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**POSTURE STATEMENT OF
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CHAIRMAN OF THE
JOINT CHIEFS OF STAFF**

**BEFORE THE 108TH CONGRESS
SENATE ARMED SERVICES COMMITTEE**

3 FEBRUARY 2004

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I am privileged to report to Congress on the state of the United States Armed Forces.

As they were a year ago, our Nation's Soldiers, Sailors, Airmen, Marines and Coastguardsmen are currently operating within our borders and around the globe with dedication, courage and professionalism, alongside our Coalition partners, to accomplish a variety of very demanding missions. Global terrorism remains a serious threat, and the stakes in the GLOBAL War on Terrorism remain high.

Over the past year, I have told you that with the patience, will, and commitment of our Nation we would win the War on Terrorism. The support we have received from the Congress has been superb. From Congressional visits to deployed personnel, to support for transformational warfighting programs, to funding for security and stability operations, to improved pay and benefits for our troops, your support for our servicemen and women has enabled us to make significant progress in the War on Terrorism.

We are winning. Saddam Hussein no longer terrorizes the Iraqi people or his neighbors; he is in custody awaiting justice. The Iraqi people are well on their way to establishing a prosperous and peaceful future. They have already assumed a significant role in providing for their own security, and the list of important accomplishments in every sector—education, medical care, business, agriculture, energy, and government, to name a few—is long and growing. We have made substantial progress in Afghanistan as well. The

recent Constitutional Loya Jirga is an encouraging example of democracy in action. In both countries, as in the Horn of Africa and other areas, US and Coalition personnel work together to capture or kill terrorists, while at the same time improving infrastructure and economic conditions so that peace and freedom can take hold.

Despite the operational demands on our forces, we remain ready to support the President's National Security Strategy to assure our allies, while we dissuade, deter and defeat any adversary. The draft *National Military Strategy* (NMS), developed in consultation with the Service Chiefs and Combatant Commanders describes the ways we will conduct military operations to protect the United States against external attack and aggression, and how we will prevent conflict and surprise attack and prevail against adversaries. The strategy requires that we possess the forces to defend the US homeland and deter forward in four critical regions. If required, we will swiftly defeat the efforts of two adversaries in an overlapping timeframe, while having the ability to "win decisively" in one theater. In addition, because we live in a world marked by uncertainty, our forces must also be prepared to conduct a limited number of lesser contingencies while maintaining sufficient force generation capabilities as a hedge against future challenges.

We appreciate your continued support giving our dedicated personnel the warfighting systems and quality of life they deserve. Our challenge for the coming year and beyond is to stay the course in the War on Terrorism as we

continue to transform our Armed Forces to conduct future joint operations. We cannot afford to let our recent successes cause us to lose focus or lull us into satisfaction with our current capabilities. The war is not over, and there is still dangerous work to do. To meet this challenge, we continue to focus on three priorities: winning the War on Terrorism, enhancing joint warfighting, and transforming for the future.

War on Terrorism

28 months after the terrorist attacks on September 11, defeating global terrorism remains our military's number one priority. We will continue to fight this war on many different fronts, because terrorism comes in many different forms. The stakes remain high, but our resolve remains firm.

The more experience we gain in this fight, the more we recognize that success is dependent on a well-integrated military, interagency and coalition effort. This means the coordinated commitment of the military, diplomatic, informational, economic, financial, law enforcement, and intelligence resources of our Nation – all instruments of our national power. On the international level, Coalition military and interagency cooperation has been remarkable. In Iraq, Coalition forces from 34 nations are working hard to bring peace and stability to a country brutalized for 3 decades. In Afghanistan, 37 nations are working to secure a democratic government and defeat al Qaida and remnants

of the Taliban regime, with NATO assuming an increasing role in stability and reconstruction efforts.

We have made significant strides coordinating US Government efforts within the interagency and with our Coalition partners. One of the ways we have been successful at coordinating interagency efforts is through venues such as the Strategy Working Group, the Senior Leadership Review Board and the Regional Combating Terrorism Strategies. Continued success in this war will depend largely on our ability to organize for a sustained effort and coordinate seamlessly among all government agencies. An even more demanding task is coordinating the efforts of our Coalition partners, now numbering more than 90 nations. Coalition contributions have been significant, ranging from combat forces, to intelligence, logistics and medical units. They have complemented our existing capabilities and eased the requirement for current US forces in Iraq and Afghanistan. Coordinating the efforts of our Coalition partners is critical to combating the remaining terrorist threat.

The al Qaida network, though damaged, remains resilient, adaptable and capable of planning and executing more terrorist acts, such as the attacks in Saudi Arabia and Turkey toward the end of 2003. Al Qaida continues to receive support and recruit operatives from sympathizers around the world.

Al Qaida will increasingly focus on Iraq as today's jihad. As the network consolidates its efforts in Iraq, the threats of attacks will grow. In fact, four al Qaida audiotapes released in 2003 prominently mentioned Iraq, demonstrating Usama Bin Ladin's emphasis on staging attacks there. Ansar al-Islam also remains a formidable threat in Iraq, despite damage inflicted by Coalition forces during OIF. Its key leadership remains at large and continues to plot attacks against US and Coalition interests.

Other terrorist groups also pose significant threats to US interests, and we believe that some of these terrorist groups have developed contingency plans for terrorist attacks against US interests abroad. The Revolutionary Armed Forces of Colombia continue to conduct terrorist attacks throughout Colombia. They currently hold three US hostages captured in early 2003, and directly threaten efforts to bring peace, stability and an end to the drug trade in Colombia. Jemaah Islamiyah in Southeast Asia is another terrorist group that shares al Qaida's goals and methods, adding to the transnational terrorist threat. The intelligence that led to recent heightened alert levels in the US show that the threat of a major terrorist attack against the US homeland remains very real.

Disturbingly, terrorist groups continue to show interest in developing and using Chemical, Biological, Radiological and Nuclear weapons in terrorist

attacks. Terrorists have attempted to acquire military-grade materials, and interest in CBRN weapons and materials by several groups is well documented.

The Coalition's efforts in the WOT represent the significant first step in curtailing WMD proliferation. Our strategy for combating WMD calls for the Combatant Commanders to detect, deter, deny, counter, and if necessary, interdict WMD and its means of delivery. Combating WMD relies on a continuum of interrelated activities, employing both defensive and offensive measures, and confronting the threat through mutually reinforcing approaches of nonproliferation, counterproliferation, and consequence management. This multi-tiered and integrated effort will greatly reduce the threat of WMD falling into the hands of terrorists. Following the liberation of Iraq and the collapse of Saddam Hussein's brutal regime, the countries of Iran, and most recently, Libya have been more forthcoming about their illegal WMD programs to the international community. This should also help to apply international pressure on North Korea and its nuclear declarations.

To counter the potential threat of the proliferation of WMD, the President's Proliferation Security Initiative (PSI) is the most far-reaching attempt to expand our efforts to impede and interdict the flow of weapons of mass destruction, their means of delivery, and related materials, between state and non-state actors of proliferation concern. It is part of a larger effort to counter proliferation of weapons of mass destruction and missile-related

technology by interdicting shipments of these materials by air, land, and sea. To date, there are 11 partner nations actively participating in PSI operations and exercises. Our goal is to expand PSI participation in order to be postured to respond quickly to assist in the interdiction of the proliferation trade.

OIF and OEF Operations

US Central Command (CENTCOM) is still center-stage in the WOT, and doing a magnificent job under difficult circumstances. Iraq is well on its way to becoming a sovereign country. Our Coalition is strong, with 34 countries directly supporting stability and security in Iraq. As part of the 15 November 2003 agreement, the US, our Coalition partners, and the Iraqi Governing Council are forging plans and agreements to allow for the transfer of sovereignty to Iraq this June. Since the end of major combat operations, we have made steady progress towards meeting our objectives. Essential services are being restored, and a political transformation is already underway in Iraq. Security in Iraq is steadily improving, and we are transitioning to a time when the face of security in Iraq is an Iraqi face, and Coalition forces are in the background.

Today, Coalition forces continue to rout out remnants of the former regime attempting a desperate last stand. Using intelligence provided by Iraqi citizens, we are conducting thousands of raids and patrols per week alongside

Iraqi security forces. We have seized massive amounts of ammunition, and captured or killed 45 of the 55 most wanted former Iraqi leaders, as well as thousands of other Saddam loyalists, terrorists and criminals. We have captured or killed all of the top 5, most notably Saddam Hussein and his sons, Uday and Qusay.

The Iraq Survey Group is continuing its examination of Saddam's WMD programs by interviewing Iraqi citizens, examining physical evidence, and analyzing records of the old regime. We know that this process will take time and patience, and must be able to stand up to world scrutiny.

Our Soldiers, Sailors, Airmen, Marines and Coastguardsmen in Iraq are now supporting over 203,000 Iraqi security forces. The Iraqi police continue to expand their training pipelines in Jordan and Iraq, producing hundreds of trained officers each month. We are well on track to meet our goal of 71,000 Iraqi police by August 2004. The Facilities Protective Service has fewer training requirements and has already reached its goal of 50,000 members. They have taken over security from Coalition Forces at most fixed site locations, such as power lines and parts of the oil infrastructure – key targets for sabotage. Our goal for the Border Enforcement Force is to have 25,700 members by December 2004. They will relieve Coalition forces guarding checkpoints along Iraq's border. US military forces continue to vet former members of the Iraqi military and other security services for employment in the new Iraqi security services,

but Iraqis are formally in charge of de-Ba'athification efforts and have established guidelines for that process. The Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan 2004 that Congress approved last year was instrumental in enabling our planned accelerated development of these security forces, and we are grateful for that support.

The New Iraqi Army continues to train additional battalions. Iraq's Army needs more than just military skills. They must have a deep-rooted sense of professionalism, focused on protecting all Iraqis while operating firmly under civilian control. The new army will reflect Iraq's religious, regional, and ethnic mix, will be apolitical, and indoctrinated in their role of defense and security. We will spend the time and resources necessary to ensure the Iraqi Army is a well-trained and highly capable force.

The linchpin of our security efforts during this transition period is the Iraqi Civil Defense Corps (ICDC), which is currently planned for a force of 40,000 by the summer of 2004. The ICDC is a light military force, created to deal with the current stability issues in Iraq. As we have done from the beginning, we continue to reassess the security environment in Iraq. These security assessments could change force goals for the various components of Iraqi security forces. With the resources allocated from the supplemental, we have made great headway in providing them with vehicles, uniforms and other

gear, including communications systems that will enable them to succeed in their critical tasks. Military commanders in Iraq tell me that the Iraqi Civil Defense Corps has been highly effective, and as such, we increased the goal from 18 to 36 Battalions and provided \$124 million extra funding to reinforce the success of this Iraqi Security Force.

These supplemental funds also provided commanders with one of the most successful tools in winning the hearts and minds of the Iraqi and Afghan people, the Commander's Emergency Response Program (CERP). These funds provide commanders and the resourceful young troops they lead with the means to respond to urgent humanitarian and stabilization and reconstruction needs such as water and sanitation projects, irrigation and small-scale agriculture assistance, school house repairs and civic cleanup projects. This program is an invaluable tool for establishing relationships with the Iraqi and Afghan people, assisting in economic development, and creating a safer environment.

The United Nations and the international community are also playing vital roles in the political and economic transformation of Iraq. Over 70 countries and international organizations including the US, pledged \$33 billion at the Madrid Donors Conference. UN Security Council Resolution 1511 called upon Iraqis, initially through the Iraqi Governing Council, to determine the course and speed of their political reformation. In response, the Iraqi Governing Council has submitted its plan and timetable for selecting a

transitional National Assembly and interim government, drafting a constitution and holding elections. It is an ambitious schedule, but one that they can accomplish with our help.

In addition to security and political progress, we continue to help Iraq rebuild the infrastructure required for economic progress and a stable democracy. The Coalition Provisional Authority (CPA) and Task Force Restore Iraqi Electricity are managing a comprehensive maintenance and upgrade program designed to improve power generation, transmission, efficiency and capacity to meet the future needs of the Iraqi people. Through the coordinated efforts of the Army Corps of Engineers and the Iraqi Ministry of Electricity, we met the initial October 2003 goal of 4,400 MW of peak power generation. The next goal is 6,000 MW of power by 1 June 2004. In order to meet this goal the CPA developed the Power Increase Plan to offset recent system failures from severe weather and continuing sabotage and looting. This plan increases electrical power generation through an increase of generator rehabilitation and maintenance projects, the increase of new power generators to the national power grid, increasing electrical power imports from other nations, and improving system-wide power transmission and distribution. Other progress continues throughout Iraq in potable drinking water projects, supplying hospitals with medical supplies, providing school supplies for Iraqi school children and rebuilding classrooms. Living conditions are improving everyday in Iraq, as many of you have seen for yourselves on recent trips to Iraq.

In Afghanistan, our military strategy combines both combat and stability operations. US and Coalition forces are conducting combat operations to rid Afghanistan of al Qaida and Taliban remnants, and stability operations to assist in building Afghan security institutions, governing bodies, and economic prosperity. A few weeks ago the interim Afghan government held their first Constitutional Loya Jirga, approving a new constitution for Afghanistan.

Security and stability operations are being conducted by 11 Provincial Reconstruction Teams (PRTs) operating throughout Afghanistan, with 1 more PRT planned for this year. PRT representatives are making great strides improving the quality of life for the Afghan people by building schools, clinics, wells, roads and other community infrastructure projects. Reopening the Kabul-to-Kandahar road was a major success. Our efforts have increased security and stability in Afghanistan.

In August 2003, NATO assumed responsibility for the International Security Assistance Force (ISAF) in Afghanistan. In October 2003 the United Nations Security Council passed a resolution extending ISAF's mission in Afghanistan for one year, and authorizing ISAF to operate outside Kabul and its environs. In February 2004, a Canadian officer will assume command of the NATO ISAF headquarters from the German commander. NATO's role in Afghanistan is expanding. The first phase of NATO expansion included

transfer of responsibility for the US PRT at Konduz to NATO, with Germany as lead nation, and temporary NATO deployments outside Kabul. NATO is planning future ISAF expansion throughout Afghanistan.

The Afghan National Army (ANA), now numbering 5,785 trained personnel, is at the forefront of efforts to improve security and stability and establish a strong national identity among the Afghan people. They are well on their way to reaching the annual throughput goal of 10,800 personnel by June 2004. To date the ANA has performed well, fighting side-by-side with US and Coalition forces during recent successful combat operations to capture or kill Taliban, Hezb-I-Islami-Gulbiddin, and al Qaida elements. Most of the funding provided in the Afghanistan portion of the FY-04 Emergency Supplemental is being targeted to efforts that strengthen the ANA, such as new infrastructure and equipment that will also improve recruitment and retention efforts. These efforts include increased pay, plans to field 15 new regional recruiting centers by this spring, and establishing military benefit packages.

Congress has demonstrated its commitment to the future of Afghanistan, but there is still much more the international community could and should contribute to the reconstruction of Afghanistan. The Afghan government, with the help of the US government, is seeking more donations for several infrastructure projects such as a new Ministry of Defense headquarters, a

hospital in Kabul, and a military academy, as well as donations of certain equipment, weapons and ammunition.

In neighboring Pakistan, working closely with President Musharraf, we have been able to increase coordination among US, Coalition, Afghan and Pakistani forces along the Pakistan-Afghanistan border. The Pakistani government has taken some initiatives to increase their military presence on the border, such as manned outposts, regular patrols and security barriers, including areas of the Pakistan Federally Administered Tribal Areas, an area historically avoided by Pakistan's military forces. The Tripartite Commission consisting of US, Afghan and Pakistan representatives concluded its fifth session in December, and among its accomplishments was the establishment of a sub-committee to investigate means to prevent cross-border conflict. US/Pakistani military cooperation continues to improve, and we are helping Pakistan identify equipment requirements for their counter-terrorism efforts.

Operations in the Horn of Africa remain an essential part of the WOT. The Joint Task Force Horn of Africa at Camp Lemonier, Djibouti is conducting counter-terrorist and civil affairs operations in Eastern Africa. Although these operations have impacted al Qaida's influence in the region, a continued military presence is essential to stop the movement of transnational terrorists and demonstrating to the region our resolve to wage the WOT in Africa.

In support of OEF – Philippines, US Pacific Command (PACOM) used congressionally approved funds this past year to continue counter-terrorism training for the Armed Forces of the Philippines. A small contingent of US military personnel remains in the southern Philippines managing these efforts and other humanitarian assistance projects.

Other Overseas Operations

US European Command (EUCOM), in accordance with SECDEF guidance, has developed a concept for the reduction of US forces supporting US Kosovo Force in the Province of Kosovo, and US Stability Forces in Bosnia-Herzegovina. Implementation of this plan is dependent on the North Atlantic Council's Periodic Mission Review recommendation for the Balkans.

When EUCOM concludes the Georgia Train and Equip Program in May 2004, they will meet their objective of improving Georgia's ability to confront transnational terrorism operating within Georgia. Training is being provided for two staffs, four battalions and one mechanized/armor company team. To build on this success and momentum, EUCOM is reviewing a possible follow-on Georgia Capabilities Enhancement Program to sustain and improve the Georgian military's newly acquired capabilities, and demonstrate a continued US commitment to the Georgian Armed Forces' development.

Maritime Interdiction Operations took on a new global focus last year, beyond the historical CENTCOM and EUCOM missions, when the President approved Expanded Maritime Interception Operations to interdict terrorists and their resources globally. Expanded Maritime Interception Operations are now significant mission areas for every deployed battle group, especially along maritime transit lanes and choke points. Results from these maritime operations, such as in the Mediterranean Sea, have produced lower insurance premiums in the shipping industry, considerably less illegal immigration in countries such as Spain, Italy, and Greece, and a reduction in crime at sea. Maritime Interdiction Operations are a truly international effort. German and Spanish led multi-national naval forces patrol the CENTCOM area of responsibility, and this past year Coalition naval forces have been responsible for boarding over thirty ships within EUCOM's area of responsibility.

US Southern Command (SOUTHCOM) continues to support counter-narcotics trafficking and counter-terrorism efforts in the Caribbean and Central and South America. They are assisting the Colombian military in its fight against designated terrorist organizations by providing military advice, training, and equipment with an emphasis on the pursuit of narco-terrorist leadership, counter-narcotics tactics, and security for major infrastructure such as the Cano Limon pipeline. SOUTHCOM supported the formation of the Colombian Army Special Operations Command and is continuing its efforts to train the Commando Battalion, and a Ranger-type unit. Training was

successfully completed for the first Colombian Commando Battalion, and training has begun for the second battalion. The Colombian military has been very successful over the past year in their fight against narco-terrorism. The Tri-Border Area between Argentina, Brazil and Paraguay is another focal point for drug and arms trafficking, money laundering, document fraud and Islamic terrorist-supported activities in South America. US-sponsored multilateral exercises are promoting security, improving effective border control, and denying terrorist groups such as Hizballah, Hamas and other Middle Eastern terrorist safe havens, restricting their ability to operate.

SOUTHCOM is also providing nearly 2000 military personnel to manage detainee operations at Guantanamo Bay, Cuba. We operate in close coordination with several US Agencies. We are constantly reviewing the status of each detainee, and to date have transferred 87 of the detainees who were determined to be of no intelligence or law enforcement value, or no threat to the US or its interests, back to their countries of origin for release. Four detainees have been transferred back to their country of origin, under an agreement for continued detention by that country. More await similar agreements to allow for transfer or continued detention. A number of detainees have been assessed as high intelligence and or law enforcement value, or pose a significant threat to US interests. These detainees will remain for further exploitation. Other cases are being considered for referral to the Military Commission, although no one has been referred to date. Information gleaned from detainees, many of

whom continue to make threats against Americans, has already helped prevent further terrorist attacks against the US and our allies. Furthermore, continued detention of those who pose a threat to US interests prevents those enemy combatants from returning to the battlefield.

In accordance with the Unified Command Plan 2002 Change 2 implemented last year on 1 January 2004, US Strategic Command (STRATCOM) reported significant progress in all of their new mission areas: global strike; missile defense; DOD information operations; and command, control, communications, computers, intelligence, surveillance and reconnaissance missions. Further, they are on schedule to achieve full operational capability in each of the newly assigned mission areas this year. SECDEF has already approved the Information Operations Roadmap, which has 57 wide-ranging recommendations that aid Combatant Commanders in planning and executing fully integrated information operations.

As we become more reliant upon information to conduct operations, the defense of our network is paramount. This requires properly trained people, common operating standards, and a well-stocked arsenal of Information Assurance tools. We are working diligently to centralize network operations and defense, and to formalize information sharing policy, guidance and procedures. These steps, along with our cryptographic modernization plan, will safeguard our vital information.

We are formalizing the role of US Special Operations Command (SOCOM) in the War on Terrorism. In the near future, we will be recommending a change to the Unified Command Plan assigning SOCOM specific responsibility to coordinate DOD actions against terrorist networks. We are also drafting planning guidance that will designate SOCOM as the supported commander for planning and, when directed, executing operations against terrorist networks. These changes will provide SOCOM and all of DOD improved focus in our global effort to combat terrorism.

Current Homeland Defense Operations

Last year, US Northern Command (NORTHCOM) reached full operational capability in their mission to deter, prevent and defeat threats and aggression aimed at the US and its territories. Upon SECDEF approval, NORTHCOM can now deploy Quick Response Forces (company-sized units) and Rapid Response Forces (battalion-sized forces) to support time-sensitive missions such as defense of critical infrastructures or consequence management in support of the Department of Homeland Security (DHS). To improve interagency collaboration, DOD has been working with DHS to develop and implement the National Response Plan, a national-level, all-hazards plan that will integrate the current family of Federal Domestic Emergency Response Plans into a single plan.

The Joint Staff has developed a CONPLAN for consequence management operations, and NORTHCOM and PACOM have developed supporting plans. NORTHCOM's Joint Task Force Civil Support maintains strong interagency relationships to integrate command and control of DOD forces with federal agencies to manage the mitigation of CBRNE incidents. This past summer, DOD, Nevada National Guard and Reserve units, FEMA, 27 other Federal agencies, and Nevada State and local agencies participated in a consequence management exercise in Nevada called DETERMINED PROMISE 2003. I was thoroughly impressed by the coordination and cooperation among active and reserve component forces, and Federal, State and local authorities. We are conducting similar exercises across the country.

In regards to anti-terrorism and force protection measures, the Joint Staff is working to ensure that Combatant Commanders at home and abroad have the resources to mitigate threats and respond to emergent requirements through the Combating Terrorism Readiness Initiatives Fund. My staff is involved in developing and updating anti-terrorism standards and policies to reflect current worldwide operations and lessons learned so that we can address any vulnerabilities. We coordinate with various agencies in the areas of training, planning, operations and intelligence sharing, all essential for developing sound anti-terrorism policies.

In an effort to improve the security of US military installations and personnel around the world, the Joint Staff has created the Antiterrorism Enterprise Portal, an evolving web-based portal that aggregates the resources and programs required to support the DOD Antiterrorism Program. This portal is fast becoming DOD's one-stop location for antiterrorism/force protection information.

A program that complements this portal capability is the Joint Protection Enterprise Network (JPEN). Operated by NORTHCOM, this network provides the means to share unclassified force protection information rapidly between military installations in the Continental United States, increasing their situational awareness and security significantly. Although currently operating only on military installations, JPEN has the potential to be expanded to share terrorist information with Federal, State and local agencies as well.

The WOT requires collecting relevant data and turning it into knowledge that will enable us to detect and preempt the plans of an elusive, skilled enemy dispersed across the globe. Although many obstacles remain, we are making significant progress in the area of information sharing. The Joint Intelligence Task Force for Combating Terrorism (JITF-CT) at DIA is a prime example of effective intelligence cooperation in the WOT. In the area of counterterrorism, we are making significant progress toward transparency and full information sharing. JITF-CT has experts from 12 intelligence and law enforcement

organizations, and JITF-CT personnel are embedded in 15 other organizations, including some forward deployed personnel.

Readiness for Future Operations

Our Nation's number one military asset remains the brave men and women serving in our Armed Forces. This past year, they demonstrated to the world their dedication, perseverance and compassion as they liberated the Iraqi people and worked to bring peace and prosperity to the region. The Administration, Congress and DOD have made raising their standards of living a top priority. The 2004 budget provided an average military pay raise of 4.15 percent and targeted increases of up to 6.5 percent for some enlisted personnel. The 2005 budget's proposed reduction of out-of-pocket housing expenses from 3.5 percent to 0 is a sound investment, as are future pay increases based on the Employment Cost Index plus .5 percent.

DOD has a focus group that continues to look at programs to enhance the combat effectiveness and morale of service and family members associated with OIF and OEF. Areas where we have made significant progress are Rest and Recuperation Leave, danger area benefits to include incentive options for extended tours of duty in Iraq and Afghanistan, exchanges, childcare and communications initiatives.

All Services generally met or exceeded active duty and reserve component recruiting and retention goals in both Fiscal Years 2002 and 2003 and entered fiscal year 2004 with healthy Delayed Entry Program levels. However, recruiting and retention of both active and reserve personnel will continue to require attention and continued investment as we face the challenges of an improving economy and the high operations tempo associated with the war. I view all of the Quality of Life issues as inseparable from overall combat readiness, and we greatly appreciate Congressional support for all of these initiatives.

The overall readiness of our armed forces – whether forward deployed, operating in support of contingency operations, or employed in homeland defense – remains good. Our forces are the world's best trained and, possess the requisite personnel, equipment, and resources necessary to accomplish the military objectives outlined in the Strategic Planning Guidance. Challenges do exist, especially with regard to ground forces in Iraq. We are currently in the midst of rotating our combat troops in Iraq – a feat that will rival any in history. We will continue to examine force levels and size them appropriately as security dictates.

We continue to rely heavily on our Reserve and Guard personnel, who are playing critical roles in Homeland Defense, and serving with distinction around the world in the War on Terrorism. Some missions like the ones in

Bosnia-Herzegovina and Kosovo are almost exclusively made up of Reserve and Guard units, and they are doing a magnificent job. We are well aware of the strains on members, their families, and their employers, and continuously seek better ways to support them.



There are several initiatives underway, collectively by DOD, the Services, Combatant Commands, and the Joint Staff to reform the mobilization process and to relieve the stress on the force. USJFCOM, in conjunction with the Services, is leading the mobilization reform effort by evaluating policy changes and identifying other solutions to streamline the mobilization/demobilization process, and preliminary recommendations are expected in early 2004. Two Operational Availability sub-studies were conducted last year and identified the Active Component/Reserve Component Mix and Low Density/High Demand assets as two areas of immediate concern to relieve stress on the Reserve Component forces. As an example, the Army has already begun converting some Reserve Component artillery forces into Military Police forces to meet one of the expected high demand roles of the foreseeable future. This, and other ongoing rebalancing efforts will ensure that active and reserve forces continue to complement each other. The Services are actively engaged in reviewing how much of a given capability they need for this new security environment, and which capabilities belong in each component. Other key DOD areas of concern are reducing the need for involuntary mobilization of the Reserve Component early on in rapid response operations, establishing a more rigorous process for

reviewing joint force requirements, and ensuring efficient use of mobilized Reserve Component personnel. A comprehensive Rebalancing the Force Report by ASD (RA) will summarize these efforts, while a study by ASD (HD) will define Reserve Component requirements for Homeland Defense.

US Armed Forces are capable of achieving all assigned objectives in the Defense Strategy. However, current stresses on the force remain considerable. The increased demands of the War on Terrorism, sustaining post-conflict operations in Iraq and Afghanistan, and other global commitments are unlikely to change significantly in the near-term. Moreover, while committed globally, our Armed Forces must continue to defend the homeland, reconstitute forces returning from contingency operations, transform to meet future challenges, strengthen joint and combined warfighting capabilities, and maintain readiness. Today, given these commitments and requirements, we are carefully managing the risk in executing an additional major combat operation.

When units return home from combat operations, they must undergo a reconstitution process, which generally means a drop in their readiness. However, this does not necessarily indicate that a unit is either unavailable for or incapable of executing part or all of their assigned wartime missions. We have initiated new measures in the current readiness reporting system to identify Service and combatant command requirements, determine the scope of required reset actions, and develop appropriate solutions to mitigate shortfalls

and manage risk. Our workload remains high, but we remain prepared to accomplish those missions assigned to us.

Army units returning from OIF I/OEF require focused maintenance efforts to return them to pre-hostility readiness levels, while continuing to meet Combatant Commanders' maintenance requirements. The Army's goal is to return OIF I/OEF active duty units to pre-deployment readiness within 6 months and reserves within 1 year after return to home station. However, some critical aviation systems may require additional time in order to complete depot level repairs. Funding was programmed from the 2004 Supplemental for these organizational and depot level maintenance requirements. Army Materiel Command is the lead agency for developing a plan to repair major equipment items from OIF I/OEF. Approximately 1,000 aviation systems, 124,400 communications & electronics systems, 5,700 combat/tracked vehicles, 45,700 wheeled vehicles, 1,400 missile systems, 6 patriot battalions, and 232,200 various other systems are included in this repair plan. As OIF II and beyond maintenance requirements are further defined, DOD will refine estimates and update costs.

Combatant Commanders and the Services identified preferred munitions as one of their risk areas of concern via periodic readiness reporting. Supplemental funding, as well as augmented annual budget requests, have allowed us to meet our requirement for Joint Direct Attack Munitions and

laser-guided bomb kit demands. In the near term, we are focused on improving how we determine our munitions requirements. Over the long-term, we plan to field improved guided munitions systems that build on our already superb precision-delivery capabilities.

Our military training areas are facing competition from population growth, environmental laws, and civilian demands for land, sea, and airspace. The Services are proud of their success in protecting the environment, endangered species and cultural resources. We are grateful to Congress for their assistance in the FY04 Defense Authorization Act, which precluded designating certain DOD lands as critical habitat, and preserved valuable Navy training while ensuring protection of marine mammal species. Having the world's most sophisticated weapons systems and simulators cannot substitute for our most important military training activities, air, land and sea maneuver and live-fire training. Some installations, ranges, and training areas are losing critical military value because encroachment is impairing their capability to provide useful readiness and operational support. Such facilities should be reviewed during the next round of Base Realignment and Closure. We will continue to seek Congressional support that balances environmental concerns and readiness.

Our Nuclear Readiness continues to evolve. In December 2001, the Nuclear Posture Review established a New Triad composed of Offensive Strike

capabilities (both nuclear and non-nuclear), Defenses (active and passive) and Responsive Infrastructure in order to respond to a wide range of contingencies. DOD is in the midst of a Strategic Capabilities Assessment to assess the progress in fielding the New Triad and determine the number and types of forces to meet the President's goal of 1700 to 2200 operationally deployed strategic nuclear warheads by 2012.

We continue our efforts to ensure we can operate effectively in a CBRN environment, since our potential adversaries, both nation states and terrorists, seek to acquire and develop weapons of mass destruction, including biological warfare agents. Vaccinations represent an important countermeasure against biological threats and provide our military personnel with the best available protective measures. To date, approximately 695,000 military personnel have been vaccinated against anthrax and more than 520,000 military personnel have received smallpox vaccinations. The anthrax and smallpox vaccination programs are very successful, and it is imperative to develop effective countermeasures against other biological threats to protect our warfighters.

While our warfighting team has always included contractors, their involvement is increasing. The Joint Staff is leading a joint group to develop overarching DOD policy for management of contractor personnel during contingency operations.

We must also reexamine our ability to get to the fight. The Mobility Requirements Study 2005, completed in 2000, is the current baseline mobility requirements document. DOD is actively engaged in conducting a new full-scale mobility study that reflects our current defense strategy and incorporates lessons learned from OEF and OIF to further clarify strategic lift requirements. The goal is to complete a new Mobility Capabilities Study by June 2005, in time to influence preparation of POM-08.

Sustaining our overseas presence, responding to complex emergencies, prosecuting the global war on terrorism, and conducting operations far from our shores are only possible if our ships and aircraft are able to make unencumbered use of the sea and air lines of communication. Our naval and air forces must be able to take advantage of the customary, established navigational rights that the Law of the Sea Convention codifies. We strongly support US accession to the Convention.

Although C-17 production is not planned to terminate until FY-08, production of several C-17 long lead items is planned to close in FY-06. The Air Force and DOD are studying the benefits and risks (including financial and war fighting) of continuing or terminating the C-17 long lead items production line, and plan to complete this assessment in time to inform the FY-06 POM and the Enhanced Planning Process.

Increasing costs, decreasing reliability and maintainability, and an increased need for air-refueling capability dictate modernization of the KC-135 fleet. Congress has authorized the Air Force to lease 20 and purchase 80 new Boeing 767 tanker aircraft. In early December 2003, DOD suspended negotiations with Boeing, pending the outcome of ongoing Inspector General investigations. Based on the results of that investigation, the Air Force will recommend a cost-effective strategy for acquiring a suitable replacement for the KC-135 fleet to meet joint warfighting requirements to support our National Security Strategy.

The F-35 Joint Strike Fighter (JSF) will be a giant leap over existing attack/fighter capabilities. JSF is in the third year of an 11-year development program, and we have seen some design challenges. The current design challenge for all three variants is weight, which impacts performance requirements, particularly for the Short Takeoff and Vertical Landing variant. Design teams are working diligently to solve this issue, and we have moved the first planned production procurement to the right one year, and added extra money to the development. The weight issue is within normal parameters of design fluctuation, and this issue will be worked out through the development and design process.

Protection of our troops remains a top priority. Interceptor Body Armor (IBA) was in the initial fielding phase at the start of OIF. The Army has been

aggressively managing this critical item, and accelerated fielding and production rates when CENTCOM identified the need due to the threat situation. The Army has been issuing the IBA directly for use in the combat theater of operations. IBA consists of an Outer Tactical Vest (OTV) and a set of Small Arms Protective Inserts (SAPI). As of 26 January, 93% of the troops and DOD civilians operating in Iraq had been outfitted with IBAs with SAPI. The OTV and SAPI assets needed to equip the remainder of the force are in theater being distributed. During the upcoming force rotation, all OIF II forces will be outfitted in Kuwait prior to entering Iraq. We will continue to work diligently to provide the best protective equipment for our servicemen and women and DOD civilians.

The Up Armored version of the High Mobility Multi-Purpose Wheeled Vehicle (HMMWV) has proven to be effective at protecting our soldiers against mines, improvised explosive devices (IED) and direct fire weapons. Currently there is a shortfall in Iraq and worldwide. To fill this shortfall, in the near term, the Joint Staff, the Services and the Combatant Commanders are conducting an aggressive campaign to redistribute worldwide inventories of UP Armored HMMVVs to Iraq. In the longer-term, Congress' Emergency Supplemental provided funding to accelerate production of Up Armored HMMVVs to meet CENTCOM requirements by January 2005.

OIF reaffirmed how critical the deployment and distribution process is to joint warfare. The Joint Staff is working with DOD and the Service logistics experts to develop an integrated end-to-end deployment and distribution process that is responsive to rapid projection of forces, the delivery and handoff of joint forces, and worldwide sustainment in support of the Joint Forces Commander.

During the FY 2004 budget cycle, Congress voiced concern over the Department's overseas basing plans. Since then, our global posture strategy has matured. We are now in the process of detailed consultation with our allies and members of Congress. The overseas portion of the FY 2005 Military Construction budget submission includes projects at enduring locations. These projects reflect our Combatant Commanders' most pressing base and infrastructure needs. I urge Congress to support our Combatant Commanders and fund the overseas MILCON projects submitted in the FY 05 budget request. These projects contribute directly to our readiness and the quality of life our personnel deserve.

Joint Warfighting

Protecting the US, preventing future conflicts, and prevailing against adversaries require our military to sustain and extend its qualitative advantage

against a very diverse set of threats and adversary capabilities. Maintaining our qualitative advantage begins with improving education programs across the Services. We must also adapt and transform organizations and functions to eliminate gaps and seams within and between combatant commands, agencies at all levels of government, and potential coalition partners. Information sharing is at the forefront of this effort.

Recent operations in Afghanistan, Iraq, the Philippines, and Africa have demonstrated the impact timely sharing of intelligence has on planning and executing military operations. Since this is a global war requiring an international effort, we must also improve coalition command and control capabilities, and consolidate the numerous networks that exist today. These disparate networks hinder our ability to plan in a collaborative environment and exercise timely and effective command and control with our multinational partners.

We must also review policies and implement technology that safeguard our vital sensitive information while ensuring critical operational information is shared with all those who fight beside us. JFCOM has been tasked to take the lead in identifying specific multinational information sharing requirements and recommending policy changes. Our goal is to establish a multinational family of systems with common standards as part of the Global Information Grid enterprise services. I view this as a top priority and ask for Congressional

support – information sharing with our allies is critical to winning the War on Terrorism.

During OIF, our military forces benefited from unprecedented situational awareness through a common operational picture. In particular, one new system, Blue Force Tracker, was critical to the success of our forces as they sped towards Baghdad. Some of the 3rd Infantry Division, V Corps, and I MEF vehicles were equipped with transponders that automatically reported their positions as they maneuvered across the battlefield – greatly improving situational awareness for our battlefield commanders, and reducing the potential for blue-on-blue engagements. Despite significant improvements in joint combat identification, challenges remain to reduce incidents of friendly fire, and maximize the synergy of combined arms to provide all front-line tactical units with friendly and threat information during decisive engagements. To address these challenges, JFCOM has the lead in the comprehensive effort to improve Joint Battle Management Command and Control, which includes the integration of Common Operational and Tactical Pictures, Combat Identification, and Situational Awareness across the force.

We are taking command and control lessons learned from OIF like the capability to track Blue Forces, and running them through the Joint Capabilities Integration and Development System process to help shape future systems requirements. The objective is to ensure all of the critical

considerations of Doctrine, Organization, Training, Material, Leadership and Education, Personnel, and Facilities (DOTMLPF) are employed in an approach that synchronizes material and non-material solutions.

We are also improving our military war planning process. The Joint Staff has developed an Adaptive Planning process – whose key concepts are agility and speed – to reduce the time to develop and update war plans, while adding flexibility and adaptability to respond to the rapid changes in the global strategic security environment. The goal is to provide the President and SECDEF the best options possible. We have also been developing a collaborative campaign-planning tool for crisis action planning and execution. These tools should allow commanders the ability to assess multiple courses of action, rapidly compressing plan development time while increasing plan flexibility.

Our warfighting effectiveness is also enhanced by our Joint Exercise Program, which provides Combatant Commanders with the means to train battle staffs and forces in joint and combined operations, evaluate their war plans, and execute security cooperation plans with our allies and Coalition partners. In order to improve joint training opportunities, JFCOM has established a Joint National Training Capability (JNTC), which will achieve Initial Operational Capability in October 2004. JNTC will combine live and virtual play at multiple locations. The goal is to provide realistic joint combat

training against an adaptive and credible opposing force, with common ground truths, and high quality exercise feedback.

Strategic airlift is available to exercises only on an as-available basis, since it is prioritized for operational needs first. Providing the personnel and assets to accomplish meaningful joint training during this period of high OPSTEMPO has also been challenging. To balance these competing requirements, the Combatant Commanders are reviewing their FY04 exercise programs with a view to canceling, downsizing or postponing exercises. We must continue to balance operational and exercise requirements against OPS/PERSTEMPO and available lift.

Prior to combat operations in Iraq, we established a process for adapting OIF lessons learned for future operations as rapidly as possible. JFCOM has the lead role in turning identified operational level lessons learned into required capabilities through the Joint Capabilities Integration and Development System. A consolidated OIF After Action Review will be presented to Congress in July 2004. The top three OIF Strategic Lessons Learned, from the Joint Staff perspective, are the need for an improved deployment process (including Reserve Component mobilization), redistributing specialties between the Active and Reserve Components, and improving the Phase IV planning and transition process.

Phase IV transition and Stability Operations require significant adjustments in how we plan, train, organize, and equip our forces. We can expect future adversaries to attempt to offset US military strengths through asymmetric means, to include terrorist insurgency, as combat operations transition to post conflict operations. The lessons learned process continues during stability operations in Afghanistan and Iraq.

The Joint Staff, in coordination with the Services and the Combatant Commanders, is revising the National Military Strategy to link strategic guidance to operational warfighting and serve as a military plan to implement the National Defense Strategy and the National Security Strategy. The National Military Strategy provides the context for other military documents such as the Joint Operations Concept, Joint Strategic Capabilities Plan, and other plans. It will incorporate lessons learned from Operations NOBLE EAGLE, ENDURING FREEDOM and IRAQI FREEDOM and establish specific military priorities, objectives, employment concepts, and capabilities for Combatant Commands and Services. The 2004 National Defense Authorization Act requires that the National Military Strategy include the CJCS annual risk assessment, which is due 15 February 2004.

Considerations and Recommendations for Goldwater-Nichols Act

For the past 18 years, joint operations have been improving under the provisions of the Goldwater-Nichols Act. The act strengthened civilian control of the military and facilitated better military advice to the President, SECDEF, NSC and the Congress. Now, it is time to consider new ideas for improving the effectiveness and efficiency of the military instrument of power in today's new security environment.

The WOT and other recent military operations have demonstrated the need for improved interagency cooperation, integration and execution of National Security Council decisions. We also need to improve how we coordinate the efforts of international, regional and non-governmental organizations. I fully support initiatives to formalize a mechanism that creates effective lines of authority and provides adequate resources to execute interagency operations. For example, designating the Chairman of the Joint Chiefs of Staff as the principal military advisor to the Homeland Security Council would improve homeland defense and prosecution of the WOT beyond our borders.

Joint Officer Management codified in the 1986 Goldwater-Nichols legislation was based on the threats and force structure evident late in the Cold War. We are developing a strategic plan to shape joint officer management

based on the type and quantity of officers needed to perform current and future joint missions, and the education, training, and experience joint officers require. This strategic approach will ensure future joint officers meet the needs of joint commanders.

We are already taking some initiatives to improve our Joint Professional Military Education system, with the goal of educating and training the right person for the right task at the right time. Historically, we waited until officers became majors and lieutenant colonels before we provided them with joint education. We are finding that the War on Terrorism requires noncommissioned officers and junior officers from all Services to work in the joint environment more often than they have before. We are developing courses tailored to the needs of our younger troops that expose them to joint warfighting far earlier in their careers. To improve joint officer management and education, and prepare officers for joint duty earlier in their professional careers, I request consideration to allow the Service War Colleges to teach Joint Professional Military Education (JPME) Phase Two and the authority to determine the appropriate length of the Joint Forces Staff College's JPME Phase II course. We also have pilot programs providing joint education to Senior Noncommissioned Officers and our Reserve and Guard component members. Additionally, we are reviewing our joint general and flag officer training programs to ensure our senior officers are prepared to command joint task forces and work effectively with interagency and coalition partners.

Today, the Chairman remains well positioned to assist in providing strategic direction to the Armed Forces, assess impacts on the long-term readiness of the force, and evaluate current and potential levels of risk associated with global military activities. Already, we are in the process of transforming our internal processes make them more responsive in the current dynamic environment. In a similar vein, I request we also reevaluate and streamline our current reporting requirements to Congress, many of which seem of questionable utility. I propose the formulation of a working group composed of members from the HASC, SASC, HAC, SAC, OSD, OMB and Joint Staff to identify the best means and frequency of communications to meet Congressional oversight needs.

TRANSFORMATION OF THE US ARMED FORCES

We cannot focus solely on the threats we face today and assume there are not other, perhaps even more challenging threats on the horizon. Maintaining our unchallenged military superiority requires investment to ensure the current readiness of deployed forces while continuing to transform military capabilities for the future. Our adversaries will learn new lessons, adapt their capabilities, and seek to exploit perceived vulnerabilities. Therefore our military must transform, and must remain ready, even while we are engaged in war.

Before the events of September 11th, transforming the force was viewed as DOD's greatest near-term challenge. Since then, we have had to fight battles in the mountains of Afghanistan, in the cities of Iraq, and around the world for the security of America. Putting transformation on the back burner and focusing solely on the fight at hand is simply not an option. We are fighting a war unlike any we have fought before – it demands new ways of thinking about military force, new processes to improve strategic agility, and new technologies to take the fight to the enemy. DOD continues to invest heavily in transformation, both intellectually and materially. Given that transformation begins with innovative thought, we have developed a suite of concepts that will define how the joint commander will fight in 2015 and beyond.

We recently published an overarching concept document titled Joint Operations Concepts to provide a framework for developing capabilities and defining concepts. Using this document as a foundation, the Joint Staff completed development of five joint functional concepts to define how joint warfighting will be conducted across the range of military operations. These functions include force application, protection, command and control, battlespace awareness, and logistics. Meanwhile, the Combatant Commands have been working on four high-level operating concepts that include strategic

deterrence, stability operations, homeland defense, and major combat operations.

Collectively, functional and operating concepts define how we want to fight in the future, and will help us transform from the threat-based force of the Cold War to a capabilities-based force postured to respond to a wide variety of threats, some of which we cannot confidently predict today. To aid the Joint Requirements Oversight Council in determining warfighting needs with a capabilities-based approach, we are developing joint integrating concepts. These concepts are far more focused than functional and operating concepts, and define specific tasks to be conducted. They are designed to bridge the gap between how we want to fight and the capabilities we need. Examples include urban operations, global strike operations, and forcible entry operations. The functional, operating and integrating concepts will continue to evolve over time. The first round of this very important concept work should be done within the year.

For each functional concept area we have established a Functional Capability Board to integrate the views of the Combatant Commands, Services, Defense Agencies, Joint Staff, and OSD. These boards comprise functional experts from across DOD who will provide the best advice possible for our planning, programming, and acquisition processes. Functional Capability Boards also support a new process called the Joint Capabilities Integration and

Development System, which replaces the previous Cold War-era Requirements Generation System. The new system recognizes that less expensive programs can have a significant impact on joint operations. Virtually all programs are reviewed through the JROC process for potential joint impact before they get a green light, ensuring all Service future systems are born joint.

Based on the recommendations of the Joint Defense Capabilities Study – the Aldridge Study – we established the Strategic Planning Council chaired by SECDEF, and composed of the Service Secretaries, the Joint Chiefs, Principal Under Secretaries and the Combatant Commanders. The first meeting was held 28 January 2004. To capture and disseminate this top-down strategic direction, we will produce a new Strategic Planning Guidance document as the mechanism to provide subordinates with this strategic guidance. The first Strategic Planning Guidance document should be complete by February 2004.

We are also developing an Enhanced Planning Process that integrates DOD-wide lessons learned, experimentation, concept development, study results, capability gap analysis, and technology development into a collaborative capabilities planning function. The goal is to offer distinct and viable alternatives to senior leadership rather than a consensus driven, single point solution, and implement their decisions into the Joint Programming Guidance document, the first of which will be issued in May 2004.

These three transformational process initiatives – Functional Capability Boards, Joint Capabilities Integration and Development System, and the Enhanced Planning Process – work together improving our planning and programming agility for future joint capabilities. JFCOM is working with the Functional Capability Boards to incorporate lessons learned from OEF and OIF into a list of materiel and non-materiel recommendations to the Joint Requirements Oversight Council to turn lessons learned into identified capabilities needs as quickly as possible.

JFCOM is also coordinating with the Services, Combatant Commands, other US agencies, and coalition partners to ensure experimentation efforts support the warfighter. One of JFCOM's key experimentation initiatives is the Standing Joint Force Headquarters, which will provide Combatant Commanders a rapidly deployable command and control team, along with supporting information systems and reachback capabilities, that will enable us to respond to regional conflicts with smaller and more effective joint operational headquarters. JFCOM is establishing the prototype Standing Joint Force Headquarters this year, and in FY05 we will field the communications portion known as the Deployable Joint Command and Control System to CENTCOM and PACOM. EUCOM and SOUTHCOM receive follow on systems in FY06 and FY07. The Deployable Joint Command and Control System will use state-of-the-art information technology to enhance Joint Force command and control.

Communications systems are a prime target for transformational ideas. The Joint Tactical Radio System is a software programmable radio that will provide seamless, real-time, voice, data and video networked communications for joint forces. It will be scalable allowing additional capacity (bandwidth and channels) to be added, backwards-compatible to communicate with legacy systems, able to communicate with multiple networks, and able to accommodate airborne, maritime and land based systems. It provides the tactical warfighter with net-centric capabilities and connectivity to the Global Information Grid, and is essential to meeting our 21st century joint communications warfighting requirements.

Transformation also means developing multiple, persistent surveillance capabilities that will let us “watch” situations and targets by looking, smelling, feeling, and hearing with a variety of long-dwell sensors from space, air, ground, sea and underwater and integrating these capabilities into a “system of systems.” The exploitation of Measurement and Signature Intelligence (MASINT), holds great promise. MASINT collects information from many diverse sources to detect, characterize and track a target or activity by its distinctive properties, or “signatures” that are very difficult to conceal or suppress. Last year, DIA created its Directorate for MASINT and Technical Collection to develop new forms of technical collection and integrate MASINT into collection strategies and operations.

Another example of the transformational technologies we have just fielded is the Army's Stryker Brigade, which is centered on a new, fast, and quiet vehicle that can deliver 11 troops to the fight. This effort is far more than simply fielding a new vehicle; it is also a new way to organize a brigade, and link that brigade to a networked command and control system that shares intelligence, surveillance, and reconnaissance information. Our Stryker Brigade Combat Teams (BCTs) are organized and trained to take advantage of this new technology. The first Stryker BCT is already proving its worth in Iraq.

To reduce our vulnerability to weapons of mass destruction, we have made progress on providing missile defenses for our homeland, our deployed forces, and our friends and allies. In the coming year, we plan to deploy six ground-based interceptors in Alaska and four in California to provide an initial capability to defend the US from ballistic missile attack. The PATRIOT missile defense system and the emerging AEGIS-based SM-3 system will provide short and medium range missile defenses, as well as critical surveillance and tracking essential to our Ballistic Missile Defense System. Coupled with an upgraded launch detection capability provided by the Space Based Infrared System, our ballistic missile defenses will continue to improve significantly over the next few years.

The Global Positioning System (GPS) offers an excellent example of a system that transformed modern warfare. GPS delivers worldwide positioning,

navigation and timing data that provide US and allied forces an all-weather, precision engagement capability. Over the last decade, the success of combat operations was largely due to GPS-aided precision-guided munitions. We must continue to modernize GPS, improve capabilities, protect US and allied access to reliable military positioning, navigation and timing information, and deny this information to our adversaries, while minimizing impacts to peaceful civil users. We are engaged with NATO and the European Union to resolve our concerns with the proposed Galileo system, a civil satellite system that puts at risk our programmed military enhancements to GPS. A US interagency team has made significant headway with some tough technical issues over the past year, but continued negotiations are essential to address the remaining technical, and more importantly, the political issues. Once these issues are resolved, we can confidently move forward with our vision of space superiority to support future joint and coalition operations.

As recent military operations have demonstrated, space is a critical dimension of the battlespace. Lessons learned from OEF and OIF highlight our increasing reliance on space communication assets and our demand for bandwidth. Our challenge is meeting future warfighter requirements in the face of an aging satellite constellation. Despite a planned 10-fold increase in capability through Advanced EHF and Wideband Gapfiller Systems, projected capacity may not meet the growing demand. This shortfall will potentially impact our ability to maintain a technological advantage over our adversaries.

Work on Transformational Satellite Communications continues, which is designed to improve communications for mobile systems, particularly those that provide intelligence, surveillance, and reconnaissance. Our unmanned aerial vehicles and the Army's Future Combat System place heavy demands on bandwidth, particularly when real-time video feeds are required. The frequency spectrum is critical not only to joint warfighting, but to all federal, state and local agencies to ensure national security and public safety. Military and civilian technology is rapidly moving to a wireless medium. As pressures from commercial sources to free up more federal spectrum mount, we must ensure our long-term spectrum accessibility for our military forces.

These are just a few examples our ongoing transformation efforts. We are working hard to integrate old systems with new, in innovative ways. Interoperating between our own legacy and transformational systems is a challenge for us, but it is an even greater challenge to our coalition partners, who must participate in key decisions on how transformation will enhance combined operations in the future.

Over the past year, NATO has achieved great success in progressing toward a transformed military organization. The Alliance has developed, approved, and begun implementing a new, more streamlined command structure, which will make it viable in the 21st century global security environment. The catalyst for modernization will be the new Allied Command

Transformation, which will maintain a close partnership with JFCOM. Also, on the forefront of transformation, NATO has created the NATO Response Force, a key enabler of NATO's new operational concept. It is designed to be a combined, deployable, sustainable, and lethal force intended to be NATO's first responders, able to respond quickly to a crisis anywhere in the world. In a display of NATO's new focus, on August 11, 2003, NATO assumed command of ISAF in Afghanistan, the first out of area mission in the history of the Alliance. To be an effective joint force in the future, we must ensure that our allies keep pace with our transformation efforts.

Conclusion

Responding to today's dynamic threat environment requires our Armed Forces to be innovative, agile, and flexible. With Congress' strong support, our military has made significant progress combating terrorism, improving our joint warfighting capabilities, and transforming our military into a 21st Century fighting force. We appreciate your efforts to help us be responsive to a changing world, and make that world a safer and better place.