

HEARING TO RECEIVE TESTIMONY IN REVIEW OF THE DEFENSE AUTHORIZATION REQUEST FOR FISCAL YEAR 2010 AND THE FUTURE YEARS DEFENSE PROGRAM

THURSDAY, MAY 14, 2009

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

The committee met, pursuant to notice, at 9:35 a.m. in room SD-106, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Reed, Akaka, Bill Nelson, Ben Nelson, Bayh, Webb, McCaskill, Udall, Begich, Burris, McCain, Inhofe, Sessions, Chambliss, Graham, Thune, Martinez, Wicker, Burr, Vitter, and Collins.

Committee staff members present: Richard D. DeBobes, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Jonathan D. Clark, counsel; Richard W. Fieldhouse, professional staff member; Creighton Greene, professional staff member; Mark R. Jacobson, professional staff member; Michael J. Kuiken, professional staff member; Terence K. Laughlin, professional staff member; Gerald J. Leeling, counsel; William G.P. Monahan, counsel; Michael J. Noblet, professional staff member; Roy F. Phillips, professional staff member; and William K. Sutey, professional staff member.

Minority staff members present: Joseph W. Bowab, Republican staff director; Paul C. Hutton IV, professional staff member; Michael V. Kostiw, professional staff member; Daniel A. Lerner, professional staff member; David M. Morriss, minority counsel; Lucien L. Niemeyer, professional staff member; Diana G. Tabler, professional staff member; Richard F. Walsh, minority counsel; and Dana W. White, professional staff member.

Staff assistants present: Kevin A. Cronin, Jessica L. Kingston, Christine G. Lang, Brian F. Sebold, and Breon N. Wells.

Committee members' assistants present: Jay Maroney, assistant to Senator Kennedy; Christopher Griffin, assistant to Senator Lieberman; Christopher Caple, assistant to Senator Bill Nelson; Ann Premer, assistant to Senator Ben Nelson; Patrick Hayes, assistant to Senator Bayh; Gordon I. Peterson, assistant to Senator Webb; Anthony J. Lazarski, assistant to Senator Inhofe; Lenwood Landrum and Sandra Luff, assistants to Senator Sessions; Clyde A. Taylor, IV, assistant to Senator Chambliss; Adam G. Brake, assist-

ant to Senator Graham; Brian W. Walsh, assistant to Senator Martinez; and Erskine W. Wells III, assistant to Senator Wicker.

Committee members' fellows present: Michael J. Riordan IV, fellow to Senator Kennedy; Edward J. Mason, fellow to Senator Reed; Lamont Atkins, fellow to Senator Akaka; Heather Blackwell, fellow to Senator Ben Nelson; Barbara Rubio, fellow to Senator Udall; Scott McGinnis, fellow to Senator Martinez; and Dean A. Muriano, fellow to Senator Wicker.

OPENING

STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody.

This morning, the committee welcomes Secretary of Defense Robert Gates, Chairman of the Joint Chiefs of Staff Admiral Michael Mullen, and Robert Hale, the comptroller, for our hearing on the posture of the Department of Defense and the fiscal year 2010 budget request.

As always, gentlemen, we are thankful to you for your dedicated service to our Nation, to your families for their support of that service. And please convey the thanks of our committee to the soldiers, sailors, airmen, and Marines who are defending our interests throughout the world and to their families, who share in their sacrifices on our behalf.

We received the department's proposed budget for fiscal year 2010 about a week ago. We have had the benefit of Secretary Gates's recommendations to the President even before that, when he announced them to the American public on April 6th. Today's hearing is our initial opportunity to explore and assess the strategic choices undertaken by the administration and how the department intends to align and apply resources to meet the challenges of today and the future.

An important aspect of the fiscal year 2010 budget request is the decision to instill greater discipline in the annual budget process. This budget that has now arrived here ends the practice of moving the costs of the wars in Iraq and Afghanistan into supplemental appropriations requests separate from the department's annual base budget.

Former Deputy Secretary of Defense John Hamre, testifying before this committee on April 30th, noted the corrosive impact on the Department of Defense's overreliance on and misuse of supplemental appropriations over the years, and we are glad that that practice has ended.

The department's fiscal year 2010 budget request is, in Secretary Gates's words, a reform budget. In its broadest sense, this budget would shift funds away from programs and technologies that the Secretary and the administration have determined have been mismanaged or are designed to address far less likely or distant threats and, therefore, less useful to the counterinsurgency fight of today.

Instead, this budget would provide more funds to increase the capabilities needed for the wars that we are fighting in Afghanistan and Iraq and what the administrations feels are the threats that we are more likely to face in the future.

The department faces no more immediate challenge than implementing the President's new strategy for Afghanistan and Pakistan. Key to the administration's new strategy will be growing the Afghan national security forces so that Afghanistan can more quickly take responsibility for providing for its own security.

The 2010 budget request includes significant funding for the Afghan Security Forces Fund to grow the Afghan army to 134,000 and the Afghan police to 82,000 by 2011. When committee members met recently with Afghan president Karzai and his ministers, we heard directly from them that they have the manpower available to significantly expand both the army and the police beyond those numbers and that they are in a hurry to do so, to use their words.

With the cost of adding one more U.S. soldier in Afghanistan equal to the cost of adding 60 or more Afghan soldiers, it makes sense to invest in growing the Afghan security forces faster, and I hope the witnesses will address the possibility and wisdom of doing so.

Reflecting another major component of the administration's new strategy in the region, the fiscal year 2010 budget includes significant funding for Pakistan. This includes authorization for the Pakistan Counterinsurgency Contingency Fund to train and equip the Pakistan Frontier Corps and to build the capacity of the Pakistan army to conduct counterinsurgency operations.

I raised directly with Pakistan president Zardari last week my concern that unless Pakistan's leaders commit in deeds and words their country's armed forces and security personnel to eliminating the threat from militant extremists and unless they make it clear that they are doing so for the sake of their own future, then no amount of assistance will be effective.

I sincerely hope that Pakistan's recent military operations in the Northwest Frontier Province reflect their long overdue realization that the extremists pose the single-greatest threat to Pakistan's survival.

If Pakistan makes the fight against those extremists their own fight, then the United States should be willing to help Pakistan achieve a more stable and secure future. But we can't buy their support for our cause or appear to do so since that would play into the hands of their and our enemy. We can and should support their cause, assuming it is aligned with ours, of course, and if they make their case openly and clearly to their own public.

Even as our focus shifts to Afghanistan and Pakistan, the stability situation in Iraq remains a source of concern and significant effort. This June, pursuant to the U.S.- Iraqi SOFA, the Status of Forces Agreement, U.S. combat forces are supposed to be withdrawn from Iraqi urban areas, turning over the security of cities and major towns to Iraqi security forces.

The agreement also sets a December 2011 deadline for the withdrawal of all U.S. forces from Iraq. President Obama has called for an end to the U.S. combat mission in Iraq by August of 2010.

I hope that the drawdown of forces in Iraq can be maintained while preserving our hard-fought gains and while continuing to build Iraqi capacity to provide for their own security. The failure

of Iraqi leaders to complete the political steps that they promised to take long ago puts at risk the reaching of those goals.

The top priority for the Department of Defense and the Congress in the months ahead must be reform of the process for overseeing the acquisition each year of hundreds of billions of dollars of products and services. Last week, the Senate approved the Weapon Systems Acquisition Reform Act of 2009. The House approved similar legislation this week. This legislation is an important step in getting control over the acquisition process, and hopefully, Congress will promptly work out our differences and have a bill for the President soon.

There is great interest in the department's plans for the Air Force's F-22 fighter, C-17 cargo aircraft, Combat Search and Rescue Helicopter Program, the next-generation tanker, the Navy's littoral combat ship, the DDG-1000, the DDG-51, the Army's Future Combat System, missile defense and satellite acquisition programs, and others. These decisions require tough choices by the Congress. They also will require a clear explanation of how weapon systems changes are derived from the new strategy.

While the department's significant program changes focus almost entirely on major weapon systems, much of the Defense budget's growth can be attributed to significant increases in the personnel and operations and maintenance accounts. And we need to look at whether any changes need to be considered in those areas as well.

I will put the balance of my statement in the record and call upon Senator McCain.

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

STATEMENT OF SENATOR JOHN MCCAIN

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

And I would like to welcome the witnesses, and I would like to thank all three of our witnesses for an excellent briefing that I received the other morning, along with other members, in the Pentagon.

I support the priorities as outlined in the department's 2010 budget request. Those priorities set the stage for a more thorough and much-needed review of our Nation's military posture. The 2010 budget is an integral part of a much longer-term process to ensure our defense dollars are spent wisely to address the threats we face today and will likely face tomorrow.

I understand, and I hope all members understand, there are additional issues that need to be addressed which will be informed by a number of other reviews, including the ongoing Quadrennial Defense Review, the Nuclear Posture Review, and the outcome of post START arms control negotiations. The committee looks forward to being briefed on the full range of those issues and their impact on future budget decisions.

The department's budget request affirms support for our military, veterans, and their families, rebalances programs, and reforms the Pentagon's acquisition and contracting mechanisms. I greatly appreciate Secretary Gates continuing to place the highest priority on supporting our men and women in uniform and their families.

I strongly support Secretary Gates's recommendations to restructure a number of major defense programs. We can no longer afford to accept runaway costs and operational delays of troubled weapon systems that have languished in the throes of requirements creep and technological obstacles for far too long at the expense of supplying the needs of our deployed forces and finding efficient solutions for the immediate requirements generated by emerging threats.

The budget outlines a number of significant changes to the Missile Defense Agency. Of those proposed modifications, the budget emphasizes a shift in focus from long-range ballistic threats to rogue state, in-theater threats. While I don't necessarily agree that such a shift may be more representative of the threat we face today, I am concerned by some of the funding cuts and their impact on long-term research and development as well as the final number of ground-based interceptors.

I fully endorse Secretary Gates's recommendations to improve the performance of the Pentagon acquisition programs and contracting mechanisms. Senator Levin and I have long advocated for the need for acquisition and contracting reform in the Defense Department.

As we all know, there was unanimous votes in both House and Senate on the outlines of this bill. We look forward to meeting with our House counterparts and resolving any differences between the two bills.

In addition, the base budget of \$533.8 billion for defense, the budget requests \$130 billion for overseas contingency operations including a drawdown of combat forces in Iraq and a shift to increase presence in Afghanistan. I support our long-overdue change of course in Afghanistan and believe that in naming General McChrystal as the new commander and General Rodriguez to handle day-to-day operations, Secretary Gates has made a significant move in the right direction.

The war there and in Pakistan is one that we can and must win. But for years now, we have been fighting without a clear strategy, with insufficient resources, and with less than total support of the government of Pakistan. Now that we have a new strategy, with a new Ambassador and new commanders, I believe we must quickly follow up with the development of an integrated joint agency civil/military campaign plan for all of Afghanistan and for the Pakistan border area.

We also need to ensure that General Rodriguez has the staff and resources he will need to conduct operational planning similar to the activities conducted in Iran. Finally, we must take every possible step to accelerate the growth of the Afghan security forces. I look forward to our witnesses' thoughts.

And finally, Mr. Chairman, could I say that I appreciate the recommendation made by Secretary Gates and Admiral Mullen and the President's decision to withhold publication of additional photographs concerning mistreatment of detainees.

We are still in a war. The publication of those photographs would have given help to the enemy in the psychological side of the war that we are in. And I applaud the President's decision to withhold

those pictures at this particular time, and I hope that we can all support that decision by the President.

I thank you, Mr. Chairman.

[The prepared statement of Senator McCain follows:]

[COMMITTEE INSERT]

Chairman LEVIN. Thank you very much.

Senator INHOFE. Mr. Chairman?

Chairman LEVIN. Senator Inhofe?

Senator INHOFE. I am the ranking member on Environment and Public Works. We have a required meeting at 10 o'clock. It is my intention to come back and stay for as many rounds as you have, and I respectfully request that you keep my place in line.

Chairman LEVIN. Your place in line will be kept, like all members who come have their place noted, and you surely will be protected in that. And we are sorry that you have to leave.

Before you leave, however, we have a quorum. And since we do have a quorum, I would now ask that the committee consider six civilian nominations. And I know, Mr. Secretary and your colleagues, you won't mind the interruption in your testimony for this purpose. I see a broad smile on your face.

I would ask now that we consider nominations, all of which have been cleared, of the following six nominees—Governor Raymond Mabus to be Secretary of the Navy, Robert Work to be Under Secretary of the Navy, Andrew Weber to be assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs, Paul Stockton to be assistant Secretary of Defense for Homeland Security and Americas' Security Affairs, Thomas Lamont to be assistant Secretary of the Army for Manpower and Reserve Affairs, Charles Blanchard to be general counsel of the Department of the Air Force.

Is there a motion to consider these favorably en bloc?

Senator LIEBERMAN. So moved.

Chairman LEVIN. Is there a second?

Senator REED. Second.

Chairman LEVIN. Do we need a roll call on this? Do we have to have a roll call on this? No one is asking for a roll call. All those in favor say aye.

[A chorus of ayes.]

Chairman LEVIN. Opposed, nay.

[No response.]

Chairman LEVIN. The ayes have it, and they will be reported to the Senate.

Mr. Secretary, thank you again for the great work you are doing, and we call on you now for your opening statement.

STATEMENT OF HON. ROBERT M. GATES, SECRETARY OF DEFENSE, ACCOMPANIED BY ROBERT F. HALE, UNDER SECRETARY OF DEFENSE (COMPTROLLER)

Secretary GATES. First, thanks for the additional help.

Mr. Chairman, Senator McCain, members of the committee, thank you for inviting us to discuss the details of the President's fiscal year 2010 defense budget. There is a lot of material here, and I know you have a lot of questions. So I will keep my opening remarks brief and focus on the strategy and thinking behind many

of these recommendations. My submitted testimony has more detailed information on specific programmatic decisions.

First and foremost, this is a reform budget reflecting lessons learned in Iraq and Afghanistan, yet also addressing the range of other potential threats around the world now and in the future.

As you may know, I was in Afghanistan last week. As we increase our presence there and refocus our efforts with a new strategy, I wanted to get a sense from the ground level of the challenges and needs so we can give our troops the equipment and support to be successful and come home safely.

Indeed, listening to our troops and commanders, unvarnished and unscripted, has, from the moment I took this job, been the greatest single source for ideas on what the department needs to do both operationally and institutionally. As I told a group of soldiers on Thursday, they have done their job. Now it is time for us in Washington to do ours.

In many respects, this budget builds on all the meetings I have had with troops and commanders and all that I have learned over the past 2½ years, all underpinning this budget's three principal objectives. First, to reaffirm our commitment to take care of the All-Volunteer Force, which, in my view, represents America's greatest strategic asset. As Admiral Mullen says, if we don't get the people part of this business right, none of the other decisions will matter.

Second, to rebalance the department's programs in order to institutionalize and enhance our capabilities to fight the wars we are in and the scenarios we are most likely to face in the years ahead while, at the same time, providing a hedge against other risks and contingencies.

Third, in order to do this, we must reform how and what we buy, meaning a fundamental overhaul of our approach to procurement, acquisition, and contracting.

From these priorities flow a number of strategic considerations, more of which are included in my submitted testimony.

The base budget request is for \$533.8 billion for fiscal year 2010, a 4 percent increase over the fiscal year 2009 enacted level. After inflation, that is 2.1 percent real growth. In addition, the department's budget request includes \$130 billion to support overseas contingency operations, principally Iraq and Afghanistan.

I know that there has been discussion about whether this is, in fact, sufficient to maintain our defense posture, especially during a time of war. I believe that it is.

Indeed, I have warned in the past that our Nation must not do what we have done after previous times of conflict on so many occasions and slashed defense spending. I can assure you that I will do everything in my power to prevent that from happening on my watch.

This budget is intended to help steer the Department of Defense toward an acquisition and procurement strategy that is sustainable over the long term, that matches real requirements to needed and feasible capabilities. As you know, this year, we have funded the cost of the wars through the regular budgeting process, as opposed to emergency supplementals. By presenting this budget together, we hope to give a more accurate picture of the costs of the wars

and also create a more unified budget process to decrease some of the churn usually associated with funding for the Defense Department.

This budget aims to alter many programs and many of the fundamental ways that the Department of Defense runs its budgeting, acquisition, and procurement processes. In this respect, three key points come to mind about the strategic thinking behind these decisions.

First of all, sustainability. By that, I mean sustainability in light of current and potential fiscal constraints. It is simply not reasonable to expect the defense budget to continue increasing at the same rate it has over the last number of years. We should be able to secure our Nation with a base budget of more than a half a trillion dollars, and I believe this budget focuses money where it can more effectively do that.

I also mean sustainability of individual programs. Acquisition priorities have changed from Defense Secretary to Defense Secretary, administration to administration, and Congress to Congress. Eliminating waste, ending requirements creep, terminating programs that go too far outside the line, and bringing annual costs for individual programs down to more reasonable levels will reduce this friction.

Second, balance. We have to be prepared for the wars we are most likely to fight, not just the wars we have been traditionally best suited to fight or threats we conjure up from potential adversaries who, in the real world, also have finite resources. As I have said before, even when considering challenges from nation states with modern militaries, the answer is not necessarily buying more technologically advanced versions of what we built on land, at sea, and in the air to stop the Soviets during the Cold War.

And finally, there are the lessons learned from the last 8 years on the battlefield and, perhaps just as importantly, institutionally back at the Pentagon. The responsibility of this department, first and foremost, is to fight and win wars, not just constantly prepare for them. In that respect, the conflicts we are in have revealed numerous problems that I am working to improve, and this budget makes real headway in that respect.

At the end of the day, this budget is less about numbers than it is about how the military thinks about the nature of warfare and prepares for the future, about how we take care of our people and institutionalize support for the warfighter for the long term, about the role of the services and how we can buy weapons as jointly as we fight, about reforming our requirements and acquisition processes.

I know that some of you will take issue with individual decisions. I would ask, however, that you look beyond specific programs and instead at the full range of what we are trying to do, at the totality of the decisions and how they will change the way we prepare for and fight wars in the future.

As you consider this budget and specific programs, I would caution that each program decision is zero sum. A dollar spent for capabilities excess to our real needs is a dollar taken from capability we do need, often to sustain our men and women in combat and bring them home safely.

Once again, I thank you for your ongoing support of our men and women. I look forward to your questions.

[The prepared statement of Secretary Gates follows:]

Chairman LEVIN. Thank you very much.
Admiral Mullen?

**STATEMENT OF ADMIRAL MICHAEL G. MULLEN, U.S. NAVY,
CHAIRMAN, JOINT CHIEFS OF STAFF**

Admiral MULLEN. Good morning, Mr. Chairman, Senator McCain, distinguished members of this committee. Thank you for the opportunity to appear before you today.

I fully support not only the President's fiscal year 2010 budget submission for this department, but more specifically, the manner in which Secretary Gates developed it. He presided over comprehensive and collaborative process, the likes of which, quite frankly, I have not seen in more than a decade of doing this sort of work in the Pentagon.

Over the course of several months and a very long series of meetings and debates, every service chief, every combatant commander had a voice, and everyone one of them used it.

Normally, as you know, budget proposals are worked from the bottom up, with each service making the case for specific programs and then fighting it out at the end to preserve those that are most important to them. If cuts are to be made, they are typically done across the board with the pain shared equally.

This proposal was done from the top down. Secretary Gates gave us broad guidance, his overall vision, and then gave us the opportunity to meet it. There would be no pet projects, nothing held sacred. Everything was given a fresh look, and everything had to be justified. We wouldn't cut for the sake of cutting or share the pain equally.

Decisions to curtail or eliminate a program were based solely on its relevance and on its execution. The same can be said for those we decided to keep. I can tell you this, none of the final decisions were easy to make, but all of them are vital to our future.

It has been said that we are what we buy, and I really believe that. And I also believe that the force we are asking you to help us buy today is the right one, both for the world we are living in and the world we may find ourselves living in 20 to 30 years down the road. The submission before you is just as much a strategy as it is a budget. Let me tell you why.

First, it makes people our top strategic priority. I have said many times and I remain convinced the best way to guarantee our future security is to support our troops and their families. It is the recruit and retain choices of our families and, quite frankly, American citizens writ large that will make or break the all-volunteer force in the future.

They will be less inclined to make those decisions should we not be able to offer them viable career options, adequate healthcare, suitable housing, advanced education, and the promise of a prosperous life long after they have taken off the uniform. This budget devotes more than a third of the total budget request to what I would call the "people account," with a great majority of that figure, nearly \$164 billion, going to military pay and healthcare.

When combined with what we plan to devote to upgrading and modernizing family housing and facilities, the total comes to \$187 billion, which is \$11 billion more than we asked for last year. And almost all of that increase will go to the family support programs.

I am particularly proud of the funds we have dedicated to caring for our wounded. There is, in my view, no higher duty for this Nation or for those of us in leadership positions than to care for those who sacrificed so much and who now must face lives forever changed by wounds both seen and unseen.

And I know you share that feeling, and I thank you for the work you have done in this committee and throughout Congress to pay attention and support these needs. And I would add to that the families of the fallen. Our commitment to them must be for the remainder of those lives.

That is why this budget allocates funds to complete the construction of additional Wounded Warrior complexes, expands a pilot program designed to expedite the processing of injured troops through the disability evaluation system, increases the number of mental health professionals assigned to deployed units, and devotes more resources to the study and treatment of post traumatic stress and traumatic brain injuries.

I remain deeply troubled by the long-term effects of these signature wounds of modern war and by the stigma that still surrounds them. Last month, during a town hall meeting with soldiers at Fort Hood, Sergeant Nicole Fuffman, an OIF veteran, told me they were not getting enough psychological help before and after deployments.

And I told her I thought she was right, and we were working hard to meet that need. She shot back, "They are hiding it, sir," referring it to the reluctance of soldiers and families to speak openly about mental health problems. Then she added, "It is the cause of a lot of suicides, I would imagine." And I would imagine she is right.

And I have long believed that the stress of multiple deployments and the institutional pressure, real or imagined, to bear this stress with a stiff upper lip is driving some people to either leave the service or take their own lives. It can also drive them to hurt others, as this week's tragic shooting in Baghdad appears to confirm.

In fact, General Lynch out there at Fort Hood doesn't talk about suicide or crime prevention. He talks about stress reduction, and that is where all our collective focus must be, not just from the mental health perspective, but across the force in a variety of ways.

After nearly 8 years of war, we are the most capable and combat-experienced military we have ever been, certainly without question the world's best counterinsurgency and fighting force. Yet for all this success, we are pressed and we lack the proper balance between OPTEMPO and home tempo. We have an incredibly resilient force, and success in Iraq, the trends there have put a skip in the step of our forces that is incredibly special and speaks to their resilience.

Balance between COIN capabilities and conventional capabilities, between readiness today and readiness tomorrow. And that, Mr. Chairman, is the second reason this budget of ours acts as a strategy for the future. It seeks balance by investing more heavily in

critical enablers, such as aviation, special forces, cyber operations, civil affairs, and language skills. It rightly makes winning the wars we are in our top operational priority.

By adjusting active Army BCT growth to 45, it helps ensure our ability to impact the fight sooner, increase dwell time, and reduce overall demand on equipment. And by authorizing Secretary Gates to transfer money to the Secretary of State for reconstruction, security, and stabilization, it puts more civilian professionals alongside warfighters in more places like Iraq and Afghanistan.

Having just returned from a trip to Afghanistan, I can attest to the critical need for more civilian capacity. And I was shocked to learn there are only 13 U.S. civilian development experts in all of southern Afghanistan, where the Taliban movement is strongest and the local economy is almost entirely dependent on opium production. We have twice as many working in the relatively peaceful Kurdish region of northern Iraq.

I have said it before, but it bears repeating, more boots on the ground are not the only answer. We need people with slide rules and shovels and teaching degrees. We need bankers and farmers and law enforcement experts. As we draw down responsibly in Iraq and shift the main effort to Afghanistan, we need a more concerted effort to build up the capacity of our partners.

The same can be said of Pakistan, where boots on the ground aren't even an option, where helping the Pakistani forces help themselves is truly our best and only recourse. Some will argue this budget devotes too much money to these sorts of low-intensity needs, that it tilts dangerously away from conventional capabilities. It does not.

A full 35 percent of the submission is set aside for modernization, and much of that will go to what we typically consider conventional requirements. It fully funds the Joint Strike Fighter and F-18 Superhornet programs, buys another Arleigh Burke destroyer, a nuclear submarine, and a third DDG-1000. It invests \$11 billion in space-based programs, including funding for the next-generation early warning satellite, and it devotes \$9 billion toward missile defense.

Ground capabilities are likewise supported, with \$3 billion going toward a restructured FCS program and upgrades to the Abrams and Stryker weapon systems. We know there are global risks and threats out there not tied directly to the fight against al Qaeda and other extremist groups, and we are going to be ready for them.

In all this, Mr. Chairman, we are also working hard to fix a flawed procurement process. Programs that aren't performing well are getting the scrutiny they deserve. The acquisition workforce is getting the manpower and expertise it merits, and a struggling industrial base is getting the support and the oversight that it warrants.

More critically, in my view, the Nation is getting the military it needs for the challenges we face today. It is getting more than a budget. It is getting a strategy to preserve our military superiority against a broad range of threats new and old, big and small, now and then.

Thank you for your continued support of that important work and for all you do in this committee to support the men and women of the United States military and their families.

[The prepared statement of Admiral Mullen follows:]

Chairman LEVIN. Thank you so much, Admiral.

Mr. Hale, do you have a statement?

Mr. HALE. No, thank you, Mr. Chairman.

Chairman LEVIN. Thank you.

We will try a 6-minute first round here due to the large attendance.

First, as it relates to Pakistan, Secretary, the fiscal year 2010 request includes significant funds for Pakistan, including \$700 million for the counterinsurgency contingency fund, up to \$1 billion for coalition support funds.

I believe all of this is going to be ineffective if Pakistan's leadership has not convinced itself and its people that its own security interests require them to take the fight to the militant extremists within their borders who are destroying Pakistan militarily, economically, and diplomatically, if they continue to try to buy off the support of militant extremists by allowing them to control areas of Pakistan or to give them safe havens or to look the other way as those militant extremists use Pakistan as a launching platform to attack Afghanistan, their neighbor.

There is some evidence, as I indicated, that in recent week or so that they are now beginning to take the fight to those extremists, and that, of course, would be a good direction if they continue to move that way.

However, when President Zardari was here last week, I remained unconvinced that the leadership of Pakistan believes that the greatest threat to Pakistan was the danger posed by the militant extremists inside Pakistan. Instead, I think they continue to put huge resources on the border with India, acting as though India is the bigger threat to them.

So my first question—and by the way, I was not at all pleased with President Zardari's use of the funding that we provide to AIG in our budget, somehow or other a comparison of what he considers to be the totally inadequate funds that we provide Pakistan.

Our taxpayers are being asked to provide billions for Pakistan. As far as I am concerned, they have been asked to provide much, much, too much for AIG, but that is a different story. That is a domestic story. And so, I wasn't at all pleased with his comparison or his analogy in that regard as a way of saying we are not providing enough support to Pakistan.

So let me ask you first, Secretary Gates, do you agree that a commitment on the part of Pakistan's leadership to take the fight against militant extremists on their territory is a prerequisite for success and effectiveness of our assistance to Pakistan in confronting the terrorist threat?

Secretary GATES. Yes, sir. Mr. Chairman, I do. And I think that is central to the administration's new policy with respect to Afghanistan and Pakistan. And that is the recognition that without success on the Pakistani side of the border, our efforts on the Afghan side will be significantly harder.

Chairman LEVIN. Well, but do you also agree that that will require the Pakistan government to not only take the fight to the extremists, but to tell their public that they are doing that and why they are doing that?

Secretary GATES. Yes, sir. But they face a difficult challenge, and that is that for all of Pakistan's history, India has been the existential threat. And I think, actually, it was only with the Taliban's going too far in moving their operations into Buner, just 60 miles or so from Islamabad, that for the first time, they really got the attention of the Pakistani government.

The Pakistanis during these last decades have always felt that because the Punjabis so outnumber the Pashtuns that they could just take care of that problem, the generally ungoverned spaces in the west, by doing deals with the tribes, playing them against one another, or occasionally using military force. They have never considered it a threat to the stability of the Nation.

I think that has changed in the last 3 weeks or so, and I think that the senior leadership of the government gets that. Being able to communicate it to the rest of the country is the next challenge that they face.

Chairman LEVIN. Well, unless they meet that challenge, our aid could be counterproductive. If it looks as though we are trying to buy their support for our goal instead of supporting their goal, that would be used as propaganda by the people who are out to destroy them and us. So I would hope that this direction continues and that the public statements are made by that government as to what is in Pakistan's interest, and they are not just being controlled or dominated by the United States.

An article in the New York Times this morning, Secretary, asserted that the United States has provided Pakistan with the notice of drone operations but stopped doing that because the information is leaked to the targets of the operations. Can you comment on that?

Secretary GATES. Let me ask Admiral Mullen to answer that.

Admiral MULLEN. Chairman, in fact, there has been articles over the last couple of days with respect to this. And where we are, we have evolved over time in support of the Pakistan military and opened up a border coordination, a joint coordination center a few months ago to support them in operations, and that continues to evolve.

And the specifics of this article, in terms of what we are actually providing, really are classified. That said, we don't do any of this without their requests to assist and support them in their operations. And in fact, those requests have ceased over the period of about the last month.

Chairman LEVIN. Have ceased?

Admiral MULLEN. Yes, sir. The specific requests that are mentioned in this article have—they haven't asked for any additional assistance along those lines over about the last 30 days.

Chairman LEVIN. And have they received any control over our operations as reported in the press, over our drone operations?

Admiral MULLEN. No, sir.

Chairman LEVIN. So those reports are inaccurate?

Admiral MULLEN. The report in the LA Times yesterday was very inaccurate.

Chairman LEVIN. And that report was that they have joint control—

Admiral MULLEN. Yes, sir. And that was completely inaccurate. The report today was a much more accurate portrayal, but in terms of control, absolutely not. In terms of support and information, we certainly—they have asked for that. And where they have asked for that, we have supported them.

Chairman LEVIN. All right. I wish they would tell their public about their support of our operations instead of attacking us for them because that is one of the things that just creates propaganda fodder for the very people who are out to destroy us and them.

Senator McCain?

Senator MCCAIN. Thank you, Mr. Chairman.

Following along the lines of the chairman's questioning, Secretary Gates, a week or so ago, General Petraeus said the next couple of weeks were critical as far as the stability, political stability of Pakistan is concerned. What is your brief assessment of the political situation and the stability of the government in Pakistan?

Secretary GATES. Well, let me comment and then ask Admiral Mullen because he is, frankly, much more familiar with Pakistan than I am at this point.

I believe that the actions of the Pakistani government and army of the last 10 days or so, and particularly since driving the Taliban out of Buner, have been reassuring that the government does understand the nature of the threat to it and is prepared to take action to deal with that threat.

So I actually think if you look at that 2-week timeframe, which is probably too short a time to consider, but I think the events of recent days are encouraging.

Admiral MULLEN. I would concur with that, Senator. I think, and to speak to the Pakistani politicians, the prime minister, last week or 10 days ago, spoke very strongly about the need to recognize this threat throughout his country. There is, as I understand it, increasing support from the Pakistani people that this threat is a very serious one.

My biggest question about these operations is their ability to sustain them over time. Historically, they haven't done that. So right now, I am encouraged by what has happened, but I certainly withhold any judgment about where it goes because of the lack, historic lack of sustainment. And they know they need to do that.

Senator MCCAIN. You have developed an excellent relationship with General Kiyani. Do you believe that the Pakistani military now believes that the major threat comes from the Taliban and religious extremists as opposed to India?

Admiral MULLEN. My assessment would be they think it comes from both, that they still have a heavy focus on India. When I was there recently, I actually went out and observed some fairly effective counterinsurgency training that General Kiyani has put in throughout all of his divisions.

So there is much more focus on counterinsurgency and on the west than there had been. He has moved troops to the west, but I still think we have got a long way to go with respect to the entire

army thinking that the only existential threat they have is from the west.

Senator MCCAIN. Do you still worry about the ISI cooperating with Taliban?

Admiral MULLEN. Yes, sir. I believed over the last year, since I have been involved and visited Pakistan, that the ISI, in the long run, has to change its strategic thrust and get away from the working both sides. That is how they have been raised, certainly over the last couple of decades. And that is what they believe until they think we are going to be there for a while.

I mean, one of the questions—

Senator MCCAIN. We have to provide them with the assurance that we are going to be there?

Admiral MULLEN. Yes, sir. I mean, I think the relationship. The relationship is going to be a sustained relationship.

Senator MCCAIN. How confident are you about the security of their nuclear arsenal?

Admiral MULLEN. I am comfortable that it is secure. They have actually put in an increased level of security measures in the last 3 or 4 years. But there are limits on what we know in terms of a lot of the specifics, but I am comfortable that from what I know, what we actually know, and also what they have told us, that right now they are secured.

Senator MCCAIN. Secretary Gates, May 10th, there was an article where the General—I am sure I am not pronouncing his name, the Afghan minister for counternarcotics, when asked what U.S. and NATO forces had done to stop the flow of opium and heroin, he said “nothing.” Are we developing some kind of coherent, cohesive, and united strategy as far as the poppy crops are concerned?

Secretary GATES. I think that this is an important element of the new Afghan strategy of the administration. I think there is if not unanimous, strong agreement in the administration that eradication on its own is not sustainable and largely is a recruitment tool for the Taliban.

The focus needs to be on alternative agriculture for Afghanistan and making sure that I have changed the rules of engagement for our troops, and NATO subsequently did for ISAF, in terms of being able to go after drug lords and networks and the labs that support the Taliban. But the long-term solution really is getting the Afghan farmers to adopt alternative crops to the poppies.

Now the reality is 30 or 35 years ago, before 30 years of war, Afghanistan was a very prosperous agricultural country. Not prosperous, but a very—had a strong agricultural sector and, in fact, exported food and a variety of food.

So the notion of getting them to adopt alternative crops is not fanciful, but we have to figure out a strategy where they get the money and the seeds and the ability to sustain their families before they get rid of their poppy crop.

Senator MCCAIN. We also ought to get our allies to agree on a common strategy as well. Good luck.

I was very disappointed in President Karzai’s comments about some of the precision air strikes that have taken place within Afghanistan. I think when we review the success in Iraq, one element was the ability to disrupt and destroy leadership of radical Islamic

elements in Iraq. And one of the tools was our precision bombing or ability to hinder and destroy them.

How are we going to handle this situation within Afghanistan because it is pretty clear that we have taken out some of the leadership through this employment of this weapon systems that we have, and apparently President Karzai hasn't bought in. In fact, strongly objects.

Secretary GATES. One of the challenges that we face is that a central element of Taliban strategy is to either mingle with civilians so that whether the attack comes from the air or from the ground, innocent civilians are killed, or simply to make up attacks or to create situations in which innocent civilians are almost certain to be killed.

The difference between the Taliban and us is that the Taliban deliberately target civilians. And when we accidentally—when we kill a civilian, it is despite enormous efforts to avoid that, and it is always an accident.

I have discussed this many times with President Karzai. We have worked very hard, and General McKiernan has put out new guidance in terms of greater care in how we choose our targets. We have been more proactive about trying to get inside the communications loop in terms of expressing our regret, making amends where appropriate, and then investigating so that we aren't days, if not weeks or months, behind the Taliban in terms of trying to describe or describing what happened.

But we, as General Jones said on Sunday, we cannot forego the use of air power because it would end up with us fighting this war with one hand tied behind us. That said, one of the charges, I think, for the new commanders will be to look at how can we do this in a way that further limits innocent civilian casualties in Afghanistan, but also gets the truth out to the Afghan people about what is really going on.

Senator MCCAIN. And we have an absolute obligation to do everything necessary to protect the lives and security of our fighting men and women who are there, and this is one of the ways to do it. And so, I hope that President Karzai will realize that our commitment to Afghanistan is based on American public opinion. And to deprive us of the ability to protect the security of the men and women who are in harm's way would be a terrific mistake, and we will continue the dialogue with him.

I thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCain.

Senator Lieberman?

Senator LIEBERMAN. Thanks, Mr. Chairman.

Thanks to each of you for your service and your leadership.

Secretary Gates, I wanted to ask you a quick immediate question about Pakistan and then go on to the budget. The Pakistani military offensive in Swat, which we appreciate and support, has created an enormous refugee problem, probably the most significant refugee problem since the partition of the 1940s in Pakistan. And this may create problems of domestic instability if not handled correctly.

I also noticed a news story that Lashkar-e-Taiba, the terrorist group, the one that we associate with the Mumbai terrorist attacks,

is already out offering humanitarian assistance to the refugees. There is no force in the world that is better able to operate in this circumstance than the U.S. military. That doesn't mean we can handle all of these crises.

But in this case, particularly mindful of what an extraordinary indigenous public reaction there was when we helped after the tsunami and after the earthquake in Pakistan in 2005, are we considering giving any assistance, humanitarian assistance to the Pakistani government in handling this refugee problem?

Secretary GATES. Yes, we are. The State Department and our Ambassador and Admiral LeFevre in Islamabad are being proactive in this. They are working with the Pakistanis. And obviously, we are prepared to do everything we can to help them.

Senator LIEBERMAN. Thank you.

Let me go on to the budget now. You said in your opening statement that this is a reform budget. It is. And I appreciate the tough decisions you made. I support most of them. I don't support all of them. But you made some tough decisions, and it is really a reform budget. All the more difficult because though the number is large, in my opinion, you are still budget constrained. So it is hard to operate in that context.

I want to focus in particular on the U.S. Army, which is bearing the largest burden of the wars we are involved in in Iraq and Afghanistan and to put it in this context. Both you and Admiral Mullen said that your top priority is to take care of our personnel, of our all-volunteer forces. And in fact, I think in this budget, building on previous budgets, we are trying our best to take care of those personnel and their families. The problem is there are not enough of them. And as a result, they are under stress, and so is our military in some ways.

I know that the dwell time is not where any of you want it to be. It is still about 1 year to 1 year. The repeated deployments—as Admiral Mullen said, I thought, quite eloquently—contribute to the stress that the Army and particularly in the families are feeling.

And I noticed that in the budget, the Army overall actually, combining the base budget and the overseas contingency operations, drops from \$231 billion to \$225 billion. It is a lot of money, but it is a drop. I understand the base budget does go up some.

I note also that in moving from the supplemental budgets to moving expenses into the departmental budget, about \$13 billion of personnel costs are put into the baseline budget. And to me, that means that the actual budget has been—at the base has been reduced by about 10 percent.

Just let me get beyond all the numbers to say that by any projection I have seen, we are going to need more personnel for at least the next 18 months, certainly through fiscal year 2010. And I don't think we have given you enough personnel to make this happen. I hear concerns about competition for enablers between the war zones of Iraq and Afghanistan.

So I wanted to tell you that I have been working with members of the committee, bipartisan, to see if we can do two things, one on the supplemental next week. If we can raise the legislative end strength from 532,000 up to the 547,400 and maintain in that the

2 or 3 percent waiver that you and the Secretary of the Army have, to give you the option of going beyond the 547,400 in the remainder of this year. And then also seeing if we can increase by some number the end strength for fiscal year 2010 to try to reduce the kind of pressure I have talked about.

So, with that introduction, am I right that the dwell time at this point is not where you or Admiral Mullen would like it to be?

Secretary GATES. That is absolutely right. We hope that toward the end of this year and more likely into next that the dwell time will begin to increase, particularly as the drawdowns in Iraq take place. And we will probably move in steps. We would like to see the active force at 1 year deployed, 2 years at home. The Guard and Reserve 1 year deployed and 4 or 5 years at home.

And we are not there and probably not going to get there in the short term, but I would say late this year or early next, we will begin to see an increase perhaps to 15 months at home, a year deployed.

I would say, Senator Lieberman, that one of the things when I took this job was—one of my concerns was that the ground forces weren't big enough—

Senator LIEBERMAN. Right.

Secretary GATES. —to do all the tasks that they had been given. And with certainly the strong support of the Congress, we have added 92,000 men and women to the Army and the Marine Corps. 65,000 and 27,000, respectively. The Army is at and actually a little above the 547,000 at this point.

But in one sense, there are two indicators for me beyond all of the stress and other negative issues that we see that indicate the stress on the force or that we are short, and that is 13,000 men and women on stop-loss and the dwell time, as you pointed out.

But the question is whether an increase beyond where we already are or beyond where the Army and the Marine Corps already are is sustainable over the long term? When we moved the end strength coverage from the supplementals to the base budget, as you suggested, the cost of that was \$11 billion. The Army's portion of that alone was \$7 billion.

Senator LIEBERMAN. Right.

Secretary GATES. Just for the added end strength. So, and as the Admiral pointed out at the outset, a third of this budget is the people cost. And the question is, balancing everything else, whether we can really sustain even more in the ground forces than we already have.

Senator LIEBERMAN. I appreciate what you have said. I understand the challenge, and I think the pressure on the Army particularly over the next 18 months is going to be so severe with all the stress that comes with that, that we have to find a way to increase the end strength over that period of time, with an understanding that it will not go beyond that period of time because we are going to reach a point where we are going to be able to draw down in Iraq and, hopefully, in Afghanistan.

I wish I could hear, Admiral Mullen, your response, but I know I am out of time. So I will wait for the second round.

Thank you.

Chairman LEVIN. Thank you so much, Senator Lieberman.

Senator Sessions.

Senator SESSIONS. Thank you, Chairman Levin.

And thank both of you and Mr. Hale. Thank you for all your service to your country, and we are definitely challenged in the Defense Department. I know you are up to that challenge.

I am concerned fundamentally about the budget. We are facing challenging times. The projected increases that you made and called for, Secretary Gates, I believe in 2007 at Kansas State University was a 4 percent annual increase. I see that the OMB director, Mr. Peter Orszag, who is the force behind the administration, is projecting 3.6 percent over the next 10 years.

Also one of the things I think we need to consider is the increase in end strength, the number of personnel in uniform. That number, I don't think we are at the maximum strength that we intend to reach, are we, Admiral Mullen? Are we still increasing personnel?

Admiral MULLEN. No, sir. I mean, we have arrived in the Marine Corps and in the Army, as well as we have stopped the reduction in the Air Force and the Navy. So we are literally today at about exactly where the targets that we had.

Senator SESSIONS. That is the targets that we were going to increase to?

Admiral MULLEN. Yes, sir. Just the Army and the Marine Corps got there a couple of years earlier.

Senator SESSIONS. And so, those numbers indicate to me that we are still pretty stressed in number of personnel. General Keane, I think, has called for instead of 500,000 plus, 700,000. Are you wrestling with that number?

Admiral MULLEN. Well, if you would listen—I mean, if you talk to the Commandant of the Marine Corps, he is starting to see relief on dwell time and a relief in the force. He has been at 202,000 for the better part of the last 12 months.

The Army literally is just arriving at 547,000. This decision—or the recommendation, sorry, to go to 45 BCTs as opposed to 48 really gives us an opportunity to fill out forces with enablers and other capabilities that we just don't have. We would be too thin going to 48 BCTs. We can talk down the road about whether we should develop—whether we should go back to 48 BCTs.

Overall, and particularly over the next couple of years, and I recognize the stress, there is some light in some units that are starting to be seen, and my question is how fast we could impact on this, quite frankly. And it depends on levels. And if we keep coming down in Iraq and we see some boundary, reasonable boundary in Afghanistan, I think it is about right right now, without being perfectly predicted. But I am nowhere close to saying we ought to add a couple hundred thousand to the Army.

Senator SESSIONS. Well, I don't think we should go further than we need to, and I congratulate the military on their retention. It still remains high, does it not?

Admiral MULLEN. Yes, sir.

Senator SESSIONS. And recruitment is still doing well and even better in recent months. So I think we are in a healthy recruitment and retention environment. But I guess as you see those soldiers go and advance and as their salaries increase, don't you feel, Secretary Gates, that you have a responsibility to not only support the

war effort we have, but to do your part during your watch to create the weapon systems that are going to be needed 10, 15, even 20 years from now?

There is a moral responsibility, isn't it, for any administration to not only take care of the present needs, but to invest in the long-term strategic needs that may not ripen during your tenure?

Secretary GATES. Absolutely.

Senator SESSIONS. And so, I am looking with some concern at the reduction of so many of the big procurement programs. I will just tell you the one that I raise with you and have with some of your personnel earlier is the missile defense situation.

I think we could complete that system. We have spent 40 years developing it. We had a goal of 44 interceptors in the ground. Now you are talking about canceling a number of those, reducing that to, I think, it is 30 or 29. And that the advanced technology that would enhance that capability, the MKV, the Multiple Kill Vehicle, has been canceled. And so, some other things have squeezed that budget.

How do you feel—and that is just one part of it. I know there are other parts of missile defense that have gotten an increase, the theater-based missile defense. But this is the one system that protects the homeland from ICBMs that is completely on our land, our territory, that is under our control without having to ask permission to place it in a foreign nation.

And how do you express your vision about that, and what confidence can you give us that the system is going to be sufficiently supported?

Secretary GATES. Senator Sessions, I have supported missile defense since President Reagan first announced his initiative in March of 1983, and let me describe where I think we are in each of the three categories.

First of all, in terms of missile defense at the terminal phase. This budget increases, adds six Aegis- equipped missile defense ships. It adds—we max out the THAAD, which is a terminal defense. We max out the inventory build of SM-3 missiles, Standard Missile 3.

And so, I think we are in pretty good shape on the terminal side, and we are adding to those capabilities. Those also happen to be the capabilities that provide us a lot of support for our troops in terms of theater missile defense.

In terms of mid course, you are discussing the ground- based interceptors. And I think the judgment, the program, as you suggest, was to grow from the 30 interceptors that we have now to 44, and the advice that I got is, first of all, that system really is only capable against North Korea.

And the 30 interceptors at the level of capability that North Korea has now and is likely to have for some years to come, 30 interceptors, in fact, provide a strong defense against North Korea in this respect. And that budget also includes robust funding for continued development and improvement of those ground-based interceptors.

The one area that is the hardest is boost phase, and it is the one where we have had the most difficulty over the last 25 years in try-

ing to get at this problem. And there have been a number of different attempts.

One such program was the airborne laser. And I have kept the airborne laser test aircraft that we have and intend to invest in directed energy as a likely way to be able to deal with the boost phase.

The problem with the operational concept of the airborne laser as an operational system was that it would have required buying a fleet of about 20 747s, and the other difficulty is that they have to orbit close enough to the launch site so that if it were Iran, the orbit would be almost entirely within the borders of Iran. And if it were against North Korea, it would be inside the borders of North Korea and China. And I just think, operationally, that is not going to happen. So we will keep the research going.

On the Multiple Kill Vehicle, the policy of the Bush administration and the policy of this administration has been to develop a missile defense against rogue nations, not against China and Russia. And the Multiple Kill Vehicle, in addition to schedule and cost and technology issues, was designed against a far more capable enemy than either North Korea or Iran are going to be for the next 10 to 15 years.

And finally, the Kinetic Energy Interceptor fundamentally was curtailed severely in the last administration, and we basically just took it off life support. That decision was made actually by the Missile Defense Agency and was not a part of this exercise.

There are also classified programs that are aimed at giving us the boost phase capability. So I am a strong defender and proponent of missile defense, but I want to spend the dollars on missile defense both on R&D and operationally where they will do us the most good.

Senator SESSIONS. Thank you.

I would say you are ready for that question.

[Laughter.]

Senator SESSIONS. But I am worried about the numbers. It is a big cut overall, and we are increasing theater production, which is a good thing. But you are having some very significant cuts, and I am not sure all of that is so healthy.

Thank you, Mr. Chairman. My time is up.

Chairman LEVIN. Thank you, Senator Sessions.

Senator Reed?

Senator REED. Thank you, Mr. Chairman.

Secretary Gates, I think you have led not only a process that was productive, but the outcome of this budget is one that represents real change and I think matches the strategic threats and the strategic capabilities that we need. And I commend you for that, as the Admiral had. I think it is a testimony to your leadership, and thank you for that very much, sir.

Let me move to some questions with respect to the issues that were raised by some of my colleagues, Senator Lieberman in particular, about the stress on military units. And I want to focus particularly on the enablers.

We have a situation where General Odierno needs to have enablers to come down, and General McKiernan did need and for the next few weeks does need, and then General McChrystal will

need enablers to come up. And that puts pressure on, I think, retraining some of the existing personnel because, in the short run, raising end strength or retaining senior people are not going to be able to deal with this issue.

So, Admiral Mullen, have you directed that the Army principally to begin some significant retraining effort, taking units that might be Army units and make them combat engineer units and getting them ready to deploy?

Admiral MULLEN. Actually, the focus on enablers is intense and constant and has been for months because we are short. Some of them we had. Some of them we have learned that we needed through this war, and it covers a whole host of things, actually, that I mentioned in my statement, which is ISR, helicopters, engineers, security, medical, linguists, civil affairs, intelligence, et cetera.

And we have actually had to make some pretty difficult decisions about things that General Odierno has and move them to Afghanistan. That pressure is going to continue. And it is going to continue as we shift our weight.

A very specific example, for instance, are engineers for convey support, IED surveys. And we are actually going through a very intense discussion right now with all the services, but particularly the Army, what does it take to train? And there is sort of a standard package that the Army uses that we think there might be ways around that. I am not trying to—I don't want to do General Casey's job, and that is not the intent.

But the focus in terms of getting those engineers out there is a priority, and we are looking at creative ways to do exactly that. I don't think increasing end strength over the next 18 months is going to help us a lot with that. What I am trying to do is reach inside the services, all the services that we have right now, to meet these needs. And so, it is a pretty intense effort.

Senator REED. I think you are right. I, like you, have just returned recently—and the Secretary—from Afghanistan and Pakistan, and we have got a window that will close, and it is not indefinite. It is months, and we have to move very quickly.

And I also commend your focus not just within the Army, but also Seabees, others who could be adapted to some of these missions, even though that is not a traditional mission. And I think we have to do that. That will be faster and more effective. We need these units very quickly in both areas of operation.

Let me ask another question which is related, Mr. Secretary and Admiral Mullen, to the issue of collateral casualties, which is a hugely difficult political issue in Afghanistan. When we were there, we were—we saw this connection between operations in the south and directly to the president. That is where his political tribal base is. He gets cell phone calls from people when they think there are accidental casualties.

Will the increase in forces help mitigate those and give us the ability to rely less upon air strikes? Is that part of what the build-up was about?

Secretary GATES. I think that the challenge for the new military leadership is finding the right balance between providing the necessary protection for our own forces and rethinking some of their

operational planning in terms of a cost benefit analysis. And it really boils down to are we on defense or are we on offense?

And on defense, I don't think we should make any changes. We need to protect our troops. And I might add that the last time I was briefed on this, I think about 40 percent of those air missions are actually flown to protect our allies, not us.

But if we are on offense, that is where I think we need to take a closer look at the operational concept and our planning and how we are going forward with this in a way to minimize the chance of innocent civilian casualties.

Senator REED. Let me just ask a related question to both of you in terms of our way forward in Afghanistan. General Rodriguez will be now a subordinate commander to General McChrystal. Will that be a NATO command, or will that be a strictly American command?

I think the point or at least the point that was told to me about an intermediate command was to unify the effort along the border from RC East all the way through RC South. So could you give me sort of your sense of what General Rodriguez's role will be either as an American commander alone or as a joint commander?

Secretary GATES. His role—and I invite the Admiral to comment, his role will be characterized, certainly at least initially, as deputy commander of U.S. Forces- Afghanistan. Whether that evolves into a corps commander like role but is still limited to U.S. forces, I think remains to be seen. But, Admiral?

Admiral MULLEN. I think specifically with McChrystal and Rodriguez getting there, they are going to have to assess what they need. There are various views on this, on what the need is, including the Iraq model. But certainly, initially, he is to go in as the deputy and then to assess this, to look at what the overall requirements are.

And I have put in significant efforts in recent weeks to strategically try to guide this force to say this is the main effort. We need our best people. We need people that are going back—that are going there who have been there before so our ramp time is somewhere around zero. A third of the 10th Mountain Brigade, when I was with them a couple of weeks ago, had almost zero ramp time because 30 percent of them had been there in Afghanistan before. And that is what we need.

So it is going to be, I think, for Generals McChrystal and Rodriguez to assess this and then look at structurally what we should do in the future.

Senator REED. Thank you.

Thank you very much, gentlemen.

Chairman LEVIN. Thank you, Senator Reed.

Senator Inhofe?

Senator INHOFE. Thank you, Mr. Chairman.

First of all, I had to leave to go to the Environment and Public Works hearing. And so, I don't know what was covered in all of the opening statements and other questions. But Secretary Gates, as you discussed in your speech to the Army War College, you had some tough decisions to make, and we all understand that. But you stated that the Army did not agree with your recommendations to cancel the FCS.

I understand that yesterday you reversed the policy of nondisclosure, which I thank you for. It is my understanding that some of the people were going to be hampered in terms of what they were going to be able to share with us.

But Tuesday, we will start the hearings of the service chiefs, and I would hope that you would encourage them to give us their independent opinion if it is different than the policy that has been articulated by you and by the President. And that also I wanted to ask the question is I had sent a letter out to the service chiefs asking them for a list of the unfunded requirements that they were now able to fund in this budget, and I never heard back.

So a prudent two-part question would be are you going to encourage them to give their best independent judgment in responses to the questions that we ask on Tuesday? And second, how you want to handle this situation in terms of the unfunded requirements, whether or not we are going to receive something sometime? It would be very difficult before Tuesday's hearing, but are we going to receive something from the service chiefs?

Secretary GATES. First of all, what I have tried to do, Senator, is to bring some discipline to a budgetary process that, shall we say, lacked a certain measure of discipline in the past. As you indicate, when the President's budget came up here, any inhibitions created by the nondisclosure statement were eliminated, and I told everybody that at my staff meeting on Monday.

I am putting out a written notice to that effect today, encouraging everybody who comes up here to testify to testify fully and candidly and particularly for those in uniform to be prepared to give their best professional—

Senator INHOFE. Yes, I understand that, and I appreciate it.

Secretary GATES. So the answer to your first question is absolutely.

Senator INHOFE. All right.

Secretary GATES. The answer to the second question is with respect to their unfundeds, I decided to actually ensure that everybody followed the statute. I have no problem with them putting together a list of unfundeds, but the law requires them to inform me about that list before they send it up here.

I am having that meeting tomorrow. And so, you all should get the services list, hopefully, by Monday.

Senator INHOFE. Okay. That is good. I appreciate that very much, and I am curious about the decisions that may drastically change what we are doing here in altering the budget in relationship with the QDR. I know this is an awkward situation because our QDR would not be received probably until December, and so it would be very difficult to do that.

But with the major changes that were made and the QDR being a very important part of that decision-making, I guess what I would ask of you is did you, since you couldn't use the current QDR, and these are major changes, did you use the previous QDR? On what did you base this that would substitute for information that would otherwise come from a QDR?

Secretary GATES. Sure. First of all, I did use the last QDR. One of the principal problems, as I have been briefed, about QDRs is a disconnect between what the QDR says and how the resources

are actually allocated. And so, in some respects, many of these decisions implement recommendations or the analysis that was done in the last QDR.

It also builds on the National Defense Strategy, which was issued last fall, behind which there was a great deal of analysis. It obviously also built on our experience in Iraq and Afghanistan and the experience of both the civilians and the uniformed folks. And I would say in a unique situation, a combination of both appointees by President Obama and holdovers from President Bush were all involved in this process as well.

So I think that there is—and I would say another factor that was involved was a fair amount of common sense. Some of these were where it was clear in the briefings that the programs were out of control and we weren't going to get anything out of the programs. In some, it was that the requirements had changed or the requirements didn't take into account recent events.

Senator Inhofe. Okay. That is fine. Mr. Secretary, my clock is running too fast here.

There was another report that you referred to. Perhaps you could share that and find it so that we would have a chance to review that, too?

Secretary GATES. Sure. I am sure the committee got it last fall.

Senator INHOFE. Great. Great. Okay.

On the Army modernization, we are really concerned about that. I can remember going over this thing and very critical of President Bush back in 2002, when he axed the Crusader program. And at that time, I remember Chief Shinseki got involved, and we reevaluated.

To me, the FCS program is the first major transition of ground capability that we have had in some 50 years, and we have gone through this thing. We have made decisions. We look at the various elements of the FCS, and I refer specifically to the NLOS cannon.

The NLOS cannon, we are further along with that than anything else right now. A lot of money has been invested in it, and we are still using and still will use, even on the previous schedule that we had on the NLOS cannon, the Paladin, which we all understand. The basic Paladin was World War II technology. We have gone through some PIMs. We are going through one now.

But I would just—in this case, I would just like to—I disagreed with your position to dismantle or to terminate the FCS program. But we do have some things written in the statutes saying that in the particular case of the NLOS cannon, that that should go forward.

And the question I would ask you is how do you plan to handle the fact that we have a law that says you are going to have to do something that you said you are not going to do?

Secretary GATES. Well, first of all, let me say that the front-end part, the first—Increment I of FCS not only stays in the budget, but is enhanced and accelerated. And that is the networking, the UAVs, the unmanned ground vehicles, and so on.

All of that is not only going to be completed, but it is not going to be limited to just 15 BCTs but spread throughout the entire Army. So the whole front end, the networking part of FCS is being preserved and will be deployed.

My problem was with the ground vehicles, and the premise behind the eight vehicles in this program, including the cannon, was that they were all going to be based on a similar chassis. That chassis started out at 18.5 tons in 2003 or 2004, went to 26 tons in 2006, 27 tons in 2007. It is now at 30 tons, and it is likely to go to 35 tons. But they are still thinking about putting the cannon on a 30-ton chassis.

So this thing has been filled with band-aids. And so, what I am asking the Congress to do is look at this thing, and it is the ground vehicle part of this that I think that I have taken an action and recommended to the President and is reflected in his budget. And it is because the original design of this program, including the cannon, did not take into account the lessons we have learned in Iraq and Afghanistan.

The infantry fighting vehicle had a flat bottom, 18 inches off of the ground, clearly not taking into account anything. There is no provision made to use the MRAPs in which the Congress has invested \$26 billion. And the contract was all messed up. You have got eight vehicles divided between two manufacturers. Ninety percent of the performance guarantee—performance fee is guaranteed at critical design review. So there is little performance incentive left for the rest of the program, including prototyping and so on.

So I think between the failure of the program to be redesigned to take into account the lessons of the wars we were in and the shortcomings in the contract, that it was important for the Army to take a fresh look at all of the vehicles associated with this program and then move on.

I couldn't agree more that vehicle modernization is a high priority, the Army's highest priority, and I totally support it. But we have got to get it right if we are going to spend \$150 billion on it.

Senator INHOFE. Well, Mr. Chairman, my time has expired. I am aware of that.

I would like to argue that point. As a matter of fact, as time went by and changes were made and the flat bottom and all of that, that shows that a lot of consideration was made and a lot of changes were made to update that to meet current needs.

Now I did want to get into a lot of other areas. I understand my friend from Georgia, I am sure, will talk a little bit about the F-22, and I will wait around for the next round because I do want to get into the missile defense part of this budget.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Inhofe.

Just to complete just one thought of Senator Inhofe here. Just fits directly here. I also understand that you said at the Army War College on this subject that all of the money for FCS in the out-years will be protected to fund the new vehicle modernization program. Is that an accurate quote?

Secretary GATES. Yes, sir.

Chairman LEVIN. Thank you.

Senator AKAKA?

Senator AKAKA. Thank you very much, Mr. Chairman. I want to thank you for your leadership on this committee and that of the ranking member as well.

And I want to welcome Secretary Gates and Admiral Mullen for being here to discuss the details, and I am glad to hear you and also the chairman mention that we are doing a budget for defense and getting out of the supplemental.

But here we are. Things have been changing. We are looking at reforms, and I want to thank both of you for your valuable and dedicated service to our country. Also, please express our gratitude to the servicemen and women, and especially their families, for their ongoing service and sacrifice for this grateful Nation. And I look forward to working with you on this budget as well.

I would like to thank the chairman and Senator McCain for their leadership in the passage of the Weapon Systems Acquisition Reform Act. This legislation, combined with ongoing initiatives taking shape in the fiscal year 2010 budget, has set the stage for reform. And I am really looking at this and looking at our ability to change what we can call the culture that has been in place for so long in the department.

So, Mr. Secretary, I guess that my first question is do you think that we have laid a foundation to change the culture within OSD and across the services from here on out to improve whatever we are doing for our country and its security?

Secretary GATES. I believe that the legislation that the two houses have passed are of significance in helping us move in that direction. Acquisition reform has been a decades-long aspiration in the Defense Department and in Congress's oversight of the Defense Department.

I would tell you that I think that there three things that are required for a change in culture and for there to be genuine reform in acquisition in the Defense Department. The first is the legislative and regulatory basis, which you all have provided. The second is discipline within the services and within OSD. And the third is leadership and the willingness to make tough decisions.

As Admiral Mullen discussed, too often the budget- building process at the Department of Defense is everybody putting their wants into the hopper, and then everybody taking a haircut to get to the level required without making hard choices among programs.

And I think without that third piece of it and without the discipline of the services and OSD in applying all of these things, that acquisition reform will not go as we all would hope. And I would also say, in all candor, that acquisition reform also requires the proper approach by the Congress.

Senator AKAKA. Well, thank you for that. I am glad to hear you also mention the need to use our resources wisely, and this can be a part of that.

Admiral Mullen, the DOD has made significant progress caring for our military heroes with mental health issues. But to do that, we must be able to identify those problems. One of the biggest issues we must address is reducing the stigma related to seeking counseling.

We somehow have to get the message across to our warriors that one of the most courageous acts that they can do is to reach out for help, and I think this must come from the top. You did mention the need for resources in this area, for PTSD and TBI.

My question to you, Admiral Mullen, is how would you assess the DOD's efforts to reduce the stigma that still deters some from seeking treatment for problems as TBI and PTSD? And should there be a program that is done periodically to determine this like after deployment or between missions or between assignments?

Admiral MULLEN. Senator Akaka, I am—the Secretary and I and many others in leadership positions have certainly worked to address this from a leadership standpoint. But there is, oftentimes, a disconnect between the desires and the discussions and even the guidance in terms of these kinds of things, and in particular this area, and what we are actually doing in execution.

And I think at the heart of this is a leadership commitment to it at every level from not just myself or the Secretary, but right down to the sergeant first class, the noncommissioned officers, our younger officers who are under also great pressure to get ready for deployment.

I am also seeing—actually, my wife and I are also seeing PTS, quite frankly, in families. Spouses who raise their hand and say, “I have PTS.” But they are also reluctant because of the stigma, and they are concerned about the impact it might have on the member's career as well.

And we are short for psychiatric help for children. I mean, so I think the leaders have to continue to focus on this. We have to continue to provide resources, and we have had some senior military officers step forward and say they have PTS and this is how they dealt with it.

We have got a host of programs. We have made significant advances in the area of programs to support. Probably the biggest area that I would want to focus on right now is execution, and are we really executing what we are supposed to be doing?

Because I see the disconnect between what we say and see here and when I go in the field and talk to members, talk to families, talk to care providers and health providers of the continued disconnect. So we are not anywhere close where we need to be, and we need to keep that pressure on.

Secretary GATES. Senator, I would like to add one other problem that we have, and that is a shortage of mental healthcare providers. And it is particularly the case for our facilities that are in rural areas, but it is basically a national problem.

And one of the things that I would like to work with the committee is to see if we could expand the DOD medical education program, where we train doctors all the time and train a lot of them, to see if we could expand that program to include mental healthcare providers, who are not necessarily doctors or psychiatrists but may have a master's degree in psychology and be sort of the front line mental healthcare provider.

To see if we could provide, if we could pay for that kind of specialized training and education, and then they would have a certain commitment in the military. And then they would go out and be able to provide that service to the country as a whole.

Senator AKAKA. Thank you so much for your response.

Mr. Chairman, my time has expired.

Chairman LEVIN. Thank you, Senator Akaka.

Senator Chambliss?

Senator CHAMBLISS. Thank you, Mr. Chairman.

And as always, gentlemen, thank you for your service to our country. We can't state that enough.

And I want to say publicly what I mentioned to you privately before the hearing, that I was in Afghanistan 4 weeks ago. I had an extensive conversation with General McKiernan and his staff, and while I am impressed with his leadership, the decision to replace him has been made.

And having known General Stan McChrystal for the last decade, it could not have been a better choice to replace him, and I commend you for that. And we look forward to continuing to support that effort to make sure that we prevail in Afghanistan.

Secretary Gates, I want to talk to you about the budget. While I agree with a number of the major decisions that you had to make there and I support your attempts to rebalance our military toward one that better addresses today's threats, but I take issue with your math when you talk about how 50 percent of the budget is for high-end conventional threats, 10 percent for asymmetric, irregular threats, and 40 percent is for a mix of the two.

For example, the B-52 was designed and used for decades in a conventional role. However, we are using it today for close air support in an irregular conflict and a conflict in Afghanistan. So there are few, if any, weapons in our inventory that cannot be applied to irregular warfare.

Regarding the F-22, you have previously said that you are not cutting the F-22 program, but that you are simply completing it and that DOD's plan to end procurement in fiscal year 2009 has been in place for two administrations. However, it shouldn't matter how long a current procurement plan has been in place. This is not a 1-year decision or a 2-year decision. This is a 30-year decision when you look at the legacy aircraft that we are flying today.

What matters is procuring the right number, based on today's assessment of the requirements as well as the threat. We had a hearing 2 weeks ago in which all the witnesses, two of whom worked at the Pentagon when the 183 number was set, stated that there has never been any analysis done to justify that number, and that it was purely budget driven. In fact, it was set during a Pentagon budget drill 2 days before Christmas in 2004.

In your April 6th announcement and in subsequent interviews, you said that the military advice you got was that there was no military requirement beyond 187 and that the Air Force agreed. General Schwartz has commented publicly three times on this issue since your April 6th statement, and quite frankly, none of his comments really support that statement that the military requirement is 187.

Also I have spoken privately with General Schwartz on this issue, and he has told me that his military requirement is for 243 and that he will testify to that publicly, which I expect him to do next week, based upon particularly your comments to Senator Inhofe earlier.

In February of this year, General Schwartz went public with his desire for 60 more F-22s for a total of 243, calling that a moderate risk force. On April 13th, Secretary Donnelly and General Schwartz wrote that since arriving at the 243 number, the Depart-

ment of Defense is revisiting scenarios on which the Air Force based its assessment.

Well, last week, I found out what that meant. DOD is assuming that F-22s will only be required in one location, and that is the Pacific, and that every F-22 would be available for that scenario. The Air Force disagrees with that assumption and believes—correctly, in my opinion—that F-22s may very likely be required in another scenario, which drives a higher number.

Second, when directly asked the question on April 15th, General Schwartz said 243 is the military requirement.

Third, I, along with six other Senators, wrote General Schwartz last week on this issue. In his response, he states that 243 F-22s is a moderate risk force and that 187 is a higher risk. He concludes by saying that while 60 more F-22s are desirable, they are unaffordable. Again, budget driven.

General Schwartz has consistently said that while more F-22s are required, they are unaffordable given current budget constraints. That stands in contrast with your statement that there is no military requirement for more than 187 F-22s.

The need for the F-22 from a national security perspective, Mr. Secretary, derives not just from the fifth generation aircraft in Russia and China, but at least as much from advanced surface-to-air missiles and their proliferation. It is clear that advanced surface-to-air missiles, which completely change the air dominance equation, are not going to be confined to Russia and China forever, and their proliferation is happening now.

The F-22 is more capable against these advanced air threats than any other aircraft, including the F-35. Just this past summer, the Russians parked an SA-20 near Georgia during the Russia-Georgia conflict, effectively prohibiting any airborne asset from operating within 100 nautical miles.

Only the F-22 could have entered that airspace. And for the record, with a fleet of only 187 F-22s, none of them will be stationed in Europe or be available to support our NATO allies on that continent.

You have often commented that procuring large numbers of F-35s will sustain U.S. air superiority over the long term and that the F-35 is more affordable. Everyone hopes that the F-35 succeeds, including me. But in your plan, the F-35 is a single-point failure. Any delay to the F-35 results in even greater gap in our air dominance and greater risk.

A GAO report from 2 months ago was strongly critical of your plan for the F-35 and calls it a high risk. No one knows how much the F-35 will cost. It may be cheaper, but the F-35s that we are procuring in this budget are going to cost \$250 million per copy, and GAO has commented that the cost of the F-35 may end up being \$140 million per copy, ironically the exact same figure that today we are procuring F-22s at.

The last study on this issue commissioned by your department in 2006, the TACAIR Optimization Study, concluded that 260 F-22s was the best option.

Now, Mr. Secretary, you and your staff made many of these budget decisions yourselves, and very few, if any, people in the services knew what your decisions were until you announced them.

And my question is that irrespective of what previous administrations have budgeted for or even what the Air Force leadership recommends, what analysis did you do to arrive at the 187 number? And please describe for me the factors and threat assumptions you used to determine that that number was sufficient.

Secretary GATES. Well, to get into a lot of that would take quite a while, and I am prepared to do that in writing for you. But I would say that this was based on the input from the combatant commanders who are actually going to have to wage these conflicts. There was discussion with the Air Force about this, the Air Force leadership.

I would say that if you are only talking about the F-22, there may be merit to some of these arguments. But the fact is the F-22 is not going to be the only aircraft in the TACAIR arsenal, and it does not include the fact that, for example, we are going to be building, ramping up to 48 Reapers unmanned aerial vehicles in this budget.

It doesn't take into account the F-35, and the fact is that based on the information given to me before these hearings, the first training squadron for the F-35 at Eglin Air Force Base is on track for 2011. The additional money for the F-35 in this budget is to provide for a more robust developmental and test program over the next few years to ensure that the program does stay on the anticipated budget.

You can say irrespective of previous administrations, but the fact remains two Presidents, two Secretaries of Defense, and three Chairmen of the Joint Chiefs of Staff have supported the 183 build when you look at the entire TACAIR inventory of the United States.

And when you look at potential threats, for example, in 2020, the United States will have 2,700 TACAIR, China will have 1,700. But of ours, 1,000 will be fifth generation aircraft, including the F-22 and the F-35. And 2025, that gap gets even bigger. So the notion that a gap or a United States lead over China alone of 1,700 fifth generation aircraft in 2025 does not provide additional fifth generation aircraft, including F-22s, to take on a secondary threat seems to me to be unrealistic.

Senator CHAMBLISS. Well, my time has long expired. But I would simply say, Mr. Secretary, you noticeably did not mention surface-to-air missiles, which have changed the dynamics of air superiority and air dominance, and I hope I can stick around for a second round.

Thank you, Mr. Chairman.

Secretary GATES. I would just say the only defense against surface-to-air missiles is not something that has a pilot in it.

Chairman LEVIN. Perhaps, Secretary, you might want to expand, as you suggested, any answer for the answer. Feel free to do that, and that would be true with other questions as well.

Thank you, Senator Chambliss.

Ben Nelson? Senator Nelson?

Senator BEN NELSON. Thank you, Mr. Chairman.

And thank you, gentlemen, for being here and your service.

Mr. Secretary, you said that it is important in terms of Pakistan to make sure that it is clear that we are supporting their goals as

opposed to asking them to support our goals. I hope that is a fair approximation of the statement.

And as we have talked in the past, benchmarks or mission statements with measurements will help, I think, make that clear if we frame them in an appropriate fashion so that it is obvious to not only the Pakistanis, but to Americans what our mission truly is over there. And I would hope that as they are all developed, that the so-called benchmark approach to Pakistan would make that clear so that we can measure that, they would understand it, and we will understand as well.

I am not going to ask you any question. That is just a suggestion on my part.

I would like to go to end strength. My colleague and friend Senator Lieberman has been pointing out the importance of having sufficient end strength for at least some initial period of time, where it may be there may be greater stress on our military and greater requirements, ultimately, that might ratchet down just a little bit over time. As Iraq ratchets down as well, we may be able to smooth the relationship.

In the meantime, rather than adding active duty staff, is it possible that we could have a greater reliance? Considering the fact that stress is there for active duty and Guard and Reserve units, but could we find ourselves using in the shorter term more Guard and Reserve operational units to take care of those peak needs?

I guess Admiral?

Admiral MULLEN. Sir, I think one of the decisions that Secretary Gates made when he first took over in, I think, January 2007 in terms of what I call the red lines for deployments as well as rotation, specifically with the Guard and Reserve to get out to a 1 year out, 5 years back, was a very, very important settling decision.

And as we have moved towards that, we are only—on the Guard side, we are only out to about 1 and 3, while the goal is still to get out there to 1 and 5. And so, there certainly is room there, but I think it brings into question the overall balance on the Guard side that we need to support continuity, stability, obviously employment on the outside, all those things. And we have been able to sustain ourselves pretty well at about 1 and 3, getting to that point.

Over the next couple of years, I don't see a projection that takes us far beyond that. So in terms of significant amount of room of adding additional units, you would have to come to the left. And right now, the balance seems about right from that perspective.

On the Reserve side, it is much the same story because that decision supported that as well. So there clearly is room there, although I would worry about adding a significant amount of stress if we started to increase that rotation as well at this point.

I am just not sure how much impact we could have over the next 18 to 24 months, which is a very, very tough time for us because of the deployments that we have, and we can see, again, as they start to come down overall, I can start to see the light at the end of the tunnel out there in 2010.

Senator BEN NELSON. Well, we are faced with mental health challenges in the military, both prior to deployment and post deployment. So what we don't want to do is add further stress at the

time we are trying to enforce stress reduction, or the goals will be at odds, obviously.

So it is going to be a challenge, and I don't know how this will all play out. But we are going to have to consider the stress implications.

One further question about Pakistan. In 2002, several of us went to Islamabad and met with President Musharraf shortly after the taking out of the Taliban in Afghanistan. And at that time, we asked the question—and I have raised this before—how certain he was that they had the security of all of their nuclear weapons under control and how certain was he that it was under control? And he said about 95 percent certain.

Now with what we have done since then, are we closer to 100 percent, Admiral Mullen, do you think, based on what you just said earlier?

Admiral MULLEN. Well, I wouldn't pick a number, Senator Nelson. But we have, in fact—

Senator BEN NELSON. Are you more comfortable now than you were before?

Admiral MULLEN. President Musharraf committed to a significant increase in resources from the United States and expertise, and his security force has increased dramatically in size and it has gotten a lot better. So that is why at this point, I am comfortable. I also have discussed these issues with the military leadership, General Kiyani, and certainly received some comfort there.

But as I also indicated, we are limited in what we actually know. This is a sovereign country. They are very protective of those nuclear weapons, which I also understand. So I think we have to continue to move forward to assist, try to understand better.

They have a personnel reliability program that is 2 to 3 years old. I have been in the personnel reliability program in our own country for plus four decades, and so that really speaks to the beginning of their program. And I think that has got to continue to improve.

Senator BEN NELSON. And of course, it is fair for them to point out and ask us whether we are 100 percent certain where our weapons are at any one time as well, given the—

Admiral MULLEN. Sure.

Senator BEN NELSON. One further question. Former Ambassador Durrani—and you and I have spoken about it, Admiral—indicated that giving them money to help their military is appreciated, but that they really need some of the more sophisticated weapons that we have, UAVs and other kinds of higher, more technologically advanced weapons, which we are sort of reluctant to turn over for technology purposes—that if they had that kind of technology, they could do a better job of routing the Taliban and the other forces up in the largely ungoverned areas.

Have we made any progress in being able to deal with General Kiyani and provide more sophisticated weapons?

Admiral MULLEN. We have a much more comprehensive program than we had a year ago. So we have improved in our support and focus on getting them maintenance support for their helicopters, which have lousy what we call FMC rates, flying rates, readiness rates, to support that.

We are working through night vision goggles and trying to get them into the night. We are also working on the training side so that when you get some of these capabilities, you actually know how to plan to be able to use them. And I spoke a little bit to that earlier. We see that routinely.

So there is a much more comprehensive effort. It is going to take some time. I think we have to be more patient in getting there, but I am actually optimistic that it is improving. I don't think the solution is just turn over high-tech weapons because they are going to struggle in how to use them, and that is natural. That would be natural for any of us.

Senator BEN NELSON. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Nelson.

Senator Thune?

Senator THUNE. Thank you, Mr. Chairman.

And Mr. Secretary, Admiral, Mr. Hale, thank you very much for all of your service to our country and performing difficult jobs in good times. These are difficult times, and we appreciate your great leadership.

Mr. Secretary, I want to raise an issue with you, which probably comes as no surprise. But on April 7th at a media roundtable, you said that the 2010 defense budget recommendations that you announced on April 6th are "basically an outgrowth of the positions that I have been taking in speeches for the last 18 months" and that your decisions "didn't spring all of a sudden, full grown out of the brow of Zeus in the last 3 months."

But I think it is fair to say that the decision on the next-generation bomber must have sprung full grown out of the brow of Zeus in the last 3 months.

I want to point back to something that you said 8 months ago during a speech at the National Defense University, where you said that China's—and again, I quote—"investments in cyber and anti-satellite warfare, anti-air and anti-ship weaponry, submarines and ballistic missiles could threaten America's primary means to project power and help allies in the Pacific. This will put a premium on America's ability to strike from over the horizon, employ missile defenses, and will require shifts from short-range to long-range systems such as the next-generation bomber."

And you used virtually the same language in an article for the first quarter 2009 edition of *Joint Force Quarterly*, as well as in a *Foreign Affairs* article in January of this year.

And so, for several months prior to that April 6th announcement, you had established a clear record of support for the next-generation bomber. On April 6th, you announced that the department would not pursue a development program for the follow-on Air Force bomber.

My question is what changed between January and April to make you question the need for the next-generation bomber, and how do you reconcile clearly positions that are contradictory with regard to that weapon system?

Secretary GATES. Actually, this is one of the issues, Senator, where I felt we did not have enough analysis to make a firm deci-

sion. And so, it is one of the issues that will be addressed in both the Quadrennial Defense Review and the Nuclear Posture Review.

My own personal view is we probably do need a follow-on bomber, but I think we need to see what—if you look at both of those studies, the QDR and the Nuclear Posture Review, and you observe what is going on in the arms control negotiations with Russia in particular on nuclear forces, I think all of those things will shape what decision needs to be made with respect to a next-generation bomber.

One of the reasons that I said we would cancel the studies or the effort that was underway at the time was based on consultation with the chairman and the vice chairman and others, our concern was that if we didn't do that, that when these studies were done, there would be a kind of a linear projection of the thinking that had existed before the studies were done in terms of exactly what kind of plane should be built.

One of the things I think we need to think about is whether, for example, the follow-on bomber needs to have a pilot in it. And so, I think that this is one of those issues that I didn't make a decision against going forward with the next-generation bomber, but rather said let us wait and see what the result—let us examine this in the QDR and in the Nuclear Posture Review and then make a decision on where we go with the next-generation bomber.

Senator THUNE. Well, in response to a question that was posed by Senator Inhofe earlier, you said that the last QDR, the 2006 QDR shaped and informed a lot of your decisions. And the 2006 QDR directed the Air Force to field a follow-on bomber by the year 2018. And so, I guess my question is what part of that QDR has been invalidated or what has changed in terms of the threat-based analysis that, in your mind, modifies or changes that requirement?

I mean, it is pretty clearly articulated in the 2006 QDR, and that is actually what helped shape many of your decisions with respect to some of these decisions that you made recently.

Secretary GATES. Well, I mean, the reality is that we have a lot more experience in the last 2 to 3 years with unmanned aerial vehicles than they had at the time that the last QDR was put together. Also, we basically weren't going anywhere at the time of the last QDR in terms of significant potential further arms reductions with the Russians.

And I think depending on where those numbers come out, it is going to affect how we shape the triad or raise the question whether we still need a triad, depending on the number of deployed weapons that—nuclear weapons that we need.

Senator THUNE. It doesn't seem like that those discussions with Russia, though, ought to have an impact on whether or not we are developing a next-generation bomber. And second, I think that—and you have had experience in some of those arms reduction negotiations in the past. If they are supposed to conclude by the end of this year, I would be very surprised that they will. And this could extend sometime into the future.

So making a decision like this right now, I guess, to me it becomes a question of whether or not this is driven more by budget decisions and trying to get under the top line of the defense budget or whether it is driven by requirements. And I guess that would

be my question. I mean, is this a decision that did OMB say you have got to terminate this program?

Secretary GATES. No, I don't remember what their passback said. But frankly, I took some of their suggestions from the passback and didn't take a lot of others. So this actually didn't have a—this really was not a top-line or a budget-driven figure because the amount of money in the budget for fiscal year 2010 for a next-generation bomber was very small.

Senator THUNE. Well, what did the Air Force recommend on this for their fiscal year DP for 2010?

Secretary GATES. I—

Admiral MULLEN. Actually, I think they had it in, until these decisions were made.

If I could just speak a little to this, and this actually goes to Senator Chambliss' comments, as well. We're at a real time of transition, here, in terms of the future of aviation, and the whole issue of what's going to be manned, and what's going to be unmanned, and what's going to be stealth and what isn't. How do we address these threats?

This is all part, and it's changing, even from 2006. And I think—from a war-fighting perspective—I think this is at the heart of what we need to look at for the future, whether it's fighters or bombers, quite frankly, and I think that's been the essence of this discussion, despite analysis which may have been out there in the past, or some other requirement. And the service requirement which, quite frankly, is a service requirement, it doesn't make it a Department of Defense requirement, necessarily.

So, what the aviation side of this is, I think, is very much focused on this change, and I think we're at the beginning of this change. I mean, there are those that see JSF as the last manned fighter—fighter-bomber—or jet. And I'm one that is inclined to believe that.

I don't know if that's exactly right, but this all speaks to the change that goes out, obviously decades, including how much unmanned we're going to have and how it's going to be resourced.

Senator THUNE. We've had all—I shouldn't say all—we've had a lot of combatant commanders in front of this committee who have testified for the need for this capability, and also to the concern about the aging fleet, and the fact that half of our bombers are pre-Cuban Missile Crisis era bombers, and being able to persist and penetrate some of the more sophisticated air defense systems that we're expecting to encounter in the future. So, it seems like it's a very, very relevant, real-time question.

But I guess my final question is this—what I hear you saying is you are still analyzing and looking at this. What OMB's budget said was "terminated." So, is this delayed, is this terminated, what is the status?

Secretary GATES. The program that was on the books is terminated. The idea of a next-generation bomber, as far as I'm concerned, is a very open question, and the recommendation will come out of the Quadrennial Defense Review and the Nuclear Posture Review.

And I certainly don't want to leave the impression that the Russians are going to help us decide whether or not we have a next-

generation bomber. What I was trying to say is, when we end up—if it looks like we're headed for a lower number of deployed nuclear weapons, then we will have to make a recommendation to the President and to you, how we allocate those weapons among missiles, submarines and aircraft.

Senator THUNE. Mr. Chairman, my time is up. Thank you.

Chairman LEVIN. Thank you, Senator Thune.

Senator Bayh?

Senator BAYH. Thank you, Mr. Chairman.

Gentlemen, thank you.

Mr. Secretary, I would like to congratulate you on submitting this reform budget. Frankly, it's about time we ended business-as-usual in this area. The country's security requires it, and the taxpayers deserve it. So, I want to express my gratitude to you.

It seems to me this submission is a lot more honest than some we've seen in the past, in terms of up-front and candidly addressing the security concerns we face, rather than to try to hide a lot of it in the supplemental. We're going to set priorities, find resources, allocate them. You're doing that, rather than sort of pretending that some of these things don't exist, and piling up the debts and the deficits through the previous mechanism, and so I thank you for that.

This seems like it's a lot more effective in terms of addressing the challenges of today and tomorrow, rather than the legacy challenges. I've listened to some of my colleagues—if we're going to ask the Pakistanis to do that then perhaps we should do that, as well. And it seems to me a budget moves us in that direction.

And, finally, I like the fiscal discipline that we've brought to this area. I think you're forthrightly recognizing the fiscal and economic challenges we face in making some of the hard decisions that are required. And if these decisions were easy, they would have been made a long time ago. And any time you make hard decisions, there are going to be some questions and concerns raised.

But, frankly, the whole procurement process and the acquisition process, too often in the past has verged on the scandalous. Not in terms of overt corruption, but in terms of delivering things too late, too far over budget, and that do too little to address our security needs.

So, this has been an issue that's been out there, it's just kind of been put off, and I salute you for addressing it, and I often remark to my constituents that if any business had been run the way the procurement and acquisition activities have been run, they would have gone out of business a long time ago. And yet, it's been kind of continuing on in this way. And so, you're taking the bull by the horns, and I thank you for that.

I've got a couple of questions. I think the overall funding was going to be up, what, 4.1 percent. Is that an accurate figure?

Secretary GATES. About 4 percent real growth is 2.1 percent.

Senator BAYH. Correct. Can you share with the public, the taxpayers, I mean, if we just kind of—without some of these hard decisions you've made, if we just kind of continued on with business-as-usual, what it would have been? Or, I guess, another way to put it, how much are we actually saving the taxpayers by instituting

some of these reforms you've proposed? Is there any way to quantify that, Mr. Hale?

Mr. HALE. Roughly \$20 billion, I would say, in fiscal year 2010 associated with the net effects. There were a number of adds, as the Secretary has said, for folks on irregular warfare, and we're down about \$20 billion or so—a substantial amount of money.

Senator BAYH. That is one year, and then that would compound?

Mr. HALE. Yes. In our decisions we would make beyond fiscal year 2010.

Senator BAYH. Is it still true, Mr. Secretary, that the amount that we're spending next year will, in the aggregate, be more than all of our likely adversaries combined? It used to be that way, the reason I ask the question is, if that's true, what we're really facing is not a question of the amount of resources, but how we most effectively allocate them to meet the challenges we face. Is it still true that we appropriate more for national security and defense than all of our likely adversaries combined?

Secretary GATES. Yes, but let me just add two things to that. First of all, more than any other country, we have global interests and we have allies around the world who depend on us for their security. That's one of the reasons why we spend as much as do.

Senator BAYH. To be sure. I was just trying to put it in perspective, I don't think we've been—we're allocating low, we need to protect the country and take care of some of these other interests. And it was by way of, again, saying we need to allocate the resources effectively to meet the likely threats and deal with some of the legacy issues and reform issues, and I think you've done that.

Secretary GATES. Let me just interject. Just to provide some perspective last summer, as the economy was deteriorating, I told Admiral Mullen that no matter who was elected, I thought we'd be lucky if we got the fiscal year 2009 number, plus inflation.

Senator BAYH. And we have real growth.

Secretary GATES. We've got 2 percent real growth.

Senator BAYH. Good. From time to time in the past, I've asked about the Predators and Reapers and that kind of thing, and not because we produce a whole lot out in Indiana, but because there was a weapons system that actually helping us in real time, facing some of the challenges we've had, and that some of my visits to the theater, some of the commanders have expressed that they would like a greater capacity in that area.

Admiral, for you and the Secretary, have we asked for everything we need in this area?

Secretary GATES. We can both answer. This is one of the significant growth areas in the budget. We will ramp to build 48 reapers a year during this budget. We have maxed out the Predator line, mostly there's a transition here from the Predator to the Reaper and Warrior and so on, but in these areas they've played such a vital role in both Iraq and Afghanistan and have such application in so many other places that we are really placing a major bet in this area.

Admiral MULLEN. And what is oftentimes now pacing this, and I want to give General Schwartz and the Air Force leadership a lot of credit, because you've got to create pilots, people to fly, you've got to have a training program, you've got to have sites to do that,

and so we're doing all of that as we're creating a significant additional capability in-theater.

And as I go around the world, actually, there are now a lot of other countries asking for some of this.

Secretary GATES. And I would have that tell you, in terms of motivating the workforce, it's not as much fun to fly a plane with a joystick, on the ground, as it is up in the air.

Senator BAYH. I was just going to say, my impression with regard to the pilot shortage, you get into the Agency, and we're not experiencing quite the same shortage. And it looked like it was a career path people wanted to be in, the cockpit that was leading to some of the shortage, which is understandable, but if we have a current need, and we have a real conflict going on today, well, you know, perhaps some of that needs to be deferred, and we need to get people operating these things, until we can get more pilots. And so if you're comfortable addressing that issue?

Secretary GATES. Yes, sir. General Schwartz really has shown a lot of leadership in this area.

Senator BAYH. My time is up, I would just encourage you—stay the course. You're going to hear, you know, you make hard decisions, it's not without consequence, but I really like the path you're on, and I encourage you to stay with it.

Chairman LEVIN. Thank you, Senator Bayh.

Senator Collins?

Senator COLLINS. Thank you, Mr. Chairman.

Secretary Gates, and Admiral Mullen, let me begin by first thanking you both for your extraordinary service. Our country is very fortunate to have you at the helm of the Pentagon.

I so appreciate that your first priority is the well-being of our troops, because that's my priority, as well, and that is why I was troubled to read a press story last week that U.S. troops are being rushed to Afghanistan so quickly that they do not always have the equipment that they need. One would think that the equipment and protection would precede the deployment of the troops, and this struck me, particularly, because I recently attended a send-off ceremony for a Maine National Guard Unit that is being deployed to Afghanistan.

Secretary Gates, you're quoted in this story as saying that, "the equipment delay is of considerable concern," and that you were going to pursue it upon your return. Could you tell us, first, how did this gap occur, and what kind of equipment are we talking about?

And second, what is being done to ensure that our brave men and women in uniform have the equipment and the protection that they need to accomplish this very dangerous mission?

Secretary GATES. Well, I indicated, Senator, that at the outset, in my opening statement, that I listen a lot to troops and commanders in the field, and this impression that you quote of mine, came from first of all, a Q&A session I had with a couple of hundred soldiers at Camp Leatherneck. And one young soldier put up his hand and said, "When am I going to get my communications equipment?" And one of his superior officers nudged one of my staff and said, "It's sitting outside of the gate, we just haven't given it to him, yet."

The larger concern that I had was in a lunch with Captains and First Sergeants, where they described a gap between the people arriving on-scene, the troops arriving, and the equipment following behind them. And it's not clear to me how big a problem, or whether we have a problem.

And what I've asked is for General Petraeus to look at this, and to give me a report on it, and see if there's anything we need to be doing. I think—and the Admiral may be able to provide some enlightenment on this—but my impression is that it's—the equipment arrival is sequenced so that they get a lot of the personal equipment that they need pretty quickly after they get there, and then the vehicles are coming in about a week or two behind that. But I think they've got it pretty well under control, given the magnitude of the logistical challenge.

There's also the issue of infrastructure, which is being built, sort of, as this stuff is coming in. And so, sequencing all of that, I think, is pretty complicated. But I'm expecting word from—a report from General Petraeus on whether we have a real problem or not, or everything is pretty much going as planned.

Admiral MULLEN. Senator Collins, I was just out there a couple of weeks ago, and met with hundreds of soldiers, both in big bases, and out on the FOBs, and this issue—it really didn't come up.

That said, it's come up frequently enough in recent days to certainly warrant a look. General Petraeus' early cut on this is exactly like the Secretary said, that there is the plan, the equipment is arriving on a plan, shortly after they get there, whether it's personal or the vehicles.

But we will take a very close look at it. I'm not familiar with the Maine Guard issue, I will go pull a string on that, specifically.

Senator COLLINS. I didn't mean to imply that there's a problem with the Maine Guard, in particular, it's just the issue is very much on my mind because they've just been deployed, and I was concerned about this story.

Admiral, I know how concerned you are about the mental health needs of our troops, an issue we've discussed, and an issue many of us have brought up today. Can you tell me if we are now doing screening for both traumatic brain injuries Post-Traumatic Stress Disorder upon the return of our troops stateside?

Admiral MULLEN. The Post-Traumatic Stress screening is routinely occurring, both on return—although I have less faith in that than I do the 90 to 120 days after they return, which seems to be about the right window. And that is being done across the board. When I'm told that by all units and every unit I'm with, they ask that question—that's when it's going on.

The TBI issue occurs both in theater—every unit goes through an immediate assessment and then if someone goes through an explosion, and then decisions are made on the ground about whether they continue, or whether they go back to the FOB, and are there for a few days and then return to the fight or, in fact, get returned to higher medical care.

So, there is routine screening for that. I was taken the other day—I saw a piece that, where the Marine Corps is now looking at limiting after, I think, 3 IEDs or 3 explosions, and that's a very tough call. I mean, clearly, how many of these can you sustain

without severe damage is a question—everybody's focused on that. And I think that that indicates that what the Marine Corps, in specific, is doing is it indicates the seriousness with which we all take this.

But we also don't have all of the answers. This is an area that we continue to need a lot of medical research on, and longer-term answer and care.

Senator COLLINS. Thank you.

Mr. Chairman, I know my time has expired, but I just wanted to reemphasize the point that Secretary Gates made about the need to have more mental health professionals providing this care. It's a particular problem in large rural States like mine.

Chairman LEVIN. Thank you, Senator Collins, I think you speak for every member of the committee in terms of the concern that we provide adequate mental health screening and assistance, and I think you've heard from many of us—but I think that reflects the views of every member of the committee, and probably every American.

Senator McCaskill?

Senator MCCASKILL. Thank you, Mr. Chairman.

First, Secretary Gates, before I argue with you, let me compliment you. I think you're a national treasure, and the reason I think you're a national treasure is I'm completely confident sitting here that the recommendations you're making today would have been the same regardless of who was elected, and I think that's exactly what we need in our government and I'm going to compliment you for it.

I also want to compliment you for your acquisition decisions as it relates to this budget. We will never get a handle on the billions of dollars we have wasted in contracting until we make the investment in the personnel that have the skills and the ability to look over these contractors' shoulders.

They've been operating in, it's like, the wild, wild west, the way these contractors have been operating during our conflict in Iraq, and the only way we're going to police them is by bringing some new sheriffs to town. And I appreciate the fact that you're making a commitment to that.

I want to briefly—before I get into my arguing with you—I want to briefly also bring to your attention a story that concerned me yesterday in the New York Times about Dr. Kuklow. As we approach healthcare reform, there is this fuzzy line between pharmaceutical companies and the practice of medicine in the country as it relates to consulting fees and being paid. And it was reported yesterday that one of our Army doctors at Walter Reed had fraudulently done surveys and studies on behalf of a private pharmaceutical company.

And what really offends me about that is that potentially he was using data from our wounded warriors, and I urge you to look into that. Personally, I know you brought some accountability to Walter Reed after the last scandal there. I want to make sure that our doctors there are reflecting the finest, because I know they are the finest and I know they do great work, and so I'd ask you to look into that.

Okay, now what I want to argue with you about—I understand the decisions you’re making as it relates to transition on stealth, and unmanned, and all of that, but I think I’m stating factually, we have a gap in fighters. If we’re going to do 11 carriers, which is my understanding, you’re recommending 11 carriers—

Secretary GATES. Until 2040.

Senator MCCASKILL. —until 2040, we have 11 carriers. We have the JS—we have a gap. We have the JSF, which is over cost, behind schedule, unproven. We have an F-18 that is around \$15 million a copy, versus the JSF, which is around \$135 million a copy now. Who’s to say what it will end up being, but that is what it is now, and we’ve got this gap of 200 or more fighters on our carriers. And I’m curious—with my auditor’s hat on, knowing the cost savings of a multi-year procurement. Knowing of that gap, knowing of the capability, and how used the F-18 is, why we would not be looking at a multi-year procurement to fill in that gap as we approach the JSF down the line.

Secretary GATES. Let me give an initial response and then invite Admiral Mullen and Mr. Hale to comment.

As you know, we have the money for 31 F-18s in the fiscal year 2010 budget. The TACAIR issue is one that is going to be looked at more broadly in the Quadrennial Defense Review and I think that will give us a better picture of how many, and for how many more F-18s that, particularly, the Navy wants to buy, and over what period of time.

And so, we have not been prepared to go forward with multi-year contract, partly because under the present terms, as I understand it, the production line would shut down in fiscal year 2012. If the decision is made as a result of the QDR to continue the buy of F-18s beyond that, then a multi-year contract would make all kinds of sense.

So, I think it’s just an issue of the longer-range question and it really goes to part of the answer that I gave to Senator Chambliss, and that is, how many TACAIR aircraft we need, and are required, depends on whether you’re looking at it from a force structure standpoint in terms of how many do we need to service the units that we have now—whether they’re ships or Air Force units—or are you looking at it from a threat-based basis, in terms of how many, with what kind of aircraft are the Chinese, or the Russians, or the others prepared to have?

But basically, the reason we have simply delayed the idea of a multi-year contract until we see what comes out of the QDR.

Admiral MULLEN. Ma’am, the numbers are not consistent. The input I have is the shortfall somewhere between 60 and 120 is multi-years exactly right answer if you’re going to keep the line open, that’s a decision that hasn’t been made. We’ve had multi-year buys with this airplane, as you know, it always wasn’t \$50 million. We got to multi-years to get it down to actually less than \$50 million at one point in time, and so the tough question here is the one I know we’re all dealing with, which is how long do you keep this line open?

There’s a growler piece of this, an E-18G piece of this, as well—how many of those do we need? And I think that’s the subject of the review. Longer term we’re going to transition to JSF, and cer-

tainly the projected cost down the road for JSF is a lot less than \$135 million. I know where we are in the program, I know there's risk associated with it, and so we will see. But I don't see any—I don't see a program—a long-term JSF program that gets us to \$150 million a copy. That just isn't where we've had the program before.

So, we're taking some risk now, that's been a decision that's associated with this, and we need to really do the analysis to see how we're going to fill up these decks right now for the next 7 or 8 or 9 years. We've got enough airplanes to fill up those 10 carrier airings.

Senator MCCASKILL. Well, I know the multi-year saves a billion dollars, that's real money. I want to make sure that we're not—if we know we're going to need more than one year, that we're not avoiding the multi-year, when we're going to come back and do it anyway.

And finally, the one overarching policy here, you know, we're all arguing for jobs in our States, which is expected. Especially right now in this economy, I mean, the fact that the C-17 and F-18 are on the line in my State, with what we're going through in terms of manufacturing job loss is incredibly scary. And I guess the overarching policy that you all have to figure out here is, do we want just one tactical aircraft company in America? That F-18 is driving the cost down of that JSF, it's keeping them honest.

If we only have—I mean, we're going to fight between Lockheed and Boeing, when Georgia and Texas and Missouri and Washington, and we're going to do that. But the bottom line is if we only have one, eventually, what does that mean for future costs, what does that mean for the possibility of future competition, and I think that's an overarching policy decision that you guys have to embrace right now as you look at this transition to the next generation.

Secretary GATES. And the key question for us is, in order to keep a competitive base, how much stuff do we buy that we know we don't need?

Senator MCCASKILL. And I understand completely—

Secretary GATES. Because everything I buy that I don't need takes a dollar away from someplace where I do need it.

Senator MCCASKILL. That is why I think these are the hard decisions. But ultimately, if we end up with just one tactical aircraft company in this country, your successor, 20, 30 years down the line and the people that sit in these chairs, then, are going to have much higher price tags, and I think ultimately have much more of a security risk.

So I understand the dilemma, but I want to make sure we're focused on both parts of it.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator McCaskill.

Senator Martinez?

Senator MARTINEZ. Gentlemen, thank you all very, very much. I sat in your chair and I understand about this time everybody wants to look for the exit door, but anyway, I'll be brief.

So, I want to associate myself with the comments from Senator Bayh, I think that he spoke eloquently and well. And I wholeheartedly agree with the comments he had to make. And so, I want

to ask you about the joint cargo aircraft, and obviously, on the same theme of parochial interest, but I was also intrigued as to where we are in that.

It was to be utilized by the Air Force, as well as the Army, I know the Florida National Guard is keenly interested in this aircraft, and the decision to only procure as many as would be needed for the Air Force, but not procure those that would be used by the Army was made in this budget. And I just wondered where we are on that issue, and what the thinking was behind it.

Secretary GATES. First of all, the decision for the buy of joint cargo aircrafts, DC-27, to move from the Army to the Air Force, actually was an agreement that was reached between General Casey and General Schwartz. The Admiral and I were kind of witnesses to it, but not a part of it.

But, with respect to the joint cargo aircraft, again, it gets back to what is the need? The reality is, the C-27 is a niche player. It has half the payload of a C-130, it costs two-thirds as much as a C-130, it can use just 1 percent more air fields than a C-130. We have over 200 C-130s in the Air National Guard that are uncommitted and available for use for any kind of domestic need, or otherwise, out of a fleet of 424 of these C-130s.

So, the question is, then, how many joint cargo aircraft do you need? We budgeted for 38, which basically would recapitalize the Army's C-23 Sherpa aircraft. This mobility issue, though, is one we are going to look at in the Quadrennial Defense Review, in terms of the relative balance between heavy-lift helicopters, the C-27 joint cargo aircraft, and C-130s. All I know is that I have a great deal of unused capacity in the C-130 fleet, and how does that fit with the joint cargo aircraft? And that is what we're going to be looking at.

Senator MARTINEZ. I thought that this—and not to argue the point, I appreciate what you're saying, precisely, I just wondered about that last tactical mile, and the Army seemed to be very excited about the utilization this aircraft would have. And my impression was—and it appears to be wrong—is that there was a tremendously more versatile aircraft that could land in many more places than the C-130. IF it's only 1 percent, I fully understand your point.

Secretary GATES. The C-130s can land in about 99 percent of the air strips of a C-27. But there is one thing that does need to change, and happily General Schwartz fully understands it, and that is, if the Air Force is going to carry out this kind of support for the Army, their culture and their approach to the way they do it is going to have to change.

Their attitude, for example, it's kind of like a moving company—I'm not leaving the warehouse until I've got a full load. And sometimes the Army needs a much shorter, or a much less than, a full load, but they need it and they need it promptly. Where the joint cargo aircraft works best is when there are like, three pallets are left, basically small loads.

So, the whole Air Force approach to how they support the Army is going to have to change if they're going to take on this joint support role for the Army. General Schwartz is prepared to do that, I think. General Casey is prepared to have the Air Force do it, but

they're going to have to work very closely together to figure out how to make it work, and that's regardless of how many C-27s we end up buying.

Senator MARTINEZ. Admiral Mullen, I wanted to ask you about ship-building. I met with Admiral Roughhead in the last couple of days, he still seems to be committed to a 313-ship fleet. Does that continue to be the case? What do you see in the 30-year out ship-building plan, as well as what is in this current upcoming budget?

Admiral MULLEN. Well, he is very committed that—as am I—and that is the standing analysis. And when, actually, I did that analysis, my comments were, that was a floor. That was what we saw as sort of a minimum—clearly, he's changed strategies with respect to how he wants to get there. And as the CNO, I understand his position with respect to that.

But I see—and again, I remain concerned about the industrial base and shipbuilding—to build any there, the strategic relationship between Congress, the contractors, the Department of Defense—is critical so that they can predict and build ships at a lower cost.

So, I'm concerned that we can't keep changing how we're going to do this. This budget, I think, has 9 ships in it, including one for the Army, and JHSV. Too often—as has been pointed out—you get two projections, the out-years, they never show up in the execution years. Although there's a considerable amount more money invested in shipbuilding than we've had in the past, and I think that's healthy.

So, I think we just need to continue to invest there, see if we can stabilize this production base and move forward to that number.

Senator MARTINEZ. Let me ask you about the number one requirement for the Navy and Marine Corps in the fiscal year 2009 which is big deck amphib. Apparently, the fiscal year 2010 budget delays the production of these ships and what is the thinking behind that?

Admiral MULLEN. The fiscal year 2010 budget, I think, puts advance procurement in the 11th LPD—delays the 11th LPD until fiscal year 2011, and I supported that decision. I think one of the things we've got to look at, we're going to look at in the QDR, is the whole issue of lift. The amphibious ships support how we're going to fight in the future. I'm very supportive of—from a fighting perspective of a brigade, and the kind of force that the Commandant is talking about, I think there is a question, how much lift? How much ship support do you need to actually get there? And the analysis that I think will be done in the QDR will help us form the answer to that.

Senator MARTINEZ. Thank you, my time is up.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Martinez.

Senator Udall?

Senator UDALL. Thank you, Mr. Chairman.

Good morning, gentlemen.

Secretary Gates, Admiral Mullen, it's wonderful to have you here today, and along with everybody else on the committee, I want to thank you for your service. It's clear we need steady leadership

during these difficult and challenging times, and you're clearly providing it.

Secretary GATES. I would like to also thank you. I know the Joint Chiefs are there and the battalions and the brigades and divisions of people you have working for you over at the Pentagon, and creating the budget—some call it a reform budget—I know you've had to make some really tough choices, and I don't know that I agree with them, but I do admire your efforts, and I agree with your broad priorities, which I think you've listed as the following—and I agree with them—which is to focus on our people, rebalance to improve our capabilities to fight the wars of today, the 21st Century, and reforming our acquisition process. So again, let me start with those general comments.

If I could, I would like to move to a question on rotary-wing aircraft, otherwise known as helicopters. I've been told we need more helicopters in Afghanistan. Secretary Gates, you indicate in your testimony that the problem is not the number of helicopters available, but inadequate personnel availability that affects the availability of helicopters.

Admiral Mullen, you I believe last week were quoted as saying that we need more helicopters in the fight, but we're finding it very difficult for lots of reasons to generate more helicopters and figure out how to get more helicopters for operations in Afghanistan and Iraq. It must be determined by the creative genius of those in the services. Would you both be willing to discuss those comments, and your point of view on this important area?

Secretary GATES. Sure. Let me start.

First of all, there's \$500 million more—a plus-up of \$500 million for rotary lift in the fiscal year 2010 budget. It is not all for additional personnel, but a lot of it is to increase the training throughput.

The analysis that we were given during this budget process was that the principal—but not only—obstacle to getting more helicopters into the field was a shortage of both pilots and maintenance crews. And I went down to Fort Rucker a couple of weeks ago, and I suspect that a fair amount, some considerable part of this money, is going to be spent in improving and expanding the school house for both crews and pilots at Fort Rucker and elsewhere for the Army, because the focus in this has been mainly on the Army.

There is additional money in the budget for helicopters, but I think frankly one of the challenges we face—and I don't know the exact percentage, but a huge percentage of the helicopters available to our forces are in the Reserves. And I don't know for sure, because the Admiral and I haven't talked about it, but I would suspect that at least one consideration when he was talking about the creative genius of the services is, how do we access some of that capability.

Senator UDALL. Admiral, if you would comment—you used the term “lots of reasons”?

Admiral MULLEN. Well, it speaks to, actually, it speaks to the 200 C-130s that are back here when I've got needs somewhere else. It speaks to my priority right now, and I've said this in my statement, is my number one operational priority is Afghanistan—

that's people, training, equipment, everything I need, and so sometimes it's difficult to reconcile that priority with services who are a routine, and supportive in so many ways.

But when I have an extraordinary number, thousands of helicopters back here in the States, and many of them are in the Guard and in Reserves, as the Secretary said, "How can I access them?" Historically, I haven't been able to accept when I deploy a unit that goes to fly those helicopters, and they're clearly on the Guards side, State needs that have to be supported, so there's a balance there.

Can I get more Navy helicopters to displace Army helicopters that are doing something else in support that I can put in the fight, for example. The same would be true of the Air Force, so I've asked the Navy and the Air Force to look for ways to create—to become more creative about how we train, how we—and take some risks in some areas back here in the services, so that we can support the fight.

The answer to me isn't always just, "Go buy more." It can't be. We've got to use the ones. I can't buy a lot more helicopters over the next 12 to 18 months, I need them in the fight now.

So, it is that piece of it, that is very—and having been a service chief, I understand this, and my perspective now from the Joint point of view is much different. So, how can I—how can the services become more creative in how they're doing business to support the fight.

Senator UDALL. That is helpful. I don't know exactly the limits to what the committee can do, but the passion with which you both responded suggests it's important, and necessary, and needed.

I'm also reminded, on the House side, and I think it was repeated over here in the last year, that at one point we were saying we will do in Iraq what we must, and we'll do in Afghanistan what we can. And then I hear you, Admiral, saying, "No, we have to do in Afghanistan what we must." Is that accurate?

Admiral MULLEN. Absolutely.

Senator UDALL. If I might, in the last couple of minutes, I have turned back to Pakistan and direct a question to both of you. The Congress is considering, and I know the chairman alluded to this in his questions and comments, what sorts of limitations and conditions we put on you as security assistance for Pakistan? I'm curious if either of you have an alternative approach, or other ideas about how we balance out our needs for benchmarks, for conditions, but also understanding the political situation we face in Pakistan.

Secretary GATES. Well, let me just comment briefly, because as I said earlier, Admiral Mullen is much more familiar with Pakistan than I am. The one thing that we both find ourselves saying to our colleagues in the Executive Branch, as well as to folks up here, is that we're going to have to be patient. Things are going—and it's not unlike both Iraq and Afghanistan—things are not going to develop or move in the direction we want, any of those places, as fast as we want it to move.

So, I think that going back to Senator Ben Nelson's comments on measures of effectiveness, I think we have to be able to measure, in fact, whether they are moving in the right direction, and take comfort from that, do what we can diplomatically, and in other

ways, and frankly, all of you visiting places like Islamabad, and underscoring these needs in terms of what our expectations of them are, are helpful, but I think we have to be realistic about it, and understand that it's going to take longer.

I'm not speaking to any specific proposed restrictions, because I'm probably not familiar with the array that may be out there or that is being suggested up here, but I encourage you to give the President as much flexibility as you can in this, because we are in fact, dealing with a sovereign state with a history.

Admiral MULLEN. There's a growing recognition in Pakistan that more specific, visible accountability for the money that we are supplying and resourcing—they've got to get better. My view is, it's not going to happen as quickly as we would like it, but they recognize that, I think, at the heart of all of this, is the question of whether we want a long-term relationship with Pakistan—how important is that?

And, as the Secretary said, I've argued for the patience—it's not going to happen as fast, it can be very frustrating. I think that relationship, in terms of that part of the world is absolutely vital. And as I indicated earlier, they do ask the question, "You left before, are you going to leave again?" And it's going to take us awhile, I think, to convince them we're not. If, indeed, that in fact is our strategy.

Senator UDALL. Thank you very much, gentlemen.

Chairman LEVIN. Thank you, Senator Udall.

Senator GRAHAM?

Senator GRAHAM. Thank you, Mr. Chairman.

Mr. Secretary, what are the NATO nations doing in terms of their defense spending over the next 5 years? Is there a general trend, is it up or down?

Secretary GATES. I don't know about the next 5 years, Senator, but I know that at that point I think, there were only 6 NATO nations that meet the agreed NATO threshold of a minimum of 2 percent of GDP devoted to defense.

Senator GRAHAM. Well, that's very disturbing, because people accuse us of being unilateral at times, but they have to have the capacity to help us. Our budget, I think, needs to understand that we are the arsenal of democracy, like it or not. What is the current GDP spending on defense now, including all supplementals?

Mr. Hale, would you know?

Secretary GATES. Four point six.

Senator GRAHAM. In historic terms, where does it rank us, Mr. Hale?

Mr. HALE. It depends upon how far back you want to go.

Senator GRAHAM. World War II.

Mr. HALE. World War II it was in the forties. In recent years it's certainly been below that in the nineties. It was down around 3 percent of GDP, and slightly under it. It has come back.

Senator GRAHAM. What would say the average, post World War II, has been?

Mr. HALE. Oh boy, since World War II, maybe 10.

Senator GRAHAM. Well, my point is, in the next 5 years, do you—what dangers do we face out there? Mr. Secretary, and Admiral Mullen, are they less or more?

Secretary GATES. There is no question that while we don't face the catastrophic—potentially catastrophic—threat of a Soviet Union, we face, I think, in many ways, a more complex and more dangerous world than we faced during the Cold War.

Senator GRAHAM. Do you agree with that, Admiral Mullen?

Admiral MULLEN. Absolutely.

Senator GRAHAM. Around North Korea, the reason I mention it is we have to budget here, given the reality of the threats we face and what's going on in other places in the world. Our allies are not stepping up to the plate. That puts more pressure on us because we do have to take the lead on these issues.

So I would just encourage the Committee and the Administration—in their 10-year budget, defense spending in the 10th year is at 3 percent of GDP, and I just don't believe that's appropriate given what I think we're going to face in the next 10 years.

And interest on the National debt is at 3 percent of GDP. I think that's unsustainable, that we're going to have a debt we can't afford to pay, we're going to lose our AAA credit rating, and if we don't change our policies—and reducing defense is not the answer to our budget problems.

Secretary GATES. Senator, I would just interject, that it is my personal opinion, based on the briefings that I've gotten, that for us to hold steady, the program that we have in front of you, for fiscal year 2010, to hold that steady in the out-years, we will need at least 2 percent real growth in the defense budget.

Senator GRAHAM. Well, thank you, and that's something that we'll all consider, because I think we are bipartisan on this committee about national defense matters.

Now in Afghanistan, one thing that we have to look at in terms of our budget is—is it true, Mr. Secretary, Admiral Mullen, that the Afghan Army, the expense of 100,000 person Army—if we can ever get to that level— a 140,000 person Army, to maintain that is greater than the entire budget of Afghanistan?

Secretary GATES. Absolutely.

Senator GRAHAM. Well, who's going to pay for that?

Secretary GATES. Well, the truth of the matter is, right now we are. We have this Afghan trust fund in NATO, and my hope had been, when this was set up a number of months ago, that those allies who were not prepared to send significant—allies and partners who were not prepared to send significant troops to Afghanistan would, in lieu of that, make substantial contributions to this trust fund. And the last I checked, the trust fund had about \$100 million in it.

Senator GRAHAM. Admiral Mullen, do you agree with the idea that—of General Petraeus's view that we need to grow the Afghan Army?

Admiral MULLEN. Yes, sir, absolutely.

Senator GRAHAM. And the more capability they have, the less likely our soldiers will be in harms way in the future.

Admiral MULLEN. Absolutely.

Senator GRAHAM. Well, if the country generates less than a billion dollars of revenue and the Army costs \$3 billion, I think this is a topic for the Committee to consider. Not only are we going to be paying for our Army, which is going to be doing more and the

world's going to be doing less, we're going to end up paying for the Afghanistan Army.

And I actually, quite frankly, support that, doing our fair share, but I am very frustrated with our allies. If you're going to reduce your defense spending and reduce your capability, at least you could help us pay for the Afghan military that makes us all safer. So, I think we need to look at our budget in terms of what's going on throughout the world and future obligations. The future obligations of this country are going to be greater, not smaller, when it comes to defense spending. Our allies are doing less, not more. And to win in Afghanistan, you've got to have a big Army, and they can't afford a big Army, so somebody's going to have to pay for it.

Now, on Guantanamo Bay, Mr. Secretary, do you believe it would help our National defense—national security interests to basically start over and come up with new detainee policy?

Secretary GATES. Well I think, Senator, to a considerable degree, the President has done that with his—with his Executive Order.

Senator WEBB. And that would mean closing Guantanamo Bay?

Secretary GATES. Yes, sir.

Senator GRAHAM. Admiral Mullen, do you think it would probably help us worldwide if we closed Guantanamo Bay and got a new fresh start on detainee policy?

Admiral MULLEN. I have actually been supportive of closing Guantanamo for a considerable period of time, but I really—and significant steps, I think, have been taken with respect to the detainee policy.

Senator GRAHAM. Well, I just want to end on this, Mr. Chairman.

I mean, not releasing the photos in our National security interest, and I applaud you for standing up for the troops and I want to applaud the President for making what I think was a very reasonable decision. For the same reason we didn't need to release the photos, I think we need to start over with Guantanamo Bay. And I see both achieving the same goal. There's damage to be repaired out there, releasing the photos doesn't repair our damage, but starting over again with new detainee policy at a new location, I think will help repair some damage.

So, I'll look forward to working with you as we go forward on that issue.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Graham.

Now we're going to have to end after our next two Senators. We promised we'd be out of this room by 12:30 at the absolute latest. I don't see a need for an executive session. And unless I hear from colleagues in the next few minutes, we're not going to have such a session, today at least.

And with that, I will call upon Senator Webb.

Senator WEBB. Thank you, Mr. Chairman.

Just one—follow one point—having listened to Senator Graham, I think the challenge in terms of building an Afghan Army is not simply financial. As I mentioned to General Petraeus when he was before this Committee, I think you'd have to look really hard in the history of Afghanistan to find a time when they truly had a viable national Army. That's probably even a greater challenge than the money.

Gentlemen, I'd like to start by expressing my support and respect for the leadership that both of you have brought to your positions. It's been very important, not only to the Department of Defense, but to the country. And I thank you for the way that you've approached your jobs.

And Secretary Gates, as somebody who'd spent four years on the Defense Resources Board with Cap Weinberger, I think you are uniquely positioned to set about the task that—that you're taking on. And I know we're going to have a lot of debate, I'm going to participate in that debate at the right time, but I really do commend you for stepping forward and having taking this on.

I would like to make three quick observations and I have a specific set of questions that I would like to ask. The first is, just having listened to what you said—I know you were summarizing, Mr. Secretary—I want to emphasize, because we're building a record here and we're going into these budget considerations, that the mission of the Department of Defense is not simply to fight and win wars. It is also to deter wars, to manage strategic confrontations, to provide an umbrella under which those countries who are aligned with us are able to manage their—their own external security relationships, and strategic systems that do that and will hopefully never be deployed.

And I think the greatest example of that, really, is the Cold War, which was the most significant victory of the United States since—since World War II. I'd also like to interject a request, maybe you can—I said this other day in the confirmation hearing from the individual who's going to be the assistant Secretary for the Army for manpower—but I think it's very important. There're talking about the fact that if we don't get the people part of it right, we don't get any of it right. It's vitally important that we address the issue of stewardship to people who serve, beyond simply managing the active-Duty Force, and beyond the issues of retention or even of the programs, which you have so eloquently discussed today.

Seventy-five percent of the Army, 70 percent of the Marine Corps leave on or before the end of their first enlistment, and these are the people who have been doing, really the heavy lift in terms of all the rotational cycles. And, I don't hear the—the same level of articulate concern from Department of Defense witnesses that I do on these other areas. When we talk about—you recruit soldiers, you retain a family. At the same time, these people are coming in, doing two or three pumps, they're getting out, they're returning to civilian, and they're bringing a lot of long-term challenges in terms of mental health and other areas with them. And that's why I introduced Dwell Time Amendment twice, two years ago, that's I why I introduce the GI Bill. Both of those amendments were opposed by the Department of Defense and were opposed by previous Administrations, and I think we're seeing, in many cases, the consequences of those challenges.

And one of the things that I think could be looked at is putting the same—the same type of discipline that you're putting into your procurement policies, into the management of the force, in terms of examining the requests that are coming from combatant commanders, to see if people can't be used more efficiently. That's

something that I was saying—saying 2 years ago, talking about the Dwell Time Amendment.

The questions that I have really relate to Pakistan. I have written reports in the general news area, but from reputable commentators, that Pakistan is at the moment increasing its nuclear program, that it may be actually adding on to weapons systems and warheads. Do you have any evidence of that?

Admiral MULLEN. Yes.

Senator WEBB. That strikes me as something that we should be approaching with enormous concern. We're—we're spending a lot of time talking about the potential that Iran might have nuclear weapon capability, and this is regime that's far less stable, and that should be a part of our debate.

Do we have any idea of the percentage of the \$12 billion, since 2001, that has gone toward—to Pakistan that has ended up with their security interest toward India or other non-terrorist or Taliban related threats?

Secretary GATES. Senator, the—as best I understand it, the coalition—the only figure that I'm aware of the Coalition Support Fund, and I think that has been about \$6.8 billion for Pakistan. That has—that has always been a reimbursement to them, and they basically have had the freedom to spend it pretty much as they liked. So, I would suspect that that money went for a wide-range of things, including their military phasing.

Senator WEBB. That's one of the concerns that I have and we have begun focusing on Pakistan simply as—the way that it would address the Afghani situation when, as we all know, if you—if you examine this from a Pakistani point of view, India is their greatest threat.

Do we have any type of control factors that would be built in, in terms of where future American money would be going as it addresses what I just asked about?

Secretary GATES. I'm not aware about the future. I know that beginning—that we've had procedures with the Coalition Support Fund. There were problems with accountability in that and those procedures were tightened up last June, June of 2008. It basically is a three-step process—the Pakistani request for reimbursement for military activities in the western part of the country, which is of course of interest to us, and for keeping our supply lines open.

And so on first, is evaluated by the embassy. Second, it's evaluated by CENTCOM and the CENTCOM commander is the personal—person held accountable for it. That had been absent before, a single person being held accountable. And then it's evaluated by the Comptroller's Office and the Department of Defense. So there's a three-step validation process on Pakistani requests for reimbursement.

Now, if there are new programs of economic assistance and so on, I assume there will be a different procedure established for those.

Senator WEBB. We certainly don't have the same ability to assess these programs on the ground, as we do in places in Afghanistan and Iran.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Webb.
Senator Begich?

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

And to all of you, thank you for being here today.

First, I want to give you a couple thank yous, and I'll be parochial in this, and that is thank you for the work that you're doing with this budget in Fort Wainwright and Fort Richardson regarding the Warrior Transition Units. Those will be completed up there and have a great impact.

Along with that, the mental health clinic, which is going to be at Elmendorf, again, a very incredible need and a positive need. And also to the Joint Chiefs for the work around the Wounded Warrior Taskforce. I think that's a great effort and I really applaud you, and anything that I can do to help support that, I will be there for you. And the several projects and activities that will be expended in Alaska with almost—about \$400 million in some of the projects for Milcon, which again is going to be a positive for us up there.

I have a couple issues, one you can probably guess, which is the GMD. And here's the question—and I recognize I don't necessarily agree, obviously, with your position at this point. I recognize, tough decisions, you've got to make programmatic changes, and I understand that. But here's the question, based on what my briefings have been—and I appreciate your comments, Mr. Secretary, in regards to robust testing. I think that's important for a system of this magnitude.

But if you go through that process, and assuming that this system is a 15 to 20 year system at minimum, and you have about 14 missiles still to be completed and a group of them, about 10 or so, will be available for missile testing, by about fourth or fifth year you'll be out of the testing capacity. The assumption is, that will tell you if this system is going to continue forward. But if it is a 15, 20 year lifespan, and you only test for that short period of time, then you're going to have this gap for many, many years without testing. How do you address that part of the equation? I mean, I just can't imagine a system for 10, 12, 15 years with nothing happening other than just in the silos and no full-range testing.

Secretary GATES. No, I—we haven't discussed the long out years on this or it has not been a part of our process. But I will tell you that—that my view of it is, that the situation with the ground-based interceptors in Alaska and in California needs to continue to be a dynamic process. I think that we not only need continued testing, but we need continued develop. We need to be able to develop as—as North Korea, for example, becomes more sophisticated in their capabilities, we need to be more sophisticated in our defense.

And so, the capabilities of those ground-based interceptors are going to have to improve over time. So I see this as a dynamic—not a static process where we have a finite testing period and then stop and just have the status quo for an extended period of time, but rather a dynamic process where we are continually updating and improving the capabilities of those ground-based interceptors.

And, you know, the decision not to go to 44 interceptors at this point, does not mean we'll never go to 44 interceptors or at least more than 30. It's just that over the period of the next few years, we don't see the need to go to the additional interceptors, given the

pace at which North Korea is developing its program. But I don't think anybody's kind of drawing a line at 30 and saying no more ever, anymore than we're saying we're going to have a static program after a few years of additional testing.

Senator BEGICH. And—thank you for that, thank you for those comments. And I guess the other piece would be, I should not read in then that after this period of time of testing that the program—I don't want to say—use the word, I'll use the word carefully here—becomes dormant, meaning that it just kind of disappears over time. I shouldn't read that into it.

Secretary GATES. That certainly was not my view. I believe that this capability is very important for the security of the United States, and I think we need to—I'm comforted that we have one that we think works now, that we have some confidence could handle the North Korean threat right now. Those threats will continue to become more sophisticated and I think we need to continue to improve our capabilities.

Senator BEGICH. Thank you, thank you for that reassurance.

I do want to follow up on the—the C-27s. And Alaska is kind of unique, you know, we use Sherpas up there a lot and I know they're smaller load capacity, and I know you're—the reduction is 75 or so down to 35, 40 for the C-27s. And I guess I, again being a little parochial here—we had anticipated, obviously, those Sherpas, which are fairly old, to be replaced with the C-27s because of the short—how they can operate in the Alaska terrain. And how do you see the allocation of what those aircrafts and where those aircraft, that will be in production, go, especially because of the uniqueness. C-130s are great in Alaska, but the Sherpas are really beneficial to our Guard.

Secretary GATES. The Admiral may know more about this than I do, I don't know. But—because we haven't discussed the lay-down of these things, but I would just tell you that—that the 38 that are in the budget, the 38 C-27s that are in the budget, are characterized for me as a recapitalization of the C-23 Sherpa program. And I don't know what the lay-down, though, is.

Senator BEGICH. Okay. But that—that helps, that gets us half-way there. So I'll be working with your folks on how that will work, in the sense of your whole deployment throughout the country with regards to Sherpas, but I know in Alaska the terrain requires these—the Sherpas—and they really are a real workhorse back there. So I just wanted to put that on the record for us here.

Two kind of global, and I'm very intrigued by this—and my time is about up—but I do—these are ones that are for actually later for discussion. One is, I was intrigued by the comment about the \$20 billion savings this year. I'd be curious if you can analyze—if there's a number over this 5-year period—if you didn't cut that \$20 billion and that was employed into the program, and assumed the status of those programs, what would be that actually cost avoidance? I think it would be probably a significant number, if that makes any sense. And if not—you don't have to answer now, I'm not putting you on—I say you looking, trying to calculate quickly in your mind. I don't want you to calculate that, but these—these programs have actually, you know, downstream, large numbers attached to them in some R&D work. And so, I'm just curious how

big that number is, because I'm assuming it's big and that's, in one way, kind of what you're looking at, is this long-term picture, which I give you a lot of credit for that. So I just will ask you that, but in written document.

And then, the second—last, and I'll just leave you on this, just one more thought. I'll be very curious for more discussion on man versus unmanned operations. I think this is an interesting new technology development in all areas of aircraft. I know—I can imagine a pilot who says so, you're not going to go fly, you're going to use a joystick instead, in a room, may be hard to recoup.

I'd be—this is an interesting transformation and it's one that, if you look 5, 10 years out, I can see by the discussion today, that is a part of the equation of the new military. And so I'd be very interested, at a later time, maybe, Mr. Chairman, through our discussion as we go through this process, how you see that and how we make that transformation and deal with personnel, but very interesting and the technology is powerful. And so I'm just—I'm a supporter of this type of technology, so I just want to put that on the record for you.

Thank you very much, thank you for your time and your service. Chairman LEVIN. Thank you, Senator Begich.

We are now at the end, and I would just summarize with one thought, that I think you gentlemen have really grasped a very fundamental point, that we've got to both change the way we buy weapons, which we're doing in a reform bill that hopefully will get to the President in the next week or so. But given the new threats, we also must make changes in what we are buying not just how we are buying. And, you know, just guiding the ship, the U.S.S. Pentagon, is a huge task in ordinary times, but to change the direction of that ship, in the way that you are proposing, takes special skills, special tenacity. You gentlemen have a very healthy dose of those characteristics and we're grateful that you do and we commend your efforts. And I hope that you're going to find in Congress the kind of thoughtful and reasonable and nation-viewing response that you have taken, that our mission here is to give our Nation the strength that it deserves and needs, and that that is going to take some courageous decisions on our part. I think we're up to, I hope we're up to it, and look forward to responding in kind to the kind of courage and direction that you have set for us.

Thank you for being here today. The committee is adjourned.
[Whereupon, at 12:40 p.m., the hearing was adjourned.]