

**DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR FISCAL YEAR 2011**

WEDNESDAY, JUNE 16, 2010

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:30 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Leahy, Dorgan, Feinstein, Murray, Specter, Cochran, Bond, Hutchison, and Bennett.

DEPARTMENT OF DEFENSE

OFFICE OF THE SECRETARY

STATEMENT OF HON. ROBERT M. GATES, SECRETARY OF DEFENSE

OPENING STATEMENT OF CHAIRMAN DANIEL K. INOUE

Chairman INOUE. This morning, the subcommittee welcomes Dr. Robert Gates, the Secretary of Defense, and Admiral Mike Mullen, the Chairman of the Joint Chiefs of Staff, to testify on the administration's budget for fiscal year 2011. We welcome you and thank you for joining us.

The administration has requested \$540 billion for base budget for the DOD for fiscal year 2011, an increase of \$18 billion over the amount enacted last year. Additionally, the administration has requested \$159 billion in supplemental funding for overseas contingency operations in the next fiscal year, roughly equal to the supplemental funding requested for the current fiscal year.

The base budget for DOD has nearly doubled in the last 10 years, and since 2001, we have spent close to \$1 trillion on post 9/11 combat operations. Those are staggering numbers, to say the least, and warrant some judicial scrutiny on behalf of both the warfighter and the taxpayer.

Mr. Secretary, last year, you set out to reform the Pentagon's budget, and particularly by seeking greater balance in our force structure between competing requirements for irregular and conventional warfare. This year's budget request continues this effort. One key theme you have emphasized in recent months is the need to provide an institutional home in the Department for the warfighter engaged in the current fight.

We would agree with that, but as you well know, much of the critical force protection equipment that is used in the theater today

has been funded outside the regular budget and is being managed by newly created and ad hoc organizations that we understood were to be temporary in nature. Yet even after several years at war, these task forces still haven't transitioned to regular Defense Department operations. The Mine Resistant Ambush Protected Vehicle Task Force; the Intelligence, Surveillance, and Reconnaissance Task Force; the Joint Improvised Explosive Device Organization; and the Helicopter Survivability Task Force come to mind.

Last year, you even created a senior integration group to oversee efforts by these task forces. These organizations are not only largely funded with supplemental appropriations, they remain apart from the regular acquisition process and enjoy considerable flexible authorities, some of which are being interpreted quite broadly, to say the least.

Mr. Secretary, when we met last year, you indicated to us that some of these task forces would disappear. So we would appreciate an update from you with respect to the transition plans.

At the same time, conventional threats to our national security remain. We need only look at words spoken and actions taken in recent weeks by North Korea, Iran, and China to be reminded that our national security challenges go beyond those of irregular warfare. There is grave concern that with the current emphasis on irregular warfare capability, we could be losing sight of the conventional threats and degrading our ability to counter them.

And finally, Mr. Secretary, in light of our Nation's fiscal challenges, you recently stated that military spending should expect to receive harsher scrutiny. You mentioned large and small weapons systems, a review of Defense Department operations, and also the challenge of providing healthcare for our soldiers and veterans, quoting President Eisenhower's truism that, "The patriot today is the fellow who can do the job with less money."

As you can imagine, those statements raise a few questions. So we hope you will take this opportunity to elaborate a bit further about what you have in mind.

But before proceeding, Mr. Secretary, I would like to call upon our vice chairman for any comments he wishes to make.

Senator Cochran.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, thank you.

I am pleased to join you in welcoming our distinguished panel of witnesses at the hearing this morning. We are reviewing the Defense Department's 2011 budget request.

Mr. Secretary, I hope you can give the subcommittee your assessment of the timing of when the fiscal year 2010 supplemental appropriations will be needed to support combat operations. When you briefed the Senators last month, you suggested that the supplemental appropriations bill would be needed prior to Memorial Day. The Senate passed a supplemental appropriations bill last month. The funding level approved by the Senate was within the funding level requested by the administration.

But we have seen no movement to enact this legislation by the other body, and I am concerned that we are well past Memorial Day, and any insights you can give us now as to what we face be-

cause of the lack of supplemental funding might be helpful and help generate a little more emphasis on the timeliness of the action by the Congress.

So we thank you for being here, and we look forward to your testimony.

Chairman INOUE. I thank you very much.

The show is yours, Mr. Secretary.

SUMMARY STATEMENT OF HON. ROBERT M. GATES

Secretary GATES. Thank you, Mr. Chairman, Senator Cochran, members of the subcommittee. Thank you for the opportunity to appear before you to discuss the President's budget request for fiscal year 2011 for the Department of Defense.

I first want to thank you, as always, for your support of the men and women in the U.S. military for these many years. I know they are uppermost in your thoughts as you deliberate on these budget requests.

Our troops are part of an extraordinary generation of young Americans who have answered their country's call. They have fought our country's wars, protected our interests and allies around the globe, and they have demonstrated compassion and dedication in the face of tragedy and loss.

The budget requests being presented today include \$549 billion for the base budget, a 3.4 percent increase over the last year, or 1.8 percent real growth after adjusting for inflation, reflecting the administration's commitment to modest, steady, and sustainable real growth in defense spending.

The base budget request was accompanied and informed by the 2010 Quadrennial Defense Review (QDR), which establishes strategic priorities and identifies key areas for needed investment. The 2010 QDR and fiscal year 2011 request build upon the substantial changes that the President made in the fiscal year 2010 budget to allocate defense dollars more wisely and reform the Department's processes.

The base budget reflects these major institutional priorities. First, reaffirming and strengthening the Nation's commitment to care for the All-Volunteer force, our greatest strategic asset. Second, rebalancing America's defense posture by emphasizing both the capabilities needed to prevail in irregular conflicts and the capabilities that likely will be needed in the future. And third, continuing the Department's commitment to reform of how the Department does business, especially in the area of acquisition.

Building on the reforms of last year's budget, the fiscal year 2011 request takes additional steps aimed at programs that were excess or performing poorly. They include terminating the Navy EPX intelligence aircraft; ending the Third Generation Infrared Surveillance Program; canceling the Next Generation CGX Cruiser; terminating the Net-Enabled and Control Program—Command and Control Program; ending the Defense Integrated Military Human Resources System due to cost overruns and performance concerns; completing the C-17 program and closing the production line as multiple studies in recent years, including an outside study mandated by the Congress in 2008, show that the Air Force already has many more of these aircraft than it needs; and ending the second

engine for the F-35 Joint Strike Fighter (JSF), as whatever benefits might accrue are more than offset by excess costs, complexity, and associated risks.

Let me be very clear. I will continue to strongly recommend that the President veto any legislation that sustains the continuation of the C-17 or the F-35 extra engine.

And given some recent commentary, let me be explicit. It would be a very serious mistake to believe the President would accept these unneeded programs simply because the authorization or appropriations legislation includes other provisions important to him and to this administration.

These reforms all require political will and a willingness to make hard choices. We are already beginning the next step in this process of reform as we prepare the fiscal 2012 budget. Last month, I called on the Pentagon to take a hard, unsparing look at how the Department is staffed, organized, and operated. This initiative is not designed to reduce the defense top line. I believe the current top line is the minimum needed to sustain a military at war and to protect our interests in the years to come in an ever more unstable and dangerous world.

Rather, my goal is to significantly reduce our overhead costs in order to free up the resources needed to sustain our force structure, to modernize, and to create future combat capabilities while living within the current top line. To this end, the Department has recently set a goal to find more than \$100 billion in overhead savings over the next 5 fiscal years, starting in fiscal year 2012. No organization within the Department, including my own office, will be excluded from these efforts. All of the savings will be applied to fund personnel and units, force structure, and investment in future capabilities.

As a matter of principle and political reality, the Department of Defense cannot come to America's elected representatives and ask for budget increases each year unless we have done a better job—indeed, done everything possible—to make every dollar count.

Finally, in order to support ongoing operations, we are also requesting \$159 billion in fiscal year 2011 to support overseas contingency operations (OCO), primarily in Afghanistan and Iraq, plus \$33 billion for the remainder of this fiscal year to support the added financial costs of the President's new approach in Afghanistan.

The commitments made and programs funded in the OCO and supplemental requests demonstrate this administration's determination to support our troops and commanders at the front so they can accomplish their critical missions and return home safely.

I discussed the Defense Department's portion of the fiscal year 2010 supplemental request before this subcommittee in March and sought its approval by spring to prevent costly and counterproductive disruptions to the Department's operations. I am becoming increasingly concerned about the lack of progress on the supplemental and strongly urge Congress to complete its work on the request as quickly as possible.

I appreciate the Senate's action on this request, but if the supplemental is not enacted by the July 4th congressional recess, we will have to begin planning to curtail defense operations. Such planning

is disruptive, can be costly, and especially in time of war, and I ask your help in avoiding this action.

PREPARED STATEMENT

In closing, Mr. Chairman, my thanks to you and members of this subcommittee again for all you have done to support our troops and their families, especially in light of the unprecedented demands that have been placed upon them. I believe the choices made in these budget requests reflect America's commitment to see that our forces have the tools they need to prevail in the wars we are in, while making the investments necessary to prepare for threats on or beyond the horizon.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF ROBERT M. GATES

Mr. Chairman, members of the committee: Thank you for the opportunity to appear before you to discuss the President's budget requests for fiscal year 2011. I first want to thank you for your support of the men and women of the U.S. military these many years. I know they will be uppermost in your thoughts as you deliberate on these budget requests. Our troops are part of an extraordinary generation of young Americans who have answered their country's call. They have fought this country's wars, protected our interests and allies around the globe, and they have demonstrated compassion and dedication in the face of tragedy and loss.

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- First, reaffirming and strengthening the nation's commitment to care for the all-volunteer force, our greatest strategic asset;
- Second, rebalancing America's defense posture by emphasizing both the capabilities needed to prevail in irregular conflicts, and the capabilities that likely will be needed in the future; and
- Third, continuing the department's commitment to reform how DOD does business, especially in the area of acquisitions.

Building on the reforms of last year's budget, the fiscal year 2011 request takes additional steps aimed at programs that were excess or performing poorly. They include: Terminating the Navy EP(X) intelligence aircraft; ending the Third Generation Infrared Surveillance program; canceling the next generation CG(X) cruiser; terminating the Net Enabled Command and Control program; ending the Defense Integrated Military Human Resources System due to cost overruns and performance concerns; completing the C-17 program and closing the production line, as multiple studies in recent years show that the Air Force already has more of these aircraft than it needs; and ending the second engine for the F-35 Joint Strike Fighter, as whatever benefits might accrue are more than offset by excess costs, complexity, and associated risks.

Let me be very clear: I will continue to strongly recommend that the President veto any legislation that sustains the continuation of the C-17 or the F-35 extra engine. And given some recent commentary, it would be a serious mistake to believe the President would accept these unneeded programs simply because the authorization or appropriations legislation includes other provisions important to him and this administration.

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To this end, the department has recently set a goal to find more than \$100 billion in overhead savings over the 5 fiscal years starting in fiscal year 2012. No organization within the department, including my own office, will be excluded from these efforts. All of the savings will be applied to fund personnel in units, force structure, and investment in future capabilities. As a matter of principle and political reality, the Department of Defense cannot go to America's elected representatives and ask for budget increases each year unless we have done everything possible to make every dollar count.

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CARE FOR OUR ALL-VOLUNTEER FORCE

The fiscal year 2011 budget request includes \$138.5 billion for military pay and allowances, an increase of \$3.6 billion—or 2.6 percent—over last year. This includes an increase of 1.4 percent for military basic pay, which will keep military pay increases in line with those in the private sector. This amount funds bonuses and other incentives to meet recruiting and retention quality and quantity goals—especially for our most critical skills and experience levels. The military deserves generous pay because of the stress and danger these jobs entail. In recent years, the Congress has added 0.5 percent to the administration's requested military pay raise—an action that adds about \$500 million a year to our budget now and in future years, and reduces the funds available for training and equipping the force. In this time of strong recruiting and retention, I urge the Congress to approve the full requested amount for the fiscal year 2011 military pay raise but not to add to the request.

Wounded, Ill, and Injured

This budget supports the department's intense focus on care for our wounded, ill, and injured military members. As I've said before, aside from winning the wars themselves, this is my highest priority. Key initiatives include:

- Achieving a seamless transition to veteran status for members leaving the military and increased cooperation between the Departments of Defense and Veterans Affairs;
- Ensuring a high standard at facilities caring for wounded warriors, including first-rate hospitals and the Army's Warrior Transition Units;
- Enhancing case management of individuals transitioning to civilian life—especially those needing long-term care;
- Establishing a better Disability Evaluation System—to create a simpler, faster, more consistent process for determining which members may continue their military service and helping them become as independent and self-supporting as possible; and
- Working with the VA to create Virtual Lifetime Electronic Records to improve veteran care and services by improving the availability of administrative and health information.

The fiscal year 2011 budget request includes \$2.2 billion for enduring programs for our wounded, ill, and injured. It also includes \$300 million to complete the Army's Warrior Transition complexes and new medical facilities in the Washington, DC, capital region. The \$2.2 billion for these programs is \$100 million more than

the fiscal year 2010 enacted amount and is more than double the fiscal year 2008 level of \$1 billion.

Military Health System

The fiscal year 2011 budget includes \$50.7 billion for the Unified Medical Budget to support the Military Health System that serves 9.5 million eligible beneficiaries. Over the past decade, U.S. healthcare costs have grown substantially, and defense health costs have been no exception, more than doubling between fiscal year 2001 (\$19 billion) and fiscal year 2010 (\$49 billion). These costs are expected to grow from 6 percent of the department's total budget in fiscal year 2001 to more than 10 percent in fiscal year 2015.

Military Family Support Programs

The department remains fully committed to providing assistance to our troops and their families in light of the unprecedented demands that have been placed on them. Our men and women in uniform and their families have our respect, our gratitude, and our full support. The budget reflects the department's policy of shifting money to the base budget for enduring programs so that they will not disappear as war funding declines. The fiscal year 2011 base budget includes \$8.1 billion for a variety of family-support programs vital to the morale and well-being of our military members and their families—an increase of \$450 million over last year. The OCO request includes \$700 million for family support—bringing the total to \$8.8 billion.

Build and Sustain Facilities

The fiscal year 2011 budget includes \$18.7 billion to fund critical military construction and family housing requirements, including substantial funding to recapitalize many department schools for children of service members.

The fiscal year 2011 Base Realignment and Closure (BRAC) investment funding of \$2.4 billion is less than prior years because most of the funding needed to implement the 2005 round of BRAC decisions has already been appropriated for 24 major realignments, 24 base closures, and 765 lesser actions—all of which must be completed by September 15, 2011, in accordance with statute.

We have requested \$14.2 billion to modernize the department's facilities; to support the recently completed growth in the Army and Marine Corps; to support the relocation of 8,000 Marines from Okinawa to Guam; and to recapitalize medical facilities and schools for servicemembers' children.

REBALANCING THE FORCE—THE WARS WE ARE IN

Achieving our objectives in Afghanistan and Iraq has moved to the top of the institutional military's budgeting, policy, and program priorities. We now recognize that America's ability to deal with threats for years to come will largely depend on our performance in the current conflicts. The fiscal year 2011 budget request took a number of additional steps aimed at filling persistent shortfalls that have plagued recent military efforts, especially in Afghanistan.

Rotary-Wing Aircraft

To increase these capabilities, this request includes more than \$9.6 billion for the acquisition of a variety of modern rotary-wing aircraft, including the creation of two Army combat aviation brigades by fiscal year 2014. The goal is to train 1,500 new Army helicopter pilots per year by 2012.

Intelligence, Surveillance, and Reconnaissance (ISR)

The fiscal year 2011 budget request continues efforts to increase ISR support for our fighting forces. The ISR Task Force was formed in April 2008 to generate critical operational ISR capacity—primarily in Afghanistan and Iraq. Since then, the department has worked to secure substantial funding to field and sustain ISR capabilities. In the fiscal year 2011 budget, that includes: \$2.2 billion for procurement of Predator-class aircraft to increase the Combat Air Patrols (CAPs) available to deployed forces from 37 to 65 by 2013; and doubling procurement of the MQ-9 Reaper over the next few years.

Electronic Warfare (EW)

The fiscal year 2011 budget request supports the QDR's call for better EW capabilities for today's warfighters. The Navy procurement budget includes \$1.1 billion in fiscal year 2011 and \$2.3 billion in fiscal year 2012 for the addition of 36 EA-18G aircraft, with 12 procured in fiscal year 2011 and 24 in fiscal year 2012. These resources and capabilities will help fill an imminent EW shortfall that has been consistently highlighted by the combatant commanders as one of their highest priorities.

Special Operations Forces (SOF)

The fiscal year 2011 budget requests \$6.3 billion for USSOCOM—nearly 6 percent higher than in fiscal year 2010. The department plans to call for SOF funding to increase sharply over the next several years, including an increase of about 2,800 personnel in fiscal year 2011.

REBALANCING THE FORCE—PREPARING FOR THE FUTURE

The fiscal year 2011 budget includes \$189 billion for total procurement, research, and development. This investment reflects the fact that the United States needs a broad portfolio of military capabilities with maximum versatility across the widest possible spectrum of conflict, including conventional conflict with the technologically advanced military forces of other countries. To meet the potential threats to our military's ability to project power, deter aggression, and come to the aid of allies and partners in environments where access to our forces may be denied, this budget request includes substantial funds for conventional and strategic modernization.

Tactical Aircraft—JSF

The fiscal year 2011 budget funds programs to develop and buy superior aircraft to guarantee continued air dominance over current and future battlefields, most importantly the F-35 Joint Strike Fighter (JSF). The fiscal year 2011 base budget includes \$10.7 billion for continued development of the F-35, and for procurement of 42 aircraft. An additional JSF is purchased in the OCO budget.

I know the JSF program is of great interest and concern to this committee. In response to what I consider to be unacceptable delays and cost overruns over the past year, this department has taken a number of steps to substantially restructure this program.

First, the JSF program is now based on numbers—cost and schedule estimates—from the Joint Estimating Team (or JET), an independent body known for its rigorous and skeptical assessments.

Based on the new JET estimates, we reduced the number of aircraft being purchased concurrent with testing and development. While delaying full-scale production was not a welcome development—to put it mildly—it was important to avoid a situation where a problem discovered in testing would lead to expensive retrofits of aircraft, the most common reason for delays and cost overruns in these kinds of programs. Correspondingly, we have added more aircraft to the testing regime, which we believe will reduce the projected delay from 30 months to 13. These changes amount to a brutally realistic assessment of cost and schedule—one that I believe should stand the test of time and the legitimate scrutiny of the Congress and the American taxpayer.

Furthermore, with regard to accountability, I have replaced the JSF program manager and elevated that position to a three-star billet while withholding more than \$600 million in performance fees from the lead contractor. It is important to remember that the JSF's cost- and schedule-related issues—and I regard them as serious, to be sure—are problems primarily related to program administration and management, not the technology and capability of the aircraft. The Joint Strike Fighter will do everything the military services need it to do, and become the backbone of U.S. air combat for the next generation.

Mobility and Tanker Aircraft

The fiscal year 2011 budget continues to support development of a new aerial refueling tanker. The KC-X, the first phase of KC-135 recapitalization, will procure 179 commercial derivative tanker aircraft to replace roughly one-third of the current aerial refueling tanker fleet at an estimated cost of \$35 billion. Contract award is expected in the summer of 2010 and procurement should begin in fiscal year 2013. To support this long-range effort, \$864 million has been requested for research into the next-generation tanker.

The fiscal year 2011 budget ends production of the C-17, supports shutdown activities for production of new aircraft, and continues the modification of existing C-17s. With the completion of the program, the United States will have 223 of these aircraft, more than enough to meet current and projected requirements.

Shipbuilding

The fiscal year 2011 budget reflects the department's formulation of a realistic, executable shipbuilding plan through the Future Years Defense Program (FYDP). Overall, the fiscal year 2011 budget includes \$25.1 billion for fiscal year 2011 procurement of new ships, equipment and research and development into future construction—including \$15.7 billion for Navy shipbuilding and conversion activities. It reinforces the ongoing transition to a naval force that can meet the needs of today's

warfighters and reduce reliance on very costly and increasingly vulnerable large surface combatants in the future. The fiscal year 2011 request and planned out-year funding would allow the department to:

- Build a new aircraft carrier every 5 years;
- Shift large-deck amphibious ship production to a 5-year build cycle to maintain a long-term force structure of nine large-deck aviation ships to support amphibious operations;
- Stabilize near-term production quantities for the Littoral Combat Ship (LCS) and the Joint High Speed Vessel (JHSV) to support irregular warfare operations;
- Produce two attack submarines per year beginning in fiscal year 2011 and continue development of a new strategic deterrent submarine; and
- Build three Mobile Landing Platform (MLP) ships—one ship per year in fiscal year 2011, fiscal year 2013, and fiscal year 2015.

Ground Forces Modernization

The fiscal year 2011 budget advances restructuring of the Army's Future Combat Systems (FCS), principally through Brigade Combat Team (BCT) modernization. The fiscal year 2011 request for BCTs is \$3.2 billion, mostly for research and development.

The fiscal year 2011 budget also supports the development of a new ground-vehicle program to replace aging systems. The new program will take into account the hard battlefield lessons of recent years, especially with respect to threats posed by improvised explosive devices (IEDs), and will include a role for the MRAP and M-ATV vehicles that have been so important in Afghanistan and Iraq.

Space and Cyber Capabilities

Just about all of our military forces—land, sea, and air—now depend on digital communications and the satellites and data networks that support them. The role of space and satellites has never been more crucial to military operations—from GPS-guided munitions and navigation to missile defense and communications. The fiscal year 2011 budget continues to strengthen U.S. capabilities in space, with \$599 million allocated to procure Advanced Extremely High Frequency (AEHF) satellites instead of the Transformational Satellite, which was cancelled in the fiscal year 2010 budget.

With cheap technology and minimal investment, adversaries operating in cyberspace can potentially inflict serious damage on our command and control, ISR, and precision strike capabilities. The fiscal year 2011 budget continues to fund the recruiting and training of new experts in cyber warfare begun in fiscal year 2010, and supports the stand up of a new U.S. Cyber Command.

Ballistic Missile Defense

The Department of Defense continues to pursue missile-defense systems that can provide real capability as soon as possible while taking maximum advantage of new technologies. In accordance with the 2010 Ballistic Missile Defense Review, our goal is a missile-defense program that balances capabilities and risks in order to deter aggression; project power and protect U.S. and allied interests; and respond to warfighter requirements.

This year's base budget request includes \$9.9 billion total for missile defense—almost \$700 million more than last year, mostly for the Missile Defense Agency.

This includes funding for:

- Enhanced missile defenses for deployed forces, allies, and partners to defend against regional threats—including THAAD battery ground components and interceptors, as well as the conversion of additional Aegis ships.
- The “Phased Adaptive Approach” for missile defense: a flexible, scalable system to respond to developing threats. This has particular applicability to Europe, where the new approach allows us to adapt our systems more rapidly as new threats develop and old ones recede. In the short-term, we will be able to provide immediate coverage and protection by deploying current and proven systems such as the Aegis and SM-3.
- A viable homeland defense against rogue threats—including ground-based interceptors at Fort Greeley, Alaska, and Vandenberg AFB, California.
- Expansion of the flight-test program to test capabilities against medium, intermediate, and long-range threats.
- Investments in break-through technologies to improve our ability to counter threats during the boost phase while focusing on the most promising new technologies.

Nuclear Weapons

The Nuclear Posture Review (NPR) released in April outlined the policy framework for achieving the President's objectives to reduce nuclear weapons with a long-term goal of elimination; and maintain a safe, secure, and effective arsenal as long as these weapons exist. It also provides steps to strengthen deterrence while reducing the role of nuclear weapons. The President's budget requests for the Defense and Energy departments reflect several priorities established in our review: Funding to sustain a nuclear triad of ICBMs, SLBMs, and heavy bombers under the New START Treaty; and increased National Nuclear Security Administration funding for infrastructure, warhead life extension, and science and technology.

Maintaining an adequate stockpile of safe, secure and reliable nuclear warheads requires a reinvigoration of our nuclear weapons complex, that is, our infrastructure and our science, technology and engineering base. To this end, the Department of Defense is transferring \$4.6 billion to the Department of Energy's National Nuclear Security Administration through fiscal year 2015. This transfer will assist in funding critical nuclear weapons life-extension programs and efforts to modernize the nuclear weapons infrastructure. The initial applications of this funding along with an additional \$1.1 billion being transferred for naval nuclear reactors are reflected in the Defense and Energy Departments' fiscal year 2011 budget request, which I urge the Congress to approve. These investments and the Nuclear Posture Review strategy for warhead life extension represent a credible modernization plan to sustain the nuclear infrastructure and support our nation's deterrent.

Building Partner Capacity

In a world where arguably the most likely and lethal threats will emanate from failed and fractured states, building the security capacity of partners has emerged as a key capability—one that reduces the need for direct U.S. military intervention, with all of its attendant political, financial, and human costs. To provide more resources, predictability, and agility to this important mission, the department will seek an increase in Global Train and Equip authority in the fiscal year 2011 budget to \$500 million—authority that includes coalition activities to support current operations.

REFORMING HOW DOD DOES BUSINESS

President Obama is committed to ending unneeded and troubled programs and achieving a better balance between capabilities needed to succeed in current conflicts and capabilities needed to prepare for the conflicts we are most likely to see in the future.

The fiscal year 2011 budget request builds on the reforms of last year by ending a number of unneeded or troubled programs:

- Next Generation Cruiser CG(X)*.—Cancelled due to concerns about costs and utility in future combat scenarios. Any resulting capability gap will be filled by an enhanced Navy destroyer program.
- Navy Intelligence Aircraft EP(X)*.—This Navy-planned EP-3 replacement was cancelled because of cost and its redundancy with other technologies and systems.
- Third Generation Infrared Surveillance (3GIRS)*.—This sensor system was cancelled because there are better alternatives.
- The Defense Integrated Military Human Resources System (DIMHRS)*.—DIMHRS has been in development for over 10 years and cost \$500 million—with little to show and limited prospects.
- Net Enabled Command and Control (NECC)*.—This joint program has had cost overruns and performance shortfalls.

JSF Alternate Engine

One of the tougher decisions we faced during this budget process was whether or not to formally add the alternate engine to the Joint Strike Fighter program. It has been the position of this department since 2007 that adding a second JSF engine was unnecessary and too costly.

Over the past year, as part of our thorough review of the overall JSF program, we took a fresh look to determine whether the second engine option had reached a point in funding and development that supported a different conclusion. We considered all aspects of this question and, in the end, concluded that the facts and analysis simply do not support the case for adding an alternate engine program. There are several rationales for this conclusion:

First, even after factoring in Congress' additional funding, the engine would still require a further investment of \$2.5 billion over the next 5 years.

Second, the additional costs are not offset by potential savings generated through competition. Even optimistic analytical models produce essentially a break-even scenario.

Third, the solution to understandable concern over the performance of the Pratt & Whitney program is not to spend yet more money to add a second engine. The answer is to get the first engine on track. Further, the alternate engine program is 3 to 4 years behind in development compared to the current program, and there is no guarantee that a second program would not face the same challenges as the current effort.

Fourth, split or shared buys of items, particularly from only two sources, do not historically produce competitive behavior since both vendors are assured some share of the purchase. Another reality is that the JSF is designed to support a wide diversity of military customers, including the Navy, Marine Corps, and overseas buyers, many of whom are unable or unwilling to purchase from two engine manufacturers.

For all these reasons, we are firm in our view that the interests of the taxpayers, our military, our partner nations, and the integrity of the JSF program are best served by not pursuing a second engine.

I believe most proponents of this program are motivated by the genuine belief that a second engine is the right thing to do. And we have been engaging the Congress in this discussion and sharing with them our facts and analysis. However, we have reached a critical point in this debate where spending more money on a second engine for the JSF is unnecessary, wasteful, and simply diverts precious modernization funds from other more pressing priorities. Accordingly, should the Congress add more funds to continue this unneeded program, I will continue to strongly recommend that the President veto such legislation.

C-17

The fiscal year 2011 request completes the C-17 program and begins shutting down the production line. At present, we have 194 C-17s (plus 111 C-5s) in our strategic airlift fleet. By the end of this fiscal year, the department will have procured 223.

Three department studies completed over the past 5 years have concluded that the U.S. military has more than enough strategic airlift capacity, and that additional C-17s are not required. Some factors to consider:

- In 2004, the Air Force Fleet Viability board determined that the fleet of C-5As—the oldest variant—will remain viable until at least 2025. The Air Force and the manufacturer believe that the C-5 fleet will remain viable until 2040. And ongoing modernization and refurbishment efforts are intended to increase the reliability, availability, and maintainability of the C-5 fleet;
- Despite the demands of the current military campaigns, the existing C-17 fleet is not being “burned up.” With the exception of 2003—when there were only 111 aircraft in the fleet that were being surged to begin the Iraq war—the annual use of the C-17 inventory has been within program limits; and
- While it is true that the C-17 can land places where the C-5 cannot, of the 200,000 landings made by C-17s since 1997, less than 4 percent were in places that were not accessible to the C-5.

In summary, for these and other reasons, the department has concluded that the current C-17 is more than sufficient to meet the military’s airlift needs. Should Congress add funds to continue this program, I will strongly recommend a Presidential veto.

Acquisitions

The department is implementing initiatives that will increase the numbers and capabilities of the acquisition workforce, improve funding stability, enhance the source-selection process, and improve contract execution. Our intent is to provide the warfighter with world-class capability while being good stewards of taxpayer dollars.

To operate effectively, the acquisition system must be supported by an appropriately-sized cadre of acquisition professionals with the right skills and training to perform their jobs. To address these personnel deficiencies, DOD will increase the number of acquisition personnel by 20,000 positions—from about 127,000 in fiscal year 2010 to about 147,000 by fiscal year 2015. We will be making significant increases in training and retention programs in order to bolster the capability and size of the acquisition workforce.

Civilian Workforce

The fiscal year 2011 budget funds a pay raise of 1.4 percent for DOD civilians—the same as the military pay raise. The request includes funding to transition out

of the National Security Personnel System (NSPS)—as directed by the fiscal year 2010 National Defense Authorization Act.

About 225,000 DOD employees are covered by NSPS. These employees must convert to a successor statutory personnel system. The fiscal year 2011 budget includes \$23 million to implement NSPS transition and \$239 million for estimated higher civilian pay for employees transitioning out of NSPS.

The request supports the DOD plan, announced last year, to grow its civilian workforce by in-sourcing—replacing contractors with DOD civilian employees. DOD is on track to reduce the number of support service contractors from the current 39 percent of our workforce to the pre-2001 level of 26 percent, and replace them with full-time government employees. DOD will hire as many as 13,400 new civil servants in fiscal year 2010, and another 6,000 in fiscal year 2011, to replace contractors and up to 33,400 new civil servants in place of contractors over the next 5 years. This includes 2,500 acquisition personnel in fiscal year 2010 and 10,000 through fiscal year 2014.

Fiscal Year 2010 Supplemental Request

As the President stated, the goal of the United States in Afghanistan and Pakistan is to disrupt, dismantle, and defeat Al Qaeda and to prevent its resurgence in both countries. The international military effort to stabilize Afghanistan is necessary to achieve this overarching goal. Rolling back the Taliban is now necessary, even if not sufficient, to the ultimate defeat of Al Qaeda and its affiliates operating along the Afghanistan-Pakistan border. I believe the strategy announced by the President represents our best opportunity to achieve our objectives in a part of the world so critical to America's security.

The fiscal year 2010 supplemental requests \$33 billion to support the President's buildup of U.S. troops in Afghanistan for the rest of this fiscal year and fund other related requirements, including \$1 billion for Iraqi security forces. The Department of Defense urges the Congress to approve this Supplemental by July 4th for our troops in the field.

The fiscal year 2010 Supplemental includes \$19 billion to support an average troop level in Afghanistan of 84,000 U.S. troops—16,000 higher than the 68,000 assumed in the enacted fiscal year 2010 budget. Troop levels are expected to reach 98,000 by September 30, 2010. The additional troops will consist of: Two Army counterinsurgency Brigade Combat Teams (BCTs); an Army Training BCT; a USMC Regimental Combat Team (RCT); and enablers such as Explosive Ordnance Disposal teams.

The supplemental also includes \$1.1 billion—on top of the \$11.3 billion already enacted—to field and sustain critically important lifesaving MRAPs and M-ATVs for troops already there and for the additional forces being deployed this fiscal year.

Fiscal Year 2011 Overseas Contingency Operations

To fund military operations in Afghanistan and Iraq in fiscal year 2011, we are requesting \$159.3 billion, comprised of these major categories:

- Operations (\$89.4 billion)*.—Incremental pay for deployed troops, subsistence, cost of mobilizing Reserve Component personnel, and temporary wartime end-strength allowances.
- Force Protection (\$12 billion)*.—Body armor, protection equipment, and armored vehicles to protect forces—including the rapid deployment and sustainment of MRAPs and M-ATVs.
- IED Defeat (\$3.3 billion)*.—To develop, procure, and field measures to defeat improvised explosive devices threatening U.S. and coalition forces.
- Military Intelligence (\$7 billion)*.—To enhance U.S. intelligence capabilities and operations including ISR.
- Afghan Security Forces (\$11.6 billion)*.—To build and support military and police forces capable of conducting independent operations and providing for Afghanistan's long-term security.
- Iraqi Security Forces (\$2 billion)*.—To continue building and sustaining Iraq's efforts to defend its people and protect its institutions as the United States removes troops by the end of 2011.
- Coalition Support (\$2 billion)*.—Reimbursements and logistical sustainment for key cooperating nations supporting U.S. military operations.
- Commander's Emergency Response Program (CERP) (\$1.3 billion)*.—To provide flexible funds for commanders in the field to finance urgent humanitarian and reconstruction needs.
- Reconstitution/Reset (\$21.3 billion)*.—To fund the replenishment, replacement, and repair of equipment and munitions that have been consumed, destroyed, or damaged due to ongoing combat operations. This request includes funding to

- procure one Joint Strike Fighter aircraft to replace the combat loss of an F-15.
- Military Construction (\$1.2 billion).*—To expand the logistical backbone and operational foundation for our fighting forces.
 - Temporary Military End Strength (\$2.6 billion).*—To support temporary end-strength increases in the Army and Navy for ongoing military operations.
 - Non-DOD Classified Programs (\$5.6 billion).*—To fund non-DOD classified activities that support ongoing military operations—the President’s counter-terrorism strategy in Afghanistan and Pakistan, and the drawdown of U.S. forces in Iraq.

Iraq Force Levels

This request supports the President’s goal of a responsible drawdown of U.S. forces and transfer to full Iraqi responsibility and control. Troop levels in Iraq are projected to decrease to 50,000 by August 31, 2010. Further reductions will occur in accordance with the U.S.-Iraq Security Agreement. The projected forces levels would be: Six Advisory and Assistance Brigades (AABs) by August 31, 2010; and six AABs for the first part of fiscal year 2011, decreasing to approximately four AABs (approximately 35,000 personnel) in Iraq by the end of fiscal year 2011.

CONCLUSION

Mr. Chairman, my thanks to you and members of this committee for all that you have done to support our troops and their families. I believe the choices made and priorities set in these budget requests reflect America’s commitment to see that our forces have the tools they need to prevail in the wars we are in while making the investments necessary to prepare for threats on or beyond the horizon.

Thank you.

STATEMENT OF ADMIRAL MIKE MULLEN, U.S. NAVY, CHAIRMAN, JOINT CHIEFS OF STAFF

BUDGET SUBMISSION

Admiral MULLEN. Chairman Inouye, Senator Cochran, distinguished members of this subcommittee, thank you for the chance to discuss the state of our military, as well as the President’s fiscal year 2011 defense budget submission.

As always, I greatly appreciate your extraordinary support of the men and women of the United States armed forces, their families, and the communities that do so much to help them. In particular, I thank you for your passing the fiscal year 2010 supplemental request.

Our men and women in uniform are well equipped, well trained, well paid, and receive the finest medical care in the world due in no small part to your dedication and stewardship. I am here today to secure your continued support.

Secretary Gates has walked you through the major components of the budget submission, and I will not repeat them. Let me leave you, rather, with three thoughts worth considering as you prepare to debate the details.

First, there is a real sense of urgency here as we work to win the wars we fight. We have more than 200,000 troops deployed in harm’s way right now and another 150,000 or so deployed in support of other security commitments around the world.

For the first time since 2003, we have more troops in Afghanistan than in Iraq, where we remain on pace to draw down to roughly 50,000 troops by the end of August. The bulk of the 30,000 additional forces the President authorized for Afghanistan are in country, and the remainder, less than 10,000, will arrive in the next 2 months.

These forces are now and will continue to be focused on operations in the central Helmand Valley, and Marjah and Kandahar specifically. You have, I am sure, been keeping abreast of what we are trying to achieve there, but I think it is important here to just summarize.

Kandahar is the birthplace of the Taliban insurgency. It is far—it is from there that they have tried to spread their influence across Afghanistan, and it is from there that they desire to rule once again. I think it is safe to say that they still believe in their cause.

In and around Kandahar they train, equip, plan, and intimidate. Just the other day, in a village not far away, these people lynched a small boy of 7, claiming he was a spy for the coalition.

I know very well that in a counterinsurgency you fight not for the territory, but for hearts and minds. But it is from Kandahar that the Taliban attempt to control the hearts and minds of the Afghan people. It is my belief that should they go unchallenged there and in the surrounding areas, they will feel equally unchallenged elsewhere. As goes Kandahar, so goes Afghanistan.

SECURITY OUTPOSTS

Afghan and coalition efforts there have already begun. Indeed, they have been underway for several months, consisting primarily of what we call shaping activities—kinetic strikes against Taliban targets and their facilities, as well as meetings with tribal elders aimed at securing their support. You saw President Karzai down there just this past weekend, holding a share of his own and completing the effort of getting local backing.

We turn now to the all-important task of improving security. With Afghans in the lead, we will bolster a police presence at security outposts and checkpoints in and around the city. We will establish freedom of movement along the Ring Road and build a bypass south of Kandahar. And we will better control access to the city itself along its main arteries.

None of this will be easy. None of this will be bloodless, as events last week grimly attest. But all of it will depend heavily on the continued growth and development of competent and well-led Afghan national security forces, as well as tangible and achievable political outcomes. Securing Kandahar—or rather securing the people of Kandahar—is not a military objective. It is a social, political, and economic objective for which other agencies and other nations are needed and through which Afghan leadership will be vital.

I am comfortable with the progress to date and the sequencing that we are following. But I am also mindful of the need to monitor our progress continually, to stay flexible, and to adjust accordingly.

That leads me to the second thing I would like you to consider—proper balance. Winning our current wars means investment in this hard-won irregular warfare expertise, a core competency that should be institutionalized and supported in coming years. But we still face traditional threats from regional powers who possess robust regular and in some cases nuclear capabilities, and so we must also maintain and sustain our conventional advantages.

In the air, this means sufficient strike aircraft and munitions capable of assuring air superiority. At sea, it means having enough

ships and enough sailors to stay engaged globally and to keep the sea lanes open. On the ground, it means accelerating the modernization of our combat brigades and regiments. On the whole, it means never having to fight a fair fight.

Again, it is about balance, about deterring and winning the big and small wars, the conventional and the unconventional—two challenges, one military.

ADVOCACY PROGRAMS

But where balance is probably most needed is in the programs and policies concerning our most important resource, our people. And that is my final point. This budget builds upon the superb support you and this Department have provided our troops and their families, stretched and strained by nearly constant combat, many of them on their fifth, sixth, and some even their seventh deployments.

Our men and women are, without question and almost inexplicably, the most resilient and battle-ready force in our history. We are turning away potential recruits, so good is our retention and so attractive are our career opportunities. Yet we keep seeing an alarming rise in suicides, marital problems, prescription drug addictions, and mental health problems within our ranks.

Deborah and I meet regularly with young troops and their spouses. And though proud of the difference they know they are making, quite frankly, many of them are worried about their futures, their livelihoods, their children.

And so, you will see in this budget increases for family support and advocacy programs, and you will see a boost in warfighter and family services to include counseling, military spouse employment, and care for our wounded, ill, and injured. We are also pushing to dramatically increase the number of mental health professionals on staff and advance our research in traumatic brain injuries and post traumatic stress.

We know the strain of frequent deployments causes many problems. But we don't know yet fully nor understand fully how or to what extent. So even as we work hard to increase dwell time, time at home, aided in part by the additional temporary end strength you approved last year for the Army, we will work equally hard to decrease the stress of modern military service.

Indeed, I believe, over time, when these wars are behind us, we will need to look closely at the competing fiscal pressures that will dominate discussions of proper end strength and weapons systems. A force well suited for long-term challenges and not necessarily married to any current force planning construct will remain vital to our national security.

PREPARED STATEMENT

Thank you, Mr. Chairman. And I look forward to your questions.
[The statement follows:]

PREPARED STATEMENT OF ADMIRAL MICHAEL G. MULLEN

Chairman Inouye, Senator Cochran, distinguished members of the Committee; it is my privilege to report on the posture of the United States Armed Forces.

I begin by thanking you for your support of our servicemen and women, their families, and the communities that do so much to help them. We can never repay them for their sacrifices, but we can support them. As leaders, we necessarily debate the best course of action to secure our nation in a dangerous world. But our servicemen and women do not hesitate. When the decision is made, they go where they are needed most, where dangers must be confronted and adversaries defeated. I'm humbled as I visit them around the world, defending our nation in very trying conditions. They care deeply for this country, and they care most that they have the nation's clear backing. The support of the Congress and the American people remain essential to their strength and resolve. I am grateful for your unwavering recognition of the service of our forces and their families.

Today's Armed Forces are battle-hardened, capable, and ready to accomplish the nation's missions. They are the most combat experienced yet most compassionate force we have ever fielded, and continue to learn and adapt in ways that are truly remarkable. They are the best I have ever seen. I thank the Committee for taking the time to understand the stresses, strains and concerns of our service members. Your continuing legislative support of our Armed Forces makes all the difference.

KEY DEVELOPMENTS

Over this past year, our wartime focus has shifted to Afghanistan and Pakistan. As I have testified before the Congress on many occasions, the threats to our national security from al Qaeda and affiliated movements based in the Afghanistan-Pakistan region remain real and persistent. We require a stable and reasonably secure Afghanistan and Pakistan—inhabitable to al Qaeda's senior leadership, capable of self defense against internal extremist threats, and contributors to regional stability.

Our increasing focus on Afghanistan and Pakistan confirmed the border region to be al Qaeda's center of gravity. It also showed the situation to be more dire than previously understood. The Afghan-Taliban's post-2005 resurgence produced a widespread paramilitary, shadow government and extra-judicial presence in a majority of Afghanistan's 34 provinces. The Tehrik-i-Taliban Pakistan (the Pakistan Taliban) showed itself to be a bold and audacious enemy of the Pakistani people, ruthlessly seizing control of Swat in the late spring of 2009 and conducting a brutal series of attacks across the nation in recent months. Multiple Pakistani military operations against the Taliban that began last year have reversed their territorial gains. Throughout this year, we have constantly and carefully reviewed our objectives for the region. The decision to authorize an additional 21,500 American forces into Afghanistan in early 2009, followed by the President's commitment of 30,000 additional forces in December set conditions to reverse Afghan-Taliban gains. It will also enable the government of Afghanistan to build the security and governance necessary to eliminate the insurgency as a threat. With a new leadership team, appropriate resources, improved organization, and a better strategy, we are confident of success against al Qaeda and the Taliban. Success will not come easily or swiftly, but we will succeed. The hardest work to achieve our regional aims remains ahead of us, especially the last part of 2010 and into 2011.

Al Qaeda's central leadership has suffered significant losses over the past several years, to include the likely death of one of their founders, Sheik Sa'id al-Masri. Though its operational capacity has declined, al Qaeda's senior leaders remain committed to catastrophic terrorist attacks against the United States and our allies, as evidenced by the intended attack against New York City that was disrupted in Denver and the recent failed attempt to detonate a vehicle-borne bomb in Times Square. Actions in the Pakistan-Afghanistan border area, in Iraq, and elsewhere have met with marked success. That said, al Qaeda sought new approaches to plot attacks. The failed Christmas Day airline bombing attempt over Detroit was crafted by and ordered from those in Yemen's growing safe havens. Both incidents demonstrate the resolve of al Qaeda and its ever-evolving strategy. While the danger remains real, like-minded governments and people around the world—including those in the Muslim community—increasingly reject al Qaeda, its affiliates and what they stand for. Most want a brighter future for their children and grandchildren, not al Qaeda's endless war and intolerance. They see daily evidence that al Qaeda and its affiliates deliberately target and kill thousands of innocent Muslims in cold blood. They know al Qaeda continues a ruthless and deadly campaign against innocent people in Iraq, Pakistan, Afghanistan, Saudi Arabia, Kenya, Indonesia, and elsewhere. Continued progress against violent extremism will require enhanced, but prudent, partnerships with key governments and movements, including consistent efforts to counter al Qaeda's bankrupt message.

The actions of the Iranian government are of grave and growing concern. Tehran's leadership remains on a trajectory to acquire a nuclear capability—an issue of global concern—in defiance of international demands and despite widespread condemnation. Iran's government continues to support international terrorist organizations, and pursues a coercive and confrontational foreign policy. These efforts exist alongside growing divisions between elements of the government and between the government and the people. These events and conditions risk further destabilizing an already unstable region.

Established threats also demonstrated they could flare at any moment, testing our resolve and dedication to long-standing allies. North Korea's violation of the Armistice Agreement by sinking of a Republic of Korea corvette illustrates the dangerous nature of that still ongoing conflict. We must be ready to stand shoulder-to-shoulder with free countries and face down aggression when the situation demands it.

The unpredictable has also galvanized our military, requiring a significant force commitment in Haiti, making it one of our most significant humanitarian missions in history. Nearly 20,000 American troops deployed to support the Government of Haiti, the United Nations, USAID and over 20 American and international aid agencies from January through the late spring. From port openings, to security and distribution of supplies, U.S. Southern Command's military Joint Task Force performed admirably. Furthermore, your military was called on to help contain one of the worst environmental disasters in the history of the United States. From aircraft moving personnel and equipment as well as spraying dispersant, to imagery, sonar and communication support, the Department of Defense has provided whatever equipment and technology has been requested. Over 1,500 National Guardsmen are currently assisting with the oil spill, and the Administration has authorized up to 17,500 National Guard troops from Gulf Coast states to respond as needed.

Several recent policy initiatives have provided the military with new direction. We concluded negotiations with Russia for a START follow-on treaty, which will reduce nuclear weapons stockpiles while maintaining U.S. deterrence. As I have testified, I strongly endorse this treaty and ask you to ratify it. We also completed the Nuclear Posture Review, with significant implications for the military's nuclear posture. And, as mandated by the Congress, we have reviewed current and future threats and developed appropriate strategies in the Quadrennial Defense Review, which supports the President's recently released National Security Strategy. This Security Strategy rightly sharpens our focus on countering weapons of mass destruction and proliferation of such weapons, particularly to terrorist groups. Achieving all the goals of these new policy initiatives will require improvement in both our conventional and nuclear forces. We look forward to working with the Congress to forge a common understanding of the threats our nation faces, and how best to counter them.

Recent events have reminded us of the importance of sustaining strong alliances. Our NATO allies and other non-NATO partners expanded support in Afghanistan over the past year. We now work there with more than 40 countries and over 40,000 international troops. Although the world avoided a widespread economic depression in 2009, many of our partners remain financially challenged and may spend less on combined security and stabilization efforts. Our close alliance with Japan, in particular, suffered strain around basing rights in Okinawa, but we seek to move forward with them in implementing a plan. The recent DPRK torpedo attack reinforced the importance of a robust U.S. military presence on the Korean Peninsula and in the broader region. As we stand by our close allies, I am confident that we can work through these issues, but it is a reminder that we should neither take our strongest allies for granted, nor underestimate the persistent tensions and threats.

Against this backdrop, the strategic priorities for the military remain unchanged from my last annual testimony before Congress: defending our interests in the broader Middle East and South/Central Asia; ensuring the health of the Force, and balancing global strategic risk. With your ongoing help and support, we continue to address each of these priorities.

DEFEND OUR INTERESTS IN THE BROADER MIDDLE EAST AND SOUTH/CENTRAL ASIA

The Broader Middle East and South/Central Asia, remains the most dangerous region of the world.

Our main effort within the region has changed. The government of Iraq is taking firm control of its own security. We have shifted our priority to Afghanistan and Pakistan, long under-resourced in many ways. That shift in focus includes the movement of some quarter of a million troops and their equipment in and out of the CENTCOM theater in the space of several months. This is a herculean logistics effort, but one we are successfully executing. Afghanistan is approaching parity with

Iraq for the first time since 2003 as the location with the most deployed American forces.

Despite this surge, the security situation in both Afghanistan and Pakistan remains serious. The Afghan-Taliban have established shadow governments—featuring parallel judicial, taxation and local security/intimidation systems—in a majority of Afghanistan's 34 provinces. Attacks by the Taliban have become far more numerous and more sophisticated. We are now establishing conditions—with military forces and expanded civilian agency presence—to reverse the Taliban's momentum. Yet we face both a resilient Taliban insurgency and an Afghan public skeptical of their government's good will, capacity and capability.

As of mid-June 2010, we have moved roughly 20,000 troops to Afghanistan, with the remainder of the 30,000 increase arriving as rapidly as possible over the summer and early fall, making a major contribution to reversing Taliban momentum this year. The remainder of these forces will join some 90,000 U.S. forces and more than 40,000 Coalition forces already in Afghanistan—all of which have undertaken a fundamental shift in how they are being employed across the country. Our troops are now focused on protecting key population centers—separating them from the intimidation and influence of the Taliban. Simultaneously, they are training and partnering with Afghan security forces to enable Afghans to assume lead security for their own country as soon as possible. The recent peace jirga was an important Afghan-led step in this process. The next 12 months must be the time to reverse insurgent momentum and assess partnership progress.

The brave men and women we charge to implement this fundamental shift in Afghanistan security strategy need the strong support of this Congress. We need your assistance in key areas like funding for Afghan National Security Forces, who will ultimately bring about success and security. In the short term, the Commander's Emergency Response Program is needed to adequately protect the population, and enhanced special construction authorities and equipment procurement accounts will be critical to putting enough force on the ground to make a difference.

The border area between Pakistan and Afghanistan is the epicenter of global terrorism. This is where al Qaeda plans terrorist attacks against the United States and our partners—and from where the Taliban leadership targets coalition troops in Afghanistan. Pakistan's ongoing military operations against extremists in these areas are critical to preventing al Qaeda and associated groups from gaining ground.

In Pakistan, the extremist threat, a fractious political system, economic weakness and long-standing tensions with India continue to threaten stability. We are working to rebuild our relationship with Pakistan and re-establish trust lost between our two countries. We aim to demonstrate to Pakistan—in both our words and our actions—that we desire a long-term relationship. The recent Strategic Dialogue with Pakistan, hosted by the State Department and supported by the Defense Department, reflects the value both our countries place on the friendship and support of the other. Our recent concerns with Pakistan's approach to U.S. visa requests is further testimony to the challenges of the relationship; and, it will affect increased capacity for counterterrorism and counterinsurgency, to include support for development projects. The State Department's Pakistan Counterinsurgency Capability Fund and the DOD's Coalition Support Funds allocated for Pakistan are essential components of our support to this critical ally. Enhanced contact and engagement between Pakistan and the United States is a critical component of a maturing, long-term partnership. Thus, we are focusing on expanded military education exchange programs, joint training opportunities and especially Foreign Military Sales and Foreign Military Financing. The State Department budget requests additional funds for these critical partnership endeavors.

South Asian security tensions and political dynamics significantly impact our objectives in Afghanistan and Pakistan. The longstanding animosity and mistrust between Pakistan and India complicates regional efforts. Yet India and Pakistan must both be our partners for the long term. Bilateral military relationships are an essential component in a wide array of cooperative activities. We must recognize this and address it as part of our policy. While we acknowledge the sovereign right of India and Pakistan to pursue their own foreign policies, we must demonstrate our desire for continued and long-term partnership with each, and offer our help to improve confidence and understanding between them in a manner that builds long-term stability across the wider region of South Asia. As part of our long-term regional approach, we should welcome all steps these important nations take to revive a process to resolve their differences over Kashmir.

While Afghanistan and Pakistan remain the critical terrain, we must remain vigilant in denying al Qaeda unfettered physical safe havens elsewhere across the Broader Middle East and South Asia, including Northern and Eastern Africa. These efforts will not require tens of thousands of American troops. Instead, we can work

quietly and persistently with regional allies and Coalition partners to deny al Qaeda territory from which to plot, train, and project global terror operations. Similarly, we continue to undertake collaborative, supporting efforts with like-minded governments across the broader Middle East. We work to help the Yemeni government build the information base and the military capacity necessary to combat the al Qaeda threat within its borders. We applaud Yemeni efforts to confront al Qaeda operatives, and continue to offer Sana'a the support necessary to achieve this aim. We have worked with the concerned neighbors of Somalia to contain the worst aims and objectives of the Islamic Courts Union and al Shabaab. This must continue. In these areas—as well as others including Indonesia and the Philippines—our military engages with willing partners in a manner detrimental to al Qaeda's aspirations. We undertake these partnerships in conjunction with those from American intelligence, diplomatic and economic organizations. I must stress that in today's environment, training and equipping partner security forces to defend and protect their own territory and coastal waters is a core national security objective. We appreciate Congress' continuing support for these important undertakings.

The Iranian government continues to be a destabilizing force in the region. Tehran's leadership remains on a trajectory to acquire a nuclear capability, in defiance of its international obligations. Indeed, the United Nations just declared Iran had sufficient fissile material to build two nuclear devices. A nuclear Iran could spark a regional arms race or worse. It will be profoundly destabilizing to the region, with far-ranging consequences that we cannot fully predict. Tehran also continues to provide a range of support to militant organizations, including HAMAS and Hizbollah, fomenting instability outside its borders. Its increasingly reckless nuclear and foreign policy agenda is now playing out against the backdrop of a slowing economy and profound internal turmoil. I remain convinced that exhaustive—and if necessary coercive—diplomacy with Iran remains the preferred path to prevent these grave outcomes. Iran faces an increasingly clear choice—cooperate with the international community or face consequences. To this extent, the Joint Chiefs, Combatant Commanders, and I support all efforts to steer the government of Iran off of its hazardous course. However, as with any potential threats to our national security, we will have military options ready for the President, should he call for them.

Iraq continues to progress, although more is needed. U.S. partnership with Iraqi security forces has been fundamental to this progress since 2005. Al Qaeda is still present and has carried out several large-scale attacks. Iraqi Security Forces and government leaders responded to them vigorously yet professionally. Further, the Iraqi people show no renewed appetite for the brutal tactics of Al Qaeda; I believe Iraqis are now more focused on developing their economy than domestic security threats. Politically, the March 2010 elections were assessed as legitimate and were largely free of violence. Though the government transition has been drawn out beyond our original planning assumptions, there has been no degradation in the security situation.

In turn, U.S. Forces—Iraq (USF-I) will draw down to roughly 50,000 and end our combat mission by August 31, 2010, as highlighted by our recent turnover of the Green Zone to the Iraqi government. Our security partnership will then shift to training, advising, and supporting Iraqi security forces, including continued participation in NATO's Training Mission—Iraq. More broadly, the U.S. military will transition from a supported to a supporting effort in Iraq as we normalize relations. The State Department and other civilian agencies will increasingly be the face of U.S. efforts in Iraq. The U.S. military will strongly support their leadership. We appreciate the inclusion of the Equipment Transfer Provision in the 2010 National Defense Authorization Act. These transfers are a critical component of America's continuing actions as a reliable partner in Iraq's assumption of a responsible and Baghdad-led security future.

HEALTH OF THE FORCE

Our nation's security is founded upon a well-trained, well-equipped all volunteer force. We must care for our people and their families, reset and reconstitute our weapon systems, and take on new initiatives that increase wartime effectiveness.

Care for our People

Our servicemen and women, their families, and their communities are the bedrock of our Armed Forces. Their health, resilience and well-being are at the heart of every decision I make. Frankly, investing in our people remains the single greatest guarantee of a strong military. Competitive pay, selective bonuses, expanded access to mental healthcare, continued health benefits for tens of thousands of our Wound-

ed Warriors—those with seen and unseen wounds—and their families are critical to this investment.

Our military families and communities continue to play a unique and growing role in our national security fabric, one not seen in more than a generation. They support us and sustain us in ways we do not yet fully understand. They deserve the admiration and support of a grateful nation. My conversations with spouses and children around the world tell me these concerns center on caring for those affected by these wars, child care, education, health and employment issues.

We remain competitive in attracting the country's best talent. For the first time in the history of the All Volunteer Force, the Active Duty, Guard and Reserve components all exceeded annual recruiting goals for 2009. This success was reflected in the quality of our recruits as well as their numbers. Ninety-six percent of our accessions earned a high school diploma or better. Each Service also met or exceeded its 2009 retention goals. Our ability to recruit and retain underscores the fact that this is the best military I have seen in my 42-year career. While competitive pay is a critical factor in this success, it does not stand alone. Other critical "people" programs supported by the Congress—like the new GI Bill, adequate housing, access to quality schooling for military children, adequate child care, and attractive family support centers—come together to make the harsh burdens of military life acceptable.

We must not forget the challenges that this excellent All Volunteer Force faces every day. More than 8 years of wartime operations have come at a cost. Most Army brigade combat teams are preparing for their fourth major deployment since 9/11, with some of them preparing for their fifth—unprecedented in our history. The Marines Corps is in the same boat—their deployments are shorter but more frequent, and their pace is grueling. Our people spend less time at home, and this shorter dwell time between deployments does not allow for respite or for training along the entire spectrum of military operations. Our irregular warfare expertise—hard won over the last 8½ years—has come at a price. Conventional war fighting skills have atrophied and will require attention. Yet this overdue attention will have to wait. The gains we anticipate from the coming draw-down in Iraq will be absorbed by our necessary efforts in Afghanistan for at least 2 more years. Resetting the force requires significant effort and sustained commitment now and post-conflict. We will continue to rely heavily on our Navy and our Air Force.

Dwell time—the ratio of time deployed to time home—remains a concern, and one we must manage closely this year and into 2011. Dwell time for the Army is at 1:1.2 and the Marine Corps is slightly better at 1:1.5. We will not see significant dwell time improvements across all services until 2012. Deployment rates for Special Operations Forces (SOF) and other low-density, high-demand specialties also remain very high. While our force is strong and resilient, these trends cannot continue indefinitely.

The challenges remain significant, but are manageable thanks to the support of Congress for increased end-strengths in the Army and Marine Corps. We are only now starting to feel the positive impact from these 2007 authorized increases in the baseline force—stabilizing deployment rates and dwell times. Coupled with the additional temporary increase of 22,000 troops within the Army, Congressional support for our wartime military manning needs has been critical.

The stresses of protracted war extend beyond the deployments themselves. Our number of dead and wounded continues to rise, as does the strain on their families and their communities. Other social costs of war—divorce, domestic violence, depression, and post-traumatic stress syndrome—are unacceptably high and continue to increase. We have much more to do.

Suicide deserves special attention. Despite our best efforts, 2009 witnessed a record level of suicides, with increases in both the Active and Reserve components. We have not begun to study suicides among family members and dependents. While there is not one cause for increased service-member suicides, we know enough to be certain that better prevention training programs for leadership, for at-risk service members, and robust funding and attention toward sober study of the problem are absolutely necessary.

We should provide a lifetime of support to our veterans. I urge you to continue funding the programs supporting those that have sacrificed so much, including those aimed to reduce veteran homelessness and that focus on rural healthcare options. The demands on our active and veterans care services will continue to grow, and require the attention found in this budget. Yet we must conceive of Wounded Warrior Support in a manner that goes beyond the traditional institutions. Public, private, and individual sources of help represent a "sea of goodwill" towards our veterans. Our focus must be more on commitment than compensation; and more at-

tuned to transition and ability than upon disability. Our veterans want the opportunity to continue to serve, and we should enable that opportunity.

Reset and Reconstitute

My concerns about the health of our force go beyond our people. Our systems and capabilities are under extraordinary stress as well. The high pace of operations is consuming our capital equipment much faster than programmed. The Air Force and Navy have been essentially performing non-stop, global operations for 19 years, since Operation Desert Storm. The Army and Marine Corps have had the majority of their combat forces and equipment in the combat theater of operations for nearly 6 years. The unforgiving terrain of Afghanistan and Iraq causes extensive wear and tear, especially on our ground vehicles, helicopters, and supporting gear.

The demands of the current fight mean we must increase capacity in several areas, including rotary wing, ISR, electronic warfare and SOF. We sustain necessary rotary wing capacity through the addition of two active Army Combat Aviation Brigades, continued production of the tilt-rotor V-22, as well as our helicopter force, and a seventh SOF helicopter company. I support this budget's rebalancing in favor of more commercial airborne ISR capabilities for Combatant Commanders. This budget continues increasing the number of unmanned combat air patrols, coupled with the ability to fully exploit the intelligence coming from these platforms. We should expand current technologies to fill electronic warfare shortfalls and develop next-generation technologies for manned and unmanned aircraft.

New initiatives

Too many of our processes and programs remain geared to a peacetime clock, but several new initiatives focused on supporting our war efforts show promise. I strongly support the Afghanistan/Pakistan Hands program and ongoing initiatives that increase the number and skill of our civil affairs and psychological operations personnel. I also strongly back the USAF's initiative to use light aircraft for enhanced capacity building of key allies and partners for light mobility and attack.

Our current acquisition process remains too unwieldy and unresponsive. Adding 20,000 more acquisition experts by 2015 will help, as will increasing the rigor and efficiency of our internal processes. Stability in our programs, comprehensive design reviews, better cost estimates, more mature technology and increased competition will make the process more responsive. Once fielded, our systems are the finest in the world, because of the experienced and capable program managers and engineers building them. We need more of managers and engineers, and they need better support and leadership.

Finally, I am growing concerned about our defense industrial base, particularly in ship building and space. As fiscal pressures increase, our ability to build future weapon systems will be impacted by decreasing modernization budgets as well as mergers and acquisitions. We properly focus now on near-term reset requirements. However, we may face an eroding ability to produce and support advanced technology systems. Left unchecked, this trend would impact war fighting readiness. The Department, our industry leaders, and the Congress need to begin considering how to equip and sustain the military we require after our contemporary wars come to an end.

BALANCING GLOBAL STRATEGIC RISK

Balancing global risk requires sustained attention to resetting the force. It also means making prudent investments to meet the challenges of an increasingly complex and challenging worldwide security environment. As the President recently noted, it is the United States that has helped underwrite global security with the blood of our citizens and the strength of our military. America's interests are global, and our military must secure these interests. Where possible, we will act first to prevent or deter conflict. When necessary, we will defeat our enemies. And whenever able, we will work in concert with our many allies and partners.

For many decades, but especially since 1989, U.S. conventional overmatch has guaranteed our security and prosperity, as well as that of our many allies and partners. We have helped protect expanding global commons. We have seen the likelihood of conventional war between states drop. And we have used the tools designed for war not against human adversaries, but instead to support humanitarian operations. Most recently in Haiti, but elsewhere over the past 60 years, the military's unmatched capacity to transport goods and services have provided relief in the face of tragic natural disasters. In short, many nations have benefited from an extraordinarily capable and ready U.S. military, even as we have defended our own interests.

That capability must continue to span the full range of military operations. But in this post-Cold War era—one without a military near-peer competitor—we should not be surprised that adversaries will choose asymmetric means to confront us. They will seek to use both old and new technology in innovative ways to defeat our advantages. Terrorism will remain the primary tactic of choice for actors to conduct warfare “on the cheap”. Both state and non-state actors will seek weapons of mass destruction through proliferation. Increasingly, states will attempt to deny our ability to operate in key regions, through the development and proliferation of ballistic missile systems, or by exploiting space and cyberspace. Taken together, these are diverse threats that require a broad set of means.

Winning our current wars means investment in our hard won irregular warfare expertise. That core competency must be institutionalized and supported in the coming years. However, we must also stay balanced and maintain our advantage in the conventional arena. In the air, this advantage requires sufficient strike aircraft and munitions capable of assuring air superiority and holding difficult targets at risk. At sea, we require sustained presence and capacity supported by a robust ship building program. On the ground, we must accelerate the modernization of our combat brigades and regiments. Without question, these are expensive undertakings. But our present security challenges demand them.

While maintaining our conventional edge, we also must address the safety and surety of our nuclear forces, even as we seek to reduce them. Our Nuclear Posture Review provides the guidance and vision on how to accomplish this laudable and historic goal. We must invest in our nuclear infrastructure and modernization programs in order to ensure our smaller nuclear force is safe, secure, and reliable.

Countering weapons of mass destruction means investing in new research, securing nuclear materials, and preparing a layered defense. Improving our ability to neutralize and render safe critical targets is vital. We maintain the ability to respond to their use against our citizens. But while improving responsiveness to the use of such weapons is critical, it is more important to counter their proliferation and deter their use. I advocate diverse investments in nuclear forensics and expanding our biological threat program, in addition to continuing investment in the highly effective counter-proliferation programs that are central to our success in this critical endeavor. These relatively small funds will have a disproportionately large positive impact on our security.

The ability of potential adversaries to challenge our freedom of movement and the peaceful use of the global commons has grown in recent years. Anti access-technologies and capabilities are proliferating, which could prevent us from deterring conflict in some regions. We must preserve our ability to gain access even when political, geographical or operational factors try to deny us the same. This requires funding for improvements to our missile defense capabilities, expanded long range and prompt global strike systems, and hardened forward bases.

Threats in cyberspace are increasing faster than our ability to adequately defend against them. Cyber attacks can cripple critical infrastructure, impose significant costs, and undermine operational capabilities. Meanwhile, space-based systems critical to our global awareness and connectivity are aging and have proven vulnerable. A determined enemy could degrade existing space systems, significantly impacting our strategic intelligence and warning capabilities, as well as global positioning and communication. I welcome your support for the recently stood-up U.S. Cyber-Command (CYBERCOM) and its associated funding.

Rising states present both a strategic challenges as well as strategic opportunities. China’s economic strength, military capability, and global influence continue to grow. While our military relations continue to develop, we seek much more openness and transparency from China regarding the pace and scope of its conventional and nuclear force modernization. We also believe that China can—and should—accept greater responsibility for and partner more willingly to safeguard global prosperity and security. We are looking to China to join us in reacting to the Cheonan sinking in ways that make clear to North Korea that its aggressive behavior is unacceptable. We seek for Beijing to work more collaboratively when determining fair access to transportation corridors and natural resources. China also should demonstrate greater clarity in its military investments. Absent a more forthcoming China in these critical areas, our military forces must prudently consider and plan based on known Chinese capabilities and actions, in addition to its stated intentions. As we work with Beijing to establish a continuous military-to-military dialogue to reconcile uncertainties and generate confidence, we will pursue common interests in agreed upon areas such as counter-piracy, counter-proliferation, search and rescue, humanitarian assistance and disaster relief. As a Pacific Rim nation with longstanding interests throughout the area, we will continue to play a vigorous regional role.

Our present dialogue with Russia is multi-faceted. It acknowledges points of contention as well as opportunities to “reset” our relationship on a positive trajectory. We welcome Moscow’s cooperation in reducing the number and role of strategic nuclear weapons. These discussions have been constructive, and I believe the resulting treaty will benefit the United States, Russia, and the world. Moscow has also helped us establish a supplemental logistics distribution line into Afghanistan. Russia also helped our diplomats pressure Iran, and we look toward Moscow to do even more in this process. On the other hand, Russia continues to reassert a special sphere of influence with its neighbors. The Russian military is simultaneously modernizing its strategic forces and many conventional forces.

North Korea continues to present a security challenge in Asia, as evidenced by the recent sinking of a Republic of Korea corvette. Today, Pyongyang continues to pursue intercontinental ballistic missile technologies, develop nuclear technologies, and export weapons in contravention of international norms on nonproliferation, and of two United Nations Security Council resolutions. It also maintains an unfortunate and threatening posture toward our ally the Republic of Korea, and an unhelpful disposition toward our ally Japan.

Of course, we can best defend our interests and maintain global order when we partner with like-minded nations. By forging close military-to-military relations with an expanding number of nations—providing training, equipment, advice, and education—we increase the number of states that are interested and capable of partnering with us. While tending to long-term allies, we should also cultivate our relationships with other liked-minded powers around the world. Making a small investment now will pay dividends in reducing our security burden and global risk.

We must also continue to work with our traditional Allies. NATO remains the most successful alliance in history, and our NATO Allies serve side by side with us in Afghanistan and elsewhere. Our obligations under Article 5 remain clear, and our commitment to defending against threats—wherever they may originate—to our security and that of our Allies is unwavering.

We need full funding of Defense Theater Security Cooperation programs, and the many security assistance programs managed by the Department of State, particularly the International Military Education and Training program. Preventative strategies require providing foreign partners with the capacity to promote stability and counter-terrorism. With your help, we have made considerable strides in adapting our tools for security force assistance, but more is needed. I urge your continued support of the Global Train and Equip initiatives (under 1206 authorities) as well as funding for special operations to combat terrorism (under 1208 authorities).

The majority of threats facing the United States require integrated interagency and international initiatives. Supporting interagency cooperation programs, to include expanding the number of exchanges between the Department of Defense and other Executive Agencies, will improve interagency capacity to meet future security threats as well. Please urge your colleagues who oversee the Department of State to fully fund Secretary Clinton’s requests. I ask the Congress to promote legislation that increases the expeditionary capacity of non-military Executive Agencies. Our future security concerns require a whole of government effort, not just a military one.

CONCLUSION

This past year witnessed significant achievements by America’s men and women in uniform. Their efforts and sacrifices—as part of a learning and adapting organization—have sustained us through more than 8 years of continuous war. Thanks to them we are in position to finish well in Iraq. Thanks to them, we can begin to turn the corner in Afghanistan and Pakistan. In conjunction with our many partner nations, they’ve provided humanitarian relief assistance to millions, helped contain a threatening H1N1 pandemic, expanded support to national law enforcement for enhanced border security, and disrupted terrorist sanctuaries worldwide. And, thanks to them, we have a global presence protecting our national security and prosperity.

The demands of the present remain high, and our military role in national security remains substantial. This will continue for the foreseeable future. Yet as I have testified before this body in past appearances, the military serves America best when we support, rather than lead United States foreign policy.

On behalf of all men and women under arms, I wish to thank the Congress for your unwavering support for our troops in the field, their families at home, and our efforts to rebalance and reform the force to assure that we win the wars we are in and are poised to win those we are most likely to face in the future.

Chairman INOUE. Thank you very much, Admiral Mullen.

I believe you are aware that the vote has started. That is why some of the members have left to vote, but they will be back.

JOINT STRIKE FIGHTER

I would like to begin, Mr. Secretary, by asking a question on the Joint Strike Fighter (JSF). Your projection has been shown to have a few predictions that are not quite correct. For example, the cost has increased by, I believe, \$109 billion. Your chief weapons buyer has indicated that there are many problems in the Strike Fighter testing program.

My question is, with these errors, should we still go along with your insistence upon no alternative engine?

Secretary GATES. Yes, sir, I believe that is the case. In fact, I believe it very strongly.

First of all, we are talking about two different subjects here, the fighter itself and the alternative engine. We had an independent estimating team in 2008 that identified some difficulties in the development program. I added almost \$500 million—or you added almost \$500 million at my request to that program.

We did another independent estimating effort last fall that made it clear this was more than a 1-year problem, and we have completely restructured the program. We fired the program manager, replaced him with one of the most experienced acquisition uniformed officers in the military.

We withheld \$600 million plus from the contractor. We extended the development program. We slowed the production rate in the early years by 122 aircraft over a 3- or 4-year period. So we will have more aircraft—fewer aircraft that are completed while the development program is continuing. We have added three aircraft to the development program.

So I think that we have taken a number of steps that are consonant with a restructuring of the program. We believe we have—because of these outside estimating efforts, we think we have a much better fix on the nature of the problem that we have faced.

I would tell you it is not particularly a good news story, but I would point out that both the C-17 and the F-22 also went through restructurings early in the program because of problems.

The good news, I would say, is that there hasn't been a single review that has discovered any fundamental technological or performance problems with the aircraft. It is meeting its performance parameters. What we think we have endured is primarily management and production problems, a lack of adequate execution on the part of the Defense Department itself.

My favorite story here is the supplier where the F-35 is part of their factory. They have a number of aircraft. The F-35 occupies 6 percent of the factory floor space, and we pay 70 percent of the overhead for the factory. So we need to be a lot smarter about the way we execute this program.

So I think that we have a good independent assessment of where we are. I think part of the problem with this program, frankly, over the last several years has been too rosy an estimate from the production program itself about how things were going. And I think we have a much more realistic approach now.

ALTERNATE ENGINE

With respect to the alternate engine, we have had this discussion. We believe that this program will cost at least another \$2.9 billion to bring it to the point where it could be competitive. We think that the current engine that General Electric (GE) is offering probably does not meet the performance standards that are required, and the taxpayer would be required to pay for any enhancement that would bring it up to the performance standards that we require.

And we think a situation in which both competitors are guaranteed a win is not competition at all. My view is a competition is winner take all. And I think we have had that competition, and it is time to move on with the program.

Chairman INOUE. Mr. Secretary, if I may follow up, we were under the impression that the testing program of the F-35 would be completed by 2012. And now we have been advised that it is going to slip to 2016.

Secretary GATES. The dates that we have, Mr. Chairman, the latest information that I have is, first of all, we are on track to have a training squadron at Eglin Air Force Base in 2011. The Marine Corps will begin to receive their first aircraft in 2012, the Air Force in 2013, and the Navy in 2014.

Full operational capability for the Air Force and the Navy will be in 2016. But those services will begin to receive aircraft earlier.

Chairman INOUE. I thank you very much.

HEALTHCARE PROJECTIONS

I would like to ask the Admiral about healthcare projections that you have made—and I am pleased to hear those—but my time will be up soon.

As you know that the ancient war, World War II, and the conflict today cannot be compared. For example, in my time, in my combat team, 4 percent were married and had dependents, 96 percent were single. Today, I note that the Army, nearly 70 percent have dependents, and that produces a big problem.

Second, survivorship is sky high now because of your improvement in high technology and transport. Do you think that we are coping with these changes?

Admiral MULLEN. Sir, as I said in my opening statement, I think we have got the best healthcare system in the country. Where I have tried to focus on in addition to care, and we still have some challenges, is really the cost. And the cost has grown from \$19 billion I think in 2001 to \$50 billion—over \$50 billion in 2011. And it is going to continue over the next few years to grow.

So we have got to have a balance in terms of providing this high-quality care and somehow containing the costs, and the costs continue to grow. And as you indicated very clearly, the requirements for our families have grown substantially over the many years. That said, I don't think there is any more important focus in our future than to make sure we get it right not just for our people, but also our families.

And we still have some significant challenges internal to the Department in providing care. The Secretary of Defense and I talk

about this routinely. When we are on the road, we spend time with spouses, and particularly spouses in deployed units, that medical care continues to be at the top of their list to get it, as good as it is.

In recent years, we have unsuccessfully recommended that the copay rates, which have not increased since 1995, be looked at to increase. I don't see how at \$19 billion in 2001, \$50 billion in 2011, \$64 billion, I think the number is, in 2015, it is just simply not sustainable.

So my emphasis these days, and I know the Secretary's as well, is how do we contain the costs?

Senator COCHRAN [presiding]. Thank you very much, Admiral Mullen.

Now I call on Senator Bond for any questions he has of the witnesses.

Senator BOND. Thank you very much. I better turn this on. Thank you very much, Mr. Vice Chairman.

FORCE STRUCTURE

Secretary Gates, Admiral Mullen, we appreciate your service. I thank you for, first of all, when you say you are looking for savings of \$100 billion in 5 years, we would humbly suggest that you put more, not less, in the force structure for the Guard, which is a bargain for our military defense. But I thank you for your recent decision to move forward with the F/A-18 multiyear. This pragmatic decision will help address larger fighter shortfalls in the Navy, save the taxpayer over \$500 million.

I believe strongly we take for granted our defense base will always be there, maintaining capacity and innovation to keep the United States and our warfighters second to none. I agree with the chairman that our ability to respond to current and emerging threats is dependent on preserving the ability to engineer, design, and procure both counterinsurgency technologies that we are employing today and technology to maintain our conventional military edge.

In less than a decade, more than 50 major defense companies have been consolidated into only 6, and six aircraft primes have been narrowed to only two. After 2013, we will be down to one. The latest QDR has recognized and said how important and complex the industrial base is, but I would like to know what the Department of Defense and the administration are doing to ensure that we have the skilled workers, engineers, and companies both to address the threats to our Nation now and in the future.

And one of the challenges of sustaining the defense base comes from a reduction in the overall number of programs. There are fewer new start programs, less investment in research and development, longer lifecycles, and increased cost for programs, especially like the JSF, that result in fewer efforts being underway.

And I think a telling example is saying we shouldn't purchase any more C-17s. The mobility capability study will not address the possibility that the Nation may need to surge its production of airlifters in response to a national emergency or a humanitarian crisis like Haiti. And I question the validity of a single study which doesn't take into consideration the need of an industrial base.

The decision on the C-17 is particularly troubling because there will not be a single facility in North America anywhere assembling large aircraft designed to military specifications, and many of the old C-5As are reaching the end of their service life. I question why it is in our Nation's interest to close the only active production line for long-range airlifters when there is no replacement that is being developed.

And my question is what steps are being taken to protect the industrial base in heavy airlift, strategic airlift?

Secretary GATES. Well, first of all, Senator, there have been three mobility studies done on the size of our strategic lift capability—one in 2005; one in 2008, sponsored and mandated by the Congress; and one in 2009. And those studies have taken into account a stressed strategic environment, as well as increased end strength in the military, the ability to carry large-scale, larger equipment such as mine resistant ambush protected (MRAP), and so on.

There is the capability in the United States for wide-body aircraft. U.S. manufacturers make them all the time. The C-17 will have a very long lifespan. Those that are being built now will probably be flying in 35 to 40 years. So we have a substantial capability that takes into account really all of the stressed environments, and I think that we do have in the United States a capability—an industrial base that is capable of building wide-body aircraft and, over the period of time that we are looking at, the ability to adapt whatever is needed to meet military specifications. But the C-17 is going to be with us for decades.

Senator BOND. But the C-5A is reaching its service life, and we are going to need replacements, aren't we?

Excuse me, Admiral Mullen. I didn't see you were wanting to speak.

Admiral MULLEN. As far as that is concerned, the studies, which have been extensive, look at both the C-5s and the C-17s. And the requirement, I cannot find a requirement for additional C-17s. As hard as we have looked, and quite frankly, because this is visited—been visited so many times, we have looked at it time and time again. We just don't have a requirement beyond the 223 C-17s, and there are some that would argue that that is actually too many.

I certainly share your concern with respect to the industrial base, and there is no easy answer there across a broad set of capabilities for our country. And the only way that I have seen that successfully addressed in the past is a strategic relationship—which includes obviously the partnership, if you will, between the Hill, between the Department of Defense, and those who build it—to make sure that we look at meeting our requirements and our ability to sustain a very important industrial base at an affordable cost. And that then gets into acquisition and how we do things.

So I certainly take your point, Senator, about the industrial base. It is critical. But I don't think from the standpoint of retaining it or sustaining it, one, against a requirement that doesn't exist anymore, and second—and doesn't look like it will exist for an extended period of time, and second, at an affordability level that we

just have not seen. That is the concern. I just think we have to address this strategically in ways we haven't in the past.

Senator BOND. Thank you very much, gentlemen. I will have questions I will submit to you in writing, if you don't mind.

Thank you.

Senator COCHRAN. Senator Hutchison, I think you are next, and then Senator Specter.

We are going to try to recognize folks in the order in which they came in.

Senator Hutchison, you may proceed.

Senator HUTCHISON. Thank you.

Senator COCHRAN. Then I will call on Senator Hutchison—Senator Murray, sorry.

Senator HUTCHISON. Mr. Chairman, thank you. And I want to thank all of you for being here.

Mr. Secretary, we have talked about your mission to try to lower the defense budget and you are looking for places to cut, and I am hoping that I can expand on this in the near future with you. But here are some of the concerns that I have seen as the ranking member and former chairman of the Military Construction Subcommittee.

We have had a strategy of after we saw the deployment problems that we had when we were going into Iraq out of Germany, and also as we were looking at the training constraints in Germany and other parts of the world where we are. So we have had a strategy, and this just gives you an idea of the chart on Milcon buildup in the United States, starting in fiscal year 2006. We built up heavily in 2009 and 2010 to try to bring our troops home from Germany, some from Korea, to be able to train and deploy where we had complete control.

But now I am looking at the 2011 budget request for Germany, and it is \$500 million. And of greater concern is—this is the Milcon in Germany for the next 5 years, and we are looking at \$3.5 billion in the next 5 years in Germany. Now I am concerned that we are duplicating efforts, and let me just give you an example in Germany.

The European Command and the African Command are headquartered in Stuttgart. And yet the Army is now coming in to request \$91 million for a SCIF facility in Wiesbaden, plus a new battle command center for \$120 million in Wiesbaden. So the Army is going to a separate location, when we already seem to have our resources consolidated in Stuttgart.

The German building requirements are higher, and yet Germany has only over the past 13 years contributed approximately 7 percent of the building requirements in Germany. And then you look at the effort that is being made by Germany in Afghanistan right now, approximately 4,000 troops out of approximately 100,000 in Afghanistan.

And I guess I am just looking at the potential for savings and consolidation and efficiencies in military construction, and I am asking you if that has been a factor in your decisions, if you have looked at this plan for \$3.5 billion in Germany, and what is the thinking behind that? And is it necessary to do that much when we have had the strategy of building up in America and deploying

where we wouldn't have deployment problems as we saw going into Iraq?

Secretary GATES. I will have to ask the Army to come up and brief you on the details and the justification of their specific programs. I would say more broadly that the path that we have been on was a path on global posture review that was established by the Bush administration.

One of the outgrowths of the Quadrennial Defense Review was a request to revisit that issue by the Obama administration, and we are in the process of doing that this year in terms of our presence not just in Germany, but elsewhere around the world. And so, the conclusions of that study and whatever decisions the President makes on that will obviously significantly impact the kind of programs that you are describing.

Senator HUTCHISON. When you are looking at budgetary matters and when the commanders in the field are making these requests, do you look at the effort made by the host country?

I look, for instance, as a comparison to what Germany has done, to Japan, which has been above 90 percent in effort to help offset our costs. And Germany has asked us to stay, in many places. So is that a focus that the Department makes in general?

Secretary GATES. It certainly is a consideration.

Senator HUTCHISON. Well, there are also concerns that I have with Korea—

Senator COCHRAN. Senator, your time is expired.

Senator HUTCHISON. I hope to be able to give you some thoughts that I have and perhaps work with you to see if we can be more efficient with the military construction side in the future.

Thank you.

Thank you, Mr. Chairman.

Senator COCHRAN. Thank you, Senator.

We established, under Senator Inouye's rule, that we would recognize Senators in the order in which they came into the hearing. And this is the list that we have had.

Senator Leahy was here early and had to leave, but he is back now. Senator Murray is next, Senator Dorgan, Senator Feinstein, Senator Specter, Senator Bennett. That is the list in order of the chairman.

Senator MURRAY. Mr. Chairman? Mr. Chairman, I just had a chat with Mr. Specter, who did have another engagement. I am happy to go after him on that list.

Senator COCHRAN. I was going to recognize Senator Leahy. Senator Leahy.

And here is the real chairman, so—

Senator LEAHY. Thank you. Did you ask questions? Okay.

Secretary and Admiral Mullen, it is always good to see you. I appreciate the fact that both of you have always been available for questions from not only myself, but other members of the subcommittee.

AFGHANISTAN

Let me ask you a little bit about Afghanistan. We all want to see al-Qaeda, Taliban, defeated, but I worry about our clear, achievable goals there. I supported—9, 10 years ago now—going into Afghani-

stan to get Osama bin Laden. I did not support going into Iraq because I saw it as no threat to the United States.

Secretary, you said last January we weren't trying to make Afghanistan a Central Asian Valhalla. But I am not sure what we are trying to make it. Right now, the top officials in Kabul do not have the confidence or respect of the Afghan people. They seem to be making common cause with a lot of people that we are fighting.

We have committed so much, so much money here, and we have neglected so many things inside the borders of the United States. We see China and now others developing green technology, creating jobs, exporting it to elsewhere.

We see a number of other things in other countries where they don't have the burdens of Afghanistan and Iraq. They are using the money to develop economic juggernauts, which could create huge problems for us in the future.

We have 1,000 brave members of the Vermont National Guard there. And I want to thank you publicly, Admiral Mullen, for coming up and speaking to them. It was a highlight for them, the fact that you did.

So, I mean, how do you see it? What is our end game?

Secretary GATES. Well, first of all, I think one of the results of the very detailed analytical effort and policy consideration effort of the administration last fall was, in fact, to clarify our goals. And our goal is to ensure that Afghanistan is not a place from which attacks can be launched on the United States again.

And in a nutshell, the strategy is to reverse the momentum of the Taliban, to deny them control of populated areas, to degrade their capabilities to the point where the Afghan security forces can take care of them.

And the Afghans are ahead of pace, in terms of building both the police and the army. We still are dealing with quality issues, but we are making headway. We are making progress on trainers. The percentage of trainers to trainees has gone from about 1 to 80 to about 1 to 30.

I read a lot in the press about corruption and so on and so forth, but the reality is there are ministers in Kabul doing their jobs, and there are Afghan soldiers and police out there who are dying in even greater numbers than we are, fighting for their country.

Senator LEAHY. I met a number of those ministers, and I have a great deal of confidence in them. But do you have confidence in the top leadership of the country?

Secretary GATES. Yes, I do. First of all, from my own conversations with President Karzai, I think that he is embracing his responsibility for this conflict in his country. His visit to Kandahar just a few days ago that the Admiral referred to was very important, in terms of helping set the stage for the continuation of the campaign there.

So I think that we have some clear goals. I think, frankly, that the narrative over the last week or so, possibly because of the higher casualties and other factors, has been too negative. I think that we are regaining the initiative. I think that we are making headway.

But the thing that I would say—two other points I would make, Senator is, people need to remember we have only been at this new

strategy for about 4½ months. We don't even have all the surge troops in Afghanistan.

Senator LEAHY. Could I ask you on this, before my time runs out, is the Leahy law being implemented in both Afghanistan and Pakistan?

Secretary GATES. We are working to ensure that the Leahy law is being implemented in both places. And we could discuss it further with you in a closed setting.

Senator LEAHY. I suspect it will require a closed session. But I just mentioned that because I have discussed it with you privately, as with the Admiral, and it is more than just a talking point with me.

Secretary GATES. Well, we understand that fully, Senator, and it is with us as well.

Senator LEAHY. Thank you.

Secretary GATES. And I would just add one more point to the earlier point you made. There is no doubt that these wars have cost the United States, the American taxpayers a lot of money—as the chairman said at the outset, close to \$1 trillion.

That said, in terms of our international competitiveness, in terms of our overall economy, it is worth keeping the perspective that, at about 4 percent to 4.5 percent of gross domestic product (GDP), we are spending less on defense than during any other war time in our history. And it is a level that certainly is sustainable.

Chairman INOUE [presiding]. Thank you very much, Mr. Secretary.

Senator Murray.

Senator MURRAY. Mr. Chairman, Senator Specter came in while I was voting and does have a previous commitment, and I agreed that he could go ahead of me, if that is all right with you.

Chairman INOUE. Fine. Oh, Senator Specter, yes?

Senator SPECTER. Thank you, Mr. Chairman.

IRAN TO DEVELOP NUCLEAR WEAPON

Secretary Gates, an article in the New York Times on April 17 of this year quotes sources on a confidential memorandum written by you, according to the Times article, which broadened considerations on dealing with Iran's efforts to develop a nuclear weapon, to contain that effort.

General John Abizaid had, some time before, talked about containment as an option. And I think we would all vastly prefer not to see Iran develop a nuclear weapon—unacceptable to have that country have such a weapon. But there has been talk about alternative courses if those efforts are not successful. What would the broad parameters be should the option be considered for a containment policy?

Secretary GATES. First of all, Senator Specter, I would tell you that, contrary to the news account, the memorandum that I did earlier this year did not discuss, either by name or in concept, anything about containment. And my answer to your question would be is that I think we have a strategy. Our view is that it is unacceptable for Iran to have nuclear weapons, and we are proceeding on that basis.

Senator SPECTER. Mr. Secretary, when you testified back on March 21 of this year, I propounded a series of four questions and asked that they be responded to for the record. And as yet, I have not had a response.

ISRAELI-PALESTINIAN CONFLICT

Let me ask you at this time, on one of the questions which I propounded, and that related to a statement by General Petraeus to the effect that the Israeli-Palestinian conflict foments anti-American sentiment, due to a perception of U.S. favoritism toward Israel. And his comment embraced the idea that a failure to resolve the conflict had begun to imperil American lives, which is obviously a very serious consequence.

What basis, if you know, did General Petraeus have for making that statement, or is there any indication that that statement is factually correct?

Secretary GATES. First of all, if you haven't received the answers to your questions from March, I apologize for that, and we will find out why.

My recollection—and I would defer to the chairman because he may remember better than I do—I do not think that that is, in fact, what General Petraeus said. I think that our view is it is clear that a Middle East peace settlement between Israel and the Palestinians would enhance our diplomatic and other efforts in the region and would enhance our own security because that dispute is used by our adversaries against us. But I don't know of any evidence that the failure to arrive at a Middle East peace solution has, in fact, put American military lives at risk.

Admiral MULLEN. Nor do I, Senator. I think the Secretary has it exactly right.

Senator SPECTER. Secretary Gates, in an interview with CNN back on April 29, 2009, you had commented that you thought our policy was sometimes too arrogant. And one of the concerns that I have had has been in dealing with Iran, we have never been able to establish really a dialogue.

For some time, a number of Senators were trying to have some interparliamentary exchanges. In 2007, Senators Biden, Hagel, Dodd, and I wrote a letter to the parliamentarians in Iran and got back a response—that had been discussed with President Bush at that time, who had no objection—got back a response from the Iranians that they liked the tone of our letter but were not yet ready to talk.

And the question I have, in line with your comment about U.S. arrogance, would be is there any way we might use what President Bush had talked about starting his administration, a little more humility? And I think President Obama has certainly withdrawn any effort to have preconditions, like stopping the enrichment of uranium before you talk about the subject. Any way to modify our attitude in our dealings with Iran, which might produce some better results?

Secretary GATES. Senator, every United States President since the Iranian revolution has reached out to the Iranians. I was present at the first outreach in—at the end of October 1979 when Dr. Brzezinski met with the leadership of the Iranian Govern-

ment—the prime minister, defense minister, foreign minister. We basically said, “We accept your revolution. We are willing to work with you. We have a common foe to your north. We will sell you all the weapons that we had contracted to sell the shah.”

And they said, “Give us the shah.”

Three days later after that meeting, our Embassy was seized. And 2 weeks later, all three of those people were out of power. Every subsequent President has reached out to the Iranians, no President more sincerely and with greater effort than President Obama. This is one case where I don’t think—where I think that the arrogance, frankly, has been on the other side of the table, not on the American side of the table.

Senator SPECTER. Senator Murray, thank you for yielding.

Thank you, Mr. Secretary.

Thank you, Mr. Chairman.

Chairman INOUE. Senator Murray.

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

And thanks to all of you testifying before the subcommittee today.

Secretary Gates, I wanted to start with you because, as you well know, among many of the troops who are serving us in Afghanistan today, many are deployed from Fort Lewis in my home State. They are on the front lines with the 5/2 Stryker Brigade, for instance, and they have suffered tremendous losses this year. And with the increasing Taliban offensive operations every day, families across my State are picking up the paper almost every morning now and reading about more casualties.

MARJAH

I am committed to giving our servicemembers every resource they need to bring a quick and decisive end to the Taliban and the other insurgent forces. But I am very concerned about the increasing number of casualties, but also concerned about the reports that we haven’t solidified our gains in Marjah and southern Afghanistan despite the tremendous sacrifice by our servicemembers and their families.

And I wanted to ask you today what you can share with us to provide assurance that Marjah and our operations in southern Afghanistan are a success.

Secretary GATES. Well, let me address it and then ask the chairman to do so as well. First of all, we made very clear at the very outset, many months ago, that this summer would see increased casualties.

As our military and our coalition partners move into areas that have been controlled by the Taliban for the last 2 or 3 years, it was inevitable that there would be increased casualties. Tragic, but inevitable. And we have warned about this from the very beginning.

The reality is that the military operations in Marjah were successful, and a place that had been controlled by the Taliban for 2 years or more is no longer controlled by the Taliban. Getting the civilian coalition and Afghan forces in there, the civilian officials, building the development programs is moving forward, but it is moving slower than we originally anticipated.

So I would say that, as I indicated earlier, I think that we are moving in the right direction. I just met with General McChrystal in Brussels last week. And I would tell you the general view of all of the alliance defense ministers was that we are moving in the right direction. We do now have all of the elements for success in place. This is going to be a long and a hard fight.

And General McChrystal is convinced—confident—that he will be able to show that we got the right strategy and that we are making progress by the end of this year. But this is not something where week to week or month to month you can be able to say, “We are moving the front forward.” That is not the kind of fight this is.

Admiral MULLEN. Progress in Marjah, ma’am is slow and steady. And we see indicators all the time where bazaars are open where there were none before. And this, as the Secretary said, is a place that was run by the Taliban for the last several years.

They are still there and intimidating, and they recognize that. Fundamentally, they have been displaced, but they certainly haven’t been defeated in that particular area.

We see an increase in the number of teachers who are there. There are some 80 plus teachers where a few months ago there were none. Schools are open where they weren’t.

And I don’t want to paint a rosy picture here. It is a very, very tough fight. But we see steady progress, an increase in the number of local government of Afghanistan employees from in the 40s a few weeks ago to over 60 now.

So we recognize the significance of it. We recognize the challenge of it. And it is going to take some time. We see an expanded rule of law taking place there. It is very gradual. This is a very, very tough undertaking, and it is going to take some time.

And I would not—

Senator MURRAY. Okay.

Admiral MULLEN [continuing]. Though, ask routinely when will we be successful in Marjah specifically? And it is hard to say that, but all the indicators are moving in the right direction, as tough as it is.

Senator MURRAY. I have another question for Secretary Gates, but I think all of us are watching this very closely, and especially those of us who are seeing this affecting our home States and the servicemembers that we represent. So we will stay in touch with you on that as well.

I did want to ask you, Secretary Gates, about a topic you and I have discussed many times, and that is the tanker competition. You know my concern about the fact that the World Trade Organization (WTO) has said that there were illegal trade distorting subsidies for the A330 Airbus frame. And I know we have had an exchange on this issue.

But I just heard you say in your opening remarks that the President would veto any appropriations with the C-17 funding. And I am very concerned, if this is awarded to Airbus, the KC-X, that we would have absolutely no wide-body military aircraft production left in our country, leaving us very vulnerable in the future. Does the DOD have any plans to address the potential loss of U.S. capability?

Secretary GATES. First of all, as I indicated in response to Senator Bond earlier, we expect to have the C-17 with us for decades, probably 40 years or more.

Senator MURRAY. In production?

Secretary GATES. There is significant wide-body aircraft production capability in the United States, and we have more than enough time to adjust it to a military production line if we need to.

Senator MURRAY. And the production capability and ongoing engineering design and manufacturing?

Secretary GATES. Sure. I mean, if you have wide-body engineering and capability for civilian and commercial purposes, it can be adapted for military purposes.

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

Chairman INOUE. Thank you.

Senator Cochran.

Senator COCHRAN. Admiral Mullen, the Defense Department, I understand, has suggested that continuing the DDG 1000 destroyer program is essential to our national security interests. One of the reasons I understand for this is the determination that there is an important need in maintaining a national ship building capability.

What suggestions do you have or strategies do you have that will address concerns about our ability to meet our current and a future national security needs in the area of ship building?

SHIPS FOR NAVY

Admiral MULLEN. Well, as I indicated in my opening statement, Senator Cochran, I think that being able to produce the number of ships that we need for our Navy is a critical imperative for our future security and that we have an industrial base that obviously supports that.

And the only way in the many years that I have been involved in ship building in particular, the only way I have ever seen it come close to success is to reach that sort of strategic partnership that I indicated before between the industry, obviously you on the Hill, and the administration.

And it has got to be affordable. I mean, one of the challenges that we had with the DDG 1000 program, like too many, is we started and the costs just absolutely skyrocketed, and it essentially does itself in. And I don't know any other way to get at that except that kind of strategic partnership, which then together addresses the major challenges, both in acquisition, in transition from one ship class to another, the challenges that obviously exist in shipyards in your home State, as well as where we have additional shipyards.

How do we inject the technology over time? How do we sustain that capability over time in what takes a long time to build as well as expected to be around for 30 to 40 years, depending on the ship that you are talking about? I think it is absolutely vital that we have that base. But it has got to be at an affordable level.

NEW GOVERNMENT IN IRAQ

Senator COCHRAN. Mr. Secretary, there are some political uncertainties surrounding the new government in Iraq. And we know

that there has been violence, and there probably will be more violence.

My question is will the delays that are being observed in establishing a new government affect the drawdown of U.S. forces? Are we going to be forced by danger signs of instability to change our plans and strategy of how to deal with the situation there?

Secretary GATES. The short answer, Senator Cochran, is no. The truth of the matter is the election trajectory in Iraq is basically going pretty much as had been predicted. We figured it would take several months for them to form a government after the election.

An important hurdle in terms of General Odierno's confidence was the certification of the election last week. The Council of Representatives convened this last Monday, and that begins the process of formation of the government.

So the violence that we have seen has really been al-Qaeda in Iraq violence aimed at promoting or provoking sectarian conflict and sectarian violence. And one of the good news stories out of Iraq is that that effort on their part has completely failed. These guys are doing politics.

And I would just say, coming out of the NATO summit—and I probably shouldn't say this—but I was intrigued with the fact that we have a new Dutch Government in formation, and they anticipate that it is going to take about 4 months to put the Dutch Government together. So, you know, these coalition governments aren't too easy even in established countries.

Senator COCHRAN. Admiral Mullen, what is your assessment of the Iraq security forces and their capability of effectively managing the security challenges?

Admiral MULLEN. Maybe I could use just a vignette to speak to that, that recently when two of the top al-Qaeda leaders, al-Qaeda in Iraq leaders were killed, that is Iraqi security forces were very much involved in that. And every time I both either see or ask about this issue, they are in the lead.

And there is a great confidence in particularly their ground forces. We are working to evolve their naval capability. We are working to evolve their aviation capability. But they have been particularly strong.

What General Odierno will also speak to is he was taken back a little bit by the way they seized this requirement when we came out of the cities 1 year ago last June. Their country, a lot of pride in what they do, and they really have stepped up to it and made a difference.

Senator COCHRAN. Thank you, Mr. Chairman.

Chairman INOUE. Thank you.

Senator Dorgan.

Senator DORGAN. Mr. Chairman, thank you very much.

Welcome.

SUPPLEMENTAL

Mr. Secretary, Senator Cochran, I think, asked in his—rhetorically in his opening statement about the supplemental. I think we were told earlier that the supplemental had to be completed by Memorial Day. It was, of course, not. I mean, the Senate has completed it.

But what is the date by which you are not able to make the payments you need to make in terms of getting the supplemental done?

Secretary GATES. I had hoped that it would be done by Memorial Day. We begin to have to do stupid things if the supplemental isn't passed by the Fourth of July recess. We will have to begin planning our—the money that we have in the overseas contingency fund for the Navy and the Marine Corps will begin to run out in July. We will then turn to O&M money in the base budget for them, causing us to disrupt other programs. The Army comes along a little behind that.

And we reach a point—and so, we begin to have to do disruptive planning and disruptive actions beginning in July. We could reach a point in August, in early to mid August, where we actually could be in a position where the money that we have available to us in the base budget runs out, and we could have a situation where we are furloughing civilians and where we have active duty military we cannot pay.

Senator DORGAN. Mr. Secretary, you mentioned a startling statistic. You talked about, I think, the Joint Strike Fighter in a plant where it was taking 7 percent of the space in the plant, and the Government was being charged 80 percent of the overhead.

Secretary GATES. Six percent of the floor space, 70 percent of the overhead.

Senator DORGAN. I am sorry, 6 percent of the floor space, and yet you were being charged 70 percent of the overhead. How does that happen?

I mean—and by the way, I appreciate and I think all Members of the Senate appreciate your deciding we are going to make people accountable for bad management practices, and we are going to incentivize and laud good management. But how did you find that out and then check it back and find out who on Earth made that decision?

Secretary GATES. Unfortunately, Senator, I think there have been a lot of bad decisions along these lines in terms of contracting and in terms of our acquisition process. And so, the acquisition reform bill that was passed here and that the President signed into law is an important asset.

But at the end of the day, what is really required is people who can execute a program efficiently and with a very sharp pencil for the taxpayer. I don't think we have had a sharp enough pencil, and in some cases, I don't think we have had sharp enough managers.

I think we are trying to more professionalize our acquisition workforce now. We are substituting career civil servants who have these skills for contractors who, in many cases, have been doing it. But we just have to be a lot smarter and a lot tougher and a lot more effective in our execution of the programs, and as you suggested, and as I believe, and hold people accountable.

Senator DORGAN. The work you are doing on contracting is so important. I mean, it is an inelegant term, but it is just, to use the term "dumb" for anyone who would say, "Yes, our program has 7 percent or 6 percent of the floor space, we are willing to ante up 80 percent or 70 percent of the—of the overhead." I mean, that is

just dumb for somebody to do that. And I applaud what you are trying to do to establish accountability.

I want to ask about Afghanistan because I am nervous and worried about that which has been written recently and I think also acknowledged by some—the persistent violence around Marjah, the issue of the Taliban in Kandahar, and General McChrystal saying that this is going to happen more slowly than we originally anticipated.

And as I look at that, and I wonder, you know, what are the costs of that in terms of soldiers' lives and money and so on, and then I also wonder, aside from Marjah and Kandahar, do we ever expect to control the tribal regions of Afghanistan? I mean, so as I look at that, I am becoming more and more nervous about the July 2011 date by which the President talked about bringing troops out.

So give me your assessment. We are reading these things that seem less optimistic and seem to suggest things aren't going as they expected.

Secretary GATES. Let us both take a crack at it briefly.

First of all, I think that we have—I think General McChrystal has finally put in place a strategy that can be successful in Afghanistan. We have the assets arriving on the ground that will allow us to be successful. We still have a third of the troops yet to arrive that are part of the surge.

So we are only a few months into the execution of the President's new policy, and I must tell you, I have a certain sense of *déjà vu* because I was sitting here getting the same kind of questions about Iraq in June 2007, when we had just barely gotten the surge forces into Iraq at that point. This is not—this is not some kind of production program or something where you have—you know, you are going to meet these particular objectives this week and next week.

This is—as the chairman was saying, this is a process. We think we have the right assets, we have the right strategy, we have the right leadership. And most of our allies and partners share our view that things are heading in the right direction and that we will be able to show clear progress and that we are on the right track by the end of this year.

But this is not something where we do ourselves any favors by tearing ourselves up by the roots every week to see if we are growing. This is a process, and it is going to be long and hard, but we are headed in the right direction.

MILITARY CAMPAIGN IN KANDAHAR

Senator DORGAN. But, Mr. Secretary, I just wondered, I was actually quoting General McChrystal when he said this will “happen more slowly than we originally anticipated.” So—

Secretary GATES. Yes. And what he is talking about is the time, as we shape—what General McChrystal has also tried to make clear is this is not going to be a traditional military campaign in Kandahar. There is a huge political and economic component to this. And the shaping of the political environment, as they—as they had real success in doing before Marjah, is very important in Kandahar. And that is what he is talking about is going to take a little more time than he anticipated.

Admiral MULLEN. I would echo what the Secretary said, from what I have seen and certainly my interaction with General Petraeus and General McChrystal, Senator. And I mean, we all have angst about this, but we have got a tremendous leadership team. We have put the resources in, and it is a very, very difficult counterinsurgency.

And as I said in my opening statement and I have said before, I think Kandahar is the center of gravity for this. I think we will know by the end of the year obviously where we are with respect to reversing the momentum, and that is one of the key objectives here.

What I am concerned about, and I know people are focused on July 2011, we all are in a way, but we are not just not going to know until we get much closer to July 2011 how many troops and where they will come from, the pace and the place. And all of that is conditions based, and I think we have to remember that.

Clearly, I think we will start thinning our lines, if you will, and moving our troops out, but we are just not going to know. And we haven't gotten to July 2010 yet.

So I share the angst. There is an awful lot of people focused on it. And we want to be as—and nobody more so than General McChrystal—as transparent with what is going on as possible.

But it is not just a military issue. It is the economic piece, the governance piece, all those things, all of which we are shaping right now, particularly in Kandahar.

Senator DORGAN. I thank you very much.

Mr. Chairman, thank you.

Chairman INOUE. Thank you.

Senator FEINSTEIN.

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

CHINA

Mr. Secretary, thank you again for your service. I think you have been terrific, and I know how hard it is. So thank you very much.

The question—I wanted to ask two, one on Afghanistan and one on China. Let me take the China first.

Things back here are Euro-centric. Out West, we look West. And for 30 years now, I have been going back and forth to China and trying to do what I can to build and improve a relationship. I just spent the last week there meeting with a lot of the leadership and came away with a very different view of what is happening, and I wanted to talk with you about it.

I shared with them my dismay over your being turned down to meet with your counterpart. And what came back were arms sales to Taiwan. Now the impression I had from our Government before I went was, well, the Chinese expect this, and they are not going to be very upset. In fact, they were very upset. And a way they have in showing it is a refusal of military-to-military contact, in my view, at a time when the Chinese military is expanding strategically in a very critical and concerning way.

And I think that everything we do—we subscribe to the one China policy. Everything we do should be to minimize conflict in the straits. We met with President Ma Ying-jeou. He has had a very constructive relationship. He is about to sign an economic

framework agreement with the mainland. And I think there is the opportunity to consider where we go if this across-the-strait situation is stable.

So my question to you is this. What significant action could China take to ease its military posture in the strait in a manner that was substantive enough for you to consider or reconsider the future arms sales to Taiwan, which are a substantial irritant and will continue to be a substantial irritant, in my view?

Secretary GATES. First of all, Senator, one of the points that I made in Singapore with Chinese military leaders in the audience was that our arms sales to Taiwan are on the basis of the Taiwan Relations Act that was passed at the time of normalization in the late 1970s. I think that—and they have known that all along.

And I was struck by an article in the local press in Singapore following that session. Somebody asked one of these Chinese generals or some Chinese general—may not have been one present—“You guys have known about these sales for decades. Why all of a sudden are you raising such a stink about them?” And this general’s response was, “We had to accept it when we were weak. We are no longer weak.”

And the bottom line is the decision on Taiwan arms sales is fundamentally a political decision. It is a decision mandated by the Taiwan Relations Act, and it is a presidential decision. So this is not a decision that is up to the Department of Defense. It is a decision that is up to the political leadership of the United States in terms of what would be required in order to change our approach with respect to the execution of that law or change that law, if it is necessary. I don’t know whether that is required. But that is essentially a political decision, not one that we in DOD would take.

But I would tell you the Chinese, even though the president of Taiwan has reached out and that relationship looks pretty stable—and we certainly applaud the growing links between Taiwan and the People’s Republic—another piece of that is the extraordinary Chinese deployment of all manner of cruise and ballistic missiles opposite Taiwan on the Chinese side of the strait. So that is a reality that goes along with the growing other links between the two.

But as you say, our position, and I repeated it in Singapore, was we are opposed to the independence of Taiwan. We stick with the three communiques that have guided United States-Chinese relationships for the last 30 plus years, and we need to go forward.

Senator FEINSTEIN. Perhaps some of this I should discuss with you privately, but in my meeting with some of the leadership, it was mentioned that China had offered to redeploy back. Now I understand the word “redeploy” isn’t “remove.” And I understand the nature of what is there and the number of troops.

However, I think that the most important thing we can do right now is establish some military-to-military contact. And I discussed this with Admiral Willard, as a matter of fact as late as yesterday, and I think he thinks this way as well.

So I would just leave that with you. I think it is extraordinarily important that we find a way that our top flag officers can communicate with their counterparts.

Secretary GATES. Well, I would just say, Senator, that I also believe those contacts are necessary, and not just sort of ship visits

and the uniformed officers talking with one another, but from a policy standpoint and from a strategy standpoint. The point I have made, and my whole speech in Singapore, a good part of it, was about the importance of military-to-military relationships between our two countries.

Because in my experience with the Soviet Union, I don't know if the strategic arms talks ever really achieved much arms control. But the one thing I do know is that over a 25-year period, we gained a very good understanding of each other's approach and strategy when it came to nuclear weapons, nuclear strategy, and so on. And I believe deeply that it helped avoid miscalculations and misunderstandings. I have no interest in a military-to-military relationship where we basically get together and sing "Kumbayah."

Senator FEINSTEIN. That is right.

Secretary GATES. But I think that having a relationship where we can talk about things that are really potentially dangerous in our relationship has all kinds of merit, and I am a strong proponent of contacts with the Chinese military for that kind of a dialogue.

Senator FEINSTEIN. Thank you. I am pleased to hear that.

I think my time is up. Thank you.

Chairman INOUE. Thank you.

Senator Bennett.

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

Mr. Secretary and Mr. Chairman, Admiral, thank you for all of your service and all of the good work you do and all of the hard work you do.

SOLID ROCKET MOTORS

I have listened with great interest to the questions of my colleagues, and they have addressed all of the major issues. And so, I am going to be a little bit parochial. Senator Murray talked about tankers, and Senator Cochran talked about ships. It will come as no surprise that I am going to talk to you about solid rocket motors.

And you are well aware that many of us are concerned with the solid rocket motor industrial base and the importance of sustaining that. And in the Nuclear Posture Review (NPR), I understand the Quadrennial Defense Review, recently published national security strategy, testimonies, and so on, you all underscored the need for the capabilities and the stability of systems that rely on solid rocket motors and a robust production industry.

Unfortunately, the administration's budget seems determined to go in the other way, the other direction, and we will not only lose the industry, we will lose the skills that go with it. The industrial base is one thing, but when you really are talking about rocket scientists, you lose them, and they go elsewhere. And it would be impossible to reconstruct that.

So, last year, the Congress directed the Department to review and establish a plan to sustain the solid rocket industrial base, and the plan was to be due June 1. June 1 has come and gone. I understand an interim report is still in the development and that the Department is working toward delivery of a final plan "no earlier than the end of this fiscal year."

If I can take you to today's newspapers, they are talking about a continuing resolution at the end of this year, to be followed at some undetermined moment an omnibus bill, and this creates great uncertainty with respect to the solid rocket folks.

So, in the absence of an official recommendation regarding the delivery of a solid rocket motor industrial base sustainment plan, do you have any recommendations that you could offer now or anything you could share with us as to the thoughts the Department may have in this area?

Secretary GATES. Let me ask the Admiral if he has any—anything on this. I would tell you that I am not aware of the status of this report and not in a position to provide any recommendations, frankly, because I just don't know. But I am happy to go find out why this report is overdue and see if we can't bring it to conclusion.

Senator BENNETT. I am less concerned with the June 1 date than I am with the idea that all we will have is an interim report by the end of the fiscal year. And this subcommittee is going to have to take action before the end of the fiscal year because it may very well be that the Defense appropriations bill becomes the only one that escapes the omnibus and passes on its own.

Secretary GATES. No, I will commit to you that we will—

Senator BENNETT. I know the chairman hopes that is not the case and I hope it is not the case with him, but there is always that possibility.

Secretary GATES. What I can commit to you is to try and get this report and its recommendations to you so you can make some timely decisions.

Senator BENNETT. Okay. Well—

Admiral MULLEN. Senator, actually, I don't—I don't have any more background at this point than the Secretary. I would have to go do some homework.

Senator BENNETT. All right. That is fine. Most disturbing to me and others who share my concern about this—this is not strictly a Utah parochial issue—is the lack of evidence—it is a complete lack of evidence—of any coordination between the National Aeronautics and Space Administration (NASA) and the Pentagon before undertaking the actions to basically kill this industry. And do you have any reaction to that statement?

We have discussed this in hearings before, but are you aware of anything that has been raised with the Department of Defense on the part of NASA, as they have decided unilaterally to shut down the creation of solid rocket motors?

Secretary GATES. I am just not aware of whether or how much coordination there was with us, Senator, but I can certainly get an answer for you.

[The information follows:]

In response to the Congressional direction in section 1078 of the National Defense Authorization Act for Fiscal Year 2010, Public Law 111-84, the Department has reached across all SRM stakeholders—including NASA—to ensure all potential industrial base issues regarding SRMs are identified and plans are put in place for their resolution. To this end, the Under Secretary of Defense for Acquisition, Technology and Logistics (AT&L) established a three-tiered InterAgency Task Force (IATF). The IATF is co-chaired by the Department and NASA and has members from the Office of the Secretary of Defense (OSD), NASA, Missile Defense Agency,

Air Force, Navy, and Army. The IATF has met 12 times since the first meeting on November 6, 2009. The next meeting is scheduled for August 9, 2010. As part of a government-wide effort, the IATF discussed various human flight options NASA was considering. Representatives from NASA have actively participated in the IATF; attending meetings and contractor site visits, providing SRM presentations to team members, and developing a range of options for the Department to consider as it works to sustain the SRM industrial base.

Senator BENNETT. I think the implications for this are very serious. NASA, I think, is making a mistake. For NASA purposes, I think the absence of solid rocket motors in NASA is going to raise NASA's costs, going to destroy the space program in a number of areas where I think it is important.

But to go ahead on that decision without even talking to the Pentagon, in terms of the implications for Minuteman and other areas in the Defense Department where you are dependent on a solid rocket motor, borders on the irresponsible. So anything you could share with us I would very much appreciate.

Thank you, Mr. Chairman.

Chairman INOUE. Thank you.

Senator Feinstein.

NATIONAL INTERDICTION UNIT

Senator FEINSTEIN. Thank you very much, Mr. Chairman, for allowing me this extra question. I very much appreciate it.

Secretary Gates, I am chairman of something called the Senate International Caucus—the Senate Caucus on International Drug Control. We call it the Drug Caucus. And we are about to put out a report on Afghanistan.

I am very concerned that the Taliban is on its way to becoming a narco-cartel. And I won't go—I can make the argument here. I am not going to make it here. It will be in our report. But I want to ask you about one specific thing.

There are specially vetted units supported by United States personnel that have proven to be very effective at conducting counter-narcotics operations all around the world. At this time, there are only 288 members of the national interdiction unit of the Afghan counternarcotics police that have been vetted and work directly with United States personnel.

Program managers have told the staff of our caucus that an additional 250 vetted officers are needed for the unit, based on the scope of the drug problem in Afghanistan. And this would maximize the ratio of United States men to Afghan officers at the current staffing levels.

The contract for training the Afghan counternarcotics police is administered by the Department of Defense. My question to you is would you take a look at it and take a look at the possibility of adding 250 officers for this national interdiction unit?

Secretary GATES. Sure, we will take a look at it.

Senator FEINSTEIN. I appreciate that. Thank you. That is my question.

Thank you, Mr. Chairman.

Chairman INOUE. Thank you very much.

I have a question, Mr. Secretary, that has been festering in this body. Up until World War II, we had senior military officials with a full array of medals, with enemy generals and admirals in full

array, signing documents to end a war. That is how we ended wars. Everything ceased. At what point could you say today the war is over, that we can leave?

Secretary GATES. I think that the war in Afghanistan will end much as the war in Iraq has ended. And that is with a gradual transition from our being in the middle—our being in the military lead while the Iraqi security forces were growing, then partnering, then the Iraqis in the lead and our drawing back to tactical overwatch, and then strategic overwatch, and now an advisory and assist role, at the same time that the political system, starting fresh, was being created and maturing.

FOCUS ON YEMEN AND SOMALIA

And I think what you will see is the same kind of a gradual transition to where the Afghans are in the lead in the security arena. That is what we are talking about when we talk about when we begin a process of transition to Afghan control in these provinces. We are already talking about which ones of those will happen, and can we do some of them beginning in—toward the end of the year or early next year?

So as we did it province by province in Iraq, I suspect that that is the way it will happen in Afghanistan as well. And I think however much people may debate how we got into Iraq, the outcome has ended up, at this point at least, being more positive than anybody could have dreamed 3 years ago.

Chairman INOUE. I thank you very much.

May I ask another question?

Secretary GATES. I am cautioned to say the Iraq war is ending, not has ended.

Chairman INOUE. I realize that no one can predict the signing of the document. But, Admiral Mullen, there is a place called Somalia that most Americans cannot point out on the map. However, press reports that it is becoming a safe haven for al-Qaeda and other foreign fighters, training ground, et cetera. Are we going to get rid of them?

Admiral MULLEN. Chairman, for the last couple of years, I have talked about concerns with respect to growing safe havens and, in fact, an awful lot of focus on Yemen and Somalia specifically. And there is an al-Qaeda presence specifically in Yemen right now, which is very dangerous and growing and needs to continue to be addressed.

There is certainly a terrorist safe haven in Somalia. And in terms of civility, it is a country that certainly if not a failed state, is borderline failed state. And in fact, there are camps where terrorists are trained in Somalia that we need to all be concerned about.

So I am concerned about the fact that Somalia continues to fester, to use your word, in a very negative way, a government that is struggling to control it, under assault, quite frankly, from organizations that are terrorist based, and continue to be the home for the piracy network clearly, which is a challenge in that part of the world. So I am extremely concerned about that and its continued—ability to continue to grow in the future.

The other place where there is longer-term potential is in northern Africa, in the Pan Sahel, where al-Qaeda has a very strong link as well. And so, while we focus on Afghanistan and Pakistan, which is where al-Qaeda leadership resides, it is really that network which is still extremely dangerous and intent on executing the kinds of potential attacks that we saw in Detroit at Christmas and recently in Times Square.

Chairman INOUE. Senator Cochran, do you have any questions?

Senator COCHRAN. I have no further questions.

Chairman INOUE. Then, Mr. Secretary and Admiral Mullen, thank you for your testimony this morning and for your—

Secretary GATES. Mr. Chairman?

Chairman INOUE. Yes?

Secretary GATES. At the risk of prolonging the hearing, could I take just a moment to address the two questions that you put to me in your opening statement very quickly?

Chairman INOUE. Yes, sir.

Secretary GATES. First of all, one of the frustrations that I have had ever since taking this job has been that the Department of Defense is organized and structured to plan for war, but not wage war. And the only way I have found that I have been able to get the kind of urgent action to create the MRAPs; to get the additional intelligence, surveillance, and reconnaissance work; to do the counter-improvised explosive device (IED) effort has been by pulling together these ad hoc groups, as you have described them, these task forces, where I chair them and essentially have all of the senior players, both uniformed and civilian, at the table, and to be able to force the kind of rapid action that has been necessary to support those in the field.

In several of these areas, I think that the work has reached a point where I think I can begin to take actions to begin to return these efforts to where they would traditionally have a bureaucratic home. The MRAP Task Force, the ISR Task Force, the Counter-IED Task Force that is co-chaired by General Paxton and Under Secretary Carter never was intended to last more than another 2 or 3 months from now.

So I think in at least three of these areas that we will be able to move back toward the traditional structures in the Department of Defense. But long term, it is a serious issue for the Department and, frankly, one that I have not yet found the answer to in terms of how to get urgent action in an area supporting men and women in combat today that ranges across the entirety of the Department, both uniformed and civilian, and all the different Defense agencies.

With respect to the balance between future threats from near-peers and others, as opposed to our focus on irregular warfare, I would just remind the subcommittee that if you took a broad look at our budget, about 50 percent of our procurement budget is for what I would call long-term modernization programs to deal with near-peer countries, about 40 percent is dual purpose, like C-17s and other things we will use no matter what kind of conflict we are in, and about 10 percent has actually been for irregular or the kind of asymmetric warfare we have been talking about.

So I think we have a very large number of programs in this budget that are aimed—and in fact, half of the procurement budget

roughly that are aimed at the longer term, more sophisticated threats that this country will face in the future.

Thanks for the extra couple of minutes.

Chairman INOUE. If I may follow up Senator Feinstein? Press reports, as you have indicated, show that the Chinese have been advancing their cyber activities, their cruise missiles. Are we concerned?

Secretary GATES. We are very concerned, Mr. Chairman. The growing capability of the Chinese with anti-ship cruise and ballistic missiles is a real concern for our Navy and for us. The cyber capability is very important. The anti-satellite capability and potential space-denial capabilities are of concern to us.

So there are a number of areas of Chinese modernization that are of concern to us. And frankly, this is one of the reasons why I think having a strategic dialogue with them to try and gain some understanding and have some frank talks about these concerns has merit.

Maybe the Admiral would like to add a word?

Admiral MULLEN. Well, sir, I am right there. I am increasingly concerned. It is increasingly opaque, and these dialogues are absolutely critical to try to understand each other. Each time—at least from my perspective, each time it gets turned off, it gets turned off by the Chinese, and then we will go through a period of time where we have no relationship.

The Secretary talked earlier about Iran and his experience in 1979. And what that has led to is no relationship with a country for over 30 years, and look where we are. And so, if I use that as a model, that is certainly not one that we can afford as a country or as a military with China as China continues to grow.

The peaceful rise of China, China as a global power, all those things make sense to me. What doesn't make sense to me is the fact that they won't engage, and specifically that their military won't engage.

ADDITIONAL COMMITTEE QUESTIONS

Chairman INOUE. Well, once again, I thank you very much. And I thank you for your service to our Nation. And we look forward to working with you in the coming months as we continue our review of the budget.

And as you conduct your internal analysis of military requirements, I would like to encourage you to share them with us so that we can be in step with you as we begin our work for the following fiscal year.

As you know, we are having a few problems with the House on the supplemental, but I think we can resolve them. I hope so.

[The following questions were not asked at the hearing, but were submitted to the Department of response subsequent to the hearing:]

QUESTIONS SUBMITTED TO ROBERT M. GATES

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

SOMALIA

Question. Secretary Gates, recent press reports have highlighted the growing presence and influence of foreign fighters and al-Qaeda in Somalia's Islamist al-Shabab group. How would you assess the threat posed by these groups to western interests in East Africa? Is Somalia becoming the ultimate safe haven for al-Qaeda and foreign fighters?

Answer. Since mid-2008, several hundred of foreign fighters of various nationalities have entered Somalia to join al-Shabaab's ranks, although exact numbers and nationalities of foreign fighters in Somalia remain unclear. The recent June 2010 arrest of two U.S. citizens allegedly on their way to Somalia to join al-Shabaab, and the July 2010 terrorist attack in Uganda for which al-Shabaab took credit further underscore the alarming nature of this trend. The influx of foreigners to Somalia could extend al-Shabaab's global reach, posing an increased transnational threat to U.S. and Western interests in the region. Moreover, cooperation between al-Shabaab and al-Qaida senior leadership could enhance the potential of a formal merger between the two groups, increasing the threat of the existing terrorist safe haven in Somalia. Reports indicate that al-Qaida senior leadership likely views Somalia as an important arena for jihad and an established safe haven from which to launch transnational attacks, factors likely providing al-Qaida with motivation to strengthen its relationship with al-Shabaab. Moreover, public releases by al-Qaida and al-Shabaab indicate increased cooperation between the two groups, which al-Qaida intends to leverage to establish a base of operations.

As I have remarked before, in the decades to come, the most lethal threats to U.S. safety and security are likely to emanate from states that cannot adequately govern themselves or secure their own territory. Dealing with such fractured or failing states, such as Somalia, is, in many ways, the main security challenge of our time because they can incubate transnational security threats. In places like Somalia, where al-Qaida aims to establish a foothold and a safehaven, we must confront it with persistent pressure and strong partnerships. The United States is a committed partner to the African Union Mission in Somalia and the Somali Transitional Federal Government in support of the Djibouti Peace Process. Our objective for Somalia is to work with other U.S. Government departments and agencies to enhance stability, peace, and prosperity in Somalia and, by extension, in the East Africa region.

CHINA

Question. Secretary Gates, do you see China as a reliable partner in the region, and are they willing to assist us in dealing with the tensions on the Korean peninsula?

Answer. We have appreciated China's willingness to cooperate and partner with the international community on regional security matters including on the Korean peninsula. For example, China supported the United Nations Security Council in crafting United Nations Security Council Resolution 1874, and China has served as the chair of the Six-Party Talks process. We continue to urge China to work with the international community to address North Korea's proliferation activity and its provocative behavior.

IRIDIUM CONSTELLATION REPLENISHMENT

Question. Secretary Gates, I have recently learned of the announcement of the intent of Iridium LLC to award a contract to the French satellite manufacturer Thales, to replenish its current 72 communication satellite constellation. I am concerned over the potential national security issues that could result from the Department's continued use of a communications system that will now be built by a foreign supplier.

What risk mitigation plans are in place that will ensure that U.S. military user locations are not compromised or communications will be more susceptible to intercept? What are the technology transfer issues associated with backward compatibility requirements with the present system? Has a review been conducted on the impact and implications of the Department's use of an Iridium satellite communications system that is built by a foreign source?

Answer. The Defense Information Systems Agency's (DISA) Enhanced Mobile Satellite Services (EMSS) Program was established to provide global, secure, handheld mobile satellite communications services leveraging the Iridium constellation. DOD owns and operates its own Iridium earth station in order to ensure that U.S. mili-

tary user locations and communications are protected. DOD would continue to operate this earth station as Iridium updates its constellation.

Iridium Communications, Inc. has announced its intentions to develop and launch the next generation Iridium constellation called Iridium NEXT. The new technologies and capabilities developed in Iridium NEXT will include new technologies for the terrestrial infrastructure. The EMSS Program Management Office has requested capital investment funding for fiscal year 2010–15 to migrate the EMSS Gateway from the existing infrastructure to the Iridium NEXT infrastructure. As these upgrades are being executed, the DISA Field Security Office, working closely with the EMSS Program and EMSS Gateway personnel, will ensure that the existing security posture of the EMSS Gateway will not be compromised during the transition.

Iridium NEXT is to be a fully backward compatible system. As the original constellation was commercially developed, there are no military unique features embedded in the existing Iridium constellation or in the Iridium terrestrial equipment. As a result, no technology transfer issues will exist in the migration of the infrastructure. The military unique systems that reside in the gateway will be migrated as required to ensure that they will continue to provide the services and protections that exist today, but the development of those systems exist outside Iridium's developmental processes.

No formal review has been conducted on the impact and implications of the Department's use of a Thales constructed Iridium NEXT. The development of the Iridium NEXT satellites by a foreign country does introduce some security concerns. Currently, there are no U.S. Government agencies that have committed to hosting payloads on Iridium NEXT satellites. If the Government's investment in Iridium increases, the appropriate studies will be conducted by the responsible agencies.

Iridium Communications' award to Thales requires Thales to include a U.S. aerospace firm to fulfill the role of the spacecraft integrator. All indications are that Thales will most likely partner with Ball Aerospace as its spacecraft integrator. Ball Aerospace, a U.S. aerospace firm based in Boulder, Colorado, will be responsible to receive, integrate, and maintain custody of any classified or ITAR-sensitive components up to the launch of the satellite vehicles. These components include telemetry encryption/decryption equipment and any classified or sensitive hosted payload components. Ball has a long history of developing classified spacecraft and payloads for the U.S. Government and has extensive facilities capable of handling classified equipment.

Additionally, key on-board processor and spacecraft software will be developed by U.S. firms and will likely draw on legacy software from the current Iridium system. The teaming arrangement with Ball as the spacecraft integrator as well as keeping the critical systems and software development within the United States will provide a program structure that provides the necessary level of security and mission assurance.

IMPACT OF PROGRAM TERMINATIONS

Question. These are not the only examples of terminated programs generating new, costly follow-on programs. This year, you announced the termination of the Defense Integrated Military Human Resources System, yet the Services are already requesting over \$170 million to continue that program.

Mr. Secretary, what real cost savings have been generated given that terminated programs are being replaced by new, more costly ones?

Answer. The Defense Integrated Military Human Resources System (DIMHRS) program was recommended for cancellation as part of the President's fiscal year 2011 budget request due to cost overruns and performance concerns. Over \$500 million had been spent over more than 10 years with little results. The program, however, was not recommended for cancellation because it was unneeded, but rather because it was underperforming and too costly. The requirement for modern military personnel and pay systems to replace over 90 legacy systems remains, and will be fulfilled by Service-level programs using the DIMHRS core software to the maximum extent practical. The Department considers Service-level programs, rather than a single Department-wide solution, to be the best balance of cost, performance, and schedule. This includes the Department's concern with balancing near-term needs with long-term costs over the lifecycle of a program.

Reforming how and what the Department buys continues to be a centerpiece of our nation's defense strategy. The efficiency initiative the Department is pursuing, particularly the portions of that initiative directed at procuring more affordable products and buying services more efficiently, is specifically intended to ensure that terminated programs are not replaced by ones that are more expensive.

Question. Mr. Secretary, a key driver of costs in major weapons programs is poor management of program requirements. What measures are you instituting to avoid requirements creep?

Answer. In the early phases of acquisition programs, the Department is addressing requirement overreach by subjecting each major program to a Materiel Development Decision before Milestone A, which will ensure early on that programs are based on approved requirements and a rigorous assessment of alternatives. Furthermore, through competitive prototyping and preliminary design reviews before Milestone B, technical risks will be reduced before progressing to the more costly phases.

Consistent with section 814 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009, DOD acquisition policy also requires the Acquisition Executive of each DOD Component to establish and chair a Configuration Steering Board (CSB) with broad executive membership from the office of the USD (Acquisition, Technology and Logistics) and the Joint Staff. CSB's are required to meet at least annually to review all requirements changes for ACAT 1 and 1A programs in development that have the potential to result in cost and schedule impacts on the program. Such changes will generally be rejected, deferring them to future blocks or increments. On a roughly annual basis, program managers and program executive offices are also required to identify and propose descoping options to the CSB that reduce program cost or moderate requirements. This policy has been actively implemented at the component level.

At each stage of the acquisition process for major acquisition programs, requirements are reviewed by both the Joint Staff and the Defense Acquisition Executive to ensure that requirements creep has not resulted in excessive costs.

SOMALIA

Question. Secretary Gates, the conflict in Somalia has encouraged many foreign fighters to join the militant Islamist factions attempting to overthrow the internationally backed Somali Transitional Federal Government (TFG). These foreign fighters seem to be mostly ethnic Somali émigrés living in Western countries, raising fears that some may return to their homes and carry out terrorist attacks. There are also public estimates of approximately 200 foreign fighters from Afghanistan, Pakistan, Iraq and Saudi Arabia, the most dangerous of whom are teaching bomb-making and other small arms tactics to recruits in camps across southern Somalia. Would you like to comment?

Answer. We are concerned about the presence of foreign fighters in Somalia. Since mid-2008, open-source reporting reveals that foreign fighters of various nationalities, including individuals from European and North American countries, have entered Somalia to join al-Shabaab's ranks. Although the exact numbers and nationalities of foreign fighters in Somalia remain unclear, reports indicate that several hundred foreign recruits have come to Somalia to support al-Shabaab and other Islamic groups since mid-2008. Foreign fighters threaten the Transitional Federal Government and the African Union Mission in Somalia and undermine their efforts to reach out to all peaceful elements of Somali society and build an inclusive reconciliation process for a stable, peaceful, and sovereign Somalia. The prevalence of foreign fighters in Somalia threatens not just the Horn of Africa, but countries around the world, as these fighters can return to their home countries to radicalize and recruit others to fight in Somalia or engage in worldwide terrorist activities. The July 11, 2010 terrorist attack in Uganda, for which al-Shabaab took credit, further underscores this threat.

DEFENSE DEPARTMENT SPENDING

Question. Secretary Gates, since the attacks of September 11, 2001, the base budget authority for the Department of Defense has nearly doubled. Your recent statements in the press have indicated that military spending should expect closer, harsher scrutiny, and that real reform is needed in the way the Defense Department does business and spends taxpayer dollars. Your fiscal year 2010 budget request began the reform effort by hiring more civilian government employees to replace full-time contractors. Aside from investment and modernization efforts, please explain other major reform initiatives you are now considering and how those will translate into lower costs for the Department of Defense.

Secretary Gates, you have been quoted in recent speeches that overhead within the Department of Defense is ripe for scrutiny. Please explain specific adjustments that could be made in this area to create savings in the budget.

Answer. In recognition of the nation's difficult economic situation, I have asked the Defense Department to take a hard, unsparing look at how we operate; and I am seeking to redirect the savings to provide the resources needed for force struc-

ture and modernization. I directed the Department to focus on headquarters and administrative functions, support activities, and other overhead activities. The Department should become a smarter buyer; therefore, we are taking a hard look at how we contract for goods and services. As I noted in my opening statement, I believe the current DOD topline is the minimum needed to sustain a military at war. What I am looking for is reduced costs in the “tail” portion of our budget in order to ensure that there are adequate resources in the “tooth” portion of the budget. The Department’s Components are now wrestling with this challenge as they build their fiscal year 2012–2016 programs. You will see the results in the fiscal year 2012 budget request.

TEMPORARY TASK FORCES

Question. It is hard to understand why we seem to be moving in the opposite direction of your assessment last year. What is being done to exercise control and limit the growth of these task forces, and to permanently integrate them into the Department?

Secretary Gates, what is your view on JIEDDO undertaking long term development projects? Shouldn’t these activities reside within the Military Services?

Answer. In February 2006, the Office of the Secretary of Defense (OSD) transitioned the Joint Improvised Explosive Device (IED) Defeat Task Force by establishing the Joint IED Defeat Organization (JIEDDO) as an enduring, jointly manned activity within the Department of Defense (DOD). JIEDDO has been tasked with one critical purpose: to rapidly provide counter-IED (C-IED) capability in support of COCOMs to enable defeat of the IED as a strategic weapon of influence, and JIEDDO manpower resources have grown to meet this purpose.

In order to comprehensively address the increasing significance of the IED as a weapon of strategic influence, JIEDDO developed tenants designed to address specific aspects of the threat: Attack the Network (AtN); Defeat the Device (DtD); and Train the Force (TtF). JIEDDO’s personnel resources increased to drive innovation with JIEDDO partners and stakeholders to develop and field effective material and non-material C-IED capabilities. The growth in personnel requirements has been necessary to support the development and procurement of technology, evolution and establishment of operational concepts, wide dissemination of lessons learned, and the delivery of training and training products in order to ensure speedy delivery of C-IED capabilities where it counts most—into the hands of the warfighter. The pace of JIEDDO organizational growth has been commensurate with the effort necessary to rapidly and effectively counter the substantial use of this weapon—rapid, effective and efficient responses have required increased personnel numbers to maintain the necessary speed at which solutions can be delivered.

JIEDDO is currently in the process of streamlining its efforts to better respond to requirements for support coming from COCOMs. As significant force adjustments are being made across key theaters of operation, the use of IEDs have not waned. In fact, JIEDDO’s mission requirements have increased in Afghanistan and JIEDDO’s personnel levels will be a reflection of the C-IED demands coming from theater.

We agree that long term S&T efforts should reside in the Department and the Military Services. JIEDDO’s goal for development efforts is 24 months. JIEDDO has reevaluated its R&D portfolio and given new guidance to their technical staff regarding this issue. JIEDDO’s subject matter experts assess each new proposed effort in depth to ensure that it is executable in this timeframe. Subject matter experts from across DOD, DOE, and other research organizations provide assistance to JIEDDO as needed during this vetting process. If an ongoing JIEDDO effort cannot meet this goal then it is evaluated to determine whether it should be terminated or continued. This determination is based on several factors including: progress made, potential value added to the counter IED fight, probability of success, likelihood of it being deployed and integrated if successful, etc.

Recently, DDR&E and JIEDDO established a Technology Focus Team (TFT) to coordinate counter-IED R&D efforts throughout the Department and develop a strategy for long term counter-IED S&T. The TFT is co-chaired by DDR&E and JIEDDO and includes representatives from the Services, DARPA, and DTRA. The Department of Homeland Security also participates as an observer. The Military Services are responsible for executing the long term S&T strategy.

JIEDDO adds value to the DOD portfolio by focusing the Department’s efforts in solving the most urgent needs and ensuring the relevance of our S&T efforts to the Counter-IED fight. To do this, JIEDDO will maintain a cadre of scientists and engineers fully dedicated to understanding and countering the IED threat. This team will concentrate in the most immediate war fighting problems and accelerate the de-

velopment of the most promising solutions. To facilitate cross pollination and engage the best and the brightest, the JIEDDO S&T team is augmented by scientists from across the DOD, the national labs, and other research organizations as needed.

HEALTHCARE COSTS

Question. Secretary Gates, you have spoken recently about skyrocketing personnel costs that are “eating us alive”. This has caused concern among service members and their families and several military and veterans advocacy groups. Could you please detail how healthcare costs impact the Department’s budget, and how you plan to reduce them?

Answer. Over the past decade, healthcare costs have grown substantially across the nation, and Military Health System (MHS) costs have been no exception. MHS costs have more than doubled between fiscal year 2001 (\$19 billion) and fiscal year 2009 (\$45 billion) and are projected to continue to increase 5 to 7 percent through fiscal year 2015. At this growth rate, MHS costs will exceed \$64 billion by fiscal year 2015.

DOD is evaluating numerous proposals to make the system more efficient, from better supply management to getting better prices for healthcare services. In order for the Department to reduce healthcare costs, I believe one of the cost saving measures we need to take a fresh look at is the cost sharing structure for the TRICARE benefit plans. Enrollment fees for the TRICARE Prime program have not been modified since its inception in 1995. As of 2009, average out-of-pocket cost for a family of three covered by TRICARE Prime was \$1,375 per year—compared to \$3,430 per year on average for a family of three covered under the Federal Employee Health Benefit Plan’s Health Maintenance Organization (Kaiser). I look forward to working with members of Congress to devise a cost sharing arrangement that is both fair and reasonable.

QUESTION SUBMITTED BY SENATOR PATRICK J. LEAHY

Question. Mr. Secretary, would you please elaborate on your vocal opposition to the Joint Strike Fighter alternate engine? While you have described this as a cost-savings issue, analyses by GAO and others show that either choice—to keep or get rid of the alternate engine—will probably be cost-neutral over the life of the F-35 program. But having an alternate engine will prevent a single point of failure for the F-35, which will be very important when the plane comprises 95 percent of our strike aircraft fleet. Why choose to drastically increase risk for the F-35 for little or no money saved when all is said and done?

Answer. The Department has consistently emphasized its opposition to the Joint Strike Fighter (JSF) extra engine because continued funding of the F136 would divert funds from important defense needs. In the middle of two wars, the Department has other higher priority uses for \$2.9 billion, the amount that would be required to take the extra engine to full competition. Furthermore, there is no guarantee that having two engines will create enough long-term savings to outweigh the significant near-term investment.

The Department does not consider a single source engine for the F-35 to be a “drastic” increase in operational risk. The Department currently maintains two tactical aircraft programs, the F-22A and the F-18, each of which utilizes a single source engine provider. Both programs have enviable safety records, and the Department is satisfied with the engines for both programs. Over the years, significant advancements in engine design, testing, and production have enabled the Department to manage the risks associated with single engine systems without having to ground an entire fleet.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

OPERATION OF FIREFIGHTING AIRCRAFT

Question. Last year, the House report accompanying the Defense Appropriations bill instructed your Department to analyze any legislative barriers that would impede the viability of expanding this joint operation program.

Has your Department conducted this analysis and assessed the viability of expanding the joint operation of firefighting C-130 Js? Is your Department capable of jointly operating an additional 25 C-130s? Can you provide me with a date when the department expects to complete its analysis of expanding this program?

Answer. As requested by House Report 111-230, which accompanied H.R. 3326, the Department of Defense Appropriations bill for fiscal year 2010, the Department of Defense (i.e., the Office of the Assistant Secretary of Defense for Homeland Defense and Americas' Security Affairs, the Department of Defense Comptroller, the Office of the Assistant Secretary of Defense for Reserve Affairs, the Joint Staff, the U.S. Air Force, the National Guard Bureau, and the Air Force Reserve), the U.S. Forest Service (USFS), and the Department of the Interior (DOI) established an Integrated Working Group (IWG) for the purpose of assessing the viability of joint use Federal forest firefighting assets. The interim report was provided to Congress in April 2010. The final analysis and assessment are ongoing. We anticipate that the final report will be provided to Congress by August/September 2010.

Question. Has the U.S. Forest Service officially approached the Department of Defense to ask for assistance in procuring new or used C-130 Js to help fulfill the Service's aerial firefighting needs?

Answer. No.

Question. What legislative, regulatory, and policy barriers prohibit the U.S. Forest Service from calling on the Guard's C-130 Js to conduct initial attack on wildfires? In other words, why are the Guard's C-130 Js always the last resources called upon to fight burning fires? Since these planes were purchased by the taxpayers, how can we make sure that they are used more appropriately?

Answer. The U.S. Forest Service is one of eight Federal agencies (i.e., including also the Department of Defense, the Bureau of Land Management, the Bureau of Indian Affairs, the U.S. Fish and Wildlife Service, Fire and Aviation Management, the U.S. Fire Administration, and the National Weather Service) participating in the National Interagency Fire Center (NIFC). The NIFC, which is located in Boise, Idaho, is responsible for coordinating the mobilization of resources for wildland fires and ultimately makes the determination on what capabilities and resources to request and employ on an incident-by-incident basis.

The NIFC maintains a contract for commercial air tanker services. The intent of this contract is to provide the Federal Government with large fixed-wing air tanker services, including the delivery of approved fire suppressant or retardant material on forest and range fires over all types of terrain throughout the United States. According to interagency policy and guidance, the objective of the Modular Airborne Fire Fighting System (MAFFS) program is to provide an "emergency capability to supplement commercial air tankers on wildland fires" that may be "used as a reinforcement measure when contract air tankers are committed or not readily available."

When compared to other fixed and rotary-wing aircraft available for aerial fire suppression, MAFFS-equipped aircraft may not be the most appropriate for all contingencies that require a Federal response to wildfires. At the request of the NIFC, DOD has provided, on a reimbursable basis, a broad range of support to the NIFC over the years, including DOD aircraft and crews equipped with U.S. Forest Service-owned MAFFS; helicopters with water buckets; military ground firefighting crews (usually a Federal military or National Guard battalion); DOD civilian firefighters; engineering assets; fire engines; incident management team members; and incident assessment assets. When requested, such assets may assist in firefighting if they are available and not committed to executing DOD's primary mission. DOD evaluates each request for assistance against six criteria for validating Defense Support of Civil Authorities: legality, lethality, risk, cost, appropriateness, and impact on readiness.

Of note, although U.S. Forest Service requests for MAFFS support take precedence over State or international requests, the governors of California, North Carolina, and Wyoming may, after notifying the U.S. Forest Service, activate the Air National Guard airlift wings with MAFFS equipment and qualified crews assigned to their respective States for fires under State jurisdiction.

Question. The National Guard 146th Airlift Wing in Point Mugu, California has been exemplary as they carry out the Guard's firefighting assistance mission. It is my understanding that if they were provided an additional 2 to 4 C-130 Js that they would be eager to expand their firefighting role. I also understand that Guard wings from Nevada, Washington, and other States are eager to undertake this very important mission. Do you support the expansion of C-130 firefighting program in California and across the West? What can you do to help facilitate this expansion?

Answer. The Federal agencies with primary responsibility for fighting wildfires are the U.S. Department of Agriculture and the Department of the Interior. The Department of Defense has a supporting role. In light of the need for DOD to identify over \$100 billion in savings over the next 5 years to ensure DOD can execute its primary mission of protecting and defending the nation, procurement of additional DOD C-130s for firefighting is not a priority.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

Question. Last May, Secretary Donley testified that the Air Force must consider Airbus as a viable competitor for the Tanker RFP. He stated that despite the WTO's findings, Airbus still has the right to appeal WTO findings and cannot be legally excluded.

What will be the consequences if Airbus is granted the Tanker contract and the WTO decision is sustained?

Answer. The Department of Defense believes that full and open competition in source selection is the best way to obtain the best value for our military and the taxpayers. The source selection will be made based on the evaluation factors set forth in the RFP. Since the source selection process is ongoing, it would be inappropriate to comment on it.

There are two WTO Panel cases. The final WTO Panel Report on the United States case against the European Union (EU), i.e., France, Germany, Spain, and the United Kingdom, was published on June 30, 2010. An interim WTO Panel Report on the EU case against the United States for a different group of alleged subsidies is anticipated in September, and the final report is usually issued several months later.

We have been advised by the Office of the U.S. Trade Representative (OUSTR) that there is an appeal process, and that it is expected to be beyond 2010, before the entire WTO process for determining the legal issues raised by any WTO-inconsistent subsidization is complete. In the event that there is a ruling against either Member, and the United States and the EU cannot settle the matter by themselves, then the WTO would determine the appropriate remedy.

OUSTR is our national advocate for matters pertaining to WTO rules and procedures and represents U.S. interests in prosecution of, or defense against, charges of violations of such rules relative to any other Member of the WTO.

Further, the KC-X contract will contain a unique contract clause to ensure that any economic impacts to the contractor resulting from the decisions of the WTO and the ultimate implementation of those decisions, will not affect the prices paid under the tanker contract. In this way the U.S. taxpayer is protected.

Question. How will the DOD account for the harm already committed to the U.S. Aerospace industry?

Answer. The parties of World Trade Organization (WTO) cases are bound by WTO rules. Under Article 23 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), WTO Members seeking redress of an alleged violation must limit their recourse to, and abide by, the rules and procedures of the WTO. No Member has unilateral authority under the WTO to take retaliatory action.

We have been advised by the Office of the U.S. Trade Representative that applicable appeal processes will continue beyond 2010. The appeal process must be complete before the WTO determines the appropriate remedy for any WTO-inconsistent subsidization. WTO remedies for actionable subsidies are forward looking in nature and not retaliatory for past subsidies. The WTO, not the United States alone, will determine what the appropriate remedy will be in these matters in the event that the United States and the EU cannot settle the matter by themselves.

Question. I am concerned that you advocate shutting down the C-17 production line; however, if you award KC-X to Airbus, we would have no wide-body military aircraft in production in this country. How does the DOD plan to address this potential loss of U.S. capability?

Answer. I share your concern with respect to future domestic industrial base capabilities. The Department continually assesses our nation's industrial capabilities to include, among other things, a determination of the viability of any military-unique skills, processes, facilities or technologies. Ending production of the C-17 would not materially reduce the capability of the U.S. defense industrial base to supply future wide-body military aircraft. From a production standpoint, most parts of military aircraft rely on skills and facilities similar to those used in commercial aircraft manufacturing, so continued domestic production of 747, 767, 777, and 787 aircraft by Boeing and its subcontractors will maintain that capability along with continued production of components on Airbus' A-330, A-340, A-350, and A-380 by American suppliers. From a design and development standpoint, the C-17 is well past its intensive design phase, and continued production will have little effect on American technical capabilities. Moreover, wide-body lift aircraft involve very little military-unique technology. Even as the Department begins shutting down the C-17 production line, the technology and processes used by the wide-body civilian aircraft manufacturing base are readily available, mature, and directly applicable to those used by military airlift manufacturers, and American aerospace companies

have access to engineering talent that can develop the few military-unique aspects. I am confident that when the time comes in the future to produce additional military airlift, America's aerospace industry will be able to respond to the need.

Question. How is the DOD working with the VA to ensure the transition of servicemembers from DOD to VA is seamless and there is continuity of care?

Answer. In order to ensure seamless transition of Service members from DOD to VA and continuity of care, DOD established the Department of Defense (DOD) Recovery Care Coordinators (RCCs) and a Comprehensive Recovery Plan for each Wounded, Ill or Injured Recovering Service Member (RSM) who is unable to return to duty within a time specified by their Military Department and may be medically separated. RCCs provide non-medical support and services to RSMs and their families as they transition through recovery, rehabilitation, return to duty or reintegrate into the community. The RCCs, in collaboration with the medical and non-medical recovery teams, assess the needs of the RSM and create a Recovery Plan which guides the RSM through the phases of care and transition. Since the RSM owns his/her Recovery Plan, it transfers with the Service member if he/she transitions out of the military. If the Service member separates from the military, the RCC coordinates with the VA OEF/OIF Liaisons, VA Transition Patient Advocates, and community programs to assist in establishing continuing non-medical support for the Service member and family as they reintegrate into the community.

Additionally, Federal Recovery Coordinators (FRCs), established in 2007, provide service and support for the most severely injured Service members who are unlikely to return to duty. The FRCs, employed by the Department of Veterans Affairs (VA), reside in the Military Treatment Facilities and VA Medical Centers and provide non-medical care to severely wounded, ill and injured Service members and Veterans. The FRCs create a Recovery Plan that matches the DOD Recovery Plan.

To further coordinate efforts, both the FRCs and the RCCs use the National Resource Directory (NRD) as a source for resources and services. The NRD is an online partnership with Department of Labor, DOD, and VA to provide resources for wounded, ill and injured Service members, Veterans, their families and those who support them. Over 10,000 Federal, State and local resources are included in the NRD.

Question. What is the status of the virtual medical records?

Answer. The Virtual Lifetime Electronic Record (VLER) is in the pilot test phase. In January 2010, DOD's Naval Medical Center San Diego and Veteran Affairs San Diego Medical Center conducted a VLER Phase 1a pilot and exchanged specific test patient data elements of a "Continuity of Care" document. This pilot demonstrated real time implementation of IT standards utilizing the Federal Health Architecture's (FHA) Nationwide Health Information Network (NHIN). The project highlighted opportunities for improving those standards. The next phase, VLER Phase 1b, will build on the Phase 1a data set and expand it to additional military treatment facilities, VA Medical Centers, and health information exchanges in the Tidewater area in Virginia by the fourth quarter of fiscal year 2010 and the Spokane area of Washington State by the second quarter of fiscal year 2011.

The VLER will leverage investments made in the Departments' existing electronic health record systems. VLER is a combined Department of Defense (DOD) and Department of Veterans Affairs (VA) initiative to integrate a portfolio of information sharing capabilities for the secure exchange of medical and benefits information among various departments of the Federal government and commercial sector healthcare providers.

Question. I appreciate Secretary McHugh's quick response and promise to resolve the issue at hand. Unfortunately, I see this as a broader problem between Active components and their Reserves counterparts. I understand the Reserve forces have different requirements because of their nature, but they still deserve the same respect, especially since they deploy and operate in the combat zones on a regular rotation like their Active counterparts.

It appears that when both components are deployed, the Active/Reserve distinction falls away. However, this perception continues to remain at home. What efforts have been taken to address this perceived inadequate treatment?

Answer. The DOD is aware of the perceived inequities among the Service components and, in the spirit of Total Force, working to reduce and eliminate them. Examples are Post Deployment Initiatives, Equipping Units and Pre Deployment Training Certifications listed below.

Post Deployment Initiatives.—Designed to inform Reserve Component (RC) members how to access resources in Finance and Budgeting, Healthcare, Mental Health, Reintegration, Stress Relief, Counseling. The Yellow Ribbon Program (YRP) is a Defense-wide program which ensures Service members and their families are ready and resilient throughout the deployment cycle using information and access to local,

State, and Federal organizations. As of April 2010, more than 135,000 Service members (83,000 were National Guard members) attended YRP Events.

Equipping Units.—It is DOD policy that the Guard and Reserve will be equipped to accomplish all assigned missions and will have an equipment procurement and distribution program that is balanced, sustainable and responsive to mission requirements. DOD has made it a priority to ensure that any unit, regardless of component, is properly equipped for in-theatre missions and for the National Guard domestic missions as well.

Pre Deployment Training Certifications.—Previously, when RC units were called up, they had to complete training and be certified at the home station, by RC reviewers. Then, just prior to deployment, they were required to be certified again by the Active Component (AC) reviewers, even though it was for the same qualification. To resolve the inequality, AC now accepts the certification of Guard and Reserve commanders.

Of the many initiatives undertaken, these are just a few examples that demonstrate the DODs commitment to create a Total Force which should ultimately eliminate all perceived inadequacies.

Question. Proper equipping, regular military construction projects and demobilization health concerns seem to remain within the Reserve Component. How does the Department of Defense intend to address these concerns?

Answer. The Department is addressing these concerns by ensuring that all units are properly equipped prior to going into deployed situations, and that each member is supported with comprehensive health programs throughout their life. The proper equipping, the effective training and the physical-mental well being of each and every Service member is a priority of the Department, throughout every stage of deployment. This priority is applied to create the Total Force, which includes the Reserve Components.

DOD will always make ensure that the men and women fighting or getting ready to fight in theater have the best equipment available, regardless of component. The Department has a thorough requirements process that balances current operations with future plans. While the Reserve Components do not have their own procurement appropriation, we have implemented and continue to improve upon the recommendations in this area from the Commission on the National Guard and Reserves and other stakeholders. This will give DOD and Congressional leaders greater visibility and an improved ability to track delivery of equipment through the system to the Guard and Reserve.

There is a direct correlation between readiness and facilities, particularly in the Reserve Component (RC). Because the mission of the RC is to equip, train, and prepare for war, it is imperative that the RC have and maintain quality facilities to meet their operational, maintenance, training, and mobilization requirements.

Post-Deployment Health Assessments are given to each Service member prior to redeployment or release from active duty. The assessment gathers information on the health concerns or problems that the Service member feels are related to deployment. Face-to-face health assessments with healthcare providers are provided to determine the need for referral for appropriate medical follow-up. Military and Veteran's Affairs (VA) providers use the jointly developed Post-Deployment Health Clinical Practice Guideline to focus healthcare on post deployment problems and concerns of the Service members returning from deployments. Initiatives such as Yellow Ribbon events are vital for post mobilization healthcare. These events are conducted during pre, mid and post deployment phases and are designed to inform RC members how to access resources in healthcare, mental health, reintegration, stress relief, counseling and suicide prevention.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

Question. Secretary Gates, last month the Administration sent over a late legislative proposal that would provide up to \$205 million to the Israeli government for accelerated development and fielding of the Iron Dome defense system which is designed to counter short range rockets and large caliber artillery shells. The requested authorization stated that funding would be provided from offsets as approved by you, the Secretary of Defense. Can you share with the committee what programs you would consider cutting in fiscal year 2011 to fund this new initiative?

Answer. At this time, no decision has been made as to what programs would be reduced to finance the Iron Dome transfer. Assuming the Congress provides the requested authority, we will make the specific program reductions during the execution of the enacted fiscal year 2011 budget.

Question. Secretary Gates, last spring you announced an initiative to replace contractors and hire more than 13,000 government civilians in fiscal year 2010. This initiative was expected to achieve \$900 million of savings in 2010 alone. Can you update the Committee on the number of positions that have been in-sourced and what savings have been realized?

Answer. As of March 31, 2010 (end of the 2nd quarter), the Department has established approximately 15,270 new civilian authorizations as a result of in-sourcing contracted services. The Department's in-sourcing efforts to rebalance the workforce, rebuild critical capabilities internally, and reduce operational risk are focused on services being performed by the private sector that are more appropriately performed by DOD personnel. In-sourcing is a component of the Department's broader Total Force management policies, focused on ensuring we have the capacity, skills, and resources to carry out our missions and operations.

While the fiscal year 2010 budget reflected reductions of approximately \$900 million as a result of in-sourcing, our efforts are not focused on, or driven solely by, cost. More than 50 percent of the in-sourcing actions executed to date in fiscal year 2010 did not consider cost as a deciding factor but were required to return inherently governmental or exempt (job functions closely associated with inherently governmental or needed to support readiness/management needs) services to government performance. Due to our focus on other factors such as job function rather than cost alone the Department is not centrally tracking savings realized from individual in-sourcing decisions.

QUESTIONS SUBMITTED BY SENATOR CHRISTOPHER S. BOND

Question. In order to keep America on the cutting edge of new weapons and defense systems, I fail to recognize the strategic value in closing the only active production line for long-range strategic airlifters when there is no replacement being developed and as the operational fleet is being used up faster than expected.

You may recall that I vocalized the point during the Defense Subcommittee on Appropriations hearing on the DOD budget. You responded by explaining that America's wide-body civilian aircraft manufacturing base would more than adequately supplant military aircraft manufacturers in the event that the nation may need to surge its production of military airlifters in response to a national emergency or even another humanitarian crisis somewhere around the world. Is this an accurate interpretation of your response?

Answer. Yes. Requirements for commercial cargo aircraft continue to rise for outside and heavy lift capability, including planes that can operate in remote and austere environments. Numerous industries—including construction, mining, oil and gas equipment, power generation, railroad, and satellite companies—have requirements to quickly transport heavy, oversized equipment. The technology and processes used by the wide-body civilian aircraft manufacturing base are readily available, mature, and directly applicable to those used by military airlift manufacturers. I am confident that when the time comes in the future to produce additional military airlift, America's aerospace industry will be able to respond to the need.

Question. If not, will you please clarify your answer that: "There is significant wide-body aircraft production capability in the United States. And we have more than enough time to adjust it to a military production line if we need to."

Answer. The development and manufacturing know-how resident in the commercial aviation sector—particularly in the field of wide-body aircraft—can be easily adjusted to support future military airlift requirements that may arise. Moreover, the C-17s set to roll off the production line, coupled with those already in the field, will have a very long lifespan and provide a substantial capability to support strategic airlift requirements over the next 30 years.

Question. In particular, please provide me with a better understanding of your basis of evidence for concluding that our civilian airplane manufacturers can adequately replace the expertise and engineering know-how of the manufacturers of military strategic airlifters, which require specifications not common to civilian aircraft.

Answer. The Department's industrial capabilities assessments include, among other things, a determination of the viability of any essential industrial/technological capabilities. Transport airframes, as well as many of their high-value subsystems, are commercial, off-the-shelf (COTS) or COTS derivative items. These high-value subsystems include engines, avionics, auxiliary power units, environmental control systems, and ground proximity warning systems. Transport airframes and subsystems rely heavily on commercial technologies, processes, and products and will be sustained by other ongoing and planned military and commercial aerospace

programs. The non-COTS items in a military transport such as cargo floor reinforcement and loading systems are not considered essential military capabilities.

Question. Global lift distinguishes America above all other militaries. How can we preserve that capability if we allow all the engineers' and designers' specialized skills to atrophy and then never recover them?

Answer. Continued production of global lift aircraft would do little to stem the loss of military-unique skills, processes, facilities and technologies due to the high commercial off-the-shelf content. Military-unique aerospace design skills at risk include hypersonics, canopy and cockpit design and integration, stores management and weapons separation, aerodynamics, etc.—none of which would be maintained by continued production of global lift aircraft. From a design and development standpoint, global lift aircraft are based on commercial products or derivatives of commercial products and, therefore, should not cause any reduction in any inherent design capabilities. There is very little military-unique technology involved in developing or manufacturing airlift aircraft.

QUESTION SUBMITTED BY SENATOR MITCH McCONNELL

Question. Last year, Fort Campbell suffered 11 soldier suicides, apparently one of the highest figures of any military post. Have other military installations, with units facing similar operational tempo as those housed at Fort Campbell, experienced comparable absolute numbers of suicides and similar rates of suicide? If not, and if the suicide rate at Fort Campbell is uniquely high, has the Army conducted a formal inquiry into the suicide rates to determine what accounts for the high number?

Answer. Yes, while Fort Campbell had the highest number of suicides in 2009, other bases with similar populations and unit deployment profiles had high suicide rates as well. For all of 2009, Fort Campbell (21), Fort Hood (11), Fort Stewart (10), Fort Carson (9), and Schofield Barracks (7) accounted for 39 percent of Active Duty deaths (162). As of June 25, 2010, Fort Hood (11), Joint Base Lewis McChord (8), Fort Bragg (6), and Fort Carson (5), in the top of the list, account for 51 percent of the 74 Active Duty suicide deaths this year. When compared to the same point last year (June 25), the Army had 87 suicide deaths. The Army's senior leadership is committed to sustaining our current emphasis on this problem.

The Army sent a team from the Public Health Command to Fort Campbell in June 2009 to examine issues related to their suicide trend. This team scrutinized organizational factors such as the length of time small unit leaders were in their leadership position, total time each unit leader had in their Army career, and specific types of formal or informal people skills and leadership training leaders received to determine if any of these factors played a role. This team did not find any significant patterns or trends that accounted for Fort Campbell's rate.

QUESTIONS SUBMITTED BY SENATOR KAY BAILEY HUTCHISON

GLOBAL DEFENSE POSTURE

Question. I believe the GAO review of our European force structure plans will show the anticipated savings moving the Army from Heidelberg to Wiesbaden will not materialize, so I am at a loss as to why a component of EUCOM needs its own headquarters of the proposed magnitude. I hope as part of your review of reducing overhead cost and redundant capabilities you relook at that decision and evaluate Stuttgart at a consolidation location, where EUCOM, Army Europe and even AFRICOM can share the most technical and expensive resources. The Army request for a \$91 million SCIF and a \$120 million Command and Battle Center at Wiesbaden are prime examples.

Mr. Secretary, in light of your comments on needing to reduce redundant capabilities and overhead cost I am interested in why you believe, in our current fiscal situation, we need to expend our limited taxpayer dollars in Europe when we can achieve the same readiness capabilities by stationing more of our forces in America, where we can provide jobs for local communities and stability and support for our soldiers and their families. Will you reconsider the Army's planned move to Wiesbaden or review the Milcon requirements at that location that could be shared with the facilities at Stuttgart?

Answer. The consolidation of 7th Army Headquarters/U.S. Army Europe (HQ/USAREUR), along with its signal and intelligence elements, at Wiesbaden, Germany will allow the closure of three bases in Europe, resulting in a reduced footprint, while providing the facilities necessary to support current and future oper-

ations in the U.S. European Command (USEUCOM) area of responsibility (AOR). The Department is currently executing fiscal year 2009 funding associated with the Wiesbaden consolidation. Military Construction funding included in the fiscal year 2011 President's budget request would fund construction of the second increment of the Command and Battle Center, an Information Processing Center, and a Sensitive Compartmented Information Facility. The Department determined that it continues to make operational sense to move forward with this initiative, and that savings realized should equal implementation costs by fiscal year 2016.

The Department re-examined the consolidation of 7th Army HQ/USAREUR at Wiesbaden in the 2010 Quadrennial Defense Review and validated the original decision. Consolidation at Stuttgart was not considered as USEUCOM, U.S. Africa Command (USAFRICOM), and other supporting elements are located there; we are concerned about additional stress on these facilities, which could overwhelm capacity. We will continue to examine opportunities for military construction efficiencies and shared facilities.

SOUTH KOREA

Question. I am concerned about our future commitments in 2012 and beyond. The cost of housing, schools, hospitals, clinics, fitness centers, recreation facilities, child care centers, youth centers, and other support facilities such as commissaries and PX exchange services will be staggering. We have not been given any cost estimates on these facilities so we have no way to evaluate the total cost of a decision of this magnitude.

Mr. Secretary, have you approved this new plan and can you give us an out-year cost we will be asked to commit the U.S. taxpayer to for a major shift in strategy such as this?

Answer. I am also concerned about costs, but my true motivation is to support the deployed troops and their family members in a time of shrinking budgets and fiscal constraints. Yes, I approved a Tour Normalization effort that allows for command-sponsorship of approximately 4,900 families in South Korea by 2012. The funding for this requirement is contained in the President's fiscal year 2011 budget request, which includes \$536 million across fiscal year 2011–2015 for Tour Normalization primarily to provide housing in the form of the Overseas Housing Allowance. As you note, these families require supporting infrastructure, and the intent of the Yongsan Relocation Plan and the Land Partnership Plan is to cover these requirements (both of which include cost sharing from the Republic of Korea). This covers the infrastructure costs for schools, hospitals, clinics, fitness centers, recreation facilities, child care centers, youth centers, and other support facilities. I will continue to closely monitor changes in timelines and requirements as I consider how to most cost effectively implement this plan. If there are additional costs, then they will be included in the President's fiscal year 2012 budget request after the Department considers all issues for the next budget submission.

QUESTIONS SUBMITTED BY SENATOR ROBERT F. BENNETT

Question. For the record, Secretary Gates, was anyone at the Pentagon consulted about the national security implications prior to NASA making a decision to cancel the Constellation program? Could you state, for the record, what are those national security implications?

Answer. During the Augustine Committee data collection efforts, research analysts working on behalf of the OSTP asked staff from the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics/Industrial Policy for a copy of the Department's most recent Solid Rocket Motor Industrial Capabilities Assessment report to Congress, which is dated April 2, 2009. Additionally, the committee analysts discussed the findings and results of the report with the Industrial Policy staff. No official interaction took place on the matter above the analyst and staff levels of our respective organizations. To the best of our knowledge, there was no other interaction.

Our most complete assessment of the evident national security implications is captured in our June 2010 report titled, Solid Rocket Motor Industrial Base Interim Sustainment Plan To Congress.

Question. Just last week, Administrator Bolden sent a letter notifying the Congress of the agency's intention to "pace" Constellation efforts for the remainder of this fiscal year. This latest action will have an immediate and devastating impact on the aerospace workforce, including the likely layoff of as many as 2,500 workers from within the solid rocket motor industry alone.

Secretary Gates, was anyone at the Pentagon consulted prior to this most recent decision by NASA to “pace” the remainder of the fiscal year 2010 Constellation effort?

Answer. To the best of our knowledge, no official interaction took place between NASA and the DOD relative to NASA’s intention to “pace” the Constellation effort.

Question. Secretary Gates, it is extremely likely that this panel will have acted on the Administration’s fiscal year 2011 budget submit long before the Department delivers its plan to sustain the solid rocket motor industrial base. Even in the absence of the Department’s recommendations, this panel is being asked to make significant budgetary decisions that affect the future viability of this industry. Specifically, not yet clear is the Department’s commitment to sustaining the Minuteman propulsion system. Also not yet clear is whether the Missile Defense Agency will respond to congressional concerns, and sustain production of the Ground-based Mid-course Defense missile supplier base, or sustain the SM–3 Block IA until Block IB is proven.

In the absence of your Department’s official recommendations via delivery of the solid rocket motor industrial base sustainment plan, what path would you suggest for this committee? What can you share with this panel now about the pending plan’s recommendations? For example, will the implementation plan emphasize investment in research and development, continued production via essential warm line programs, or both? It seems only prudent that this committee recommend sustained low rate production for all our large solid rocket motor systems—including both the land-based and submarine-launched strategic deterrent missiles, and all our deployed missile defense boosters. These low rate production programs ensure that the industrial base is able to meet the aging and obsolescence-related needs of current deployed systems, and prepared to develop our next generation systems.

Answer. The Department submitted an interim SRM Sustainment Plan in June 2010 that laid out the options DOD is considering as it develops its final sustainment plan. The Department is working aggressively to complete a full sustainment plan in keeping with the end of September deadline discussed in the preliminary plan. It is premature to provide the specific approach the Department will pursue as the plan will include resource commitments and potential policy considerations.

As indicated in the interim plan, the Department needs to continue its efforts to develop an investment strategy that supports our strategic requirements now and well into the future, while at the same time motivating the suppliers to “right-size” the industrial capacity to better reflect the reality of the future needs. This investment strategy must include adequate basic science and technology, demonstration and validation programs, and production programs to sustain a viable, innovative, and competitive industry. The Department believes that the appropriate investment strategy will include elements of the following:

- Funds sufficient to maintain properly qualified production processes.
- Funds sufficient to exercise production skills.
- Funds sufficient to support aging studies, to maintain safety and reliability at appropriate levels.
- Funds sufficient to support design and development efforts directed at improving and sustaining current designs.
- Funds sufficient to support design and development efforts for a successor class missile, the SRM concepts from which could be employed for both Navy and Air Force needs, as well as other DOD programs.

The DOD strongly supports both investments in research and development and in production. The DOD is committed to supporting our ongoing force structure and ensuring we have a robust base in support of that effort. However, this does not necessarily mean we support continued warm-line programs on all our large SRM programs. The Department believes that production continuance alone, no matter where directed, will be insufficient to protect and/or restore critical technical and creative skills necessary for future missile production and current missile sustainment.

The Department also believes the “right-sizing” process will likely come with a cost that will be seen both as a unit cost increase for DOD systems and potentially, near-term increases in facility costs.

QUESTIONS SUBMITTED TO ADMIRAL MICHAEL G. MULLEN

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

SOMALIA

Question. Admiral Mullen, recent press reports have highlighted the growing presence and influence of foreign fighters and al-Qaeda in Somalia's Islamist al-Shabab group. How would you assess the threat posed by these groups to western interests in East Africa? Is Somalia becoming the ultimate safe haven for al-Qaeda and foreign fighters?

Answer. [Deleted].

Question. Admiral Mullen, do you have sufficient resources to adequately focus on the situation in Somalia?

Answer. I appreciate your support for the resources requested in the President's budget to support Somalia, including those for enabling activities, such as ISR. We are comfortable that our request will provide the appropriate level of resources to address challenges in Somalia, a complex nation that includes a transitional government struggling to establish itself with the support of the African Union.

Question. Admiral Mullen, do you consider the Somali al-Shabab group a regionally focused threat or a direct threat to the U.S. homeland?

Answer. [Deleted].

IMPACT OF CHANGING HEALTH BENEFITS ON SERVICE MEMBERS

Question. Admiral Mullen, this is a very different military from the one I joined many years ago. Today, most service members are married and have children. The cost of maintaining this all-volunteer force is much higher than in my day. As such, there is a lot of discussion about the rising personnel costs and finding ways to curtail the growth.

What would the impact of reducing benefits be on the individual soldier? We're currently providing terrific healthcare coverage, so would a change to that break the faith with the soldier and negatively impact his or her willingness to serve?

Answer. Yes, a reduction in medical benefits could break the faith with the soldier and negatively impact his or her willingness to serve.

In my CJCS 2009–2010 Guidance, I reemphasized that it is our core responsibility to win wars while caring for our people and their families. I believe that as a Nation, we have the solemn obligation to fully support our service members and their families. I also believe that our culture must value and support a continuum of care that lasts a lifetime and encompasses military members, retirees and their families. In order to make this cultural shift, there must be constant attention and cooperation between the Joint Staff and the Chiefs, and close work with the Office of the Secretary of Defense and the Department of Veteran Affairs.

The country faces mounting deficits and growing debt. This is going to require difficult budget decisions for our government. As we carry out our assigned missions and reset a tired force, we must guard against growing hollow. The quality of the force remains paramount.

The Military Health System (MHS) portion of the Defense budget is steadily increasing. Currently, private sector healthcare costs are increasing at a rate of about 10 percent per year.

In order to engage this issue, we have looked at implementing several healthcare initiatives that could generate future savings for the department. These initiatives include:

Administrative.—Medicare Payment Matching Initiative/Sole Community Hospital; Fraud Waste and Abuse investigation and reduction; and Medical Supply Chain Standardization.

Benefit.—Uniformed Services Family Health Plan (USFHP) Medical-Eligible Initiative; TRICARE Beneficiary Fee Increase; and TRICARE Survey/Demonstration for Opt-Out Initiative.

There has been no discussion of reducing the benefit to the AC and RC, rather we are increasing benefits in the areas of mental health and traumatic brain injury, and rehabilitative care while adding innovative programs such as medical centered home to improve continuity and quality while potentially decreasing long term costs. Likewise, there is no indication from DOD leadership that they intend to reduce the medical benefits to the AC and RC and their families. The wars in Afghanistan and Iraq will end and we must think today about how the U.S. military will need to adapt to future threats. The health-of-the-force investments that we make today will pay dividends in the national security tomorrow and well into the next generation.

CHINA

Question. Admiral Mullen, recent press reports have highlighted growing Chinese investments in their military capabilities. As we continue to focus our efforts on Iraq, Afghanistan, Yemen and now Somalia, do we have sufficient resources focused on the challenges posed by an increasingly capable Chinese military?

Answer. Secretary Gates and I have placed a priority on ensuring that our service members have the tools they need to do their job, while continuing to prepare for potential contingencies across the spectrum of conflict. China has made significant investments in modern warfighting capabilities, particularly over the past two decades. While not directed at China specifically, it is of vital importance that the United States is positioned to prevail against any potential adversary, including those with advanced conventional and/or Anti-Access/Area Denial (A2/AD) capabilities. Some examples of programs in the fiscal year 2011 budget that sustain the United States' long-standing edge in conventional warfighting include:

—*Electronic Warfare.*—Procurement of 12 EA-18G “Growler” aircraft to recapitalize four expeditionary electronic attack squadrons.

—*Cyber Command.*—Establishment of U.S. Cyber Command to organize and standardize DOD cyber practices and operations in defense of the Global Information Grid (GIG).

—*Joint Strike Fighter.*—Procurement of 42 aircraft in fiscal year 2011. JSF will ensure continued air dominance over current—and future—battlefields.

—*Shipbuilding.*—Procurement of 10 ships, all of which would be extremely relevant in a conventional campaign—2 Virginia-class SSNs, 2 Arleigh Burke class destroyers, 2 Littoral Combat Ships, 1 Landing Helicopter Assault-Replacement (LHA-R), 1 Mobile Landing Platform (MLP), and 2 Joint High Speed Vessels (JHSV).

Question. Admiral Mullen, do you see a time in the near future where we will be able to improve our military to military ties with China?

Answer. I believe there is potential for an improved military-to-military relationship with China in the near future; however, China has recently been unwilling to engage with the U.S. military. While disagreements will exist, these must not prevent cooperation in support of our mutual interests and our international responsibilities. I believe that China's military leadership will recognize the importance of continuing to work together with the United States to promote regional stability, in spite of our differences. Therefore, my invitation to my counterpart, PLA Chief of General Staff, General Chen Bingde, remains open and I look forward to meeting him here in Washington, and reciprocating the visit in Beijing to discuss how we can better define our military-to-military relationship.

 QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

Question. Admiral Mullen, there is a so-called “fighter bathtub” issue looming over the future of the Air National Guard. In my role as the Co-Chair of the Senate National Guard Caucus, I am very concerned that our plan for the Air Force does not fully leverage the benefit of the Air National Guard's greater cost-effectiveness or the greater experience of its pilots and maintenance crews compared to the Active Component.

Can you explain your vision for the role of the Air National Guard in the future Air Force mission? Do you believe that the current Air National Guard legacy fighter fleet should be re-capitalized, or do you believe that as fighter wings are retired, those states' Air Guard units should assume new missions with smaller counter-narcotic aircraft or even unmanned airframes?

Answer. The Air National Guard (ANG) and Air Force Reserve Component (AFRC) are full partners in the Air Force's Total Force Integration (TFI), providing critical capabilities for the Joint Warfighter across the full spectrum of conflict. The fiscal year 2011 President's budget reflects a complete review of the Air Force fighter requirement which was developed based on the Secretary of Defense's guidance for Development of Forces, through examination of the current and future strategic environment, and using high fidelity campaign modeling.

Today the ANG flies both the newest and some of the oldest fighter aircraft in the Air Force inventory. The fiscal year 2010 budget retired 257 of the Air Force's oldest fighter aircraft and recapitalized a number of ANG units with newer and more capable 4th generation fighters from the active inventory. In fiscal year 2011 F-22s are being delivered to the 154th Wing in Honolulu, Hawaii, and F-22 ANG and AFRC TFI programs presently exist at Langley, Holloman, and Elmendorf AFBs. As the F-35 is delivered to both the Active and Reserve Component, addi-

tional 4th generation aircraft will become available to recapitalize older ANG and AFRC fighters.

The Air Force is refining the current TFI approach to develop a future TFI game plan based on strategic and operational use of the Active and Reserve Components. The Air Reserve Component will provide critical capabilities for the Joint Warfighter in fighters as well as new and emerging missions that capitalize on the ARC's experience, expertise, and expeditionary capacity.

Question. Admiral Mullen, Senator Bond and I recently sent a letter to Chairman Inouye and Vice Chairman Cochran on behalf of the Senate National Guard Caucus requesting \$870 million for the National Guard and Reserve Equipment Account. Even though the National Guard and Reserves have shouldered more than their share of the operational responsibilities at home and abroad, they still lag behind the Active Component in terms of getting the equipment they need. Why do they still face this shortfall, and what is the Department's long-term plan for fixing it?

Answer. Over the past decade the Department of Defense has made tremendous strides in providing the best available equipment across all components. There was a time when the Reserve Components lagged significantly behind the Active force in both the quantity and quality of their equipment requirements, but in my assessment, this gap has closed significantly.

Since 9/11/2001, our priority of effort has been to equip deploying units first. The Department has steadily improved the readiness posture of the Reserve Components, clearly transforming them from a Strategic Reserves to an Operational Force. Given the exigencies of fighting two simultaneous wars with all components participating, Department leaders realize that all of our forces need to be equipped appropriately. In 2007, the Department issued directives to better manage the Reserve Components as an Operational Force. One key aspect of this shift has been to properly equip the Reserve Components with modern, interoperable equipment which has contributed to both the transformation and success of our national security strategy.

The Department has also been focused on critical equipment requirements that sustain efforts which protect the home front. We have improved the percentage of National Guard Critical Dual-Use equipment available to the Governors by 22 percent over the last 5 years. This has occurred through an increase of overall Reserve Component equipment funding from approximately \$3.3 billion in 2005 to just over \$9.9 billion in 2009, as well as additional funding from the Congress.

The Army Equipping Strategy published in 2009 specifically acknowledged the need for Critical Dual-Use equipment to be filled at 80 percent or better. While the overall on-hand rate stands at 83 percent, due to the quantity of equipment deployed to support contingency requirements, only 65 percent of Critical Dual-Use equipment is currently available for use here at home. However, the Army projects being able to reach a fill rate of 87 percent by March 2011. No unit has failed to complete any assigned homeland mission in the past due to equipment shortages because the risk has been mitigated through the use of the Emergency Management Assistance Compact between States.

The Deputy Secretary of Defense, in an effort to lessen equipment shortages, directed implementation of a plan that has been executed since August 2009 that properly equips deployed units, while sustaining a trained and ready force. In doing so, the Department is striving to ensure the Reserve Components have the right equipment, available in the right quantities, at the right time, and at the right place to support the Total Force mission. As an example, the Army committed to resolve truck shortages—Family of Medium Tactical Vehicles (FMTVs)—that support our ground forces. The Army's FMTV modernization plan projects that both the Army National Guard and Army Reserve will be equipped at 100 percent fill by fiscal year 2015. In the interim, the Army National Guard is modernizing its 900 Series trucks in order to maintain operational fleets.

The Air Force has strived to place emphasis on modernizing legacy aircraft and associated equipment across the Total Force. As an example, modernization efforts of the C-5A, flown by 3 National Guard units, are underway with modifications to its aircraft defensive systems which permit operations in hostile environments. Without these modifications, C-5As are not permitted to enter certain airfields in key areas of operation. An upgrade to this system is estimated at \$34 million.

The Department's next step is to maximize efforts to implement recommendations articulated in the Quadrennial Defense Review and other strategic planning efforts that support the nation's use of the Reserve Component. This is especially important as the Services address the long-term funding needed to reduce equipment deterioration created by multiple or sustained deployments. We will continue to replace aging and maintenance-intensive equipment across the Services and modernize capabilities to ensure effective inter-operability.

Additionally, we are pressing to implement the recommendations outlined within the Commission on the National Guard and Reserve Report, many of which target the improvement of equipment readiness and transparency of the Reserve Components. This includes meeting funding requirements for Reserve Component equipment procurement as well as ensuring the visibility, transparency, and accountability of National Guard and Reserve equipment from planning, programming, and budgeting, through acquisition and fielding.

We will continue to work to close the remaining equipment gaps between the Active and Reserve Components. Your continued support and programmed funding in this endeavor has been essential and greatly appreciated.

QUESTION SUBMITTED BY SENATOR PATTY MURRAY

Question. Still, I am still very concerned about the health and welfare of our service members with visible and invisible wounds. Recent events with the Army Warrior Transition Units have demonstrated that we still have a lot of work to do to ensure the health and welfare of the servicemembers remaining on active duty or transitioning into the VA system.

Admiral Mullen, I know combat related stress is a great concern for you and each of the service chiefs, how is the DOD improving upon the existing mental health programs? Are you implementing new programs?

Answer. A broad range of programs have been designed and implemented to sustain the health and well being of active and reserve Service members and their families before, during, and after deployment. There has been a series of both operational and in garrison programs implemented to include bolstering our Combat stress teams in theater; developing stress control programs to prepare Service members to better cope with combat and deployment stress; programs that target medical providers who may be experiencing provider fatigue; implementation of a DOD-wide Total Force Fitness program as an approach to strengthen resilience and enhance endurance to maintain optimal military force readiness; Wounded, Ill and Injured Program addressing reintegration needs of the wounded, ill, and injured striving to be responsive to the needs of our wounded warriors and their families; reintegration assistance programs across the DOD to assist with reintegration of the family. The Defense Centers of Excellence (DCoE) for Psychological Health and Traumatic Brain Injury (TBI) provides a number of education and outreach programs to include a 24/7 help-line; real warriors campaign multimedia public education effort which combats stigma associated with seeking psychological healthcare and encourages utilization of available psychological health resources. In addition, the Joint DOD and VA Health Executive Council's (HEC) Mental Health Working Group is an expert panel who plan and implement procedures to create a seamless transition of care aimed at improving the access, quality, effectiveness, and efficiency of mental health services for all Active Duty, National Guard, Reserve, Veterans, and their families.

Although we have embarked on many programs to provide the best possible psychological healthcare for our warriors and family members, I still have concerns with the invisible wounds and we still have work ahead of us. The OASD-HA Office of Strategy Management recently conducted a Psychological Health/TBI Program Review which detected gaps in existing programs. Additionally, the DOD has been slow to engage in opportunities for collaboration with the civilian sector academia and pure scientific research in the area of brain mapping and psychological health research; the lack of comprehensive entry psychological evaluations is evident and we lack the resources (professional staff, funding and time) to conduct more detailed and comprehensive psychological health assessment of Service recruits and candidate prior to and during initial induction into the military. We as a Department need to stratify our outlook beyond the current issues and align our psychological health goals and objectives in the manner of a preemptive strike and not in the manner as a reaction to a strike. As I have stated before, how we take care of those who are wounded and their families, and the families of the fallen, is right at the center of my life. They've done exactly what we've asked them to do. They've put themselves in harm's way, and many of them have not come back. 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 sacrifice so much and who must now face lives forever changed by wounds both seen and unseen. I think leaders throughout the land and throughout communities in our country need to reach out and make sure that we are meeting the needs of these great, young Americans who sacrificed so much. And not just the military members, but their families. And while we've made a lot of progress in the last several years, we still have an awful long way to go.

SUBCOMMITTEE RECESS

Chairman INOUE. The Defense Subcommittee will reconvene on Wednesday, June 23, at 10:30 a.m., to hear testimony from public witnesses. Until then, we will stand in recess.

Thank you.

[Whereupon, at 12:10 p.m., the subcommittee was recessed, to reconvene at 10:30 a.m., Wednesday, June 23.]