know, in Afghanistan than Iraq. But they've been in a box. They've been destabilized, they've been oppressed by the Taliban, other challenges.

We're working on it. Educate them, give them an opportunity.

Chairman LEVIN. Let me tell you what I sense after talking to a whole lot of folks about this issue. The people who are making the money in Afghanistan are not those farmers. They're making a little more than they'd make growing other crops. The people who are making the money are drug lords, drug czars, people running chemical labs. But we don't go after the drug lords.

Now, why don't we go after the drug lords? Apparently we have—as I understand it, the order that our forces are operating under is that they seize narcotics and destroy labs that they come across in the course of their normal operations, but they do not have an order to seek and seize and destroy those narcotics labs, which if you could do that you address the problem.

Why do we not have an interdiction mission in Afghanistan?

Admiral Fallon: Senator, I think it's not we don't have a mission. We're trying to focus on stability and security for the people of this country, and in the process of course, if they have an opportunity to engage the drug trade, they're going to do that. But I've seen an increase in the last several months of, as we become more effective in engaging in this country, of starting to get at these what I consider the more lucrative targets, not working at the farmer and his field end of the thing, but into the area where they get the refined drugs.

One of the things I spend time doing as the regional commander is engaging the other countries, and particularly those to the north that is where the majority of this traffic evidently goes, to try to come up with arrangements with them to be more effective in interdicting this supply. They have some of the same questions and challenges. This stuff's coming out of Pakistan—sorry—coming out of Afghanistan; why can't you guys be more effective in this?

I think we'll work on it. It's not that our people are turning a blind eye to this. You know they're working on it. We'll just have to look and see if we can be more effective.

One of the problems, as you know, is the corruption issue. It's traditional here in this country and as we engage with President

Karzai and the leadership, as you know, we make every effort to try to influence the right decisions, to get rid of those people that are identified as corrupt and that are supporting this drug trade and get them replaced. I think there's no straight line, but in Helmand Province, the most problematic, certainly by most measures the most prolific drug producing province, the governor has just been replaced. President Karzai has put in a new man. He's been effective in two other provinces, and hopefully this is the kind of move that's going to provide the kind of backbone to knocking this stuff off.

Again, my experience as I get around the country, in those provinces where the governor and the leadership have taken a strong stand against it then the results follow. So we'll continue to encourage this kind of activity.

Chairman LEVIN. Secretary Boucher told this committee in a recent hearing that the U.S., our government, preferred to have Afghan forces seize the drug lords and the heroin labs and the precursor materials. Then he also acknowledged that Afghan forces have only had some success with small and medium traffickers and not a lot of success at the bigger levels.

Then we had a meeting with the British chief of defense, Sir Jacques Stirrup who asserted that the coalition should set a goal of having two to three high-value drug lords locked up by the end of the year.

What about it? Why not adopt that? We basically know who they are. Some of them are pretty high up in the political support of the government of Afghanistan. Why do we not just tell the Afghan government basically, these drug funds are being used to support the Taliban, which are out after our men and women, they're killing us, they're killing your troops? Why not have an interdiction mission flat-out going after these laboratories?

Admiral Fallon: Senator, I would be very pleased to take on the drug labs. I think this is where we're probably going to have much better payoff, again, than working down the food chain. I'm happy to take that on. I'll be happy to talk to our commanders and look at it.

I also acknowledge that there's another reality in this country, and that is that it's very complex. Governance, effective governance, relies on the allegiance of many, many tribal entities, and I think finding someone who is completely lily-white pure in this area and still being effective in trying to get the allegiances required to move forward is a challenge. I think President Karzai is acutely aware of it. Again, they make decisions every day. I see more of them that are in the right direction than the wrong direction. So we'll keep at it.

Chairman LEVIN. Will you get back to us on that issue when you talk to your commanders, when you take on that mission of going after the laboratories? Will you, after you have those discussions, let us know what the outcome is?

Admiral Fallon: Sure.

Chairman LEVIN. Thank you.

There's a terrorist target that was reportedly attacked in southern Somalia the other day. Do you know what the outcome of that strike was and if so can you—

Admiral Fallon: Senator, I'd prefer to do that in a closed session. We'll be happy to share what I have on it.

Chairman LEVIN. That's fine.

Go back to Afghanistan just for a couple more questions and then I'll be done. There's a program in Afghanistan which I briefly talked to you about yesterday called, in my office, called the National Solidarity Program. Assistant Secretary of State Boucher again endorsed a program, this program, the National Solidarity Program. It's within the Afghanistan Ministry of Rural Rehabilitation and Development. It provides block grants directly to locally elected community development councils. They identify the development projects in their own communities at very, very small cost in each community, and there's 16,000 community development councils in Afghanistan. Apparently there's been like \$400 million in payments to those community development councils, which have financed more than 30,000 sub-projects in these communities which have improved infrastructure, markets, services.

Would you—I think for the record would be better - give us your—take a look at those and tell us from your perspective whether or not they've been a success? We think they've been a very important place where some progress at a local level, much freer of corruption, the progress has taken place. But I'd like your take on it after you've had a chance to review that.

Admiral Fallon: Yes, sir. [The information referred to follows:] [COMMITTEE INSERT]

Chairman LEVIN. The question has been raised about these two negotiating tracks which we're on, and this will be my final question. Do you know who are negotiating those two agreements with the Iraqis? Is the military involved in those negotiations? And—well, just give us that much.

Admiral Fallon: Yes, sir. Ambassador Crocker has the lead for the entire effort in Baghdad. Ambassador Loftus from the Department of State is specifically the SOFA negotiating agent. And of course we're involved in them. I've met Sea Admiral Crocker—Ambassador Crocker all the time. I met with Ambassador Loftus, had a good chat. I have somebody from my headquarters plugged into his staff. I understand he's either downrange in Iraq now or headed down there. So it seems to me that there's a very close relationship here between the interested parties.

Chairman LEVIN. Secretary Gates told us that there will be no security commitment made to Iraq in those agreements. Is that your understanding?

Admiral Fallon: Yes, sir.

Chairman LEVIN. We thank you both. You've been—Admiral, did you want to?

Admiral Olson: Mr. Chairman, I know we're not allotted any time in this, but if I can ask for 1 minute to fully address the question you asked on Predators and ISR —

Chairman LEVIN. Absolutely.

Admiral Olson:—because I'm uneasy that I left a sense that we're not being as aggressive as we can be and that we didn't put it in the President's budget, which we did. We are pressing ahead with the purchase—

Chairman LEVIN. I'm sorry. I'm confused. You said that the money which you had not asked for, that you in fact did ask for; is that what you're—

Admiral Olson: No, sir. There is \$300 million on top of what we asked for in the President's budget, and I think that's where the confusion factor was. We did include in the President's budget a significant amount of money for purchase and lease of total capability. I meant to say that we are beholden to services for recruiting and providing people, bandwidth, all of that. And we've also become dependent to a large degree on the GWOT supplemental for funding the day to day costs of operating our Predators, on top of what's included in the President's budget as well, to continue the pace of operations and in fact grow it, as we already have in our budget. It will require a sustainment of that level of effort.

But the \$300 million specifically was after we submitted the President's budget we were asked specifically: If there was more available could you spend it? And we did a further analysis and determined that there is some burden that we could take on from the services for an additional \$300 million of MFP-11 money.

Thank you, sir.

Chairman LEVIN. So it's not that you relied on a supplemental for that \$300 million?

Admiral Olson: Sir, we have ISR funding in the supplemental, we have ISR funding in our President's budget. This would be—this would be in addition to the supplemental.

Chairman LEVIN. So there was no signal to you from the administration that you should not include that request to them?

Admiral Olson: Sir, these are new items that was based on additional analysis after we submitted the supplemental.

Chairman LEVIN. So the answer is there was no signal then from the administration?

Admiral Olson: That's correct, sir.

Chairman LEVIN. Again our thanks to both of you. It's been, even though—well, it's been a long hearing, and we appreciate your work and your commitment to your missions; and to all the support that you get, we're grateful to them and to your families. And we'll stand adjourned.

[Whereupon, at 12:30 p.m., the hearing was adjourned.]