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HEARING
ON
NATIONAL DEFENSE AUTHORIZATION ACT
FOR FISCAL YEAR 2011
AND
OVERSIGHT OF PREVIOUSLY AUTHORIZED
PROGRAMS
BEFORE THE
COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
ONE HUNDRED ELEVENTH CONGRESS
SECOND SESSION

FULL COMMITTEE HEARING
ON
**BUDGET REQUEST FROM THE
DEPARTMENT OF DEFENSE**

HEARING HELD
FEBRUARY 3, 2010



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FISCAL YEAR 2011 NATIONAL DEFENSE AUTHORIZATION ACT—BUDGET REQUEST FROM THE DEPARTMENT OF DEFENSE

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Wednesday, February 3, 2010.

The committee met, pursuant to call, at 10:05 a.m., in room 2118, Rayburn House Office Building, Hon. Ike Skelton (chairman of the committee) presiding.

OPENING STATEMENT OF HON. IKE SKELTON, A REPRESENTATIVE FROM MISSOURI, CHAIRMAN, COMMITTEE ON ARMED SERVICES

The CHAIRMAN. Good morning. Let me start by welcoming today's witnesses back to the House Armed Services Committee, particularly in our renovated hearing room. This is a maiden voyage in this renovated room, and I think it will serve all of us, and the public better to see how laws are discussed in our committee.

We thank both of you for your distinguished decades of service to our Nation. I know that along with it comes no small measure of personal sacrifice for both of you as well as your families. And I as well as all the members of the committee wish to extend our thanks to those who support you as well.

We convene today to receive testimony not only on Fiscal Year (FY) 2011 budget request for the Department of Defense (DOD), but also to hear your perspectives on the recently delivered report on the Quadrennial Defense Review, also known as the QDR. Preparing both of these documents is an enormous undertaking. And while neither is a perfect document, both are weighty and serious efforts—both in absolute terms compared to prior efforts. They are remarkably well coordinated with each other.

In my view the remarkable thing about both documents, however, is the deep commitment they reflect on the part of the Department and the Administration to preserving the national security of the United States. At a time of tremendous economic difficulty, unprecedented deficits, and spending freezes in other parts of the budget, the QDR demonstrates the clear need for, and the Department's budget reflects real growth in, defense spending.

The budget request request is for \$708 billion in Fiscal Year 2011, including \$159 billion for contingency operations costs in Fiscal Year 2011, and an additional \$33 billion for our Afghanistan operations in Fiscal Year 2010.

Now while we have our disagreements about some of the details of the budget, I strongly support the Administration decision to request these increases for defense. Let there be no confusion as this

committee considers the budget request. We will redouble our efforts to identify and eliminate wasteful spending. This may mean cutting funds for particular programs or making further changes in how we do business as we did last year in the Weapons System Acquisition Reform Act of 2009. And I compliment and thank the committee for its excellent work in that regard.

However at a time when we are fighting two wars, combating al Qaeda, and working to provide relief to people struck by tragedy such as the recent devastation in Haiti, the Department's request for significant resources is amply justified.

The critical thing about both the budget and the QDR is that they put the troops first. You set absolute the right priority by focusing on service members and their families. The budget includes a military pay raise, a large housing allowance increase, no increases in health care fees, and numerous initiatives to help military families.

Second, you lay out in the QDR and in this budget how we are going to fight and win both today's wars and future conflicts. Future conflicts we do not yet foresee. And I might add as a footnote that the Library of Congress gathered for me a list of 12 military conflicts in which we have engaged since I have been in Congress—since 1977.

Third, you have taken the fight directly to al Qaeda by deploying 30,000 additional troops to Afghanistan in December, and redoubling our efforts in Pakistan. Since President Obama came into office we have essentially tripled our forces in Afghanistan. These troops have directly engaged—engaging al Qaeda and the Taliban—that is those who attacked us on 9/11.

And while I am pleased the President's budget request again acknowledges the importance of providing for full concurrent receipt of military retired pay and the Department of Veterans Affairs Disability Compensation for veterans who retired because of disabilities with less than 20 years of service, I was greatly disappointed that the budget request did not include the specific pay-as-you-go (PAYGO) offsets that are required to cover the cost.

This committee has a deep commitment to this issue, and our veterans. But we simply cannot enact it unless the Administration identifies and advocates for specific offsets. That didn't happen last year. And we were standing there holding the bag, because there was no place to get the offsets.

With the Army and Marine Corps both fully engaged in contingency operations in Iraq and Afghanistan with thousands of airmen and sailors serving in support of Central Command it is fitting that the budget request increases the Department's Operation and Maintenance (O&M) accounts by 9.4 percent or \$19.4 billion. This increase is much needed.

Repeated deployments with limited dwell time continue to reduce the ability of our forces to train across the full spectrum of conflict, increasing the risk when our military has to quickly respond to emerging contingencies. The committee also recognizes the need to be prepared across the full spectrum making increased O&M resources all the more important. This readiness deficit has been a long standing worry for our committee.

We are encouraged by the Department's planning objective to achieve 2 years at home station for the active component for every 1 year deployed, and by the increases in several service training budgets. However I am concerned that so much of the funding for reconstructing the Army and Marine Corps remains in the overseas contingency operations (OCO) portion of the budget, and has not yet transitioned to the base budget itself.

We are glad to see that the budget request for Fiscal Year 2011 includes \$23 million to implement the required transition for the 225,000 National Security Personnel System (NSPS) employees out of that system and back to personnel systems that are fair and work. Fiscal year 2011 budget request will ensure that no NSPS employee experiences a loss of or a decrease in pay.

In the area of global posture I know that we will be having intense discussions about the requirements for the Army force structure in Europe, about the Navy carrier home-porting, and the realignment of Marines in the Pacific. These, of course, are critical issues.

Any discussion of modernization accounts must begin with the F-35 program—the largest acquisition program in history. The success of which is essential to our joint force as well as to our allies. I applaud the Secretary for following the letter and the spirit of Section 101 of the Weapons System Acquisition Reform Act of 2009 by funding the program to the more realistic cost estimate of the Joint Estimating Team (JET). We do ourselves no favors if we attempt to manage problems by denying them. While the decision led to the deferral of some aircraft production possibly including some of the aircraft authorized in last year's bill, it is a prudent course.

Let me address the question of the F-136 so-called alternate engine. This committee has maintained the view for more than a decade that having competing engine production lines for the F-35 program is the best way to control overall program costs, manage risk over the life of the program, and ensure engine performance and sustainability.

When 95 percent of the Department's fighters will be F-35 variants by 2035, this is not a question of pork. It is a sincere concern for the success of the F-35 program, and for the benefits of competition. As we have previously discussed, the Congress and the Department have to operate from a common set of facts. This committee looks forward to receiving the analysis that you have promised on this program.

I hope today's discussion can explore questions of force structure. These questions are embedded in the strategic thinking of the QDR from the number of ships to potential shortfalls in our strike fighter inventory, to the future of the bomber program. There are critical issues confronting this Nation's defense. And this committee will spend today and the coming weeks focused on where we are headed on critical force structure issues, and of course we welcome your thoughts today.

Let me wrap up my remarks by again applauding our witnesses for tackling the tough national security challenges facing this Nation head on. You have done so in the decision to deploy more troops to Afghanistan in December. And the decision to redouble our commitment to finding and defeating al Qaeda in the Afghani-

stan-Pakistan border region as well as around the world. And the decision to continue to grow defense spending last year, this year, and across the future years defense programs.

As always, you have this committee's gratitude to both of you for your service as well as our deep gratitude to the men and women that you represent—those who service us in uniform. We are very proud of them as well as the civilian workforce, and of course very, very proud of their families.

It has been mentioned that tomorrow this committee will hold another major hearing. We will take testimony on the QDR, the Quadrennial Defense Review, which outlines the Department of Defense position on a wide range of critical security related topics, and provides a—sort of a blueprint of the Department. And we look forward to that hearing as well as today.

Thank you again for your service, and we appreciate your being with us.

[The prepared statement of Mr. Skelton can be found in the Appendix on page 79.]

Now I turn to my friend the gentleman from California, Ranking Member Mr. McKeon.

STATEMENT OF HON. HOWARD P. "BUCK" MCKEON, A REPRESENTATIVE FROM CALIFORNIA, RANKING MEMBER, COMMITTEE ON ARMED SERVICES

Mr. MCKEON. Thank you, Mr. Chairman. I ask that my entire statement be submitted for the record.

[The prepared statement of Mr. McKeon can be found in the Appendix on page 82.]

Mr. MCKEON. Secretary Gates, Admiral Mullen good morning. Welcome back to our committee. Thank you for your service. Our country is blessed to have leaders like you. And we thank you for all your hard work, and all that you do for the men and women in uniform. We look forward to your testimony here today.

The President's Fiscal Year 2011 defense budget requests \$708 billion for discretionary and war funding. According to the Defense Department this represents an increase of 3.4 percent from the previous year, or 1.8 percent real growth after inflation. This is clearly not the cut to the defense budget that many anticipated. And I credit you and Admiral Mullen for ensuring that this budget request provides for our military men and women, and fully funds the wars in Iraq and Afghanistan.

Mr. Secretary for some time now you have been pushing for balance in the Defense Department in an effort to focus the Pentagon on prevailing in today's conflicts. In your introduction to the 2011 Quadrennial Defense Review you write that your efforts to re-balance the Department in 2010 continued in the Fiscal Year 2011 budget, and were institutionalized in this QDR and out-year budget plan.

While we all commend you for your laser focus on the wars in Iraq and Afghanistan, I believe your efforts to make balance a fixture in the QDR and the out-year budget is too focused on the short term, and puts the Department on the wrong path for the next 20 years. Choosing to win in Iraq and Afghanistan should not

mean our country must choose to assume additional risk in the conventional national defense challenges of today and tomorrow.

Last April, we received a glimpse of the cost of balance when you announced over \$50 billion in cuts to the defense programs. This year the impact is more subtle, but I fear more severe. In my view, the QDR understates the requirements to deter and defeat challenges from state actors, and it overestimates the capabilities of the force the Department would build.

This QDR does an excellent job of delineating the threat posed by those with anti-access capabilities, notably China, but does little to address the risk resulting from the gaps in funding, capability, and force structure.

If this is really a vision for the defense program for the next 20 years as the statute requires, then why does the QDR lay out a force structure for the next 5 years, not to mention one that looks a lot like today's force. The QDR is supposed to shape the Department for 2029, not describe the Pentagon in 2009.

I look forward to hearing from you and Admiral Mullen today, and Under Secretary Flournoy tomorrow, about the assumptions underlying the QDR's decisions. Further, I am anxious for the QDR's independent panel to begin its work, and provide the Congress with an alternative viewpoint on how the Pentagon should posture itself for the next 20 years.

Let me conclude by addressing two controversial policy initiatives that the President has raised in recent weeks, repealing the Don't Ask Don't Tell policy and moving United States Naval Station, Guantanamo Bay, Cuba (Gitmo) detainees to the United States. With respect to Don't Ask Don't Tell, I also look forward to you addressing the President's State of the Union call to repeal Don't Ask Don't Tell.

Before the President or special interests force a change in the policy or law, Congress deserves to see from the services concrete, in-depth evidence that readiness concerns require a change, and that such a change would not degrade wartime military readiness in any measurable significant way. Many of us on this committee have serious concerns with putting our men and women in uniform through such a divisive debate while they are fighting two wars.

As far as the future of Gitmo, the Administration requested a \$350 million transfer fund to finance all aspects of detainee operations at the U.S. Naval Station in Guantanamo, Cuba, or the Thompson Correctional Center, in Thompson, Illinois.

In my view, such a flexible transfer authority reflects the overall problem with this Administration's detainee policy. There is no clear policy on how we will handle the detainees held at Gitmo.

Mr. Secretary, let me make my view clear. I do not support authorizing funds for a facility which would hold Gitmo detainees in the United States. Once again, thank you for being here today, and I look forward to your testimony and the question and answer session.

I yield back my time.

The CHAIRMAN. Before I ask our witnesses to give their remarks, let me speak very, very briefly about the unexpected occurrences as reflected by conflicts since 1977. Unexpected. Operation Desert One, 1979. Lebanon, 1982. Grenada, 1983. Libya, 1986. Panama,

1989. Operation Desert Storm, 1990. Somalia, 1992. Haiti, 1994. Balkans, Bosnia, 1995. Balkans, Kosovo, 1999. Afghanistan, which began 2001. Iraq, which began 2003. And it gives us a birds-eye sketch of the unexpected. That is why we need the full spectrum of capability and that is what we asked you to testify to today.

For our committee we will take a lunch break around 12:15, probably along with a few votes we will have at that time. And we will reconvene after 45 minutes, and the hearing will continue until 3:00 this afternoon.

So with that, Secretary Gates, we welcome you. Admiral Mullen, we thank you.

Secretary Gates.

**STATEMENT OF HON. ROBERT M. GATES, SECRETARY OF
DEFENSE, U.S. DEPARTMENT OF DEFENSE**

Secretary 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 United States military these many years. These troops are part of an extraordinary generation of young Americans who have answered their country's call. They have fought our wars, protected our interests and allies around the globe, and as we have seen recently in Haiti, they have also demonstrated compassion and decency in the face of incomprehensible loss.

I have a brief opening statement to provide an overview of the budget requests. My submitted statement includes many more details that I know are of interest to the committee. The budget requests being presented today include \$549 billion for the base budget, a 3.4 percent increase over last year, or a 1.8 percent real increase after adjusting for inflation, reflecting the Administration's commitment to modest, steady, and sustainable real growth in defense spending.

We are also requesting \$159 billion in FY 2011 to support overseas contingency operations, 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 base budget request 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 capabilities needed to prevail in current conflicts, while enhancing capabilities that may be needed in the future.

And third, continuing the Department's continuing commitment to reform how we do business, especially in the area of acquisitions. Finally, the commitments made in the programs funded in the OCO and supplemental request demonstrate the Administration's determination to support our troops and commanders in combat, so they can accomplish their critical missions and come home safely.

The budget continues the Department's policy of shifting money to the base budget for enduring programs that directly support our war fighters and their families, whether on the battlefield recov-

ering from wounds, or on the home front, to ensure they have steady, long term funding and institutional support.

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

The FY 2010 budget proposal cut, curtailed, or ended a number of programs that were either performing poorly, or in excess of real world needs. Conversely, future-oriented programs where the U.S. was relatively under-invested, were accelerated or received more funding.

The FY 2011 budget submissions in QDR are suffused with two major themes. The first is continued reform, fundamentally changing the way this Department does business. The priorities we set, the programs we fund, the weapons we buy, and how we buy them. Building on the reforms of last year's budget, the FY 2011 request took 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 alternate engine for the F-35 Joint Strike Fighter (JSF), as whatever benefits may accrue are more than offset by excess costs, complexity, and associated risks.

I am fully aware of the political pressure to continue building the C-17 and proceed with an alternate engine for the F-35. So let me be very clear. I will strongly recommend that the President veto any legislation that sustains the unnecessary continuation of these two programs.

The budget and reviews are also shaped by a bracing dose of realism. Realism with regard to risk, realism with regard to resources. We have, in a sober and clear-eyed way, assessed risks, set priorities, made trade-offs, and identified requirements based on plausible real-world threats, scenarios, and potential adversaries.

Just one example. For years, U.S. defense planning and requirements were based on preparing to fight two major conventional wars at the same time, a force-sizing construct that persisted long after it was overtaken by events. The Department's leadership now recognizes that we must prepare for a much broader range of security challenges on the horizon.

They range from the use of sophisticated new technologies to deny our forces access to the global commons of sea, air, space, and cyberspace, to the threat posed by non-state groups delivering more cunning and destructive means to attack and terrorize. Scenarios that transcend the familiar contingencies that dominated U.S. planning after the Cold War.

We have learned from painful experience that the wars we fight—apropos of the chairman’s recitation of the conflicts since the mid-1970s—that the wars we fight are seldom the wars that we plan. As a result, the United States needs a broad portfolio of military capabilities with maximum versatility across the widest possible spectrum of conflict. This strategic reality shaped the QDR’s analysis and subsequent conclusions which directly informed the program decisions contained in the budget.

Before closing, I would like to offer two thoughts to consider when assessing the U.S. investment in national defense. First, the requests submitted this week total more than \$700 billion, a massive number to be sure. But at 4.7 percent of gross national product, it represents a significantly smaller portion of national wealth going to defense than was spent during most of America’s previous major wars. And the base budget represents 3.5 percent of GDP.

Second, as you recently read, the President recently exempted the defense budget from spending freezes being applied to other parts of the government. It is important to remember, however, that as I mentioned earlier, this Department undertook a painstaking review of our priorities last year, and as a result, cut or curtailed a number of major programs. These programs, had they been pursued to completion, would have cost the American taxpayer about \$330 billion.

In closing, Mr. Chairman, my thanks to you and members of this committee again for all that you have done to support our troops and their families, in light of the unprecedented demands that have been placed on them.

I believe the choices made and the 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.

[The prepared statement of Secretary Gates can be found in the Appendix on page 91.]

The CHAIRMAN. Mr. Secretary, we thank you.
Admiral Mullen.

**STATEMENT OF ADM. MICHAEL G. MULLEN, USN, CHAIRMAN,
JOINT CHIEF OF STAFFS**

Admiral MULLEN. Mr. Chairman, Mr. McKeon, distinguished members of this committee, thank you for the chance to appear before you and discuss the state of our military, as well as the President’s Fiscal Year 2011 defense budget submission. I also thank you all for the extraordinary support you provide each and every day to our men and women in uniform, as well as their families.

That they are well-equipped, well-trained, well-paid, and enjoy the finest medical care anywhere in the world is a testament in no small part to your dedication and stewardship. I have seen many of you in the war zone, in hospitals, and at bases all over this country.

So have our troops. They know you care, just as critically, they know their fellow citizens care. All they want right now is guidance on the mission before them, and the tools to accomplish it. That is

why I am here today, to speak on their behalf about the guidance they are getting from this Department, and to secure your continued support for the tools we want to give them.

Secretary Gates has already walked you through the major components of the Quadrennial Defense Review and the President's Fiscal Year 2011 defense budget submission, both of which, when combined with the new Ballistic Missile Defense Review and our Overseas Contingency Operations fund request, build upon the reform effort of last year, and represent as comprehensive a look at the state of our military as I have seen in my more than 40 years of service.

I will not endeavor to repeat his excellent summation, and I would ask that you accept without further comment, my endorsement of the findings contained in each of these documents. Let me leave you rather with three overarching things to consider as you prepare to discuss these issues today and as you prepare to debate this budget request in the near future.

First, there is a real sense of urgency. We have well over 200,000 troops deployed in harm's way right now and that number includes only those in Operations Iraqi Freedom and Enduring Freedom. Another 150,000 or so are meeting our security commitments elsewhere around the globe. And many of those missions are no less dangerous and certainly no less significant.

I am sure you have stayed abreast of our relief efforts in Haiti where more than 20,000 of your soldiers, sailors, airmen, marines and coast guardsmen are pitching in feverishly to help alleviate the suffering of the Haitian people. It is truly an interagency and international mission and these troops are blending in beautifully doing what is required where and when it is required to support the government of Haiti, the United States Agency for International Development (USAID) and the United Nations mission there.

We also continue to do what is required to win the wars we fight. And the one that needs fighting the most right now is in Afghanistan. You have seen the reports and you know the situation. The Taliban have a growing influence in most of Afghanistan's provinces and the border area between that country and Pakistan remains the epicenter of global terrorism.

You no doubt followed with great interest the development of the President's strategy to deal with this threat, a strategy in my view that rightly makes the Afghan people the center of gravity and the defeat of al Qaeda a primary goal.

We have already moved nearly 4,500 troops to Afghanistan and expect that about 18,000 of the President's December 1st commitment will be there by late spring. The remainder of the 30,000 will arrive as rapidly as possible over the summer and early fall making a major contribution to reversing Taliban momentum in 2010.

Indeed, by the middle of this year, Afghanistan will surpass Iraq for the first time since 2003 as a location with the most deployed American forces. Right now, the Taliban believe they are winning. Eighteen months from now if we have executed our strategy, we will know that they aren't and they will know that they can't.

Getting there will demand discipline and hard work. It will require ever more cooperation with Pakistan, and it will most assuredly demand more sacrifice and more bloodshed, but the stakes

are far too high for failure. That is why we are asking you to fully fund our Fiscal Year 2010 supplemental and the Fiscal Year 2011 Overseas Contingency Operations requests.

It is why we want a six percent increase for Special Operations Command and it is why we need your support to develop and field a next generation ground combat vehicle, to allow us to grow two more Army combat aviation brigades and to continue rotary wing production, including nearly \$3 billion for the V-22 Osprey program.

In keeping with the Secretary's strong emphasis on Intelligence, Surveillance, and Reconnaissance (ISR), an emphasis more than justified by our long experience in Iraq and Afghanistan, we are asking for more capability in unmanned aircraft and ground based collection systems including nearly \$3 billion to double the procurement rate of the MQ-9 Reaper by Fiscal Year 2012.

Our future security is greatly imperiled if we do not win the wars we are in. As the QDR makes clear, the outcome of today's conflicts will shape the global security environment for decades to come. I am very comfortable that we can and will finish well in Iraq, remaining on pace despite a state of recent violence, to draw down American forces to roughly 50,000, ending our combat mission there and transitioning to an advise and assist role, but without your continued support, we will not be able to show the meaningful progress in Afghanistan that the commander in chief has ordered, the American people expect, and the Afghan people so desperately need.

This is no mission of mercy. This is a place from which we were attacked in 2001. The place from which al Qaeda still plots and plans. The security of a great nation, ours and theirs, rests not on sentiment or good intentions, but on what ought to be a cold and unfeeling appraisal of self-interest and an equally cold and unfeeling pursuit of the tools to protect that interest, ours and theirs.

That leads me to the second thing I would like you to consider, proper balance. Winning our current wars means investment in our hard-won irregular warfare expertise, a core competency that should be institutionalized and supported in coming years. And we are certainly moving in that direction, but we must also maintain conventional advantages.

We still face traditional threats from regional powers who possess robust regular and in some cases nuclear capabilities. These cannot be ignored. The freedom to conduct operations in support of joint, allied and coalition efforts, assuring access and projecting combat power, can only be preserved through enduring war fighting competencies.

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 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.

Thus, the President's budget request will buy us another 42 F-35s. It will maintain a healthy bomber industrial base and it will fund development of a prompt global strike system as well as efforts to upgrade our B-2s and B-52s. For ship construction, the

spending plan totals some \$16 billion procuring 10 new ships in 2011, including two *Arleigh Burke* destroyers, two *Virginia* Class submarines, two Littoral Combat Ships (LCS) and a brand new amphibious assault ship.

It puts the Navy on track to maintain aircraft carrier production on a 5-year build cycle resulting in a long-term force structure of 10 carriers by 2040. Our budget request also seeks \$10 billion for ballistic missile defense programs including \$8.4 billion for the Missile Defense Agency (MDA). And it devotes ample resources to improving our cyber defense capabilities.

Again, it is about balance, it is about deterring and winning the big and the small wars, the conventional and the unconventional. Two challenges, one military. 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 QDR and this budget builds upon superb support you and this Department have provided our troops and their families for much of the last 8 years. Stretched and strained by nearly constant combat, many of them on their fifth, sixth and even seventh deployments, our men and women are without question and almost inexplicably the most resilient and battle-ready force in our history.

On the one hand, we keep turning away potential recruits so good is our retention and so attractive our career opportunities. On the other hand, we keep seeing an alarming rise in suicides, marital problems, prescription drug addictions and mental health problems. Deborah and I meet regularly with young troops and their spouses and though proud of the difference they know they are making, they too are tired.

Quite frankly, many of them are worried about their futures, their livelihoods, their children. And so you will see in this budget nearly \$9 billion for family support and advocacy programs. You will see childcare and youth programs increase by \$87 million over last year and you will see a boost in warfare and family services to include counseling to the tune of \$37 million.

Military spouse employment will get a \$2 million-plus up and we will increase the budget to \$2.2 billion for wounded, ill and injured members. In fact, the healthcare funding level for Fiscal Year 2011 is projected to provide high quality care for 9.5 million eligible beneficiaries.

Lastly, we are pushing to dramatically increase the number of mental health professionals on staff and advance our research on 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 weapon systems. A force well suited for long-term challenges and not necessarily

married to any current force planning construct will be vital to our national security.

Mr. Chairman, members of this committee, thank you again for your time and for the longstanding support of this committee for the men and women of the United States Armed Forces. They and their families are the best I have ever seen. On their behalf, I stand ready to answer your questions.

[The prepared statement of Admiral Mullen can be found in the Appendix on page 103.]

The CHAIRMAN. Admiral, thank you so very much. At the witness table Under Secretary Bob Hale, the Comptroller, is also in attendance, and I understand he will remain available for questions as they will arise.

I was going to ask one question to begin with. We have excellent attendance today, and we will be under the five minute rule. Let me ask each of you, and as I mentioned before, since I have been in Congress we have engaged in 12 military operations and almost none of them did we see coming.

Both of you have emphasized that we must win today's wars and, of course, we must, but we must also be prepared for the unexpected contingencies that, sure as God made little green apples, will come to pass.

How does your strategy as embodied by the QDR as well as your budget prepare the Department to do both of these things, Mr. Secretary?

Secretary GATES. First of all, I would say that we clearly are improving the capabilities and resources that we have for the kind of fights we have been in since the Vietnam War, a broad array of conflicts, requiring a broad array of capabilities.

The mantra that I have used is the one that I used in my opening statement. We must acquire the greatest—the most versatile possible set of capabilities for the broadest possible range of conflict because I believe one of the lessons of Desert One and of the invasion of Iraq in 2003 is that it is unlikely for another power to come at us head-on. They will come at us asymmetrically coming at us where we are vulnerable, not where we are strong.

But we have put into this budget capability such as the growth in capabilities of the Special Operations Command and forces is now in the base, but we are moving that into the base budget out of the supplementals and the Overseas Contingency Operations funds; also helicopters, ISR, the full range of capabilities that are needed to deal with the kind of fights we are in today, the kind of fights we have been in for the last 35 years and I believe the most likely kind of fights that we are going to face in the future.

But by the same token, I would take the strongest possible issue with those who say we are neglecting the potential future fight or the capabilities needed to take on high-end adversaries. The reality is in this budget, half the procurement budget is going for systems that are purely associated with modernization of conventional capabilities.

About 7 percent for, if you will, the fights we are in and about 43 percent for dual purpose capabilities, C-17s and other capabilities that will be used no matter what kind of fight we are in, but just let me run through the list in about 30 seconds here of what

we have in this budget in terms of conventional modernization capabilities.

We have an initiative for long-range strike, an initiative for conventional prompt global strike, a new generation bomber, a new SSBN, the F-35, the MQ-9, ballistic missile defense, the *Virginia* Class attack submarines, new Army ground combat vehicle, upgrades to the B-2 and the B-52 and a number of initiatives on cyber.

And I would just use one statistic before turning the microphone over to Admiral Mullen and that is even with the restructured F-35 program, in 2020, the United States will have 20 times more fifth generation aircraft than the Chinese and about 13 to 15 times more than the Russians and the gap only gets bigger after that.

So I think there is a broad balance in this budget and it takes into account what I think is its underlying premise, which is the most versatile possible array of capabilities for the widest possible range of conflict.

The CHAIRMAN. Thank you.

Admiral Mullen.

Admiral MULLEN. I strongly share those sentiments. And let me just talk to a couple of aspects of that.

In both the QDR and in the budget the emphasis is on winning today's wars. But that doesn't mean it is just the—what we have for today that will be—that it will only be used today. I think a significant amount of our investments, which is as the secretary has laid out, will be well placed for the future. That the kind of ISR capabilities that we have. The rotary wing capabilities, the investment in special forces will play significantly in the future. And if you just lay out the 12 kinds of unexpected conflicts as you did earlier, chairman, those kinds of capabilities—there is a versatility in those, that many of these capabilities would play very strongly in the future.

Secondly, I have been working in the Pentagon a long time. And if there are thoughts that we have somehow moved out of the conventional world. That is just not the case. As indicated by the investment profile, this is a hard place to move the pendulum. And we continue to move it to get the right balance. By no means has the pendulum swung too far at this point.

And then the third point I would make is the most important investment we can make to assure and ensure our security from a future standpoint is in our people. They are our—and their families. They are our most critical strategic asset. And in the uncertainty that you have described, and we have seen just in these last 8 years, they are the ones that will truly make a difference for the future.

Now that is not an unbounded pot. There is a significant amount of money invested in our military, families and civilians in this budget. It is roughly 50 percent of the budget. And we have to make sure we have that right for the future. But that is what will make a difference now, and it will clearly make a difference in the future.

The CHAIRMAN. Admiral Mullen, thank you.

Mr. McKeon.

Mr. MCKEON. Thank you, Mr. Chairman, Mr. Secretary and Admiral. I mentioned in my opening statement Don't Ask Don't Tell and Gitmo. With respect to Don't Ask Don't Tell, first I would like to echo the concerns raised by my counterpart on the Senate Armed Services Committee yesterday.

You made clear in your testimony that the military stands ready to implement a repeal of Don't Ask Don't Tell. Yet this position in support of repeal comes before your service chiefs have had the opportunity to conduct an in-depth review of the impact a repeal would have on military readiness. It seems that your path places the cart before the horse.

On that point I wrote to both of you outlining a series of issues and questions that must be answered before any objective decision can be made by the President, the Department of Defense, and this Congress about repealing or amending the current law. I ask that that letter and the attachment which set out a list of major shortcomings in the 1993 RAND studies be entered in the record.

The CHAIRMAN. Without objection.

[The information referred to can be found in the Appendix on page 125.]

Mr. MCKEON. I would also ask when this committee should expect a response from the Department to that letter.

Secretary GATES. Let me check into it, Mr. McKeon. We will get back to you with an answer to that question tomorrow.

Mr. MCKEON. Thank you very much. From Istanbul?

Secretary GATES. Do you want me to—

Mr. MCKEON. From Istanbul?

Secretary GATES. I am sorry.

Mr. MCKEON. From Istanbul?

Admiral MULLEN. He has reach.

Mr. MCKEON. Thank you. On the transfer of the Gitmo detainees. Giving the rising recidivism rate—around 20 percent of former Gitmo detainees returning to the fight—are you re-evaluating the Defense Department's Gitmo transfer policy?

Secretary GATES. Well the President has made the decision to close Guantanamo as you know. But at the same time recognizing reality, and particularly after the Christmas bombing attempt, he has suspended the returns of the Yemenis from Guantanamo to the Arabian Peninsula. And while his decision has not changed, we are clearly looking at the next steps.

We as you indicated in the opening statement, we have money in the budget for detainee operations which includes funding for our part of the prison in Illinois. I think that is about \$150 million for that prison. And that clearly is the intent of the President at this point.

Mr. MCKEON. A hundred and fifty million—when we had the briefing before the holiday break, they added up several costs, and I think it was more like \$500 million.

Secretary GATES. Yes. That is just our part, Mr. McKeon. There is a Justice Department element, and a Homeland Security piece of that, too.

Mr. MCKEON. Right. Do you agree with the policy that prohibits transfer of Gitmo detainees to countries that are (1) on the state sponsored terrorism list, (2) have active al Qaeda cells within their

borders, and (3) have confirmed cases of former Gitmo detainees that have returned to the fight?

Secretary GATES. Well, I would say that I certainly would have a problem returning them to countries that are on the terrorism watch list. If you take countries where there has been a recidivist problem that would include both Saudi Arabia and Afghanistan. I don't think I am prepared to draw that kind of a limit. And we, after all, we don't even know if we have an al Qaeda cell here in the United States.

So you know Somalia, Yemen, for sure. North Africa, and different places. So I think that—I frankly think that is probably too restrictive. Having a cell doesn't mean that the government isn't concerned about terrorists, and isn't acting aggressively against those terrorists. We find ourselves in that same position.

Mr. MCKEON. Last week Mayor Bloomberg made it clear that he was opposed to holding the trial to prosecute the September 11th mastermind, Khalid Sheikh Mohammed (KSM) in a Manhattan courthouse. Do you believe that KSM and the 9/11 co-conspirators should be tried in a federal criminal court rather than a military commission?

Secretary GATES. I am comfortable deferring to the Attorney General in terms of the proper jurisdiction for those who have engaged in terrorist acts. I think it is important that we have available to us both the civilian courts, and the military commissions. I remind you, we had a lot of problems with terrorism in the 1970s and 1980s in this country. And they all went—when we would catch a terrorist they all went through the federal courts. We had no alternative at that time. We are actually in a more robust position at this point.

Mr. MCKEON. We did do a lot of work on that in the last reauthorization improving the military commissions. Why would this choice of trial forum—that is, the civil courts. Given that you are the chief civilian authority for military commissions, why would you not prefer to have them done in the military commission?

Secretary GATES. Well, the attorney general did consult with me about the five 9/11 bombers. And where he was headed with his decision. And as I indicated a minute ago, I deferred to him on the judgment where he thought that prosecution was best carried out.

Mr. MCKEON. Did he consult with you before the FBI interrogated the Christmas Day bomber, and before they were given their Miranda rights?

Secretary GATES. No.

Mr. MCKEON. What impact did giving the Miranda rights have on our ability to collect intelligence if anyone we gave those rights to—Abdulmutallab—I am having trouble learning how to say these all—words—a known al Qaeda operative only 50 minutes after beginning the interrogations?

Secretary GATES. Well I think that—I mean, I don't know, because I haven't read the interrogation reports. I have been told that valuable information was obtained from him prior to that time. I think we have protocols in place now for a high level interrogation group that is comprised of experienced FBI and intelligence community interrogation experts that will be available for future such cases.

And the reality is under existing law if a person who has attempted a terrorist act, or is an alleged terrorist, is deemed a threat to the national security, there is the authority in the law to delay Mirandizing so that a full interrogation can take place.

Mr. MCKEON. I think the concern that I have heard expressed by many is that when he was caught, and was being questioned during that first 50 minutes, as on the 9/11 attacks, there could have been other planes in the air with other people trying to blow them up at the same time. And I don't know that 50 minutes—I am not an expert, but I have heard from experts that maybe 50 minutes wasn't quite enough to get all the information that could have been very necessary at that time.

Secretary GATES. I would just say that, you know, the President asked for a review of several aspects of this. And I think it is fair to say that there were some useful lessons learned from that experience.

Mr. MCKEON. So in your personal opinion, should al Qaeda detainees in the U.S. be given Miranda rights?

Secretary GATES. I think that if a person is identified as an al Qaeda operative, or has attempted a terrorist act, that the authorities that are available in existing law, and this high level interrogation group that has been assembled should be brought to bear with that individual. And that gives them the flexibility not to Mirandize as long as they believe they can get useful intelligence about impending attacks.

Mr. MCKEON. Was Abdulmutallab considered to be al Qaeda during that 50 minutes, or was that found out later?

Secretary GATES. I am just not sure.

Mr. MCKEON. Thank you. Thank you, Mr. Secretary.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank the gentleman.

The gentleman from South Carolina, Mr. Spratt. We are now under the five minute rule.

Mr. SPRATT. Thank you all for your testimony, and for the service you render to our country every day. I was in Afghanistan last week, and impressed with the team you have got in place. But also impressed—as I always am—with how daunting the challenge is if we want to accomplish what we do there.

Let me ask you something that may seem a bit mundane, but is important to getting the budget to reflect reality as well as possible. That is the practice of putting a plug in the out-years for what it is likely to cost. As I understand we have provided so far \$130 billion for Iraq and Afghanistan, and to some extent, Pakistan. It would add \$30 billion to that, and take it up to \$160. That will be next year's level approximately.

But in the years thereafter in the budget you submitted in the QDR there is a plug—\$50 billion—which I don't think is a realistic plug. Fifty billion dollars is a big come down from \$160 billion in a 1-year period of time. How do you plan to fill that plug, and to give us realistic likely expenditures for sustaining this effort in Iraq, Afghanistan, and increasingly Pakistan?

Secretary GATES. Mr. Spratt, I think that the most accurate answer to your question is that I don't think a \$50 billion plug for the next couple of years reflects reality either. That is basically the

direction that we have been given by OMB. But clearly as we have done with both FY 2010 and FY 2011 through the preparation of the overseas contingency operations budgets, we can closer to the time when combat is taking place, and we know how many troops will be available, or will be in the theater and so on, we can give a realistic estimate.

While I believe for example for FY 2012 \$50 billion is too low. By the same token, I could not give you a figure today or put a figure in the budget that I would have confidence would come close to being what the real number will be that is closer. So I acknowledge that the \$50 billion plug is inadequate, but beyond FY 2011 it is just difficult to know what the right number would be.

Mr. SPRATT. Given the difficulties we are experiencing right now in Iraq, do you expect that that period for withdrawal or draw down could be stretched out?

Secretary GATES. Based on recent conversations the Chairman and I have both had with General Odierno, we do not expect that. No.

Mr. SPRATT. Turning to a different subject—the F-35. You just went yourself personally to see what is happening with that program. Would you care to tell us—give us an update on this problem?

Secretary GATES. Well I think if I had to put it in a sentence I would say that the program office was too optimistic in their estimates. The reality is the program has not experienced problems unlike those with developmental combat aircraft in the past. The reality is it is a good airplane. It is meeting the performance parameters.

We clearly—part of the restructuring program is to put more money into test aircraft and a greater investment in software to limit the slip to about 13 months for the program. This means we will also be buying fewer aircraft in advance of testing, but we think that we have a good program, as the Chairman indicated in his opening statement.

The funding now, we have funded this plane in recent years based on the estimates of the joint program office, partly due to the law that was passed here in the Congress, but partly due to our own Under Secretary Ash Carter.

We now have funded this program on the basis of the Joint Estimating Team, the independent estimate of what the funding will be. So we believe that the funding we have in this budget in the out-years is a much more realistic profile of the funding for the aircraft.

Mr. SPRATT. One of the news accounts indicated that you visited the plant in August and thought the F-35 was in better shape than you learned it to be in December. Is that an accurate statement? And if so, do you think there needs to be an improvement in variance analysis in the management reporting system so we can keep a much better, more timely real-time connection with what is happening with weapons systems in development?

Secretary GATES. Well, I think that what happened was that Under Secretary Carter—we not only had the JET estimate from last fall, but we also had a second JET estimate. Under Secretary Carter personally invested about two weeks of time, full time,

going into every aspect of the JSF program, and getting into the contracts, getting into conversations with the contractor, program office, and various others.

And it was basically his decision to restructure this program, or to recommend the restructuring of the program, and that decision was really only made within the last 2 or 3 weeks. And I think it was the right decision, and obviously I took the personnel action I did.

I think we have the processes in place now to monitor the performance of this program. And frankly, one of the reasons why we are getting a new program manager is to make sure that those kinds of things don't happen again.

Mr. SPRATT. Thank you very much, sir.

Secretary GATES. Thank you.

The CHAIRMAN. Thank the gentleman.

Mr. Bartlett.

Mr. BARTLETT. Thank you both for your selfless service.

Mr. Secretary, you mentioned that they were going to come at us where we are vulnerable, not strong. I would suggest that one of our greatest vulnerabilities is our susceptibility to Electro-Magnetic Pulse (EMP) attack. Many of our weapons platforms are not hardened at all, and those that are hardened may not be hardened enough, if indeed the threat is 100 to 200 kilovolts per meters, as the Russian generals told the EMP commission that we may have little hardening.

I suspect that after a robust EMP laydown, we would have little fighting capability remaining. You mentioned the political interest that is driving the congressional interest in the joint strike fighter engine. If there is an interest in my district I have the honor of representing, I don't know of that interest. But yet, I am a strong supporter of this alternate engine, because I think it is the right thing to do.

Just a couple observations that a non-initiate might make looking at our advance planning. First, there are a couple of inconsistencies. We have unmanned planes and unmanned submarines, yet we still have people in ships and tanks. And if you look at the mission of the Predator and the tank, the Predator in the sky gets information and blows up things, and that is pretty much what the tank does. And one might ask why do we still have people in tanks?

I know why we have people in ships. It is not because you need them there to drive the ship, because there is nothing on the ship you couldn't do 10,000 miles away. Certainly easier to drive than a Predator aircraft. We have them there for damage control. It is because we have too few and too large platforms. You just can't afford to lose one, so we put people on for damage control.

Which leads the non-initiate to make another observation. And that is that these too large and too few naval assets are a real vulnerability. Indeed, I am not sure we need to have that vulnerability. A study that was done by Art Cebrowski, one of three naval architecture studies, advocated a navy of 600 to 800 ships that would cost no more than our present 200 to 300 ships.

Half the cost of keeping a ship at sea is the people on the ship. You got half the people off the ship, you could buy 50 percent more

ships. With the same budget, if you got all the people off ships, you could double the amount of money that we—or the amount of ships that we have out there.

And then, an observation about our deep strike bombers. Stealth is not invisible, it is just smaller. And with the Chinese ability to take out a satellite, one wonders a little about the survivability of these deep strike bombers.

Would you comment?

Secretary GATES. Go ahead.

Admiral MULLEN. Thank you, Mr. Secretary.

Secretary GATES. Do you want to hear about the ships or the people?

Admiral MULLEN. No, no. I think the unmanned—at least where I am, Mr. Bartlett—is the unmanned piece, it has got to be a balance. We are never going to get to a point where there aren't people, first of all.

Secondly, and importantly—

Mr. BARTLETT. There aren't any people on Predators, sir.

Admiral MULLEN. Well, before—and Predators are an important part, but they are not going to win it by themselves, nor will other unmanned vehicles and systems do that, at least as far as I can see into the future. That is just how I see things right now.

With respect to the tanks, in particular what is instructive to me is when I visit with my friends from other countries who are in counter-insurgency fights, and when I talk to Generals Petraeus and McChrystal and Odierno, they will single out the importance of tanks in counter-insurgency and how many lives they have saved. So again, I think it is balance there.

As far as ships are concerned, I think you know me well enough to know that we have worked for years to try to get people off of ships for the exact reason that you have described. And I think Admiral Roughead is clearly there as well in terms of future initiatives and systems, which don't take as many people.

I am very aware of Cebrowski's study. It was very theoretical and if I were going to take LCS specifically, which was supposed to come in at a couple hundred million dollars, and is now pushing \$500-to-\$600 million per copy, I would use it as an example of a relatively small, relatively very fast and light ship, per se, and it would—with a much reduced crew give some significant capability. And without reliving that history it is very hard to create some kind of sustaining capability, which is where I am, and which the Cebrowski study didn't support, from my perspective.

So I think we continue to proceed on this. And I take your point on stealth. We all understand that. All of it says to me is we have got to have a balance here. And we are not going to go unmanned overnight, nor should we, given the challenges that we have and the risks that are out there.

Mr. BARTLETT. Thank you, Mr. Chairman.

The CHAIRMAN. Thank the gentleman.

Mr. Ortiz, the gentleman from Texas.

Mr. ORTIZ. Thank you, Mr. Chairman. Thank you both for being with us today and I appreciate both of you detailing the Department's priorities. But you know, really many of the units that are not deployed face significant readiness shortfalls in equipment, per-

sonnel and training. Assuming that the drawdown in Iraq takes place on schedule, how much would readiness improve for non-deployed Army units in Fiscal Year 2011?

And the reason that I ask this question is because I have had a chance to travel. We came back from Italy, and then we went to Germany and we visited some local units. How much will that improve, for non-deployed units in the Army especially?

Admiral MULLEN. What General Casey lays out with the buildup in Afghanistan and the drawdown in Iraq, it is probably the end of 2011 before he will be at dwell time of 2 to 1. Twice as long at home as I am deployed. That is what we look at. The Marine Corps will be there much nearer the end of 2010.

And both the Commandant and the Chief of Staff of the Army talk to those—that dwell time—as a time where they can really start training to the broader spectrum of capability. And right now, they are still obviously very focused on training to the wars that we are in. I don't—I haven't seen for a long time any significant degradation in readiness for the units that are being tasked and trained and getting ready to fight these wars.

There are still differences on some equipment requirements, those kinds of things. But nothing substantial, or nothing major, across the board. And that is from my visits in-country here, as well as in-theater and discussions with the chiefs.

So I think it is roughly about a year from now for the Marine Corps and a year out before we start to build that. But primary for me in that is that the individuals and their families get to reset and get to—and build more resilience before the next deployment, in addition to putting the equipment and training piece of it.

Secretary GATES. Mr. Ortiz, just as the Chairman has addressed the personnel side of it, let me address the equipment side. There is right now for Iraq roughly a \$19 billion bill for reset. That bill will probably be down to about \$14 billion by the end of this fiscal year, and about \$6 billion by the end of 2011 for Operation Iraqi Freedom (OIF).

We think that the reset then will not—will take about 2 more years after that to be complete. So the full reset in terms of equipment would be for those forces in Iraq, roughly 2013. The bill for Afghanistan for reset is estimated at about \$15 billion, and it will remain at \$15 billion until we start drawing down in Afghanistan, and then you will see the same kind of glide path that I just described for Iraq.

Mr. ORTIZ. A few moments ago I think that it was Admiral Mullen described the different platforms and equipment and airplanes and carriers that we are trying to build for the future now. How long do you anticipate it will take to build some of these weapons and some of these platforms that we are working on now?

Admiral MULLEN. Well, I mean, I will pick a couple. JSF, which certainly is in my view at a time in a major program where there are oftentimes struggles, not just in aviation programs, as the Secretary points out, but we get to this point when we are moving into testing and production and there is going to be some bumps along the road.

I am not excusing them, it is just a really hard, difficult part of the program. But the Initial Operational Capability (IOC) for the

first training squadron for 2011 is still on track, the IOC for the Marine Corps' first squadron of 2012 is on track. For the Air Force the 2013 is on track, and the Navy in 2014.

So we are at a point in time in the program that to me this is typical, and we need to work hard to make sure we stay on this track. For the Predator, the unmanned vehicle, they have actually come on line at an extraordinary pace. Because of the urgency of war, oftentimes it generates that kind of both focus and capability, and that has really been since 2003, where we really didn't understand—we for the most part, didn't understand what ISR requirements were.

We knew what ISR was, but how much, what kind, et cetera. And what the Predator gives us, as any unmanned vehicle does, it gives us the persistence that you can't have oftentimes with manned vehicles.

So there are differences, but we are in the heart of building many of these systems right now, and I think they will start to deliver here in the next few years.

Mr. ORTIZ. Thank you so much. My time is up.

The CHAIRMAN. Thank the gentleman.

Mr. Jones.

Mr. JONES. Mr. Chairman, thank you very much. Secretary Gates, Admiral Mullen, thank you for your leadership for our Nation in leading our wonderful men and women in uniform. I had the pleasure of visiting Walter Reed yesterday and saw the real heroes, and they are very special young men and women.

Admiral Mullen, a couple weeks ago—maybe a week ago—I got a press call from Jacksonville, North Carolina, the home of Camp Lejeune, and they had a—the question was about Don't Ask Don't Tell and wanted to know my position.

And I shared it with them. I told them that in the 15 years I have been in Congress I have met many, many wonderful men and women in uniform, all services. And I felt like I had a good feel for how they felt. I realize that yesterday you said this was a personal feeling.

And I want to say I respect you for your personal feelings. But as Chairman of the Joint Chiefs, somewhat along the line of what Mr. Buchanan—excuse me, Mr. McKeon was asking, maybe in a letter. But I would like to ask you today, do you know the feelings of the service chiefs as to how they feel on a repeal of Don't Ask Don't Tell?

Admiral MULLEN. Very specifically, Mr. Jones, it isn't a feeling on my part it is a belief. And I was very clear in the construct that Secretary Gates laid out in terms of going through the review over the better part of this year—

Mr. JONES. Right.

Admiral MULLEN [continuing]. That I do not know what the impact will be, and I do not know what the implementation requirements will be. And I need to understand that. There is very little objective data on this. It is filled, as you know, with emotion and strongly held opinions and beliefs, and that is the work we have to do over the course of this year.

And I also spoke very clearly to the need to understand that, in terms of what the senior military leadership's principle concern is,

which is the readiness and military effectiveness of the force. I don't speak for the chiefs in that regard. They will have an opportunity to do that. I have discussed this with them at considerable length. I would sum up their view to say that they need to understand that impact, as well, should this policy change—if and when this policy changes, which can only change with a law change, which happens here.

Mr. JONES. Certainly. I just want to make sure that I understand the process and your answer. There are times that you sit down with the service chiefs, I am sure whether we are talking about Afghanistan, Iraq or any other situation involving our military, that you do have discussions.

I am not asking you if you would say that a general of the Marine Corps or the Army, or whatever, feels this way or that way, but you have had these kinds of discussions with the service chiefs and you do know—I would hope that you as Chairman of the Joint Chiefs, I hope that you would know their feelings, even though I am not going to ask you to share those feelings with the committee at this time, but you do know how they feel about this issue and—

Admiral MULLEN. We have had several discussions on this over—actually over many months and again, they will testify shortly, and certainly I would expect them to speak to it.

Mr. JONES. Thank you. Mr. Chairman, I would just like to—because I want to wait until the next round possibly, but Admiral, I would like to on the next round, if there is another round, I would like to talk more in depth about the psychiatric needs of our military. There are some real serious problems, and I know that you have done everything you can to reach out to try to bring more people who are trained as psychiatrists or psychologists, but this is an issue that I think I need the five minutes on the next round to pursue with you.

So with that, Mr. Chairman, I will wait until the next round. I yield back my 59 seconds.

The CHAIRMAN. I thank the gentlemen. Before I call on Mr. Taylor, Mr. Secretary, there are classified materials that were supposed to come with the QDR. Will they be forthcoming?

Secretary GATES. Let me look into that. I am not sure, Mr. Chairman.

The CHAIRMAN. We would certainly appreciate that, and get back to us, please. Mr. Taylor?

Mr. TAYLOR. Thank you, Mr. Chairman. I want to thank both—all three of you gentlemen for your service to our Nation.

Secretary Gates, when I saw the 82nd being deployed to Haiti, having been through something like that in my own district, it really struck me going back to Admiral Mullen's talk about the need to get as many of our troopers home for dwell time as they can, that I would really hope that you would explore every opportunity to fill that mission with volunteers from the individual augmentees from the Guard and Reserve.

I have got to believe given our Nation's economic situation and the willingness of the guardsmen and reservists to serve that you can fill that mission with people who want to be there and free

these combat units up to have the dwell time at home that they deserve.

Second thing is, and as this kind of following up on that, I had to, along with Chairman Spratt, the opportunity to visit some troopers from the 82nd down at Kandahar province. One of them was on his third deployment, another on the second and they both—and they struck me as being extremely sincere and really unwilling to tell me this because on one hand, they wanted to be good troopers. On the other hand, they felt like they had to get it off their chest.

They were extremely concerned about the rules of engagement. The trooper on his third tour said that, you know, here we are in Kandahar. This is basically the first year of this conflict here, and I am experiencing rules of engagement in my first year of this conflict here that we were in, in the fourth year in Iraq. As things got better in Iraq, we tightened up the rules of engagement.

He was particularly disturbed at the idea of using the Afghan National Police to search houses. And again, this isn't me talking. I am relaying a message that I told that young trooper I would. Interestingly enough, both of them mentioned that after this hitch, they were getting out, and I think to a large extent because of their concerns of the rules of engagement.

Now, I understand what General McChrystal is trying to do, that if you unnecessarily kill an Afghan, you have got that entire clan against you for the rest of their lives, but I would hope that you would keep this in mind, there has got to be a better way.

And interestingly enough, his suggestion was he had no problem with using the Afghan National Army to search these houses if you had to have an Afghan face on that search, but he had zero confidence that the Afghan National Police in that area were doing their job when it came to searching these houses for bomb-making materials.

Secondly, we talked about reset. There was recently outside of Balad an amnesty day. A Colonel from home had told people turn in things that aren't on the books, no questions asked. He had a two-mile long line of vehicles that showed up outside his gate the next day for amnesty; generators, fire trucks, ambulances, SUVs, everything under the sun, all those things the taxpayers paid for that somehow made their way to Iraq. I don't have a problem with that, but what I really want to see our Department make is every effort to get those things home.

Either get them back in your inventory, or if you deem them something you don't need given the budget constraints of our cities and states and counties, get someone in the Guard or Reserve who used to be in local government. Let them walk through and see if that generator has value back home, if that fire truck has value back home, if that sport utility vehicle (SUV) has value back home. Get the words of the state surplus agencies and let them decide whether or not they are willing to pay the cost to transport it back home.

Taxpayers paid for these things. We shouldn't let them go to waste and, above all, at the end of the day if you do it that way, if by some chance something shows up in the black market in Baghdad, then we have at least given the 50 states and the terri-

ories an opportunity to purchase it first if they are willing to pay the cost of getting it home.

And, again, the taxpayers paid for it. I know in the case of the Guard and Reserve they have got billions of dollars of shortfalls on equipment, and I just think this is a heck of a lot better than possibly leaving these things behind.

Lastly, on your Army new vehicle, I would highly recommend, as somebody who gave this gentleman fits for the past four years, General Brogan for that task. He has done a remarkable job of getting mine resistant vehicles tested, fielded and delivered to Iraq and Afghanistan. It is my understanding his tour with the Marines is almost over.

So whether it is in uniform or out of uniform, I would certainly hope that you would consider him for that job of developing that next generation vehicle based on the great job he has done in his present capacity.

And lastly, in my 19 seconds, Admiral Mullen, someone came to my town meeting Monday night with their 13-year-old son and pointed to him and said, "The United States Naval Ship *Comfort* saved this young man's life in the aftermath of Hurricane Katrina." You sent that ship to Pascagoula, Mississippi. Thank you very much for doing that.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank the gentlemen. Gentleman from Missouri, Mr. Akin.

Mr. AKIN. Thank you, Mr. Chairman. I have been asking a question for two years, and I was told I was going to get the answer when the Quadrennial Defense Review came out. Unfortunately, I am still sitting here, and I have still got the same question.

So I am going to lay out a list of, I think, what I believe are facts and, then I am trying to ask, these things don't seem to add up. Here are the facts.

First of all, the Navy's estimate of its fighter shortfall was 243 planes, the most recent one, over 5 years. That would be 48 planes a year.

Second thing is you are talking about having 10 aircraft carriers, and I would submit that they work better if you put airplanes on them.

Third point, you acknowledge that you need to keep the F-18 line through 2013. Next point, JSF is badly behind schedule. You have had 16 of 168 flight tests that were planned for 2009, and I am not getting into the JSF and the condition of that other than the fact that it is slipping.

Your own statement, Secretary Gates, shows you said, choose a 75 percent solution over the 99 percent solution. If you have got something that works well and doesn't cost as much, let's look at that.

And then I just heard that we are talking about reform the requisition process that has to be based on realism. Well, regardless to how many aircraft you think we need, because that number seems to be about as slippery as an eel, if you have got about five years to possibly purchase them, we have several times now put multiyears in the budget encouraging you to look at that.

And if you look at what the last number of the shortfall was, if you take 10 percent of 243, that is about what you would save, that is 24 aircraft that my taxpayers are going to get 24 more aircraft by getting that 10 percent discount. If you buy at the lower rate that you have suggested for this year at 34 aircraft, or whatever it is, you got—it is still 17 aircraft, is what you make by going multiyear.

So what doesn't add up to me, first of all, I don't think it—I don't have any kind of sense that there is a real number that you are willing to stand up to as exactly what the shortfall is. But second of all, even that, if you are going to buy some, why not get them at a 10 percent discount? That is my question.

Secretary GATES. Well, as you suggest, we have orders outstanding for—and funding for—asking for—either have or asking funding for 59 F/A-18s, 23 Es and Fs and 36 Gs. The question of multiyear funding has come up before. We have looked at it and according to the analysis that is available to me, with multiyear funding at the numbers we are looking at, the savings is about six and a half percent.

And because of the long-term financial commitment associated with multiyear funding, we have a threshold of 10 percent. And so it is pretty well below the 10 percent threshold. I would say there have been—the shortfall in naval aircraft is a number that has, as you suggest accurately, has been moving around.

The last figure that I saw in preparation for these hearings is a shortfall of about a hundred aircraft in 2018, and there are a number of strategies that people have in mind for mitigating that shortfall. So I think that is responsive.

Mr. AKIN. So the strategies would mean we are just not going to fly them as many hours, I suppose, cut back on training, or something like that? I mean, strategies—

Secretary GATES. No, the—

Mr. AKIN [continuing]. Don't change the lift of an airframe.

Secretary GATES. No, the mitigating strategies involve aligning air wing readiness with carrier readiness. It involves reducing the size of the Marine Corps' F/A-18C squadrons that involved using F/A-18E and F attrition reserve aircraft.

So there are a number of things that we have.

Admiral MULLEN. The only thing I would like to add, Mr. Akin, to this is the whole—the investment in this budget in the EA-18 Growlers is a huge deal and a very positive step because we have been without a national expeditionary deployed ashore future because the Marine airplanes are going away here in the next few years, and that is a huge investment on the part of this Department, and it is one that is much needed.

And the multiyear piece, those typically don't deliver unless you have got them out over many years. And the question obviously, I think, for the F/A-18 is when is the line going to end? And part of this is matching up. Certainly there are international buys that I am sure you are aware of that are being sought and try to also strategically match that up as well.

It is a great airplane. It has been a great airplane. We know that, but the JSF is the right answer for the future from a war-fighting perspective, from my perspective.

Mr. AKIN. Thank you. My time is up. Thank you, Mr. Chairman.
The CHAIRMAN. Thank you. Dr. Snyder.

Dr. SNYDER. Thank you, Mr. Chairman. Thank you, gentleman, for being here. Our Nation is blessed to have you in the service that you provide to the country. It is particularly good, Secretary Gates, to see you here today without any sign of visible trauma from an encounter with ice or snow. I think the last time you were here you were —this time a year ago, you had, kind of, splints, braces from falls on ice.

Mr. Secretary, I want to bring up a bit of a sore point. On January 27, 2009, when you testified here, I asked about the issue of burrowing and you didn't have a response at that time, but you said you would get back to me for the record. We did get a response back. Coincidentally, it was exactly one year to the day later, January 27, 2010. So it took one full calendar year to get a response signed not by you, but by Gail McGinn, the Deputy Under Secretary of Defense for Plans, performing the duty of the Under Secretary of Defense for personal readiness, and I found the response unsatisfactory.

Were you aware that it had taken a year for you to get back a written response to the question, and did you see this letter before it was sent last week?

Secretary GATES. The answer to both questions is no. And not getting a response for a year is inexcusable.

Dr. SNYDER. That is what I think, too. But thank you.

Mr. Chairman, I would like to have this response and the attachments made a part of the record if we might, by unanimous consent.

The CHAIRMAN. Without objection.

[The information referred to can be found in the Appendix on page 143.]

Dr. SNYDER. And if there—I know there has been some press interest in the topic over the last year. If any press person would like a copy of these materials, I would be glad to get them.

Before he left office, Secretary Pete Geren formally evaluated whether the two men that were shot in Little Rock in front of the recruiting station qualified for the Purple Heart. One was killed, and one was wounded. They were both in uniform at the time on active duty at the recruiting station. The conclusion was that they were not—that the alleged perpetrator was considered I believe the phrase is, “A lone wolf,” or something like that. I would—which is—all we ask is that anyone in any kind of a war at anywhere in the country or world be evaluated properly.

I was reminded of this yesterday when Secretary Panetta—or I am sorry, Director Panetta—responded to a question about what he saw as a—threats of al Qaeda, and he specifically referred to one of his three threats as being loners.

And I don't want to ask a response today. But if we now consider loners to be part of the national security threat from groups like al Qaeda, it may be time to evaluate our policy with regard to Purple Hearts specifically if we have—in fact think that people can get motivated—the alleged perpetrator of Little Rock in fact traveled to Yemen. No indications he had any connection with formal terrorist groups. But it may be that we need to evaluate that policy

if in fact we consider part of the al Qaeda threat to be their ability to motivate the so-called loners. And I would just leave that as an unanswered question today.

A point—I want to respond a bit to the ranking member’s comment about Don’t Ask Don’t Tell, that the military somehow can’t have a divisive debate. Somehow the idea that men and women in uniform cannot participate in great public policy debates—I remember my time in Vietnam. We debated while we were in Vietnam whether we thought we should be in Vietnam.

I mean, I know for a fact that this debate went on in March of 2003 when our troops went into Iraq. The debate continues. People don’t lose their ability to debate policy issues because they are in the military at a time of war. So I think that that is a red herring that is an argument that somehow men and women in uniform can’t handle tough policy—

Mr. MCKEON. The gentleman yields?

Dr. SNYDER. You have unlimited time, Mr. McKeon. I only have five minutes. I am sure the chairman will give you time at the conclusion here.

The only point I would want to make, and I would extend as an invitation to anyone here, Republican or Democrat, who has doubts about changing this policy. If you have not sat down with somebody who is currently on active duty—I don’t mean somebody who has gotten out, or been busted out, or quit, but somebody who is currently on active duty—I would be glad to arrange a telephone call to protect them.

But yesterday the Secretary—or Admiral Mullen testified that people have to lie about who they are. They don’t just have to lie about who they are. They have to lie about everything in their life. They can’t come back from a weekend. They can’t talk about family illness. They can’t talk about their partner’s mother dying without having to choose their words carefully.

So if you are thinking about a policy that is bad for morale and divisive, think about the impact on these literally thousands of men and women in uniform serving on active duty today that have to choose every word carefully. They can’t confide in their brothers and sisters in uniform of what—about what is going on in their personal life whether it is about a miscarriage, a child, a death, a split up.

They have to lie about everything. That is what is divisive about this policy. And if anyone would like to take me up on that offer, I would be glad to try to arrange that kind of a phone call so you could actually talk to somebody who is in uniform today on active duty.

Appreciate you all’s service.

The CHAIRMAN. Thank the gentleman.

Mr. McKeon.

Mr. MCKEON. Thank you, Mr. Chairman.

I am concerned about the divisiveness of the debate. But I am more concerned about the chance of something moving forward without a debate. That is my biggest concern. And I would be happy to talk to you about it. And I will be happy to take you up on your offer.

Dr. SNYDER. I am not afraid of the debate. I don't think anyone's afraid—the debate is going to be here. So I am glad to hear that you are not afraid of the debate. It needs—there is going to be a debate. There is going to be a—

Mr. MCKEON. Reclaiming my time. I am not afraid of the debate either. What I don't want is that the members of the service be precluded or excluded from the debate. Thank you.

Secretary GATES. Mr. Chairman, could I say something?

The CHAIRMAN. Who is it?

Secretary GATES. This is me. Down here.

The CHAIRMAN. Oh, yes. [Laughter.]

Certainly.

Secretary GATES. I have the rare, if not unique experience of having led three huge public institutions—the Central Intelligence Agency (CIA), in the American intelligence community; the sixth largest university in the country; and now the Department of Defense. In each of those I have led and managed change. And I have done it smart. And I have done it stupid.

Happily I think the stupid was early. But stupid was trying to impose a policy from the top without any regard for the views of the people who were going to be affected, or the people who would have to effect the policy change.

One of the purposes of the review that I have under—have directed be undertaken by General Hamm, and by Jeh Johnson, is precisely so we can understand not just the views and concerns of the chiefs, but of our military people and their families. And the impact on unit cohesion, on morale, on retention, so we understand what these things are so we get some facts into this debate. Or at least some data that we think is reliable and objective.

We are going to expand the RAND Corporation (RAND) study as you suggested in your letter to cover a broader range of issues than they did in 1993. But the role of a leader it seems to me is to set the goal. But if you want lasting and effective change, you had better bring the people who are going to be affected by it into the discussion. And get their views, and at a minimum it will help you mitigate whatever negative consequences there are.

That is the purpose of this review. That is why we have to do it thoroughly, and that is the way you get change in large public institutions where you have long-term professionals who care a very great deal about their culture, and about what they do. And I think that is the purpose of this review that we have underway.

We have set the goal. The decision will be the Congress' decision. I think that is vitally important in part because it will enable us, should the Congress change the policy, to be able to tell our men and women in uniform this is the view of the elected representatives of the United States of America.

So I think this review period is absolutely essential in terms of us understanding what we are doing, figuring out what the concerns are and the issues are. Helping us figure out how to mitigate them so that if the Congress does vote to change this policy, we have an understanding of how to go about implementing in a way that minimizes whatever negative consequences there are.

Thank you.

The CHAIRMAN. I thank you.

Mr. Forbes, the gentleman from Virginia.

Mr. FORBES. Thank you, Mr. Chairman.

And thank you, gentlemen, for being here. I want to shift the debate back to money and economics.

And Admiral, some facts that we know. We have got about a \$3 billion shortfall in our shipyards. You are more aware of those needs and the importance of that than probably anybody in this room. We also know we have a strike fighter shortfall, whether that is 240 planes or 100 planes. But if you look at 240 we are talking about roughly \$18 billion. So let's just take a third of that and say \$6 billion.

We also know that the shipbuilding plan that was submitted with the budget really brings us down from the floor of 313 that many of us thought was too low to begin with to 300. The Office of Management and Budget (OMB) thinks we are more in a line to be 270. And we know that the Chinese are now at 290 with their ships. And bottom line we are talking about needing another \$2 to \$3 billion a year if we wanted to ramp that up.

And there is a provision in the QDR to carry a carrier to Mayport which would cost \$600 million to \$1 billion. Now the cop out is always to say we need to get balance. But we can't do balance. We can't build a half a ship. We can't build a half a facility at Mayport. Of those four things, can you just prioritize those for me if you had to do one through four if we had that \$2 or \$3 billion that we had to allocate? Give me a one, two, three, four prioritization of those items that I just recounted to you.

Admiral MULLEN. And I think you know this, Mr. Forbes, been on record and would only reemphasize what I have said over several years. I think this strategic dispersion issue for our major assets—specifically a carrier in Mayport—is critical.

I certainly share your concern about investments in some of our large capital assets as you have indicated. And the \$16 billion that is in the shipbuilding budget this year is very important. But we have looked at—you, and I, and many others in the last decade—a requirement of certainly a minimum of 10 ships a year.

And the floor where I was when I was Chief of Naval Operations (CNO) of 313 ships of various—of a variety as the floor. And I was concerned and certainly remain concerned that we continue to chip away at that. And we won't have the Navy that we need in terms of overall size. So capital investment there is absolutely critical. Equally critical—

Mr. FORBES. And Admiral, if you can—just cause my time is running out. I realize all of these are critical. But we have to come down sometime to just allocating limited—can you prioritize them for me. If you had to pick the top one to the lowest one, what would you put as the priority?

Admiral MULLEN. Actually, no. I can't. I mean—

Mr. FORBES. You can't?

Admiral MULLEN [continuing]. Cause I think they are all very important actually.

Mr. FORBES. Okay. And on the move to Mayport you said that you think the strategic dispersal risk is huge. But can you tell me what percentage of risk you have been told that would be?

Admiral MULLEN. We have had long discussions about this over years. We have got carriers spread out on the West Coast. Inside the Navy this debate has taken place over many years, and has come down time and time again on not putting all our eggs in one basket. And that means not all carriers in Norfolk.

Mr. FORBES. Do you know the percentage of risk factor that was given to you by the strategic dispersal plan?

Admiral MULLEN. I think the risk actually should an event occur is very high.

Mr. FORBES. Okay. But that was different than the admiral that did the plan who said it was very low. Is that correct?

Admiral MULLEN. I actually don't know.

Mr. FORBES. Mr. Secretary, thank you for submitting a shipbuilding plan this year. However, in the shipbuilding plan that you gave, and the certification that you submitted as the statute requires, you are aware that OMB disagrees with you? They think that if we continue on the plan with the dollars that you have, that we would be down to more like 270 ships as opposed to 300 ships.

Also we know that your shipbuilding report says that we can only expect \$15.9 billion per year. But if you look at the out-years of that plan, we would need about \$17.9. We know we have had cost overruns that raise the price up, not down. We know that there are limited federal priorities in terms of monies that we are going to have.

Based on those factors, how can we make the certification that the shipbuilding plan submitted is going to—that this budget is going to equal that shipbuilding plan and carry it out?

Secretary GATES. Well, as you and I discussed the last time we talked about the 30-year shipbuilding plan, I would tell you that I think the near term estimates on the part of the plan have a significant degree of accuracy. I think the middle range in years is based on analysis and studies. And we don't really know for sure.

And the out-years toward the end of the 2030s is mainly a fantasy, because nobody knows. So I would say that—and we have told the Navy that we probably need to get them to \$16 or \$17 billion a year in the middle years, and later years of this decade in order to try and get to where they need to be.

The CHAIRMAN. Mrs. Davis.

Mrs. DAVIS. Thank you, Mr. Chairman.

And thank you all for your extraordinary service to this country. I wanted to ask one or two personnel questions initially. As you stated—and I know this is very sincere coming from you. The most critical strategic asset that we have is our people. And over the last 11 years we have made a great effort to increase the military compensation to compete with the private sector. And yet this year the President's budget request really moves away from that practice by not enhancing the pay raise with the 0.5 percent that we have experienced.

What is going to happen is that we are not able to close that gap as we would really like. It is getting there. But it still would have about a 2.4 percent gap. We started 11 years ago at about a 13.5 percent gap. So we are so close. We have additional high stress on our troops. Why not continue to move that gap along to close that gap this year?

Secretary GATES. Well, let me start, and then maybe the Chairman will have anything to add. The 1.4 percent is driven by the employment cost index.

Mrs. DAVIS. Right.

Secretary GATES. So it is basically by law. And the reality is every year we come up here, you know, and I confess to a tactical error. The first year I was in this job we submitted 2.5 percent, and the Congress gave us 3 percent. And so I said, okay, 3 percent. So I submitted 3 percent the next year, and we got 3.5 percent.

And the reality is this has a cumulative effect that, as the Chairman talked about earlier, at a certain point—I mean, nobody cares more about our troops than we do, and we, as you say, we have put a lot of money into the budget for the troops.

There are, as the Chairman pointed out—the Chairman of the committee pointed out early on, there are a number of increases in this budget in terms of housing and various family programs and so on. We are starting a renewal of the DOD schools, to rebuild those. So there is a lot in this budget for our families.

But the pay increases, along with health care, frankly, are beginning to eat us alive. And, frankly, if you look at—you know, I think we have to be realistic about this—if you look at the economy today and the unemployment rate, that the pay for our troops at all levels is very competitive.

Admiral MULLEN. I mean, I would just re-emphasize that. And you know I said in my opening statement that this committee has been extraordinarily supportive of our men and women for the last eight years. It actually goes back much further than that, and that the overall compensation package has gotten better since the mid-1990s, when that gap was clearly there, and that we have to—we have to continue to get this right across a broad range of capabilities.

If I were one, and as was pointed out, we fully funded health care this time, but the health care premiums haven't gone up since 1995. We cannot do this for free. I mean it just—this all comes out of the same pot. And health care, the total health bill, in this budget is \$50 billion. It is going to go to \$64 billion shortly. In 2001 it was 19. We, like, you know, many other people in the country, we got to get control of that, because that is where I buy my weapons, that is how I pay for my—it is the same pot of money.

Mrs. DAVIS. Yes, I—

Admiral MULLEN. So we have got to keep the people thing right. And there has been a tremendous investment there.

Mrs. DAVIS. Yes.

Admiral MULLEN. And so I am in favor—

Mrs. DAVIS. I certainly—and I understand the trade-offs. I think all the members do. I think that we may see some pressure to do that again, and—and I just was interested in, you know, some of your rationale for that.

If I may, very quickly, the other issues that are of critical importance are family support issues. And clearly, there is a lot that has been done. I applaud you for the focus on mental health.

But we hear continually from families that they need some help, especially with special-needs children. And we in our last authorization had a family support—setting up a department for special-

needs children. That is not in the FY 2011 budget, and I want to ask you if you could respond to that and if we can continue to talk about this issue.

Secretary GATES. All I can say, I will have to look into whether—

Mr. HALE. You just look into it. I think that came too late to get in the budget, but my understanding is the intent is to set up the office. There was no appropriation for it, but we will reprogram to try to meet that need.

Mrs. DAVIS. Okay. We hear continually from families regarding that. Thank you very much.

The CHAIRMAN. Thank the gentlelady.

Mr. LoBiondo.

Mr. LOBIONDO. Good morning and thank you, Mr. Chairman.

Secretary Gates, Admiral Mullen, Secretary Hale, thank you for being here. Thank you for your service.

I want to start with a brief statement on an issue that we have talked about before, and then I have a couple of questions. I have had serious concerns for some time about the fighter gap issue and how it will negatively impact our Nation's national and homeland defense, particularly as it pertains to the Air National Guard.

As you know, beginning in 2015, 80 percent of the Air National Guard fighter fleet begins to run out of flying hours. Without aircraft, the Air National Guard will be unable to continue to perform the air sovereignty alert mission and unable to support the Air Force in overseas operations, which I think they have been doing magnificently—and very cost effectively, I might add.

Many units will lose flying missions altogether and may lose highly skilled pilots and technicians, which simply cannot be replaced.

Although I am supportive of the F-35 program, given the recent developments with F-35 being at least two years behind schedule in testing and projected cost overruns resulting in reduced procurement of F-35 in the early years, I am very concerned that even with the concurrent and proportional fielding of F-35 into the Air National Guard, there will simply not be enough aircraft in time to save the Air National Guard fighter fleet.

In last year's defense authorization bill, myself and Representative Giffords requested a study of interim buy of 4.5 generation fighters to address the Air National Guard fighter gap issue. Although the final report has not been forwarded to our offices yet, preliminary indications are that the industrial base could in very short order and for less money begin production of the 4.5 generation fighter for domestic issue—for domestic use.

I know you have opposed such a solution in the past, but would not the 4.5 generation fighter meet several of your criteria for the FY 2011 budget, including emphasizing proven technologies, incorporating combat experience, avoiding the expensive solution that we have to face otherwise, and the need for balance, a mixture of 4th-, 4.5- and 5th-generation fighters, Secretary Gates or Admiral Mullen?

Admiral MULLEN. I understand the issue, sir, and I know that the Air Guard and the Chief of Staff of the Air Force are very fo-

cused on trying to get this balance right. And I think for us it has certainly been an issue of affordability.

I talked about the JSF program before and, obviously, the transition, the time that we are in right now, I recognize the challenges that we have. And while we might be able to buy more airplanes, it is going to—that money has got to come from somewhere and, obviously, in the priorities that we have laid out, we chose not to do that.

Secondly, having been through the re-capitalization of my own service, particularly in aviation a few years ago, the reality is if the Air Force is going to recapitalize, it is going to have to decommission a lot of airplanes, older airplanes. That is just a fact.

Now, that creates challenges and tension inside the Air Force between the Air Force and the Guard, the active side of the Guard, and we are at a point where we are working our way through that.

We still think we have time to work our way through that to meet what we think the requirements will be in the 2015–2016 timeframe that I talk about—at least that is the feedback I get from both the head of the Guard as well as the Chief of Staff of the Air Force.

Secretary GATES. I would just add the other reality is that as you look at fifth generation fighters with their advanced sensing capabilities and stealth, that we just need to come to grips with reality that it doesn't make any sense to replace legacy aircraft on a one-to-one basis.

Now, some of the Guard units are shifting their mission, and some of the Air Guard units are providing the pilot training and the exercise with the pilotless or remotely piloted vehicles. And I know there are several Guard units that have made the switch and mission.

So as the Chairman says, this is something we are just going to have to work our way through as we are in this transition period. But I think, just as a matter of principle, folks need to understand that there is not a requirement or a need to replace legacy aircraft on a one-to-one basis.

I will just give you one example, if I might. It would take—you can do—in terms of persistent presence over a 24-hour period, you can do with eight Reapers what it would take 36 F-16s to do. And they carry the same armament. So we need to think in terms of not only the fighters, but also the remotely piloted vehicles as we think about the Air Force in the middle years of the 21st century.

Mr. LOBIONDO. I had a follow up, but my time is over. Thank you, Secretary Gates and Admiral Mullen.

The CHAIRMAN. I thank the gentleman.

We will call on Mr. Larsen, and then we will break. We have five votes, one 15-minute vote and four 5-minute votes. This will take approximately 45 minutes. We will use that time to have lunch, and at the end of the votes, which will be approximately 45 minutes, we will resume. And, hopefully, the witnesses can get a bite to eat between now and then. We are now recessed until the call back after Mr. Larsen.

Mr. LARSEN. Thank you, Mr. Chairman.

I am going to play a little rapid fire, fill in the blank, so there are a couple of questions here that are unrelated subject by subject.

But first, for Secretary Gates, with regards to the U.S. Air Force KC-X program, we have so many Requests for Proposals (RFP) coming up fairly soon. There has been discussions about perhaps only a single offer. What would be the DOD's approach if there is only a single response to the RFP for the KC-X?

Secretary GATES. Well, obviously, we would like to have a competition for it, and we hope that both companies will agree to participate. But we will move forward. We have to have new tankers.

Mr. LARSEN. Chairman Mullen, with regards to the expeditionary squadrons for Growler, the Prowler replacement, I understand there are some amount of money to recapitalize existing Prowlers perhaps as a bridge to standing up expeditionary squadrons of Growlers. Is that the case in the budget?

Admiral MULLEN. What I didn't say earlier, and I will say very quickly is the Navy and the Marine Corps have really worked hard to mitigate this strike fighter shortfall, and I give them a lot of credit for that. And they have, from the 245 or whatever the number was down to a very low number. And they are happy with that.

Secondly, there is an investment here to retain the EA-6B squadrons as a bridge, as you would describe it, but also to be able to get to these EA-18Gs. Admiral Roughead has also made the decision that the first squadron is actually not going to be carrier-based. It is going to go with the fighters into Afghanistan.

Mr. LARSEN. Oh, okay, yes. So, but the—just for me to clarify, then, has the—has the decision been made, though, to stand up separate expeditionary squadrons of Growlers, four—

Admiral MULLEN. Four squadrons.

Mr. LARSEN. And they will provide the expeditionary effort.

Admiral MULLEN. Yes, sir.

Mr. LARSEN. And that is the plan.

Admiral MULLEN. Right.

Mr. LARSEN. Okay. Thanks.

Back to Secretary Gates, the QDR outlines the need for security assistance reform, and there are some comments in your testimony and the Chairman's testimony on it. And I think it says that we will develop new and innovative approaches to reforming security sector assistance, but the budget request doesn't yet include authority or provisions such as the Section 1206 to be able to train and equip.

Can you talk a little bit about what you want to see happen with the global train and equip, the 1206 and the 1207 programs, and whether or not we are going to see a specific legislative proposal that looks at reforming those?

Secretary GATES. I don't know the answer to the last question. 1206, we have asked for an increase from \$350 million to \$500 million. This is really important money for our combatant commanders. It is the kind of assistance we have been providing, for example, to Yemen for their counterterrorism training and equipment and so on.

We have undertaken an initiative within the executive branch to talk about new ways of doing this. We are clearly in a new world in terms of trying to figure out how do we get to a place before it becomes a crisis and, using both civilian and military capabilities, engage in building those countries' own capabilities.

How we go about that has only begun to be discussed by the executive branch. I sent a paper around that made a suggestion about how to do this, modeled on the pooled concept that is used in Great Britain, where we and State both would have access to resources. The key here is agility and flexibility. And as whatever we do, that is what we have to build into this process going forward.

Mr. LARSEN. So to date, we are still looking at 1206 and 1207 and presumably 1208. Is that—

Secretary GATES. And the decision—you know, last year we talked about 1207—

Mr. LARSEN. Yes.

Secretary GATES [continuing]. And we outlined a process of transition of that program to the State Department. The Administration decided to accelerate that process, so 1207 is now in the State Department.

Mr. LARSEN. In the State Department. But it still—presumably, over the next year we will be hearing from you all about what reform—a reform might look like.

Secretary GATES. I certainly hope so.

Mr. LARSEN. Okay. All right. So instead of phase zero, maybe phase minus one, so as you have said before—before the bad stuff happens.

Secretary GATES. Exactly.

Mr. LARSEN. Thanks a lot.

The CHAIRMAN. We will stand in recess approximately 45 minutes.

[Recess.]

The CHAIRMAN. We will be resuming, and we will now call on Mr. Bishop, the gentleman from Utah, we are under the five minute rule.

Mr. BISHOP. Thank you, Mr. Chairman. Mr. Secretary, I appreciate you being here. There is much in your proposals for which—I am over here, right here, yes—much in your proposals that I appreciate what you have done.

I know we have some difference in priorities, as we had last year. Those are an honest difference of opinion. And to be honest, in hindsight, I am still right. But beyond that—

[Laughter.]

Mr. BISHOP. You made a couple of unilateral decisions last year with Kinetic Energy Interceptors (KEI). And we reduced our ground-based defense process. We have yet actually to commit to a long-range program of sustaining Minuteman Intercontinental Ballistic Missile (ICBM) III through the year 2030.

But especially when you are talking about the Ground-Based Midcourse Defense (GMD) program, you said, not a forever decision, which I took to mean that there may be some time in the future where the Department decides to go ahead and produce additional ground-based interceptors in response to the ever-changing threat picture that goes on—that is, unless we don't have an industrial and technical capability to do that in some point in the future. And to be honest, there is in my mind some serious doubts, especially with some drastic changes that have taken place in recent days.

The Administration's silly decision to terminate the Constellation program without any kind of alternative program. And the rationale that I look at is more vendetta than common sense. It not only puts us in a second-rate situation, but it condemns thousands of jobs, good jobs that are dealing with math and engineering. And to be honest, this truly is about rocket science in some particular way.

Now, Mr. Secretary, you have some good people working under you. And one of your Assistant Secretaries did write back in September that, "I feel the industrial base issues are completely legitimate, because having the best defense industrial and technological base in the world is not a birthright." It is not about jobs, it is about certain kinds of jobs, very rare kinds of skills that are not easily replicated in the commercial world, and if allowed to erode would be difficult to rebuild.

Now, I am concerned, because I think recent decisions that have been made, especially dealing with solid rocket motors, are putting us on the verge of having the experience that we need in the future walking out the doors in search of other employment, or simply filing unemployment benefits. Because we simply cannot turn the spigot on and off. And if, in the future, we need to increase that, we have to have the capability and may not have the luxury of time to reconstitute this capability.

So, the question I have for you is, in the decision that was made, did anyone in the Obama Administration, or the National Aeronautics and Space Administration (NASA), or in OMB, may they—I understand you can say anything you want to about somebody that is negative, as long as you say, "bless their heart" attached to it, so OMB, bless their heart—did any of those consult with you or the Department of Defense on the potential impact for defense industrial bases, with NASA's termination of the Constellation program and the Ares rockets program?

Secretary GATES. Not that I recall.

But I would just say in response to a comment you made early on, I said these decisions on the Ground-Based Interceptors (GBI) and on Fort Greely aren't forever. And, in fact, we are going to complete the 2006 buy of 47 GBIs. This budget contains five more over the next several years. And we will complete the second missile field.

Mr. BISHOP. Mr. Secretary, I appreciate that. But my concern is, we need to have an industrial base. And sometimes, especially with the subcontractors, there is a very limited amount of that base.

The decision that NASA—that is made dealing with NASA's going forward in the future—does have impacts on what you can do in the Department of Defense.

So, I would hope you would agree that this could be potentially a very serious problem. I am concerned if you no longer have the industrial base to create the motors that are necessary for these programs.

And I hope you would see—I hope you would admit that there is some kind of interaction. And don't you think you should have been consulted in some way as to the impact this will have on the Department of Defense?

Secretary GATES. Well, the Department may have been consulted, Mr. Bishop. I wasn't. And I will find out if we were consulted.

Mr. BISHOP. Well, I hope you would agree that this is a significant issue that should—and a serious enough issue—you should have been impacted about—or it should have been discussed and should have been consulted about this particular potential.

Secretary GATES. Yes, sir.

Mr. BISHOP. I thank you. With that, Mr.—you also mentioned in a follow up to what Mr. Akin said—and if I can do this very quickly—that last year the Navy—in 2008 said the Navy would face by the year 2008, 125 aircraft shortfall in 2020, last year it was up to 243—because of the cost of the extension of those to come up to 10,000, was not a cost-benefit analysis that was equitable.

Do you have funding in this program budget to cover extensions for the F-15, F-16 and F-18, for their service life extensions programs?

I am sorry. I ran out of time. And if you want to defer that, I will do it in writing, or somebody else can pick up the question, if you don't have time to do it.

Secretary GATES. Sure. We will answer it for the record.

[The information referred to can be found in the Appendix beginning on page 163.]

Mr. BISHOP. Thank you, sir. Sorry, Mr. Chairman.

The CHAIRMAN. Mr. Marshall.

Mr. MARSHALL. Thank you, Mr. Chairman.

Mr. Secretary, I am very pleased to see in your proposed budget the elimination of—eventually, by 2015—elimination altogether of the disabled veterans tax, referred to by some as concurrent receipt. And we have got to find offsets for \$5.1 billion worth of costs associated with that.

And, Mr. Chairman, I certainly hope that we are going to work closely with Ways and Means and the Administration. It seems to me we ought to be able to find \$5.1 billion over a 10-year period of time, as large as our mandatory spending is. We ought to be able to do that and get this done once and for all.

But I—

The CHAIRMAN. If the gentleman will yield, and I will not take it out of your time. Last year, in this committee, we were able to find from other committees enough concurrent receipt for one year. Now, that is mandatory spending. It is not out of discretionary funds.

And the Administration did not send over any—then or now—send over any offset from mandatory funds. And consequently, we are at a loss. And I was quite concerned. I think other members of this committee were, too. So, I urged the Administration to send us over offsets, so we can be honest with these folks.

Mr. MARSHALL. Well, Mr. Chairman, I applaud the efforts that you made last year to find the offsets we needed to do right by all these folks who have been treated so badly for so long.

This is a tax. It is a tax on disabled veterans. And it is inexcusable, frankly, given priorities that we have.

So, the Administration just needs to somehow find—help us find offsets. With all the mandatory spending we are going to do over

a 10-year period of time, we can't find \$5.1 billion? It makes no sense to me.

But thank you for that, Mr. Secretary, trying to finally resolve this issue.

You mentioned at least the possibility that two of the Brigade Combat Teams (BCT) that are now in Europe might be coming home. And there are at least three bases that might wind up receiving them.

Let me put a plug in for Fort Stewart, or at least for keeping in mind one factor in trying to make that decision should be the impact on the local community that has partnered with DOD and the Army to prepare for the receipt of BCT. If it is New York City, that is a drop in the bucket. They are going to be able to absorb whatever investment that they have made. And that investment will be useful to them.

The kind of investment that a small rural community makes to receive 10,000 or 15,000 people is relatively extraordinary. And that seems to me to be a factor that should weigh very heavily in favor of a place like Fort Stewart, where the local community really is very small, and the investment will not be absorbed. It will simply be lost.

You are currently, I think, studying the possibility of small nuclear power plants at military installations around the United States. The EMP weapon is one reason we should be interested in this, that these are hardened facilities that produce power. Then perhaps we can get power out quickly after an EMP strike.

And a final thing I would like to just ask some questions about. There is a real disconnect, Mr. Secretary, between you and the committee with regard to the second engine. You already know that. You announced in your opening statement that you would recommend that the President veto any bill that contemplates inclusion of the second engine.

Here we are wondering, where is that coming from? We haven't seen a fiscal analysis that would support such a strong statement from you about how wasteful this is. In fact, in 2007, DOD itself produced something that concluded that you really couldn't tell—you know, on the pure cost question—you couldn't really tell whether this was going to be more expensive or less expensive. And people widely concede that it does lessen risk having two available engines, and that the operational benefit associated with lessening the risk is something that is fairly significant. That is what we are hearing here.

And we don't—you know, we have a new Secretary, and the Secretary simply announces that this is wasteful. But we don't really see it from what we receive and what we are getting from staff. If you could help us with that.

Secretary GATES. Sure. And this will be the second year in a row that the Administration has taken this position. And I would just say, you know, from our standpoint, the Congress has added \$1.8 billion for this program. We see it costing us another \$2.9 billion over the next 5 years.

And this is the only place in the world where a competition ends up with everybody winning at the end.

The reality is, the most optimistic analyses and models that we have run show that there is little advantage to the taxpayer of having a second engine. The truth is, almost none of the customers will buy two engines. If there is a European engine or a Rolls-Royce/General Electric (GE) engine, the Europeans are probably going to buy—our European partners are probably going to buy that one. The Marine Corps and the Navy have both said they are only going to take one airplane, because of the limited logistics, space available on ships.

So, the only piece of this that could be competed would be the Air Force part of it. And so, you end up having two engines for the Air Force.

Look, the key is getting the F-135 engine program. It is doing well. It is completed 13,000 hours of testing out of 14,700. The F-136 has completed 50 hours of testing. There is no reason to believe that the second engine won't encounter the same development problems the first one has.

I will go on, but we can give you the analysis and provide you details on why we continue—

Mr. MARSHALL. That would be great. But we keep getting cited to the 2007 analysis by DOD's Cost Analysis Improvement Group, which suggested that there really wasn't a cost difference between the two. And then, there are many people who think that there are operational advantages to having two engines.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank the gentleman.

Mr. Turner

Mr. TURNER. Thank you, Mr. Chairman. Mr. Secretary, Admiral, thank you for being here.

I have two questions for you, Mr. Secretary. The first relates to your earlier statement. You said, nobody cares more about our troops than we do. And I believe that you mean that. There are, at times, disputes as to what does it mean to care for them. And this issue that I am going to raise is one of those disputes.

Unbelievably, throughout our country there are family law courts that are taking custody away from our service members, based upon their deployment. With our chairman's support, and three committees of the House, this House has passed four times, unanimously, legislation which would protect those custody rights. It says simply that a family law court cannot take custody away from a service member based solely upon their service.

I sent you a letter signed by, unbelievably, every member of this committee.

When I raised this issue with you last year, and the fact that DOD has been opposed to this legislation, you told me at that time that you were unaware of DOD's opposition. You committed that your staff would work with me as the National Defense Authorization Act (NDAA) was approaching, so that perhaps we could come up with compromise legislation.

Your staff met with me, and these are basically their responses. They said, first, it doesn't really happen. I gave them a number of news accounts explaining that, of course, it does happen.

Secondly, they said that custody historically is not a matter of federal law. I provided them with a copy of the 65 pages in the fed-

eral code that relate to Indian tribes and the instructions to state courts on how to deal with custody with respect to Indian tribes—65 pages.

They said, then, it was state rights. You do not have one state that is objecting to our legislation. And, of course, I pointed out that the Servicemembers Civil Relief Act is, in itself each element, a violation of state rights, because it relates to state court matters.

Your staff offered no text changes. And when I inquired as to whether there were any dire consequences to the troops, to kids, or if it was unfair to the ex-spouses, no information was provided to us of any dire consequences to anyone if this legislation would pass.

Now, again, sir, we have a national military. For that we need a national standard. Our legislation only applies limitedly to the issue of custody based upon the service deployment and the threat of deployment.

Now, sir, I wrote you on July 22nd and August 26th, asking to meet with you about this, to talk about your opposition. You responded on September 25th with one of the items, saying, first, I plan to personally contact the governors of each of the states that have yet to pass legislation addressing the special consideration of child custody.

Well, my first question for you today, sir, is, I would believe that you are a very busy man. But certainly, a secretary that has time to contact every governor in this matter ought to have 30 minutes to sit down for you and I to have a conversation about this.

So, my first question is, will you meet with me to discuss the issue of the threat to the child custody of our service members?

Secretary GATES. Sure, I will meet with you.

Mr. TURNER. Thank you. I appreciate that.

I think it would be beneficial. I do think that the current opposition at DOD is misplaced.

Secondly, I am the ranking member of the Strategic Forces Subcommittee, and I have a question concerning the North Atlantic Treaty Organization's (NATO) strategic concept. Later this spring, former Secretary of State Madeleine Albright will provide recommendations for a NATO strategic concept to the NATO Secretary General, and next fall the Secretary General will provide his recommendations to NATO member-states for consideration at the Lisbon Summit.

Secretary Gates, do you believe that NATO should be maintained as a nuclear alliance, based upon your assessment and your dialogue with fellow NATO defense ministers, do our nuclear deterrence capabilities in Europe still constitute reassurance to our allies?

Secretary GATES. I believe they do.

Mr. TURNER. Thank you. There is a great deal of discussion that is going on as to whether or not that presence should remain, so I take it that your answer to my first part of the question is you believe it should be maintained as a nuclear alliance, yes?

Secretary GATES. Yes.

Mr. TURNER. Thank you, Mr. Secretary.

The CHAIRMAN. Thank the gentleman.

The gentleman from Pennsylvania, Mr. Murphy.

Mr. MURPHY OF PENNSYLVANIA. Thanks, Mr. Chairman. Mr. Secretary, Mr. Chairman, thank you so much for your testimony today and your testimony yesterday regarding repealing Don't Ask Don't Tell. I am sure you heard the news just hours ago that the former Chairman of the Joint Chiefs of Staff Colin Powell also echoed and supported your decision.

Mr. Secretary, you said yesterday it is not a question of if, it is a matter of how we repeal Don't Ask Don't Tell. And I am skeptical that the implementation review needs to take one year. When we passed in the Congress Don't Ask Don't Tell back in 1993, it took 90 days for it to be implemented.

And I just want to make sure that you know review can't be an excuse for a delay. I also understand it is a two-track process, basically. It is us in the Congress doing our job to overturn the law that we passed almost 17 years ago. And secondly, the other track is the fact that the experts—the military leadership—needs to figure out a way to implement this non-discriminatory policy.

If we do that via the vehicle that we talked about, the National Defense Authorization Act, I have only been in Congress for three years, but I understand every fiscal year when we pass it, it usually takes about eight months. So back in Fiscal Year 2009 we passed it on October 14, 2008 Fiscal Year 2010, we passed it last October 28th of 2009, and we will probably pass this fiscal year's budget—or I am sorry, 2011 budget, this October in 2010.

So while we in Congress do our job, you know, you will have ample time, at least in my opinion, to figure out how we should implement this to make sure that we are being careful. I think you would agree that that is ample time, meaning by the time we pass and it gets in effect, whether 2011 or mid-2011, you will have time to complete the study and figure out how exactly we are going to do this. Would that be accurate, Mr. Secretary and Mr. Chairman?

Secretary GATES. Well, what I said yesterday was that I expected our work to be done before the end of the calendar year. The reality is there are a lot of assertions associated with this about what people believe and what they don't believe, and what attitudes and what they aren't. And as the Chairman said yesterday, we just don't know the facts. And so it is, for us, it is a dual purpose review.

One is to get the—to have a dialogue with our people in uniform and their families about this change, identify problems and issues associated with its implementation, and figure out ways to mitigate those concerns.

These kinds of major changes frankly, if done too quickly, have counterproductive consequences. And we need—the Department of Defense is the biggest, most complex, organization in the world. Our military culture is one of our greatest strengths, but it is also a strong culture.

And so, we need to work with people, we need to get their input into how to go about this. And I just think this is not an excuse for delay, this is in fact a way to do this right in a way that it works. And that we mitigate or minimize negative consequences. I think rushing into it, mandating it by fiat with a very short time line would be a serious mistake.

Admiral MULLEN. The only thing I would add is one of my—I talked about it earlier today and yesterday about the issue of military effectiveness and readiness, and that is a huge concern. I would hope that there would be responsible leadership on both sides of this issue.

And that we not do what we actually, from my perspective, having been in the fleet, did in the earlier debate, which was put the military in the middle of this. Because, we can't afford that now, because of the stress of two wars and all those things that have been laid out. That doesn't mean that it can't be accommodated, if it is done in a reasonable fashion.

And the other thing from my perspective, this is a responsibility for—should it change—for the military to lead, and so there is an impact of this review. There is an implementation part of this, and they are linked. And so, young officers in positions that—like you held formerly—have to figure out how to lead this in the future as well.

And I think saying it will take a discrete timeline is probably not known right now, in terms of it will take a month or two for somebody to figure that out. So, we haven't done this kind of review before. We don't know the impact on the force, and that is what we have got to—that is really what we have to do over the course of this year.

Mr. MURPHY OF PENNSYLVANIA. Thank you, Mr. Chairman, and thank you, Mr. Secretary. And I think that us in the Congress, we want to make sure that we are partnering with you, to implement this in the right way, so that we are taking care of our war fighters, and we also obviously believe in the principles that our country stands for. And I do appreciate your testimony yesterday and again today. And we look forward to partnering with you to make sure we do this exactly in a diligent fashion.

Thank you very much. Mr. Chairman, I yield back my time.

The CHAIRMAN. Thank the gentleman.

The gentleman from Minnesota, Mr. Kline.

Mr. KLINE. Thank you, Mr. Chairman. Thank you, gentlemen, for being here.

I have just two highly unrelated questions, but I think that both strike to an important point. And frankly, that is in responsiveness on the part of the Department.

One, Mr. Secretary, we have been talking to your staff about the issue of Post-Deployment Mobilization Respite Absence (PDMRA). I don't know who thinks of these things for names, but PDMRA is an important program put in place back in January of 2007 to address those units who were mobilized for periods beyond what they were supposed to be.

For example, the Minnesota National Guard was mobilized and sent to Iraq. They were there for 16 months for a total of a 22-month mobilization period. Nationally, there are over 23,000 National Guard members, over 10 percent of them from Minnesota, who qualify for this PDMRA payment.

In some cases, it is thousands of dollars. Nobody has received a dime, not a single dime. And so, the question is when can these soldiers expect to receive these PDMRA payments?

Admiral MULLEN. I am going to need to take that one for the record.

[The information referred to can be found in the Appendix beginning on page 163.]

Mr. KLINE. Okay, please do, and please get back to us quickly. I will tell you that this is a gigantic issue in Minnesota, because we have such a large Guard. They have been deployed multiple times. Some of them are—they are just now coming back, the Red Bulls, from Iraq. Right now they are in the process. And some of them are expecting to be deployed again in 2011. And they have been told now for years that they have this money coming to them, and nothing is there.

Admiral MULLEN. Fine. And I would just—actually, I don't know about the payment piece, but I was just with them, and they have been spectacular. And what they have done in Basra, they have really become the model for this Advise and Assist Brigade. And General Nash and his troops are, as you know, incredibly proud of what they have done, and they really have been magnificent.

Mr. KLINE. Well, thank you. Rick Nash is one of my heroes, as are those men and women in the Guard. Not just the Minnesota Guard, but as you know, the Red Bulls stretches beyond that. But really this issue needs to be addressed, Mr. Secretary, it really does. Because they have been told month after month after month they have earned this, it is coming. And we haven't even seen the implementing instructions coming out of the Secretary's office. And it is in law we need to do it.

The other issue is, and we have talked about this before, Mr. Secretary, and that is the issue of the charter for the National Reconnaissance Office (NRO). We put in the last NDAA, language requiring that that charter be prepared and let us see it. And so far, there is no charter. So the question is, do you know what the status of that is, and when we might expect to see such a thing? That is a major organization with huge acquisition responsibilities and a horribly antiquated charter, and we just ought to get it done.

Secretary GATES. My impression is that a new charter has been drafted, but is in interagency coordination. But let me check on the status of it, and we will get back to you.

Mr. KLINE. Well, I would appreciate it.

Secretary GATES. I would like to have an answer to you on both of these questions by early next week.

Mr. KLINE. I would really appreciate that. And you know, Mr. Secretary, Admiral. You know how this works. You have got some hard-charging major there who has drafted this thing. And I will tell you, the charter has been drafted repeatedly over these many years, where we haven't had one.

And it gets into a staffing sequence, and we all know what that means, as it gets moved up and across and back down and everything. And you can staff one of these things until after I am long retired, and frankly, both of you are long retired. And somebody, maybe my son or something like that, or like Duncan D., will be in here, somebody's son will be asking have we finished staffing the NRO charter? So please, I would appreciate that if we could get it next week.

Thank you. I yield back, Mr. Chairman.

Secretary GATES. Mr. Kline, nobody is more familiar with that problem than I am.

Mr. KLINE. Mr. Secretary, I actually knew that. And I knew you would be responding. But it is, it is critical that we get this done. It is so important.

Thank you.

The CHAIRMAN. Thank the gentleman.

Ms. Shea-Porter, the gentlelady from New Hampshire.

Ms. SHEA-PORTER. Thank you, and thank you both for being here.

I continue to be concerned about the open air pits, which have been linked to chronic disease and illnesses among service members. Last year, my amendment to the NDAA prohibited open burn pits, but you were allowed, Mr. Secretary, if you saw—to get an exemption—if you saw no other alternatives.

Could you please tell me where are on those right now?

Secretary GATES. My recollection is—and I will have to get you a more up-to-date report—my recollection is that a number of the burn pits have in fact been shut down. And they have put new regulations in place in terms of using them. But in terms of where we are in shutting them all down, I am just not certain. I don't know, Chairman, if you know.

Ms. SHEA-PORTER. Okay.

Secretary GATES. But we will get an update for you.

Ms. SHEA-PORTER. Thank you.

[The information referred to was not available at the time of printing.]

Secretary GATES. But I know that some have been—some of the larger ones have been shut down.

Ms. SHEA-PORTER. Thank you, and I appreciate that.

I also wanted to ask you about the community defense initiatives. General McChrystal was involved in that, and I support that. He said that you know it would be a good way to get the Afghans involved in their defense. And I think it would provide a lighter footprint for us.

But now, I understand that Ambassador Eikenberry has blocked some of the funding for that. And so, I would like to ask you about that as well? Is that part of our counter-terrorism strategy, or is it not?

Admiral MULLEN. I think it still is. I am not aware that Ambassador Eikenberry had done that, and I can take a look at it and get you a more thorough answer specifically. The whole focus at that level is an important part of the overall approach as well.

[The information referred to is classified and retained in the committee files.]

Secretary GATES. I think that the—you know, my view is that the ultimate solution in Afghanistan is a variety of security elements. Local tribesmen, local community defense groups, police, the army, and so on. And particularly at the provincial and sub-provincial level, re-empowering the tribal elders, and so on.

The worry that everybody shares and the source of caution is the last thing we want to do is re-create or re-empower warlords. And so, if there is a reservation on the ground, it is the worry that in one place or another, that the risk of doing that is high.

Ms. SHEA-PORTER. Well, do you think that the Afghan councils in the communities are strong enough?

Secretary GATES. I think if—my guess is that it probably varies very much from locality to locality. And it may be that the way to approach this is on a case-by-case basis in terms of whether the local governance is strong enough to have one of these community defense organizations without running the risk of warlordism.

Ms. SHEA-PORTER. But you do think it is possible to do that? Because we know that the central government is weak, to be kind about it. And we also know that this is part of our whole overall strategy. I mean, how important would you rate that strategy?

Secretary GATES. I think it is important.

Ms. SHEA-PORTER. Important enough to—

Secretary GATES. And I think this needs to be part of our toolkit. But I also am prepared to acknowledge that it is really up to the Ambassador and General McChrystal and their colleagues to decide where this works and where it won't.

Admiral MULLEN. I would only add, ma'am, that in the operations that General McChrystal directs, it is very much integrated with the Afghan security forces, the army and the police, as well as on infrastructure or a—the part of the hold-and-build, to be able to build beyond that, right down to the local level.

So that is—it is being integrated into operations as we speak. And it is also informing the government in Kabul, which certainly has a lot of work to do as well.

Ms. SHEA-PORTER. But it does seem to be a pretty big difference right now between the military and between the Ambassador. So I would appreciate it if you could get back to me on that as well.

Thank you, and I yield back.

The CHAIRMAN. The gentlelady yields back.

Mr. Rogers from Alabama.

Mr. ROGERS. Thank you, Mr. Chairman. And I would like to say I had never been more proud of the chairman of this committee than I was in December of last year when Deputy Secretary Lynn spoke to us about Guantanamo Bay. And the chairman opened up the hearing by telling him, "This committee and this Congress is not going to give you a penny to buy a prison in Illinois to bring detainees to this country."

And I can tell you he was speaking for all of us when he said that. So that \$150 million that you got in your budget as far as I am concerned you can go ahead and strike it. I want you to know I think that this is asinine to talk about bringing a 100 detainees to this country, and spending \$500 million to do it when we are in a time of these incredible deficits—10 percent unemployment. It is just reckless spending that we can't afford.

So I hope you will take that leave from the chairman of this committee and go ahead and strike that amount. I did want to speak a little bit—you told Mr. McKeon that you felt the arrest of the Christmas Day bomber, and turning him over to the private criminal authority—not the private—the criminal authorities. You would leave whether that is—the judgment as to whether or not that was a good decision to Attorney General Holder. Is that correct?

Secretary GATES. Yes, sir.

Mr. ROGERS. With your background as CIA Director, and leading the Defense Department—very competently in both jobs—do you really believe in 50 minutes we got the information we needed from that Christmas Day bomber?

Secretary GATES. Well, as I said earlier, I think that there have been some lessons learned. I know we got some—I know we got a lot of information during that period. I believe that going forward we now have the protocols in place, and that kind of multi-agency interrogation—experienced interrogation team that also knows that if there is a national security threat they can delay Mirandizing somebody.

I think we now have got the protocols in place that going forward we will be able to fully exploit anybody that gets caught like that.

Mr. ROGERS. Again my question though is after 50 minutes he was turned over to the criminal prosecution, and was given a lawyer. And I am a recovering attorney. His lawyer is not going to let him talk any more. So do you believe that we got all the information we needed to get from him in 50 minutes?

Secretary GATES. No, sir.

Mr. ROGERS. Thank you.

I wanted to ask you about the 1230 report measuring the progress in Afghanistan that was due last September. When will we see that?

Secretary GATES. I will just have to check. I am not sure.

Mr. ROGERS. Great. And also with regard to metrics. When will we receive an update on how we are doing on benchmarks and goals in Afghanistan?

Secretary GATES. We got this question in the Senate yesterday. And, frankly, I thought that they had been shared with the committees. They had been worked in the interagency. And so I will need to find out what happened to that because frankly I thought they were already up here.

Mr. ROGERS. Yes. I would like to get that. And then finally General McChrystal as I understand asked for a little more than 30,000 troops—of our troops, and he got 30, and that is good. But is he capped at that? If he needs an additional 5,000 or 10,000 troops in Afghanistan in the next 16–17 months, is he going to have the flexibility to get those?

Admiral MULLEN. General McChrystal worked his way, as we all did, through the strategy. And the overall approach is—satisfied with the resources that have been made available to him. And he is a NATO commander. So it is not just U.S. forces—

Mr. ROGERS. Right. I understand that.

Admiral MULLEN [continuing]. As I—and there are 43 plus countries contributing over there, which is significant in terms of commitment. And we are hopeful that there are an additional 7,000 to 10,000 troops have come from NATO, and working that pretty hard as well. So General McChrystal thinks he has the—sorry the resources he needs to match the strategy that he is executing.

There are very few commanders quite frankly that I have ever met—myself included—that don't want more.

Mr. ROGERS. Right. Well, and that—

Admiral MULLEN. And that is okay. Now we have matched that up.

Secretary GATES. I would just also add that in his decisions the President gave me the authority to add up to within a range of about 10 percent if I identified critically needed enablers, counter-Improvised Explosive Device (IED), ISR, and so on. And so I do have some flexibility.

Mr. ROGERS. Excellent. Thank you very much.

Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. Mr. Courtney.

Mr. COURTNEY. Thank you, Mr. Chairman. And thank the witnesses for their endurance here today.

I wanted to focus on the shipbuilding plan for a minute. This year's budget and the shipbuilding plan follows on last year's start up investment in the follow-on class to the Ohio—the Ballistic Missile Submarine (SSBN) program. There is roughly about \$700 million in this year's budget. Last year there was close to \$500 million that was approved by the Congress.

Certainly an indication, as the Secretary said earlier, that we are not just standing still in terms of our weapons procurement in the future. In the shipbuilding plan it actually had some language that was—sounded urgent. There was no leeway in this plan to allow a later start or any delay in the procurement plan.

So I just kind of throw you an alley-oop pass here. Can you explain to the committee why the replacement is a priority for the Department of Defense this year?

Admiral MULLEN. Well, I actually—I think that you have summed it up. There isn't a lot of room. We put the money in last year in this recognizing that the kind of long-lead that it takes to develop this kind of new capability. And that we have an expectation that it will replace those submarines that are out there now just in time.

Though it is years away, but it is very long-lead to initiate this investment—the development piece of it. And then to replace those submarines. Even in the face of—and we are going through Strategic Arms Reduction Treaty (START) negotiations with the Russians. And even in the face of that, this part of the triad—the submarine part of the triad is—everybody believes is an incredibly important and critical part of that triad.

So the investment is right.

Secretary GATES. Mr. Courtney, I would also add that we also have in this budget a little over \$1 billion for the national nuclear security agency to begin work on a new Navy nuclear reactor.

Mr. COURTNEY. And, again, the plan really matches up with what the admiral just said. What it also shows though is that over the mid-range that it really—that once the SSBN program really hits its stride, it is going to pick up a lot of space in terms of the shipbuilding budget.

We had a hearing at our subcommittee a couple of weeks ago where there were some experts who were actually suggesting that because it is such an essential part of our nuclear deterrence, that really—and it will take up so much space in the shipbuilding program, that consideration ought to be given to sort of funding it in a separate account similar to the way missile defense has presently got its own place in the federal budget.

Because, again, there is just going to be another zero-sum gain in terms of a lot of other shipbuilding programs. Once—as I said, the SSBN hits its full construction phase. I wonder if you had any comments about that sort of suggestion as a way of protecting—

Admiral MULLEN. Not a new idea. Everybody would like to have their own isolated account that gets fully funded every year. And this is a strategic asset. So I don't say that lightly. It is not the first time that has come up. And it is an extraordinary percentage of the shipbuilding budget. And it is just funding one line. So I think there—over time there clearly will be competition for those dollars. So isolating them as per suggested certainly is one solution.

But it goes back to an earlier discussion about the overall investment in that account particularly as we now are at two submarines a year for Virginia, and then as this—which we will do for the foreseeable future. And as we look at the SSBN bill that is going to be—I don't know what the percentage is, but half of the Shipbuilding and Conversion, Navy (SCN) budget or something like that which calls for—and again I think that has got to grow over time in a pretty tough environment.

Secretary GATES. I would just add there is a longer term issue here. For the period during from now until 2015 I believe that we can live within the numbers that we have been given and that are forecast for us without sacrificing force structure. But beyond that time the Defense Department cannot sustain the current force structure without real growth on an annual basis of somewhere between 2 and 3 percent.

Mr. COURTNEY. And another I think important change that we have to pursue here is about being smarter in terms of the way we buy the systems. The weapons procurement reform bill that we passed last year, it seemed that, you know, we were trying to move towards, you know, a design and then build process where we are not sort of mixing up the two at the same time which is wasteful. And it—and I would just say that the SSBN investment that this budget has in terms of making sure that we as you said get this thing done right so that when the time comes to start building, that we can maybe even bring some of the costs of the vessels down once we hit that stage of the process.

Admiral MULLEN. My only comment on that would be that I would take what in particular *Virginia* class submarine program has done. They are actually at two-a-year quite frankly in great part because they were so disciplined, and were able to create savings in that program. We have got to do that in the submarine—in the SSBN program, and other major programs as well.

The CHAIRMAN. Thank the gentleman.

The gentleman from Pennsylvania, Mr. Sestak. Excuse me, Mr. Wittman, then Mr. Sestak.

Mr. WITTMAN. Thank you, Mr. Chairman. Thank you, gentlemen. Thank you so much for joining us today, and thank you for your service to our Nation.

Mr. Secretary, as you know I have been working with my Virginia colleagues to ensure that key strategic decisions are answered. And that we are really spending our resources properly specifically with regard to moving a carrier to Mayport. And we

have asked repeatedly from your Department about issues and information related to cost and strategic necessity. And we appreciate you giving us that information back.

According to an article yesterday in the Jacksonville press Senator Nelson is quoted as saying, "The Secretary of Defense looked me in the eyes two and a half months ago, and said, 'You don't have anything to worry about.'" Furthermore the leaked copy of the QDR we saw in December didn't specifically mention Mayport. But the final version of the QDR we see that Mayport is specifically mentioned as a home-porting for another carrier.

Mr. Secretary, can you verify Senator Nelson's comments in the press yesterday, and can you give us an idea about why there was a last minute change in the content of the QDR?

Secretary GATES. Well first of all I don't remember those exact words, but I have known for some period of time since we were early into the budget process the priority that the Navy attaches to the strategic dispersion. And the continued priority that they attach to having a carrier at Mayport. And I pressed them very hard in the meetings. You know, you have limited resources. Is this how you want to spend your money? Do you think this is more important than other things—other Navy needs?

And both the Secretary of the Navy, and the Chairman—the CNO said, "Yes." So I have no reason to doubt that I gave Senator Nelson that kind of assurance based on the Navy's own assessment of their priorities. I was unaware that the draft of the QDR on that issue had changed between an earlier draft in December and the final draft.

Mr. WITTMAN. Okay.

Admiral Mullen, you had spoken earlier about the strategic dispersal plan, and Mr. Secretary you had spoken earlier about realism with risk in resources. And I think that is absolutely applicable in this particular situation. When you talk about strategic dispersal plan the only two areas that I have heard strategic dispersal talked about is in the Congressional Research Service report, and in the Environmental Impact Statement (EIS).

Can you tell me is there a specific quantification of risk in either of those two documents?

Admiral MULLEN. I just—actually I don't know. I will repeat what I said earlier. I think the stakes are so exceptionally high because of the criticality of these capital ships. And that if we—and then in getting it wrong it costs us an extraordinary amount. I also certainly understand the investment issue.

I mean at the same time it is oftentimes from my perspective too easy to just play off one investment versus another. This is a total capability, total portfolio, and it is part of the strategic view of where we have to—where I believe we have to place our assets. And for lots of reasons I think that that dispersion is important. It has been so in the past on the West Coast. Even on the East Coast. Kennedy was down there as you know, non-nuclear.

Mr. WITTMAN. Yes.

Admiral MULLEN. And it is now, as well.

Mr. WITTMAN. Another question. If we truly are going to represent realism with risk in resources, shouldn't we have some tangible quantification of the risk associated with carriers being based

where they are there in Norfolk, and then looking at that particular risk? And then the cost associated with moving those carriers down there. If we do want to represent that realism, it seems like to me we ought to have that grounding, and an objective measure of risk.

Admiral MULLEN. I spend a lot of time on risk. And two thoughts. One is quantification is very difficult. That said, I would be happy to go see what work has been done and see where—see where we are, and where we could be. And oftentimes the risk assessments that I get involved in strategically, there is a judgment factor that is there, and it goes back to what we talked about earlier which is predictability or unpredictability about the future and all those kinds of things.

And I am one that has rarely thought that we should put all our eggs in one basket, and that is a risk factor for me. So I will go back and see if there is a way to do that. I am not extremely positive that I can give you a number specifically.

Mr. WITTMAN. Okay. Thank you. Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. Thank the gentlemen.

Mr. Langevin.

Mr. LANGEVIN. Thank you, Mr. Chairman. Gentlemen, thank you for your testimony and your presence here and your service to our Nation.

If I could, I would like to turn my attention to ballistic missile defense issues. As the chair of the Strategic Forces subcommittee, this is something I would say we are following very closely right now, and the President's new phased adaptive approach to missile defense has significant force structure implications and have these been quantified yet, number one?

And number two, in 2007, the Joint Capability Mix Study to approve by DOD's Joint Requirements Oversight Council concluded that combatant commanders required at least twice as many SM-3 and Terminal High Altitude Area Defense (THAAD) interceptors as were planned at the time. And my question is does the President's budget fund procurement of a new SM-3 and THAAD interceptors to meet predicted inventory levels to support this new approach?

Secretary GATES. To answer the second part of your question first, the answer is yes, there is a substantial plus up in the budget of both THAAD missiles and batteries and the purchase of SM-3 missiles and development of a land-based SM-3 that could be deployed to Europe or elsewhere.

So there is the—just specifically, it adds a battery of ground components, it adds 67 THAAD interceptors, it delivers the THAAD batteries numbers 2 and 3 and 32 interceptors for those. So this is an area where we have, I think, significantly plussed up the budget. And as I commented earlier, at the same time, we have over \$1.3 billion in this budget to continue the further development of the ground based interceptors as well including both the two-stage and three-stage and finishing the second missile field at Fort Greely.

I am sorry, what was the first part of the question?

Mr. LANGEVIN. The first question was the President's new phase adapted approach to missile defense had significant force structure implications and have these yet been quantified?

Secretary GATES. I don't know that they have been quantified.

Admiral MULLEN. Clearly the initial phase of this is—a lot of it is sea-based and depending on where this goes—and it is a threat-based regionally focused approach, which I—quite frankly, I applaud because I think that has been a very reasonable approach as do I think the decision to put SM-3s—to land base them because I think that has lots of possibilities.

I think the longer-term force structure issue though, it will be in ships, and a concern I have had for many years is do you turn these into virtual SSBNs where they can—you know, this is all they do and I don't support that. I think these Aegis ships have multi-missions and we have to keep that in mind.

And I also think we need to upgrade the ships that we have to this capability before—which is a lot less expensive than buying, you know, many more Aegis ships. And that is the—I think, the debate that we are going through right now. And it obviously depends on our concept of operations as to what the force structure implications there would be as well as on the ground side and where we would need them—where we would want to have them both either forward-based or be able to move them based on some kind of conflict.

Secretary GATES. We have funding for conversion of 23 ships to Aegis capability and this budget adds three more.

Mr. LANGEVIN. Thank you. Let me turn quickly now, if I could, to an issue of cyber security, something that I have been very involved with and follow very closely with—in addition to my work here, I also sit on the House Intelligence Committee. We just had Director Blair with us this morning and one of the first things that he identified in his threat assessments was the fact that cyber security is probably one of the number one threats faced in the Nation right now.

Let me ask you, what system should the government view as within the national security framework and what is the status of the establishment of the sub-unified command under Strategic Command (STRATCOM) and do you have updated organizational structures from the services and defense agencies to respond to Cyber Command?

Secretary GATES. Yes. Both the Navy and the Air Force have stood up their own versions of a Cyber Command. The Army is in the process of doing that. We are ready to proceed with the establishment of the four-star Cyber Command, the sub-unified command under STRATCOM. We are awaiting the confirmation of its first director by the Senate.

And we—the QDR, I think, makes very clear that we regard the cyber problem in cyberspace as a huge priority going forward, and there are substantial resources in the budget for cyber both for people and capabilities.

Mr. LANGEVIN. Thank you. I yield back.

The CHAIRMAN. Thank the gentleman. Mr. Hunter.

Mr. HUNTER. Thank you, Mr. Chairman, and gentlemen, thanks for being here. Admiral Mullen, thank you, sir. My little brother is

on his, I think, sixth months out of one year in Taji right now, 1st Stryker Brigade, and he appreciates everything you do and so does his wife and two little girls and his unborn son here that they have had while he has been in the Army. I appreciate everything that you do. And Mr. Secretary, thank you, sir, for everything that you do.

The thing that concerns me, and I am only going to touch on this to prep us—this statement is the Senate Armed Services Committee has now had a full hour hearing with the full committee on Don't Ask Don't Tell. In this committee here or in that Senate committee, we have yet to have a full committee hearing on IEDs, the number one cause of death and casualties over in Iraq and Afghanistan.

Last year, we had 322 killed because of roadside bombs, 1,818 maimed and wounded. This year, just in January, 32 killed in action (KIA) and 137 wounded. I understand that there are a lot of budget issues, there are a lot of social issues that you have to work through, but I would like to make it so that our priority isn't the social issues in the military.

The budget issues are important, but I think when you have 18- and 19-year-olds and my little brother and my friends and family and many of us here have the exact same out there fighting, I think our priorities should be with winning. JIEDDO, the Joint IED Defeat Organization, has gotten over \$17.2 billion since its inception. It has got a staff of 4,800 people.

And what I would like to know, Mr. Secretary and Admiral, is, do you think that they are living up to the standards that we set for them when they were created and do you think that they are doing what they should be doing? And I commend you, Mr. Secretary, you have the ISR Task Force, IED Task Force. I met with Dr. Carter, General Paxton. They have been very helpful, and I know that this is one of your number one priorities.

So what are we doing right now because, Mr. Secretary, you are in that chain of command coming down from President Obama to where you can mobilize the industrial base and you can mobilize our military technology people and our military and you can give orders to say we are going to stop IEDs and here is how we are going to do it. We are going to have 24 hour surveillance, we are going to have persistent surveillance.

So sir, that is—is my question—is JIEDDO living up to what it should be doing with the amount of money that it's been given and what more can we do to protect our men and women that are out there fighting every day?

Secretary GATES. I think JIEDDO is doing what they have been asked to do and I think they are doing a good job of it, but JIEDDO is not the answer to the problem alone. And as you have suggested, ISR capabilities are very important. We have basically maxed out the production capability. We are pushing everything we can into that area.

I met with Dr. Carter and General Paxton last week. There are a portfolio of capabilities that I told them to proceed with buying, including significantly increased number of aerostats that can provide persistent coverage, a variety of other sensors that can be

used to have persistent coverage in the vicinity of our forward operating bases and so on.

And I have told them not to worry about the money and not to worry about the numbers, but to just get them out there as fast as possible and they are proceeding to do that. There are a lot of other aspects of this.

One is, unlike Iraq, the primary substance for IEDs in Afghanistan is ammonium nitrate. It is illegal in Afghanistan. And so we are now forming task forces—General McChrystal is forming task forces to try and break the smuggling that works for ammonium nitrate. One of our mine resistant ambush protected vehicles (MRAP) that was blown in half, there was 1,500 pounds of this stuff.

And so that is another threat. We need to get more labs into Afghanistan. We had a lot of labs to deal with, the IED forensics in Iraq and we have not been quick enough to get those labs up and running in Afghanistan. And so the purpose of appointing Dr. Carter and General Paxton to look at this is that there are a number of different elements of the Pentagon who are working the IED effort and I think each of them in their own way is doing a good job.

The trouble is I don't think that effort has been sufficiently integrated across all of these different lines of effort. And one of the things that I have asked them to do is when their task force stands down, what do we do to make sure there is somebody applying a blow torch to this issue in the E-ring to make sure that these different parts are talking to each other and that the equipment is flowing to General McChrystal as quickly as possible.

The other concept that they have come up with that I think has a lot of merit is basically a warehouse approach to counter IED equipment at the battalion level so that a whole array of equipment is available to the different teams that go out so that they can pick and choose the equipment that is most appropriate to the kind of terrain they are going to be on that day.

Mr. HUNTER. Thank you, Mr. Secretary. Thank you, Mr. Chairman.

The CHAIRMAN. Thank the gentleman. Mr. Sestak.

Mr. SESTAK. Thank you, Mr. Chairman. Mr. Secretary, on Don't Ask Don't Tell, thank you for the effort you and the Admiral have done.

I have a question, and I liked your explanation of how to change an institution as far as a massive change comes about. At the same time, I thought the Chairman said very well the other day, this is a matter of integrity. You are asking someone to live a lie as well as an institution is abiding that or words to that effect.

We are able to turn on a dime and fix protocols right away as you just mentioned because we didn't do them well for that terrorist on that aircraft. So I wondered if this is a matter of principle, equality, can't we turn more rapidly rather than wait a year to have to do a study on implementing?

If not, would you support the President issuing an executive order under stop—what do they call it—stop-loss so that we don't have these individuals that will soon be permitted to stay be pushed out?

Secretary GATES. Well, first of all, Congress passed the stop loss law a decade before it passed Don't Ask Don't Tell, and it is the view of the General Counsel at the Department of Defense that the President would not have the authority to do that under an executive order.

Mr. SESTAK. Under stop loss?

Secretary GATES. Under stop loss. I said we would deliver—

Mr. SESTAK. If we did, we—

Secretary GATES [continuing]. I said we would complete this review before the end of the calendar year. I don't know how long it is going to take. All I know is I want it to be thorough, and I want to have the opportunity to have the kind of dialogue with our men and women in uniform and their families to assess the facts in this situation. We are going to redo the RAND study of 1993 with a much expanded charter as Mr. McKeon has asked for.

And I think it is we are not delaying this but it is important to do it right, and I—

Mr. SESTAK. Yes, sir, I wasn't trying to insinuate that anyone was delaying it. Just we tend to have a military that is very ready to do things and it just seemed to be—and I really thought you spoke well of it as a matter of integrity.

If I could just—because I only have a moment, my second question has to do with when General Pace testified here, and he may have been along-side you, sir, that we could not meet our warfare commitments with the Army for, like, 5027, South Korea, but that the Air Force and the Navy and the others could back that up, and with acceptable risk. And I think you even may have testified that way, Mr. Chairman.

With a drawdown in Iraq and with the amount that we are putting in Afghanistan, which I support, when will we be able to meet that and other commitments that we once did, prior to the conflict in Iraq beginning, so that we do have an Army that is able to meet its other commitments in terms of readiness to do so without asking the other units, services to fill in?

Secretary GATES. Let me respond, then, quickly, the Chairman—I think what we have testified to, including General Pace, was that we could not get the Army units required for South Korea into South Korea on the timeline required by the plan. That is not to say they wouldn't get there. It is just that they wouldn't get in there as quickly because of the commitments that we have in Iraq and Afghanistan. And so it is certainly initially we would be—

Mr. SESTAK. Yes, sir.

Secretary GATES [continuing]. Especially dependent on the Navy and the Air Force.

Admiral MULLEN. And I would only add that as we look at the timeline that you just described, end of 2011, Army is out of—we are out of Iraq. It is the beginning of reset, really, for the Army in terms of equipment and actually training. And there is a full spectrum training both in the Army and the Marine Corps that just has not been—

Mr. SESTAK. Haven't been doing.

Admiral MULLEN [continuing]. Have not been doing that, so—

Mr. SESTAK. It is still we are seeing a number of years.

Admiral MULLEN [continuing]. Ideally, probably a year or two before we are well into that, to be able to do it on something that—on a timeline we choose. We don't always get that choice.

Mr. SESTAK. One last question? Actually there are two, but I have run out of time. Pakistan—you mentioned the benchmarks that you thought had come up, and I think we got a draft of them, actually, in September.

Were these—I honestly feel the increase in troops has almost more to do with Pakistan, and it is really the linchpin of success for us over there, not—more so than Afghanistan, and whether al Qaeda is eradicated by them with our assistance.

Are the benchmarks also, which I didn't see in the draft that came across for Pakistan and the success that we can measure or the failure or the cost for that, as that is so critical a part of it also—

Secretary GATES. Let me check and get you an answer for the record.

[The information referred to can be found in the Appendix beginning on page 163.]

Mr. SESTAK. Thank you.

Dr. SNYDER [presiding]. The gentleman's time has expired.

The gentleman from Arizona, Mr. Franks, for five minutes.

Mr. FRANKS. Well, thank you, Mr. Chairman.

And thank all of you for all that you do for the country.

Admiral Mullen, if it is all right, I will address you first, sir. You indicated in your submitted testimony on page 14 that you were growing concerned about the defense industrial base, particularly in shipbuilding and space. And, of course, I share those concerns.

I am concerned that the ship requirements haven't changed since 2006. And while there has been significant growth in the demand and emphasis for Aegis ships to support Ballistic Missile Defense (BMD) missions, in fact the QDR doesn't reflect an increase in Navy ships to reflect the increased mission requirements.

The ballistic missile defense review acknowledges a range of ballistic missile threats with growing capabilities and inventory, so there is obviously a need for the U.S. to invest in robust missile defenses. But the budget doesn't seem to indicate that.

And I am just wondering in terms of investing in our architecture that supports BMD, are you concerned that we are overburdening the Aegis ships with the addition of BMD missions without providing any additional resources for infrastructure to support the growing mission?

And with the addition of BMD missions added to the Aegis ships, how many more ships do you think might be needed?

Admiral MULLEN. As I said, I think earlier that I think it is important we upgrade the ships that we have. I think we have 84 Aegis ships. I may get that wrong by a number or two, but making as many of them missile defense capable as possible. At the level that we are upgrading, the 23, going to three more is a key piece. And that is the fleet that we have right now.

I think it is to be determined how big the fleet should be with respect to additional ships that meet this requirement, which I talked about earlier. And I am, as I said earlier, long-term concerned about the industrial base, have been concerned about the in-

dustrial base in shipbuilding and in space, and that we need to certainly incorporate that into our thinking as to how we invest, because without a decent industrial base, we can't move forward on the systems that we need.

I think we will know a lot more about the missile defense piece in particular, and we have invested some \$8.5 billion a year in MDA this year, bought the Standard missiles, bought the THAAD missiles and batteries, so there has been a significant investment. I look to a future where that would continue.

Mr. FRANKS. Well, I was somewhat pleasantly surprised that there was an increase in the missile defense budget, and I am glad to see that.

Mr. Secretary, according to the Wall Street Journal, an article published yesterday, the U.S. and Russia have reached an agreement in principle on START. The delivery systems would fall sharply to between 700 and 800 each. However, today the U.S. deploys about 880 launchers when ghost or phantom systems are taken off the books. And this is a pretty significant reduction to our current nuclear deterrence.

Where will these 10 to 25 percent cuts in the current nuclear triad be made?

Secretary GATES. Let me just open and then ask the Chairman to respond. First of all, the agreement—there is not a concluded agreement yet. There are still several areas not yet agreed, so the agreement is still—has not been finished.

Mr. FRANKS. Mr. Secretary, before I let you—I would be glad to hear Admiral Mullen's response, but before I let you go, can you provide this committee with an assurance that the Administration will not seek a side agreement with Russia outside of START that would limit our missile defense capabilities?

Secretary GATES. There will be no agreement of any kind that limits our missile defense capabilities.

Mr. FRANKS. Good enough. Thank you, sir.

Admiral MULLEN. I would only add that in the negotiations in which I have participated and worked very closely with the Secretary and the chiefs, one of—and STRATCOM, General Chilton—to look to how we would conclude this, and overall the entire architecture is taken into consideration. Again, we are not entirely through this, but we recognize the significance and the importance of the triad and needing to sustain that.

Mr. FRANKS. Well, Mr. Chairman, I guess I will just throw one more question.

You know, Russia now relies on its overwhelming inventory of tactical nuclear weapons. The Strategic Commission estimates the Russia has approximately 3,800 tactical nuclear weapons, while the U.S. has probably less than 500.

While the U.S. reduces both its strategic and tactical nuclear forces, it seems that Russia continues to have the *carte blanche* to increase its inventory of tactical nuclear weapons. How does the Administration and the Pentagon plan to address this issue?

And I will address it to you, Mr. Secretary, and then you can pass it to Admiral Mullen, if you choose.

Secretary GATES. Go ahead.

Admiral MULLEN. Certainly, I am very aware of that concern, the negotiations that we are in right now at START follow the strategic weapons. But I assure you that that concern has been raised.

My own view is that is that conclusion of this agreement opens the door to additional opportunities specifically with Russia and quite, as was asked earlier in—asked about earlier in Europe, and I would hope that including this, then, allows us to proceed ahead in a way that addresses some of those other concerns to include the number of tactical nuclear weapons that Russia has.

Secretary GATES. And I would just—

The CHAIRMAN. The gentleman's time has expired.

Secretary GATES. I would just add that this is one of the reasons that I answered the question I did earlier about my view that the NATO alliance needs to retain a nuclear capability.

Mr. FRANKS. Thank you both.

Thank you, Mr. Chairman.

Dr. SNYDER [presiding]. The gentleman from Virginia, Mr. Nye, for five minutes.

Mr. NYE. Thank you, Mr. Chairman.

Mr. Secretary and Admiral, thank you for being here. Appreciate your dedication to our country's national security.

The QDR is a 20-year, long-term, forward-looking planning document. Following up on Mr. Wittman's questions regarding the home-porting question, and I agree with Mr. Wittman's assessment that it appears that the QDR, the one single sentence in the QDR that has to do with home-porting East Coast carriers was added in a very, very late draft.

Just noting that, Mr. Secretary, you said today that in your discussions with the Secretary of the Navy and the CNO, they had told you that that project was a priority for them, even when you asked them to compare with some other things. Can you tell us what other things did you ask them to compare it to that they would rank lower than this in priority?

Secretary GATES. No, I didn't ask them to specify. I just said, "Compared to your other priorities, where does this fit?"

Mr. NYE. Okay. Noting that there is a sentence in the QDR identifying this is a project of interest to the Navy, can you help me understand why there is no request for the 2011 budget for MILCON to further the project?

Mr. HALE. There is \$239 million of MILCON in the Future Years Defense Program (FYDP), and I believe planning money, \$2 million fiscal year 2011, and that would be military construction (MILCON) and beyond fiscal year 2015 as well, as well as some other costs—Permanent Change of Station (PCS), et cetera—but there is money in the FYDP.

Mr. NYE. But can you clarify why there is no money for MILCON in the 2011 budget?

Mr. HALE. Well, I believe there is \$2 million for planning and design funding. That is the figures I have gotten.

Admiral MULLEN. My take on that is that has been a part of this overall decision, if you will, in terms of when this would be done, what budget it would be done, et cetera. The Navy has been working this for years, and that the money now is allocated against the plan to do this.

The only other thing I would add about the change from the draft document to the final document, best of my knowledge—I kind of walk my way from north to south—there is only one other port on the East Coast of this country that could accommodate another carrier. So I don't necessarily see that the change in the document is that significant, because Mayport has been it and is it and just identifies it, so—

Secretary GATES. And I would just point out you are going to have, I think, Under Secretary Flournoy and company up here to brief on the QDR.

My guess is that the change took place, because in the final weeks of the QDR is when it was being coordinated with the services and the combatant commanders. We wanted their input very much, and so that may have reflected service input and the coordination process.

Mr. NYE. I guess my question is along these lines. If it is a priority, as you have said, Mr. Secretary, I am having a hard time understanding why the process has been allowed to continue to slide as it has and why there is no—why no request for going ahead with MILCON this year.

Secretary GATES. Well, you got to plan it before you can build it.

Mr. NYE. Admiral Mullen, I just want to follow up, actually, on a comment that you had made to Mr. Wittman as well. And I just wanted to make sure I understand what you meant. And just to clarify, you said that judgment is a factor—an individual's judgment is, of course, a factor in any risk assessment. I just wanted to make sure you didn't mean by that to suggest that it would replace an analytical study of risk.

Admiral MULLEN. No, I think I have spent a lot of time on how we assess the risk. And there are analytics which can support it, and it is not individual judgment, it is professional judgment, and oftentimes the result of a lot of very senior people with experience in this business that make the judgment. But it is not going to come out to a specific number.

Mr. NYE. Okay. And that—again, that is, I think, an analytical study is something that we have been asking for, for some time to help us judge. As the Congress, we got to make some decisions about how we are going to spend defense dollars in conjunction with your recommendations. But we are talking about approximately a billion dollars in investment, and that is a lot of money, especially considering the situation that our country faces right now.

And just one last follow up, Admiral Mullen. Can you just tell me understand why an individual's judgment could, of course, be applied to any risk analysis? Why wouldn't that apply to in terms of strategic dispersal, strategic bomber fleet, or our East Coast nuclear missile submarines, or indeed a number of the assets that we have there—

Admiral MULLEN. I think it applies in many, many areas. I mean this is one specific focus area, obviously, because of the high level of interest, but it is the kind—and I get paid to make those kind of judgment calls and risk calls throughout my life as a military leader and a have—and do here as well, as do others.

Mr. NYE. Thank you, Mr. Chairman. I yield back.

Dr. SNYDER [presiding]. Thank you.

Mr. Coffman, for five minutes.

Mr. COFFMAN. Thank you, Mr. Chairman.

And, Secretary Gates and Admiral Mullen, thank you so much for your service to this country.

My first question is related to the QDR, and that is the future of the United States Marine Corps and whether or not we will have forced entry capability in terms of amphibious warfare. And if so we are going to retain that capability, then are—what about the Expeditionary Fighting Vehicle (EFV)? So can you all, like, just comment on that concern?

Admiral MULLEN. When you say the future of the Marine Corps, I think of an awful lot of things. Certainly, where the Marine Corps is right now, and I think General Conway says this as well, it is far too heavy from where the Marine Corps both started and wants to be in the future.

Most of us believe that it has to have some kind of forcible entry capability. That usually gets into how much amphibious lift do you have, and I believe we have it about right. And the other piece is the EFV.

Now, I mean I have been alongside EFV for a number of years. It is a program that has also exploded in costs. We have asked it to do a lot. The requirements have grown, and it has certainly come under visibility many times in terms of whether we should keep it as we make this trade. Certainly, having some kind of capability to move marines ashore, as EFV does, I think, in the future is important. What is the vehicle? EFV is it right now, and it is in the program. But I also think there are limits about how much money we can spend there.

General Conway wants to get to a point, you know, post-Afghanistan, if you will, where the Marine Corps is a lot lighter. It has gotten a lot heavier. So there is a lot of work to do about what the future of the Marine Corps looks like specifically, not just tied to one vehicle or one ship type.

Mr. COFFMAN. Thank you, Admiral Mullen. And I just want to stress that I do believe that the Marine Corps obviously needs a replacement for its current amphibious vehicle if we are to maintain that amphibious warfare capability in terms of an imposed landing.

A concern of mine in terms of Post Traumatic Stress Disorder (PTSD)—and that is—going to another subject—and that is that it seems to me that with the proper treatment, I think a lot of it is reversible. But yet we seem to be discharging a fairly significant number of military personnel with PTSD with no—and this goes on, I guess, beyond the Department of Defense. But in terms of the Veterans Administration—with no real capability or no ability for treatment, that it is not being funded.

And so, it is certainly not fair to those of us that serve—those who serve this country and certainly, it is ultimately not fair to the taxpayers of the United States. And so, I wonder if you could comment on where we are in terms of PTSD and are we making advances.

Secretary GATES. Yes, we both probably should take a crack at this. First of all, the Veterans' Administration (VA) has put a lot

of money into this. And they have hired a lot of mental health care providers. And I give VA a lot of credit. They have made enormous progress, I would say, in the last 18 months or so. And General Shinseki, Secretary Shinseki has really attached a very high priority to this, as did his predecessor.

We have, I think, roughly a billion dollars in the budget specifically allocated to PTSD and traumatic brain injury. I think we all take this very seriously. I would say that the two problems we face are not enough mental health care providers. And it is not for lack of trying to hire them. We are out there scouring the country. We have a national shortage, if you will. And we are looking at ways to improve that.

And then the other problem that we have is still the issue of stigma, despite the leadership of the services and service leaders. And I would say commanders at all levels and the fact that the leadership of the Army and the Marine Corps in particular get this. But there is still this strong culture. And getting these young men and women to acknowledge they have a problem and seek treatment is still an obstacle in front of us.

Admiral MULLEN. Huge problem—we are on our way, but we have got a long way to go. And it actually extends. We have seen it extend to families, quite frankly. And the stigma issue—I sat with a soldier the other day who was wounded 2005, I think, 2006 who just finally raised his hand. He is still active duty. He finally raised his hand. And he said, “I need help.” And it took him that long to do that. And that is the stigma issue.

And we would like to figure out a way where that can be addressed a whole lot earlier. The fact of the matter is the sooner you address it, the less likely the longer term impacts are out there to occur.

So that has been the real problem. But the stigma issue is—continues to be one that we just—that is a hurdle we have not gotten close to getting over.

Dr. SNYDER [presiding]. Mr. Heinrich for five minutes.

Mr. HEINRICH. Thank you, Mr. Chairman.

And thank you, Secretary Gates and Admiral Mullen, Under Secretary Hale. I want to—I really appreciate your service and your willingness to make some really tough choices this year.

As you know, our military involvement in places like Iraq and Afghanistan has placed a premium on close air support missions. And I wanted to ask that in recognition of this, it states in the QDR that the Air Force will field light mobility and light attack aircraft in general purpose force units in order to increase their ability to work effectively with the wider range of partner air forces.

Can either of you talk a little bit about the need for this sort of aircraft and what you foresee as the future of light attack armed reconnaissance in the U.S. military?

Admiral MULLEN. I think, if we are talking about the same thing here, we really are talking about aircraft which better match up with some of our coalition partners, specifically. It is interesting. I was in a—had a conversation the other day as—this QDR gets reviewed by an awful lot of countries. It is not just here inside the

Department or on Capitol Hill. But other countries look to the United States about where it is going.

And there are discussions—and I won't name the country, but a discussion in that country about how it moves ahead and how can it complement what we are doing as opposed to compete with us or match us sort of capability to capability. And this is an ally. This is not an enemy or a potential enemy.

So I think it is more focused on trying to match up with other countries with less capable, so to speak, but still capable enough kinds of aircraft, which is where this particular aircraft I think you are talking about is going, I think if I have that right.

Secretary GATES. Yes, and I think this is really more about training them on them and then helping them buy them for their own forces because they are easier to maintain, simpler to fly and just not as complex and as—well, as complex as the aircraft we fly.

Mr. HEINRICH. Got you. Secretary Gates, I think last year you announced that the DOD was canceling the—the Combat Search and Rescue-X (CSAR-X) program, the Air Force's CSAR-X program and that the Department would—I think the quote was—look at whether there is a requirement for a specialized search and rescue aircraft along the lines of what the Air Force had in mind and whether it would be a joint capability or not. Can you talk a little bit about what determinations have been made at this point and where we are going with that capability into the future?

Secretary GATES. I will have to get you an answer for the record. But my impression—and maybe the Chairman or Mr. Hale can correct me. But my impression is that the Air Force has opted to buy some additional helicopters for their own search and rescue.

[The information referred to can be found in the Appendix on page 165.]

Admiral MULLEN. Well, there has been some additional investment in HH-60s, specifically, for search and rescue. And then I think the question for the record is—the plan was to look at this longer term to see where we would go from a joint perspective. And we are not there yet.

Mr. HEINRICH. Okay.

Mr. Chairman, I will yield back the balance of my time.

The CHAIRMAN [presiding]. The gentleman yields back.

Mr. Platts from Pennsylvania.

Mr. PLATTS. Thank you, Mr. Chairman.

I certainly want to thank all three of our witnesses for your great leadership and service to our Nation. We are blessed by what you are doing and the men and women in uniform certainly are by your leadership.

A couple of quick comments—first, I want to associate myself with the comments of Mr. Rogers from Alabama on the issue of Gitmo. Given the financial strains facing our country, the thought of spending \$400 million, \$500 million on establishing a new prison when we have one that the military is operating with great efficiency and security just seems pretty illogical to me.

And back home I always just—common sense test just doesn't get passed with that proposal. So I hope that money will be available to some of the other needs that you have outlined in your budget.

I just returned last night from Pakistan and Afghanistan, Congressional Delegation (CODEL) Lynch. Congressman Lynch led a great bipartisan team—very insightful. Come back, as always—this was my sixth trip to Afghanistan, inspired by what our men and women in uniform are doing.

We got down to a Forward Operating Base (FOB) Spin Boldak. And a 19-year-old Army soldier driving the Stryker that I was in as we got out to Chaman Gate to see the logistics challenge there of all of the materials. You can't be anything but inspired. And so, grateful for these heroic Americans.

A couple observations—one is came back with great confidence in our team we have there. Our time with Ambassador Eikenberry—his insights, having been a commander on the ground there and now on the diplomatic side, just exceptional. And we didn't get to see General McChrystal, who wasn't in theater.

But General Bill Caldwell—and if there is something that came across crystal clear of our successes in Afghanistan, it is the efforts of General Caldwell and the training of the Afghanistan Security Forces. And delighted we have somebody of his great caliber in that role. I think that is one of the linchpins to the success that we are going to achieve, is what he is doing.

The one thing I wanted to mention is acquisition is a—reform is a big part of what you talked about in both your testimonies and how we need to do a lot better. And, you know, I often think that sometimes on the ground we learn what works and then translate it to a bigger picture.

And Major General McDonald, who we met with—I won't use his title—and the military is famous for their acronyms—but the ICJLPSB, Interagency Combined Joint Logistics Procurement Support Board. But when we met with them and all that sit on this organization they put together for acquisitions and how they are truly trouble-shooting and getting what the military needs on the ground and for the best price for American taxpayers—all of us came away extremely impressed.

And that is the short diagram of what they are doing. I would just say that back home here at the Pentagon we may want to talk to General McDonald about the success he is having in the field coordinating acquisition and apply it to the bigger picture throughout DOD.

A specific request that we promised to pass on when we return—our ambassador to Romania—we stopped in Bucharest on the way. And very enlightening how supportive they are to our military efforts, including in Afghanistan and broader issues in the European theater.

The specific issue that we promised to pass on was the issue of the Romanian forces who are patrolling Highway One in Afghanistan and a standing request that is working its way through the channels on some of the initial MRAPs that for what they are doing on the highway, not the All Terrain Vehicle (ATV) versions and the newer versions for Afghanistan, but some that we are pulling out of Iraq. They are looking for a dozen, 15 or so. And as we came to understand and appreciate their commitment to this joint effort, something that we promised to pass on to the leadership when we returned home from that trip.

Appreciate the efforts in trying to work with our Romanian partners and their needs.

Secretary GATES. When this hearing is over, I leave for Istanbul for a NATO Defense ministers meeting. And one of the initiatives that I am going to announce there is we have taken a look at what more we can do to share what we have learned and our counter-IED capabilities with our partners in Afghanistan.

And I will be telling the other 27 Defense ministers that this is important for us. And within the framework, obviously, of the law, there is more we can do to help them. And we will.

Mr. PLATTS. Wonderful, Mr. Secretary.

Admiral MULLEN. And the only other thing that I would add is I was with my Romanian counterpart last week in Brussels. And we talked about the MRAP issue many times. We are doing as much as we can to get them what they need, significant that they now want to actually buy them that—and at the same time, our priorities have been get them to our forces first and then they are—

Mr. PLATTS. Understood.

Admiral MULLEN [continuing]. Who really need them. And I think we will get there.

Mr. PLATTS. The Ambassador had just returned from presenting a bronze star for us to two soldiers, Romanian soldiers that had given their lives—to the widows of the soldiers that had given their lives.

So thank you, Mr. Chairman. Again, thanks for your leadership for our Nation.

The CHAIRMAN. Thank the gentleman.

Before I call on the gentlelady from Guam, I don't believe it has been touched on yet. Let's talk about the DDG-1000 program, if we may. It was truncated last year, if you will recall, at three vessels. And we received notice yesterday that due to the termination of the remaining four vessels of the DDG-1000 we will suffer a cost growth—have to either terminate or recertify.

Do you know where we are on that whole program? And I understand that there is a possibility of DDG-51s being reconfigured and taking its place. Can you tell me or tell this committee where we are on that? Because I know that is going to be a major issue.

Secretary GATES. Mr. Chairman, as of walking into this hearing, my assumption was that the program we announced last year of three DDG-1000s was on track, that we were doing all three of them. Of the information that you cite from yesterday I haven't heard. So I will have to check.

The CHAIRMAN. Admiral, do you know anything about that?

Admiral MULLEN. I think—well, to some degree, I shouldn't do this. But I think what you are looking at are termination costs, given the termination of the program and whether you build three or a hundred of something, that at the end of the program you have to pay this. And so, it sounds like it is coming in from that perspective. I honestly don't know.

I know that the CNO is looking at possibly the DDG-51 hull for the future. This program also has the cruiser cancellation. The issue being, you know, what is going to—what is the ship that is

going to bear the radar for the future, a big piece of which will be missile defense.

So that is about all I know right now.

Secretary GATES. Mr. Chairman, I have just been reminded that the issue that has come up is—and that has raised concerns is that the program is going to breach Nunn-McCurdy. But it is going to breach, not because of performance issues, but because of the reduction in the buy.

And as far as I know, our plan is to continue to go forward with it.

The CHAIRMAN. Okay. Thank you.

I asked the question, because I am sure that will come up in at least one of our subcommittees.

The gentlelady from Guam, Ms. Bordallo.

Ms. BORDALLO. Thank you very much, Mr. Chairman. Secretary Gates and Admiral Mullen, thank you for your testimony today.

I would like to begin, of course, with the Guam military buildup. I arrived yesterday afternoon after spending several days on Guam. In fact, I held five town meetings to allow my constituents an opportunity to discuss and share their concerns about the draft EIS.

While I believe that many remain supportive of the overall goals of the military buildup, they are extremely concerned about certain aspects of it and its impact on Guam's culture and environment. I am working with all of the local leaders to form a consensus on the way forward with the draft EIS, and make sure that there is one message from the people of Guam.

Now, I believe that this consensus will force DOD to look very closely at some of the assumptions in the draft EIS. As I have stated, and as Chairman Skelton has reiterated time and time again, we must get this buildup done right.

However, the current draft EIS does not accomplish that goal in totality. I need to make it clear that I will oppose any effort by the DOD to utilize the power of eminent domain to acquire private or Government of Guam land. In fact, I would encourage the Department to look harder at keeping the military within its existing footprint on Guam.

I also encourage the Department to look at other alternatives for the transit carrier berthing in Apra harbor, to further mitigate coral and critical habitat loss. And I understand the Department's position on the Futenma Replacement Facility (FRF) has evolved, and the U.S. is willing to wait until May for a final decision from the new government in Japan.

I also understand that, if alternatives are proposed for the FRF, that the U.S. would be willing to make changes to the Guam International Agreement to accommodate the government of Japan's counter proposal.

So, first, my question is, what has led to this evolution in strategy regarding the Government of Guam? And also, are you willing to seriously consider counter proposals that I and other Government of Guam officials will propose in our official comments on the draft EIS, and act on them?

If we are willing to give Japan extra time, I hope that we can give Guam the same courtesy.

So, I guess, Secretary Gates, this would be a question for you.

Secretary GATES. Well, I met with the governor a year or so ago, and told him that I thought it was important for us to have transparency, and also for us to take into account the views of the people of Guam. And so, I stand by those comments.

I would just say that, while, with respect to Futenma, that we are willing to be patient. We have a new government in Tokyo. The security alliance with Japan just—we just observed the 50th anniversary a couple of weeks ago, so the alliance is important to us. But we negotiated a long time on this, and we have no counter proposals from Japan. And so, we are willing to give this some time to see how things play out in Tokyo.

I don't know if you want to—

Ms. BORDALLO. Thank you.

Admiral MULLEN. The only thing, ma'am, and I think you know this probably as well or better than anybody else, how critical Guam is to us, and the relationship with those who live there—unbelievably strong supporters, not just local citizens, but so many who serve in our military, and that Guam plays now, and will continue to play, a pivotal role in the strategic latch-up in that part of the world.

And I would just emphasize or add to what the Secretary said in terms of transparency and understanding, and as we move through these. These are major moves we want to get right, because they are going to be out there for a long time.

Ms. BORDALLO. Thank you.

And one other question. It is on a separate matter. It is for either Secretary Gates or Admiral Mullen.

As you may be aware, Congressman Fleming and I have established the Long Range Strike Caucus, to focus on the long-range strike capabilities. And I note with concern, Secretary Gates, in your statement yesterday before the Senate, that the IOC for this platform will be delayed nearly a decade.

The bomber is valuable for strike missions. And I would like to know from you, what is the timeline for completing this study? And what factors and assumptions are being considered as this study is being conducted?

I just have that feeling that this initiative is going to fall victim to the typical Guam syndrome—I mean, or the Washington syndrome—of too many studies and too little action.

Secretary GATES. Well, what both the QDR and the budget provide for is a family of long-range strike initiatives. And the things that we are looking at, there are some pretty substantial questions. I mean, should it be stand-off or attack? Should it be manned or remotely piloted? So, there are some fairly fundamental issues.

We have money in the budget, as we have mentioned earlier, for both B-2 and B-52 modernization. And so, we are looking at something that will be in our inventory until 2060 or 2070. And so, and based on the life of the B-52, it may be there until 2100.

But all kidding aside, I think that the key is trying to figure out what the right technologies are for the future. We have put money—we worked with this committee in particular to put money in the budget to sustain the technology base in industry, in terms of materials and so on, so that we will still have those choices.

Ms. BORDALLO. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. Conaway.

Mr. CONAWAY. Thank you, Mr. Chairman.

Gentlemen, thanks for being here. Your patience and endurance is admirable to wade through six hours of this deal.

Mr. Secretary, the Department of Defense is unauditably. Now, that may sound like a strange question or comment to make. I can't imagine you were briefed on this idea coming in, but it has got to be at least as important as Don't Ask Don't Tell.

Six hundred and thirty-six billion dollars that we spend every year, and we don't know that we spend it correctly. The only way that is going to happen—and there is a law on the books right now that says, by 2017, the Department of Defense and all of its variety of agencies have to be clean audits. But that doesn't happen unless we get tone from the top, unless the top guy, you, look at Mr. Hale and say, Mr. Hale, we have really got to add this to all the other things that you have got going on that are important. But you can't make—I can't make—good decisions on bad data. And the data that you are getting is coming from a myriad of systems and programs that have been cobbled together over 50 years.

I have worked and had conversations with the folks over at the Office of Business Transformation. They have got the responsibility to get it done, and the authority, to simply cajole everybody in your system to get it done.

And so, the broad comment is—and I don't expect any answers, other than that you see this as an important issue. I tried to get the timeframe shortened from 2017 to 2013, and it blew up the other side of this building. The Senate came unwrapped over that for some reason.

But this is important. And decisions, better decisions are made with better data. And the data you are getting right now is, as I said, unauditably.

I do—would like one comment. I have been told—and I haven't confirmed this independently—I have been told that the Marine Corps has said they are going to get it done sooner than later. So, there are some individual branches and individual entities within the system that are making progress. But without your commitment to push on it, it won't get done.

So, your thoughts.

Secretary GATES. As the former chairman of a number of corporate audit committees, I feel pretty strongly about this. And the fact is, that for certainly the last several years, there has been a program underway to be able to produce clean audits. My impression has been that there has been steady progress, and that there are a growing number of units that are able to do that.

But let me ask Mr. Hale to give you a 30-second update on where that process stands.

Mr. HALE. Well, can I start by saying that one of the key things, which is, are we spending the money the way Congress tells us, have been auditable and are auditable—so-called appropriations received. The Inspector General (IG) reviewed it several years ago.

So, I think you can be assured we are spending the money in the manner in which we are directed by law. What we can't do is the

transaction-based and various other requirements that are needed, if you are going to pass a private sector audit test.

What I did when I came into this job is realize, frankly, we were spending a lot of time and money trying to clean up data and audit it in areas where the data wasn't very useful to management. So, we refocused it on the budgetary information, which we use every day to manage the Department of Defense.

And you are right. The Marine Corps has asserted audit readiness for its so-called statement of budgetary resources for fiscal 2010. And they will be a major test. The Army Corps of Engineers has a clean audit on all of its statements. And we are working with the other military departments.

But the systems are old, and it will take a while to get this.

Mr. CONAWAY. Exactly, but the tone comes from the top, and emphasis comes from the top and from Congress. And I am the one guy who serves on both the Intelligence Committee and the Armed Services Committee, and is a Certified Public Accountant (CPA). And so, this is going to be a continuing—

Mr. HALE. It is on our—we have a list with OMB of our 10 top priorities for business improvement. It is on it.

Mr. CONAWAY. Okay. A couple of nits and gnats.

The written testimony says that we are going to buy an F-35, a Joint Strike Fighter, with OCO money—overseas contingency operations money.

Secretary GATES. Yes, there is—

Mr. CONAWAY. Is there any—

Secretary GATES [continuing]. One F-35 to replace an F-15 that we lost.

Mr. CONAWAY. So, the F-35 is going to go into the fight?

Secretary GATES. Well, what we have done, actually, for the last several years is, when we have lost an aircraft, for example, and when the line for that particular aircraft—

Mr. CONAWAY. Okay.

Secretary GATES [continuing]. Is closed, we then move to the next most modern aircraft.

Mr. CONAWAY. Okay.

We have got 111 C-5s?

Secretary GATES. Yes, sir.

Mr. CONAWAY. The test—the previous couple of years is that 50 of them, some odd 50 of them can't get off the ground, never will get off the ground again.

Not getting into the C-17 fight, I don't have any C-5s in my district. I don't have any C-17s in my district. But it seems to me that letting us know what it costs us year in and year out to maintain the tail numbers of the C-5s, that—and the 111—that those are resources that could go somewhere else.

And I know we have got champions on my side of the aisle and the other side of the aisle to keep all 111 C-5s on the books. But it seems to me that we ought to at least know the wasted resources that that costs us to maintain that.

Secretary GATES. We will provide you with that information. But I will tell you, as I told you last year and the year before, and as the Admiral just described a few minutes earlier in this hearing, the Air Force cannot recapitalize unless it retires some older air-

craft. We have sought from the Congress the authority to retire some C-5s, and have not received that authority. And we would really like to get it.

Mr. CONAWAY. Well, if you will give us the amount of money it would—could be redeployed somewhere else by retiring the planes that will never leave the ground again, it would be very helpful to support that argument.

I yield back, Mr. Chairman.

The CHAIRMAN. Thank the gentleman. Ms. Giffords.

Ms. GIFFORDS. Thank you, Mr. Chairman. Secretary Gates, Admiral Mullen and Secretary Hale, thank you so much for your service.

I have got a couple of questions. Following up on aircraft, I know at long last we now have some numbers from the Department that indicate that we are going to lower the requirement for manned fighter aircraft by 206 airplanes. And overall, I believe this represents a reduction of 536 aircraft from 2 years ago. I am talking about strike fighters, of course.

So, we are looking at maybe a shortfall between 217 and 224, and that these retirements are not offset by the Joint Strike Fighter.

So, I am concerned. Congressman LoBiondo and I have worked on this for a couple of years. And obviously, there is a lot of pressure on the budget, but I was just hoping to get your perspective on this gap that we are facing.

Secretary GATES. Sure. Between—we have roughly 2,240 or 2,245 combat aircraft now. That number is projected to drop to 1,864 in 2020. That is a drop of 377.

On the other hand, unmanned aircraft such as the Reaper will increase from 204 now, to 543. So, if you count all the aircraft and the remotely-piloted aircraft, you actually end up with a difference between 2,440 now and 2,400, 2,407 in 2020.

And it goes back to the point that I made earlier. Given the increased capabilities of planes like the F-22 and F-35, with advanced sensing and stealth, and so on, there is really no reason to replace them on a one-for-one basis. And as the Chairman said earlier, and as we just discussed, unless the Air Force can retire some of these third generation and even fourth generation legacy aircraft, they will not have the money to recapitalize.

Admiral MULLEN. The only thing I would add to that, ma'am, is I don't know of a major program that we decommissioned and we replaced it with the same number. And I may be wrong, but in aircraft, ships, missiles, my experience is that because of the higher-end capability, the technology investment required, the cost, that we just have not replaced them one-for-one, and we haven't needed to do that.

Ms. GIFFORDS. Well, thank you. This is an ongoing discussion, and of course there are concerns here. And unmanned aircraft are very capable, but, obviously, they can't replace manned aircraft. I mean, they are just different. They serve different purposes.

I want to shift gears to an area that I know both of you are working on, and that is the dependency that we have on foreign countries for our energy.

And, of course, the world's largest user of energy is actually the Air Force. In the United States, the largest user of energy is the Department of Defense. And the Department has taken tremendous steps to reduce the amount of energy being used by the Department of Defense.

I am curious about comments on your short-term and your long-term energy reduction goals, also whether or not the energy saving performance contracts are proving to be worthwhile and what Congress can do to help streamline some of these projects.

My frustration is we spend over \$400 billion every year to buy energy from mostly hostile foreign nations. And it puts us, from a national defense standpoint, really in a very precarious situation. And this Congress is very committed to making sure that we can make America's energy in America, and you are on the front lines of that. So I was just hoping to get some comments on those questions.

Secretary GATES. I think to give you an adequate answer, we would probably better do that for the record.

[The information referred to can be found in the Appendix beginning on page 164.]

Ms. GIFFORDS. Okay.

Admiral Mullen.

Admiral MULLEN. Well, I would agree with that for an in-depth answer. I know the Air Force has led the Department. I know Secretary Mabus in the Navy has now made this a priority for the Navy. The Navy was invested, but behind with respect to that.

And it is a priority in the Department. And certainly I share—we all share the concerns that you expressed in terms of where we get it, not just now but in the future.

Ms. GIFFORDS. Well, it is interesting. You look at, for example, Nellis Air Force Base, and how much of their energy is now coming from solar. Luke Air Force Base is on target to actually enlarge their installation. Davis-Monthan Air Force Base probably double that.

So it is interesting from a facility standpoint the progress that has been made, but from the operational standpoint, when you look at biofuel and the ability to again not have these long—there is a frightening snapshot photograph that is the—it is the caravan for, you know, the oil re-supplier, you know, petroleum re-supply that, you know, kills hundreds of our soldiers every year. And you all are the forefront of that.

And I see some of that reflected in the budget. We worked here in the House to nominate—or to put together a director of operational energy, and we are hoping that the Senate confirms that, to be able to help free up your work.

So, thank you. I look forward to working with you.

The CHAIRMAN. Thank the gentlelady, Mrs. McMorris Rodgers.

Mrs. MCMORRIS RODGERS. Thank you, Mr. Chairman.

And, thank you, Secretary Gates and Admiral Mullen for being here. I know that it has been a long day for you, but I just thank you for the generosity of your time in answering our questions.

As you know, I represent Fairchild Air Force Base, and the tanker and the replacement of the tankers has been on the forefront of

my priority list since I arrived in Congress. And for one reason or another, we have seen a number of delays in the process.

The KC-135 represents a central piece of war plans to support the United States and its allies around the world. And now, Northrop Grumman's chief operating officer has threatened to not bid unless significant changes are made to the tanker requirement.

And I think I join with others in just sharing a concern about the potential of further delaying the tanker competition and stretching the limits of these 50-year-old aircraft.

I want to see a new tanker parked on the ramps of Fairchild Air Force Base sooner, rather than later.

So I wanted just to ask how you are going to respond to this kind of pressure and change the warfighters' tanker requirements to meet the demands of the competitors.

Secretary GATES. We have received a lot of comments, including from here on Capitol Hill, on the RFP. I think that the final RFP will be issued in a fairly short period of time, and our hope is, I think, a selection in the summer.

Yes, a selection in the summer.

We hope very much that there will be a real competition. We hope very much that both competitors stay in the competition. But should that not prove to be the case, we will—we have to move forward, for all the reasons you cite. It has been delayed too long. We need to get this thing started.

Mrs. MCMORRIS RODGERS. Good. Good to hear.

And, Admiral Mullen, I just want to applaud you for your support of military families. And I know the Administration has really taken a new—provided a new emphasis on supporting our military families, and the Department of Defense, likewise.

We are seeing the impact of multiple deployments on our military families. And I am hearing from families across the country about mental health issues.

What are we going to do to increase access and utilization of mental health services for our military families?

Admiral MULLEN. Well, again, it has been a priority for this Department for several years. We have more than tripled the number of mental health care providers in recent years, but we are still far short of what we need.

I talked earlier about the whole issue that we need to address internally to the military and families.

Deborah, who is here today, hears from spouses all the time about the stress they are under, and it is not Post Traumatic Stress (PTS), but there are PTS-like symptoms associated with that. And many of them have said they are worried about raising their hand for fear that it may impact on their husband or their wife's career as well. So an awful lot of effort going after this.

Where I am on this is we have got to start producing a higher capacity output to address this issue, and it is a very, very complex issue.

And I would also like to thank you and Mr. Bishop for standing up the military family caucus, that is a big deal and it will focus issues and do so in a way that is fed by your concerns and your reaching out to families to get information about what is going on,

allow us all to continue to press forward to make it better for them, because they are so important.

Mr. HALE. May I add, briefly?

Mrs. MCMORRIS RODGERS. Please.

Mr. HALE. I think an exciting experiment the Army is trying to screen members who are coming back from Iraq and Afghanistan for mental health disorders over either the Internet or video teleconference to make greater use of health professionals. They tried it in an experiment at Tripler, worked out quite well. A lot of the younger soldiers really liked it, because they are so used to working over the Internet.

And it would allow greater use or better utilization of health professionals.

So I think they plan to expand that. It is a good idea.

Mrs. MCMORRIS RODGERS. Great. Great. Thanks.

And, Admiral Mullen and to your wife, Deborah, I do appreciate your leadership and your support of providing the support for our military families that is so desperately needed.

And, with that, I will yield back.

Admiral MULLEN. Ma'am, the only thing I would add on top of what Mr. Hale said, is there has been more than one result from what I would call anonymous counseling—in other words, over the Internet, don't know who the counselor—you don't—and it is a way to get at the stigma piece. And I would like to see us expand that in a way so we can reach a larger number.

Mrs. MCMORRIS RODGERS. Well, I think there is some exciting technology with the—you know, we have done the virtual recruiters, maybe we can do virtual counselors and, you know, protect the soldier themselves.

Okay. Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentlelady.

We have two members who wish to have a second round. We will get you out very much near your deadline of 3:00.

Mr. Taylor.

Mr. TAYLOR. Thank you, Admiral and Secretary Gates for sticking around so long. I did not give you any opportunity, I regret to say, to respond to my concerns about the use of rules of engagement that were raised on my visit to Afghanistan.

And, Mr. Secretary, I have noticed, since the publication of the book, "Lone Survivor," this is something that comes up fairly often as I meet with the moms and dads and loved ones of troops deployed. And it is a very serious question.

I realize where General McChrystal is trying to go, but when those two troopers brought it to my attention again, their concerns about the use of the Afghan police in particular. Another observation was that they were concerned that we have stopped prohibiting vehicular traffic from transiting along with our convoys, that they were very concerned about vehicle-borne IEDs.

And so, again, you know, you are the Secretary of Defense. And I did ask General McChrystal. I said, "Did you write the rules of engagement yourself, or did they come from other places?" And I think his answer was it was a combination of his suggestions and Washington.

So, again, I would ask you to address those concerns.

Secretary GATES. Both of us will take a crack at this.

I am obviously aware of this concern on the part of some of our soldiers. I heard this directly from a young soldier at Walter Reed a couple of years—a couple of weeks ago, who told me that he thought the reason he had been injured was because of the rules of engagement.

It seems to me that this is an area where I believe that the commander on the ground has to have the discretion, in terms of the rules of engagement for the troops and how the rules of engagement fit with the strategy he is trying to pursue.

The tactics that have been used by us are changing all the time. There has been a significant reduction in the use of dogs, because they are so offensive to the Afghans. There has been a significant reduction in night raids.

And, frankly, there is—we had a situation—I will give you an example of where you can make a mistake, and it actually was with I think one of the Predators. And they saw a group of people digging a hole in a road. And they were going to target the Predator on them, because they were convinced they were doing an IED.

And the guy running the Predator stopped it at the last minute. People were on the ground, and it was a bunch of kids. And they were just fooling around; they weren't planting bombs.

Hitting those kids would have been a huge setback for us in that area.

So I basically—I understand their concern. I have heard from parents as well about it, and their worry. I understand it.

But I think that in terms of the overall health of our force and keeping our kids safe, that being successful in this campaign is really the priority, and we are obviously going to do everything we can in the course of that to protect our kids. But we also have to figure out what the best strategy for success is.

Admiral MULLEN. I would only add that I think your comment and the comment that was made to you by the soldier you met with about the police is an accurate comment. And we are all concerned about that. And that is—the Afghan police are the long pole in the tent, because in many places they are corrupt.

And while we are willing to follow an Afghan soldier in, not so for the police. And we are working our way through that. And I think everybody in the chain of command recognizes that.

My experience along these lines, back to who wrote it, at least I think I would attribute the initial directive that General McChrystal put in place to reduce civilian casualties, which is what this is a part of—a lot about, Washington was involved in that.

Subsequent to that, I am not aware that we participated at all in the house piece—you know, his directive with respect to night raids. That really is his business, and he feels very strongly. And I would only re-emphasize what the Secretary said about it is it is important that he do that.

The other thing, in my conversations with soldiers out there, it has been—those who were in Iraq—and I think I heard you say that as well—who had tours in Iraq, they have come to Afghanistan for the first time, and they see the rules of engagement being so much different.

We worked our way through that in Iraq over time and found we could do that as we were learning.

In this insurgency, we know what we need to do, and I think we—and I think we need to do it earlier. We didn't know that at that time in Iraq, we had to work our way through it.

They have expressed those same concerns about the convoys. And at the same time—and there are risks associated with that. I believe that General McChrystal in particular believes, and we all do, that we are going to get through this more quickly and in the end suffer fewer casualties. And the risk may be up on the front end.

What this is all about is how we treat the Afghan people, how we treat where they live, and how we impact them in terms of this overall campaign. That is the center of gravity.

And we are protecting—we are—I mean, a priority for us is certainly to make sure we take care of our people who are fighting—

Mr. TAYLOR. Mr. Chairman, a quick question for the record, if you don't mind.

I would be very interested in how many troopers have faced either judicial or non-judicial punishment in Afghanistan for violating the rules of engagement. It would give us some sort of a benchmark of the size of this problem.

Admiral MULLEN. Sure.

[The information referred to can be found in the Appendix on page 163.]

Mr. TAYLOR. Thank you very much, gentlemen.

The CHAIRMAN. Thank you, Mr. McKeon.

Mr. MCKEON. Thank you, Mr. Chairman.

Again, I join the others in thanking you for the time that you have given us here today, gentlemen.

In my opening remarks, I talked about \$350 million in the budget for either supporting detainee operations in Guantanamo Bay or any other location. I think you used the term \$150 million.

Secretary GATES. That was just for the prison in Illinois. The \$350 million is all detainee operations.

Mr. MCKEON. Okay.

Secretary GATES. Including Guantanamo.

Admiral MULLEN. The \$150 million, as the Secretary said, for MILCON. There would also be if we opened the Thomson facility some start-up costs, another perhaps \$150 million for Information Technology (IT), security upgrades. It will be a very high-security facility if it is opened, so in total it will probably be around \$300 million. And then there is \$200 million, as you pointed out, to buy the facility in the Department of Justice budget.

Mr. MCKEON. Great. We are all on the same page then on that.

Mr. Secretary, is it the Administration's policy to prevent Iran from obtaining nuclear weapons?

Secretary GATES. Yes.

Mr. MCKEON. What steps is the Department taking to meet this objective?

Secretary GATES. Well, I think that, first of all, to give you any kind of a comprehensive answer to that question, we probably should do it in a classified session or with a classified response. But I think we are looking at a full range of options.

Mr. MCKEON. In the State of the Union, the President stated that if Iran pursues a nuclear weapons capability, there would be growing consequences. Can you explain what these growing consequences are? Would that also have to be—

Secretary GATES. No, I think in the near term, it is more likely to be severe sanctions imposed partly by the U.N. Security Council and partly by the U.S. and like-minded countries.

Mr. MCKEON. Finally, I understand that the Iran military power report, section 1245 from last year's—or this year's—yes, last year's NDAA has missed its deadline and will be delivered late to the Congress. Can you please ensure that we get this report as soon as possible?

Secretary GATES. Sure.

Mr. MCKEON. These other questions, we will just submit for the record. You have been here a long time. Thank you very much for all you are doing.

Secretary GATES. Thank you.

The CHAIRMAN. Let me thank each of you for your appearance today, for your outstanding service to your country.

You know, we talk about families, but I am not sure anyone has said thank you for your families.

Secretary Gates, your charming wife Becky is the sponsor of the USS *Missouri* and makes us all proud of that fact that she is.

And Admiral Mullen, your lovely wife Deb has done so much with you and for you. I am not supposed to introduce her today, so I won't, but it is awfully nice to have her with us to share this moment.

Thank you so much.

And Secretary Hale, we didn't give you too much of a workout today, but we will save you for next time.

Thank you, and we are adjourned.

[Whereupon, at 3:04 p.m., the committee was adjourned.]

A P P E N D I X

FEBRUARY 3, 2010

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

FEBRUARY 3, 2010

**Opening Statement of Chairman Ike Skelton Hearing on the FY
2011 National Defense Budget Authorization Request** February 3, 2010
*Washington, D.C. – House Armed Services Committee Chairman Ike Skelton (D-Mo.)
delivered the following opening statement during today's hearing on the Fiscal Year 2011
National Defense Authorization Budget Request:*

“Let me start by welcoming today’s witnesses back to the House Armed Services Committee particularly in our renovated hearing room. Thanks to you both for your distinguished decades of service to the nation. I know that along with it comes no small measure of personal sacrifice for both you and your families, and I want to extend my thanks to those who support you as well.

“We convene today to receive testimony not only on the Fiscal Year 2011 budget request for the Department of Defense, but also to hear your perspectives on the recently delivered Report on the Quadrennial Defense Review. Preparing both of these documents is an enormous undertaking, and while neither is a perfect document, both are weighty and serious efforts. Both in absolute terms and compared to prior efforts, they are remarkably well coordinated with each other.

“In my view, the most remarkable thing about both documents, however, is the deep commitment they reflect on the part of the Department and the Administration to preserving the national security of the United States. At a time of tremendous economic difficulty, unprecedented deficits, and spending freezes in other parts of the budget, the QDR demonstrates the clear need for—and the Department’s budget reflects—real growth in defense spending. The budget request is for \$708 billion in Fiscal Year 2011, including \$159 billion for contingency operations costs in Fiscal Year 2011 and an additional \$33 billion for our Afghanistan operation in Fiscal Year 2010. While we will have our disagreements about some of the details of the budget, I strongly support the Administration’s decision to request these increases for defense.

“Let there be no confusion, as the committee considers the budget request, we will redouble our efforts to identify and eliminate wasteful spending. This may mean cutting funds for particular programs and/or making further process changes to how we do business, as we did last year with the Weapon Systems Acquisition Reform Act of 2009. However, at a time when we are fighting two wars, combating Al Qaeda, and working to provide relief to people struck by tragedies such as the recent devastation in Haiti, the Department’s request for significant resources is amply justified.

“The critical thing about both the budget and the QDR is that they put the troops first. You have set absolute the right priority by focusing on servicemembers and their families. The budget includes a military pay raise, a large housing allowance increase, no increases in healthcare fees, and numerous initiatives to help military families. Second, you lay out in the QDR and in this budget how we are going to fight and win both today’s wars and future conflicts we do not yet foresee. Third, you have taken the fight directly to Al Qaeda by deploying 30,000 additional troops to Afghanistan in December and redoubling our efforts in Pakistan. Since President Obama came into office, we have essentially tripled our forces in Afghanistan. These troops are directly engaging Al Qaeda and the Taliban, those who attacked us 9/11.

“While I am pleased that the President’s budget request again acknowledged the importance of providing for full concurrent receipt of military retired pay and Department of Veterans Affairs disability compensation for veterans who were retired because of disabilities with less than 20 years of service, I was greatly disappointed that the budget request did not include the specific pay-go offsets that are required to cover the cost. This committee has a deep commitment to this issue and our veterans; but we simply cannot enact it unless the administration identifies and advocates for specific offsets.

“With the Army and Marine Corps both fully engaged in contingency operations in Iraq and Afghanistan, and with thousands of airmen and sailors serving in support in Central Command, it is fitting that the budget request increases the Department’s O&M accounts by 9.4%, or \$19.4 billion. This increase is much needed. Repeated deployments with limited dwell time continue to reduce the ability of our forces to train across the full-spectrum of conflict, increasing the risk when our military has to quickly respond to emergent contingencies. The QDR recognizes the need to be prepared across the full spectrum, making increased O&M resources all the more important. This readiness deficit has been a longstanding worry for this committee.

“We are encouraged by the Department’s planning objective to achieve two years at home station for the active component for every one year deployed and by the increases in several service training budgets. However, I am concerned that so much of the funding for reconstituting the Army and Marine Corps remains in the Overseas Contingency Operations portion of the budget and has not yet transitioned to the base budget. We are glad to see that the budget request for fiscal year 2011 includes \$23 million to implement the required transition for the 225,000 NSPS employees out of that system and back to personnel systems that are fair and that work. The FY11 budget request will ensure that no NSPS employee experiences a loss of, or decrease in, pay. In the area of global posture, I know that we will be having intense discussions about the requirements for Army force structure in Europe, Navy carrier homeporting, and the realignment of Marines in the Pacific. These are critical issues.

“Any discussion of the modernization accounts must begin with the F-35 program -- the largest acquisition program in history-- the success of which is essential to our joint force and to our allies. I applaud the Secretary for following the letter and spirit of Section 101 of the Weapon Systems Acquisition Reform Act of 2009 by funding the program to the more realistic cost estimate of the Joint Estimating Team. We do ourselves no favors if we attempt to manage problems by denying them. While this decision led to the deferral of some aircraft production, possibly including some of the aircraft authorized in last year’s bill, it is the prudent course.

“Let me address the question of the F136, the so-called “alternate engine.” This committee has maintained the view for more than a decade that having competing engine production lines for the F-35 program is the best way to control overall program costs, manage risk over the life of the program, and ensure engine performance and sustainability. When 95% of the Department’s fighters will be F-35 variants by 2035, this is not a question of pork; it is a sincere concern for the success of the F-35 program and for the benefits of competition. As we have discussed previously, the Congress and the Department must operate from a common set of

facts. This committee looks forward to receiving the analysis you have promised on this program.

“I hope today’s discussion can explore questions of force structure. These questions are embedded in the strategic thinking of the QDR. From the number of ships, to potential shortfalls in our strike fighter inventory, to the future of the bomber program, there are critical issues confronting this nation’s defense. This committee will spend today and the coming weeks focused on where we are headed on critical force structure issues and we welcome your thoughts.

“Let me wrap up my opening remarks by again applauding our witnesses for tackling the tough national security challenges facing this nation head on. You’ve done so in the decision to deploy more troops to Afghanistan in December, in the decision to redouble our commitment to finding and defeating Al Qa’ida in the Afghanistan/Pakistan border region and around the world, and in the decision to continue to grow defense spending last year, this year, and across the future years defense program. As always, this committee’s gratitude to both of you for your service is part and parcel of our deep gratitude to the men and women you represent, the Department’s outstanding, dedicated military and civilian personnel and their families. I now turn to my friend and colleague, Buck McKeon, for his opening remarks.”

OPENING REMARKS OF RANKING MEMBER McKEON
February 3, 2010

Thank you, Mr. Chairman.

Secretary Gates and Admiral Mullen, good morning and welcome back to the committee; our country is blessed to have leaders like you and we thank you for all the hard work you do on behalf of our men and women in uniform. We look forward to your testimony today.

The President's Fiscal Year 2011 defense budget requests \$708 billion for discretionary and war funding. According to the Defense Department, this represents an increase of 3.4 percent from the previous year—or 1.8 percent real growth after inflation. This is clearly not the cut to the defense budget that many anticipated; I credit you and Admiral Mullen for ensuring that this budget request provides for our military men and women and fully funds the wars in Iraq and Afghanistan.

Mr. Secretary, for some time now, you have been pushing for *balance* in the Defense Department in an effort to focus the Pentagon on prevailing in the conflicts of today. In your introduction to the 2011 Quadrennial Defense Review (QDR) you write that your efforts to re-balance the Department in 2010 “continued in the FY 2011 budget and [were] institutionalized in this QDR and out-year budget plan.”

While we all commend you for your laser focus on the wars in Iraq and Afghanistan, I believe your efforts to make *balance* a fixture in the QDR and the out-year budget is short-sighted and puts the Department on the wrong path for the next 20 years. Choosing to win in Iraq and Afghanistan should not mean our country must also choose to assume additional risk in the conventional national defense challenges of today and tomorrow.

Last April we received a glimpse of the “cost” of balance when you announced over \$50 billion in cuts to Defense programs. This year, the impact is more subtle, but I fear more severe. In my view the QDR

understates the requirements to deter and defeat challenges from state actors and it overestimates the capabilities of the force the Department would build. This QDR does an excellent job of delineating the threat posed by those with anti-access capabilities – notably China – but does little to address the risk resulting from the gaps in funding, capability and force structure.

As a result, we find an out-year defense plan and QDR that basically reinforce the status quo despite serious threats to our current capability. Thus, this QDR provides a force structure that is built for the wars we're in today, when the purpose of the review is exactly the opposite – to prepare for the likely conflicts of tomorrow. One must ask: what's new here? If this is really a vision for the “defense program for the next 20 years”, as the statute requires, then why does the QDR lay out a force structure for the next five years – not to mention one that looks a lot like today's force? The QDR is supposed to shape the Department for 2029 – not describe the Pentagon in 2009.

My concerns revolve primarily around one of the QDR's key mission areas: "deter and defeat aggression in anti-access environments." In my view, this is the mission area which should have driven the growth in size and capability of our air and naval forces. Yet, we cannot evaluate whether the QDR has the right force structure for this critical mission area, because it offers no clear force planning construct and abandons the two war strategy.

Oddly, the QDR seems to suggest that while this threat grows, we can make do with less than we previously thought. For example, the last stated Air Force requirement for fighters was 2,200, but the QDR now reflects a need for approximately 1,600 fighters. This reduction of approximately 600 fighters in the Air Force would seem to create a substantial increase in strategic risk and makes the dubious assumption that future conflicts will be like Iraq and Afghanistan where we have uncontested air dominance. Likewise, the budget does not appear to take any steps to mitigate the similar fighter shortfall in the Navy and Marine Corps.

Another example of inadequate force structure is in the area of missile defense where there is no indication that the Navy has increased the requirement or funding for large surface combatants to support its increasing role in the Ballistic Missile Defense mission. The QDR maintains the requirement for large surface combatants at approximately 88. This requirement was established in 2006, at which time there was no BMD mission for these vessels. We have since received testimony that perhaps dozens more surface combatants could be required to perform this mission on top of the ships' other existing missions. How does the Department plan to meet the President's new European missile defense plan or the other regional missile defense needs called for in the Ballistic Missile Defense Review? My fear is that the Department plans to harvest these assets from an already under-resourced Navy.

Our fighter and ship shortfall are the most obvious examples where this budget and QDR fail to reflect a strategy that looks beyond today's conflicts and considers the very real, emerging threats of tomorrow.

Equally disconcerting, is that almost all of the initiatives in the QDR depend on legacy systems. Instead of committing to building next generation platforms to deal with the present and evolving threats and capability gaps, we are told on page 33 of the report that: the Secretary of Defense has a follow-on study to determine which capabilities will best support U.S. power projection operations “over the next two to three decades.” This study, the report continues, will then inform DoD’s 2012 Program Objective Memorandum. Likewise, on page 32 we’re told that the concept for defeating adversaries “across all operational domains” in anti-access environments is still under development by the Air Force and Navy. Isn’t this the essence of what the QDR should have developed today?

The last area of the QDR that I believe merits discussion is how it addresses the industrial base. While the QDR provides a nod toward developing policies to strengthen the industrial base, I’m afraid the Department continues to rely too heavily on the commercial marketplace to drive innovation within the Department of Defense. To stay ahead of

competitors and keep adversaries at bay we need to grow institutions and develop a workforce capable of developing technologies that are often too high-risk and too long-term for commercial investment. Relying on the private sector, as the QDR suggests, abdicates leadership and risks our security.

Investing in innovative technologies that ensure America's military maintains superior weaponry over its adversaries should be an inherently governmental function. Our nation's defense companies are an integral part of this national security challenge, but the Defense Department cannot assume that even defense contractors have the ability to make independent R&D investments necessary to create an array of future technological options for the military. To that end, I'm concerned that the 2011 budget request and QDR do not do enough to build a cadre of scientists, engineers, and skilled workers required to supply our military with the tools its needs for the next generation of warfare.

I look forward to the QDR's Independent Panel reviewing the assumptions underlying the QDR's decisions and providing the Congress with an alternative view on how the Department should posture itself for the next 20 years.

Let me conclude by addressing two controversial policy initiatives that the President has raised in recent weeks: repealing Don't Ask Don't Tell Policy and moving GTMO detainees to the United States.

With respect to Don't Ask Don't Tell, I also look forward to both Secretary Gates and Admiral Mullen directly addressing the President's State of the Union call to repeal Don't Ask Don't Tell. Before the President or special interests force a change in the policy or law, Congress deserves to see from the services concrete, in-depth evidence that readiness concerns require a change and that such a change would not degrade wartime military readiness in any measurable, significant way. Many of us on this Committee have serious concerns with putting

our men and women in uniform through such a divisive debate while they are fighting two wars.

As far as the future of GTMO, the Administration requested a \$350 million transfer fund to finance all aspects of detainee operations at the U.S. Naval Station in Guantanamo Bay, Cuba, or the Thomson Correctional Center in Thomson, Illinois. In my view, the flexible transfer authority sought in this request reflects the overall problem with this Administration's detainee policy – there is no clear policy on how we will handle the detainees held at GTMO. Mr. Secretary, let me make my view clear: I do not support authorizing funds for a facility which will hold GTMO detainees in the United States.

Once again, thank you for being here today. I look forward to your testimony. I yield back, Mr Chairman.

**STATEMENT OF SECRETARY OF DEFENSE ROBERT M. GATES
HOUSE ARMED SERVICES COMMITTEE
WEDNESDAY, FEBRUARY 3, 2010 – 10:00 A.M.**

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, as we've seen recently in Haiti, they have also demonstrated compassion and decency in the face of incomprehensible loss.

The budget requests being presented today include \$549 billion for the base budget – a 3.4 percent increase over last year, or 1.8 percent real growth after adjusting for inflation, reflecting this administration's commitment to modest, steady, and sustainable real growth in defense spending. We are also requesting \$159 billion in FY 2011 to support Overseas Contingency Operations, 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 base budget request was accompanied and informed by the 2010 Quadrennial Defense Review, which establishes strategic priorities and identifies key areas for needed investment. The 2010 QDR and FY 2011 budget build upon the substantial changes that the president made in the FY 2010 budget request to allocate defense dollars more wisely and reform the department's processes.

The base budget request 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 capabilities needed to prevail in current conflicts, while enhancing capabilities that may be needed in the future; and
- Third, continuing the department's commitment to reform how DoD does business, especially in the area of acquisitions.

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

At this point, I would like to offer two thoughts to consider when assessing the U.S. investment in national defense:

First, the requests submitted this week total more than \$700 billion – a massive number, to be sure. But, at 4.7 percent of gross national product, it represents a significantly smaller portion of national wealth going to defense than was spent during America's previous major wars.

Second, as you know, the president recently exempted the defense budget from spending freezes being applied to other parts of the government. It is important to remember, however, that this department already undertook a painstaking review of our programs and priorities last

year, and proposed to cut, curtail, or end a number of programs. These programs, had they been pursued to completion, would have cost the American taxpayer about \$330 billion.

Care for Our All-Volunteer Force

The FY 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 FY 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 FY 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, D.C., capital region. The \$2.2 billion for these programs is \$100 million more than the FY 2010 enacted amount and is more than double the FY 2008 level of \$1 billion.

Military Health System

The FY 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. health-care costs have grown substantially, and defense health costs have been no exception, more than doubling between FY 2001 (\$19 billion) and FY 2010 (\$49 billion). These costs are

expected to grow from 6 percent of the department's total budget in FY 2001 to more than 10 percent in FY 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. As the president stated in the State of the Union Address last week, 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 FY 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 FY 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 FY 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 FY 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 FY 2014. The goal is to train 1,500 new Army helicopter pilots per year by 2012.

Intelligence, Surveillance, and Reconnaissance (ISR)

The FY 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 FY 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 FY 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 FY 2011 and \$2.3 billion in FY 2012 for the addition of 36 EA-18G aircraft, with 12 procured in FY 2011 and 24 in FY 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 FY 2011 budget requests \$6.3 billion for USSOCOM – nearly 6 percent higher than in FY 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 FY 2011.

Rebalancing the Force – Preparing for the Future

The FY 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

The FY 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 FY 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. This budget reflects a restructuring of the JSF program to stabilize its schedule and cost. The department has also adjusted F-35 procurement quantities based on new data on likely orders from our foreign partners and realigned development and test schedules.

Mobility and Tanker Aircraft

The FY 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 FY 2013. To support this long-range effort, \$864 million has been requested for research into the next-generation tanker.

The FY 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 FY 2011 budget reflects the department's formulation of a realistic, executable shipbuilding plan through the Future Years Defense Program (FYDP). Overall, the FY 2011 budget includes \$25.1 billion for FY 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 FY 2011 request and planned out-year funding would allow the department to:

- Build a new aircraft carrier every five years;
- Shift large-deck amphibious ship production to a five-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 FY 2011 and continue development of a new strategic deterrent submarine; and
- Build three Mobile Landing Platform (MLP) ships – one ship per year in FY 2011, FY 2013, and FY 2015.

Ground Forces Modernization

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

The FY 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 & 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 FY 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 FY 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 FY 2011 budget continues to fund the recruiting and training of new experts in cyber warfare begun in FY 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) being released in March will outline 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 will also provide steps to strengthen deterrence while reducing the role of nuclear weapons. While the NPR conclusions are still being developed, the president's budget requests for the Defense and Energy departments reflect several priorities already 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.

Details of these and other elements of our nuclear posture will be presented in the final NPR report in March.

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 FY 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 FY 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 five 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 three to four 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 I look forward to 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 strongly recommend that the president veto such legislation.

C-17

The FY 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 five 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 FY 2010 to about 147,000 by FY 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 FY 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 FY 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 FY 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 fulltime government employees. DoD will hire as many as 13,400 new civil servants in FY 2010, and another 6,000 in FY 2011, to replace contractors and up to 33,400 new civil servants in place of contractors over the next five years. This includes 2,500 acquisition personnel in FY 2010 and 10,000 through FY 2014.

FY 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 FY 2010 supplemental requests \$33.0 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 the spring to prevent disruption of funding for our troops in the field.

The FY 2010 Supplemental includes \$19.0 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 FY 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.

FY 2011 Overseas Contingency Operations

To fund military operations in Afghanistan and Iraq in FY 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 (\$12.0 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 (\$7.0 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 (\$2.0 billion):** To continue building and sustaining Iraq's efforts to defend its people and protect its institutions as the U.S. removes troops by the end of 2011.
- **Coalition Support (\$2.0 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.
- Six AABs for the first part of FY 2011, decreasing to approximately four AABs

(approximately 35,000 personnel) in Iraq by the end of FY 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.

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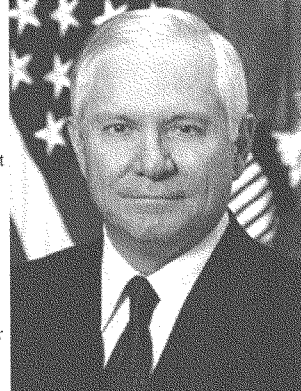
Dr. Robert M. Gates
Secretary of Defense



Dr. Robert M. Gates was sworn in on December 18, 2006, as the 22nd Secretary of Defense. Before entering his present post, Secretary Gates was the President of Texas A&M University, the nation's seventh largest university.

Prior to assuming the presidency of Texas A&M on August 1, 2002, he served as Interim Dean of the George Bush School of Government and Public Service at Texas A&M from 1999 to 2001.

Secretary Gates served as Director of Central Intelligence from 1991 until 1993. Secretary Gates is the only career officer in CIA's history to rise from entry-level employee to Director. He served as Deputy Director of Central Intelligence from 1986 until 1989 and as Assistant to the President and Deputy National Security Adviser at the White House from January 20, 1989, until November 6, 1991, for President George H.W. Bush.



Secretary Gates joined the Central Intelligence Agency in 1966 and spent nearly 27 years as an intelligence professional, serving six presidents. During that period, he spent nearly nine years at the National Security Council, The White House, serving four presidents of both political parties.

Secretary Gates has been awarded the National Security Medal, the Presidential Citizens Medal, has twice received the National Intelligence Distinguished Service Medal, and has three times received CIA's highest award, the Distinguished Intelligence Medal.

He is the author of the memoir, *From the Shadows: The Ultimate Insiders Story of Five Presidents and How They Won the Cold War*, published in 1996.

Until becoming Secretary of Defense, Dr. Gates served as Chairman of the Independent Trustees of The Fidelity Funds, the nation's largest mutual fund company, and on the board of directors of NACCO Industries, Inc., Brinker International, Inc. and Parker Drilling Company, Inc.

Dr. Gates has also served on the Board of Directors and Executive Committee of the American Council on Education, the Board of Directors of the National Association of State Universities and Land-Grant Colleges, and the National Executive Board of the Boy Scouts of America. He has also been President of the National Eagle Scout Association.

A native of Kansas, Secretary Gates received his bachelor's degree from the College of William and Mary, his master's degree in history from Indiana University, and his doctorate in Russian and Soviet history from Georgetown University.

In 1967 he was commissioned a second lieutenant in the U.S. Air Force and served for a year as an intelligence officer at Whiteman Air Force Base in Missouri.

Posture Statement of
Admiral Michael G. Mullen, USN
Chairman of the Joint Chiefs of Staff
Before the 111th Congress
House Armed Services Committee

Chairman Skelton, Congressman McKeon, 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 their efforts. 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 - inhospitable 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 late spring. Nine Pakistani military operations against the Taliban that began last March have reversed their territorial gains. Throughout this year, we have constantly and carefully reviewed our objectives for the region. I concur completely with the President's strategy, and believe we have now matched the right strategy with the required resources. The decision to authorize an additional 21,500 American forces into Afghanistan in early 2009, followed by the President's commitment of 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. Setbacks marked much of 2009, but 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 in 2010-11.

Al Qaeda's central leadership has suffered significant losses over the past several years. Though its operational capacity has declined, al Qaeda's senior leaders remain committed to catastrophic terrorist attacks against the U.S. and our allies. Actions in the Pakistan-Afghanistan border area, in Iraq, and elsewhere have met with marked success. That said, al Qaeda successfully sought new approaches to plot attacks. The disrupted terrorist plot against New York City was planned in al Qaeda's Pakistani safe haven and intercepted in Denver. The failed Christmas Day 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 — especially 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 the people of Islam in Iraq, Pakistan, Afghanistan, Saudi Arabia, Kenya, Indonesia, Turkey 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 behavior of the Iranian government is of grave and growing concern. Tehran's leadership remains on a trajectory to acquire a nuclear capability, 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 some of the greatest internal unrest Iran has faced since the Islamic Revolution in 1979. These events and conditions risk further destabilizing an already unstable region.

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. As of January 31st, nearly 20,000 American troops are in direct support of the Government of Haiti, the United Nations, USAID and supporting American and international aid agencies. From port openings, to security and distribution of supplies, U.S. Southern Command's military Joint Task Force has delivered over 1.6 million bottles of water, 67 thousand meals and 56 thousand pieces of medical supplies to Haiti's earthquake survivors. Military medical teams also supplement the U.S. Health and Human Services, and have already have seen over 2,800 patients and performed nearly 100 surgeries. We are committed to this assistance until the situation on the ground stabilizes.

Several policy initiatives over the past year have provided the military with new direction. President Obama's June speech in Cairo set the stage for a new relationship between the U.S. and more than a billion people across the Muslim world. Throughout 2009, this Congress supported the rapid and necessary deployment of more forces to Afghanistan. We also began negotiations with Russia for a START follow-on treaty, which will reduce nuclear weapons stockpiles while maintaining U.S. deterrence. And, as mandated by the Congress, we have reviewed current and future threats and developed appropriate strategies in the Quadrennial Defense Review. 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.

Key alliances continue to matter greatly in our global security efforts. Our NATO allies and other non-NATO partners expanded support in Afghanistan over the past year. We now work there with 43 countries and nearly 40,000 international troops. Although the world avoided a widespread economic depression in 2009, many of our partners were financially challenged and may spend less on combined security and stabilization efforts. Other critical allies faced internal considerations that could adversely affect U.S. and

regional security interests if not managed closely. Our close alliance with Japan, in particular, suffered strain around basing rights in Okinawa. I am confident we will work through these and other issues, but it is a reminder that even our strongest allies cannot be taken for granted.

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 will take the movement of some quarter of a million troops and their equipment in and out of the CENTCOM theater over the next several months. This is a herculean logistics effort. By the middle of 2010, Afghanistan will surpass Iraq for the first time since 2003 as our 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 clear 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 late January 2010, we have already moved nearly 4,500 troops, and expect that 18,000 of the President's December 1st commitment will be in country by late spring. The remainder of the 30,000 will arrive as rapidly as possible over the summer and early fall, making a major contribution to reversing Taliban momentum in 2010.

These forces are joining some 68,000 U.S. forces and more than 30,000 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 next 12-18 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 U.S. 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. 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. Nevertheless, the Pakistani Counterinsurgency Fund and the Coalition Support Funds earmarked for Pakistan remain essential components of our support to this critical ally. I urge you to continue them. 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 Financing. The budget before you 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 regenerate their 'back channel' process on 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 now 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 military mission. We appreciate Congress' continuing support for these important undertakings.

The Iranian government continues to be a destabilizing force in the region. The government's strategic intent appears unchanged — its leaders continue on a course to eventually develop and deploy nuclear weapons. This outcome 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 proxy organizations, including Hamas and Hezbollah, fomenting instability outside its borders. Its increasingly reckless nuclear and foreign policy agenda is now

playing out against the backdrop of a shrinking economy and a growing rift between the Iranian government and its people. I remain convinced that exhaustive — and if necessary coercive — diplomacy with Iran remains the preferred path to prevent these grave outcomes. 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. Last year's level of violence was the lowest since 2003, testifying to the success of our approach. Al Qaeda is still present and has carried out a few large-scale attacks. But, Iraqi Security Forces and government leaders responded to them in a restrained, professional, and relatively apolitical manner. Upcoming elections will not be free from tension. However, I believe Iraqis are now more concerned about economic growth than domestic security threats. Credible elections are important. Foreign direct investment and expanded political engagement by other regional powers are also important as more diplomatic and economic progress will spotlight Iraq's return to the world stage as a sovereign nation.

U.S. Forces – Iraq (USF-I) remains on track to draw down American forces to roughly 50,000 and end our combat mission by August 31, 2010. Our security partnership will then shift to training, advising, and supporting Iraqi security forces. More broadly - the U.S. military will transition from a supported to a supporting effort in Iraq as we normalize relations. The State Department will increasingly be the face of U.S. efforts in Iraq. The U.S. military will strongly support their leadership. We request continuing Congressional support for the Iraqi Forces Fund and for the Equipment Transfer Provision of the FY 2010 NDAA. These transfers are a critical

component America's transition to a limited, but 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 health care, continued health benefits for tens of thousands of our Wounded 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. I applaud the efforts of this body's Military Family Caucus, and encourage significant attention and funding for their programs of greatest concern. 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 deployment 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, 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 eight 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 eight 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 two 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 health care 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 attuned 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 six 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, including into space and cyberspace. 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.

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, more important is 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 positive impact on our security.

The ability of potential adversaries to challenge our freedom of movement and the peaceful use of the global commons — sea, air, space and cyberspace — 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 ask the Congress to support

the stand-up of U.S. Cyber-Command (CYBERCOM) and provide funding for cyber and space initiatives to redress these growing and worrisome vulnerabilities.

Rising states may present a strategic challenge, but also offer opportunities. China's economic strength, military capability, and global influence continue to grow. While our military relations remain generally constructive, we seek much more openness and transparency from China regarding the growth of its conventional and nuclear defense forces. We also believe that China can — and should — accept greater responsibility for and partner more willingly to safeguard the global trade and investment infrastructure. This requires 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, we must prudently consider known Chinese capabilities, in addition to stated intentions. As we seek to establish a continuous military-to-military dialogue to reconcile uncertainties and gain trust, 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 Asia, 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 seek Moscow's cooperation in reducing the number and role of strategic nuclear weapons. These discussions have been constructive, and negotiations are near fruition. 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. Our obligations under Article V of NATO remain clear and we remain poised to fulfill them.

North Korea's autocratic government makes it a persistent wild card in Asia. Today, Pyongyang continues to pursue intercontinental ballistic missile technologies, develop nuclear weapons, and export weapons in contravention to international law and treaties. It also maintains an unfortunate and threatening posture toward our ally South 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 need full funding of Defense Theater Security Cooperation programs, International Military Education and Training activities, and the many security assistance programs managed by the Department of State. 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 complete support of the Global Train and Equip initiatives (under 1206 authorities), the future evolution of the Global Stability fund (under 1207 authorities), as well as funding for special operations to combat terrorism (under 1208 authorities).

The majority of threats facing the U.S. 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 eight 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 world-wide. 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.



United States Navy Biography

Admiral Mike Mullen Chairman of Joint Chiefs of Staff

Admiral Mullen was sworn in as the 17th Chairman of the Joint Chiefs of Staff on October 1, 2007. He serves as the principal military advisor to the president, the Secretary of Defense, the National Security Council and the Homeland Security Council.

A native of Los Angeles, he graduated from the U.S. Naval Academy in 1968.

He commanded three ships: the gasoline tanker USS Noxubee (AOG 56), the guided missile destroyer USS Goldsborough (DDG 20) and the guided missile cruiser USS Yorktown (CG 48).

As a flag officer, Mullen commanded Cruiser-Destroyer Group 2, the George Washington Battle Group and the U.S. 2nd Fleet/NATO Striking Fleet Atlantic.

Ashore he has served in leadership positions at the Naval Academy, in the Navy's Bureau of Personnel, in the Office of the Secretary of Defense and on the Navy Staff. He was the 32nd Vice Chief of Naval Operations from August 2003 to October 2004.

His last operational assignment was as commander, NATO Joint Force Command Naples/Commander, U.S. Naval Forces Europe. Mullen is a graduate of the Advanced Management Program at the Harvard Business School and earned a Master of Science degree in Operations Research from the Naval Postgraduate School.

Prior to becoming chairman, Mullen served as the 28th Chief of Naval Operations.

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The Honorable Robert Gates
Secretary of Defense
1000 Defense Pentagon
Washington, D.C. 20301-1000

Admiral Michael Mullen
Chairman of the Joint Chiefs of Staff
9999 Joint Staff Pentagon
Washington, D.C. 20318-9999

Dear Secretary Gates and Admiral Mullen:

The debate on whether or not to repeal section 654, title 10, U.S. Code, concerning the service of gays and lesbians in the armed forces, has begun in earnest. As you, Secretary Gates, recently emphasized while visiting the Army War College, any change in the law "must be done very, very carefully," and if changes are to be made, "we must do it in a way that mitigates any downsides, problems associated with" such a change. I fully concur with you, Mr. Secretary. Moreover, I see nothing that leads me to believe that a change in law is necessary and I am concerned that the debate and potential implementation of a repeal of section 654, while our country is fighting two major wars, would be detrimental to those wartime efforts.

I understand through media reports that some in Congress have asked you to update the study conducted by RAND in 1993, entitled, "Sexual Orientation and U.S. Military Personnel Policy: Options and Assessment." I believe that study had significant shortfalls, not the least of which was that it did not examine whether a change in law should occur. I have attached a detailed expert assessment from 1993 about the study's shortcomings in order to illustrate the range of our concerns about the RAND study. Those concerns lead me to conclude that any current review, not only must avoid those pitfalls, but also must be a more detailed comprehensive analysis than is suggested by just an update of the 1993 report.

While some will argue that much has changed since 1993 and the current law is no longer relevant or needed, one thing has not changed in those 16 years. As it was in 1993, I strongly believe that the question of whether the law should be changed must ultimately rest on the matters of military readiness, cohesion, morale, good order and discipline.

Ultimately, one responsibility of this committee is to ensure that legislation enacted improves the readiness of the Armed Forces. No action to change the law should be taken by the Administration or by this Congress until we have a full and complete understanding of the reasons why the current law threatens or undermines readiness in any significant way, whether a change in law will improve readiness in measurable ways, and what the implications for and effects on military readiness, cohesion, morale, good order and discipline are entailed with a change in law.

Such information must come from the detailed, objective assessment of the current law by the military services, as well as the implications attendant on a repeal of section 654, title 10, U.S. Code, on the active and reserve components. I do not believe any overall assessment effort should be contracted out or delegated to a so-called independent commission. Rather, the assessment must capture the views, perspectives and judgments of those who would be most affected by a change in law: military personnel of all ranks and their families and potential members of the all-volunteer military.

Moreover, our military leaders have the responsibility for due diligence before any change as significant as the repeal of section 654 can be made; and must present the Congress with the evidence, in depth, of that due diligence (studies, surveys, access to witnesses of all ranks), so that Congress can judge: 1) whether retaining the current law is advisable from a readiness standpoint; and 2) the ramifications and potential impact any change may have on the readiness of our military and family members. Without the evidence of the Department of Defense's due diligence and without providing Congress the opportunity to hear from a broad spectrum of currently serving members of all ranks, the issue cannot be decided objectively.

In order for this committee to assess whether section 654 should be retained, amended, or repealed, we will require from the military services and the Department of Defense information on the following matters:

- To what extent do the findings contained in section 654, title 10, U.S. Code, remain valid today?
- To what extent has the current law hindered the military's ability in a measurable way to recruit and retain qualified personnel to meet service manpower requirements?
- To what extent has the current law hindered the ability of the Army and Marine Corps to expand?
- To what extent does the discharge of personnel under section 654 create a measurable impact on readiness of the force? How do the numbers of personnel discharged under section 654 compare to the total number of personnel discharged since the enactment of section 654?
- To what extent would the repeal of the current law effect military readiness, cohesion, morale, good order and discipline? What is the nature of the effects that might be expected upon repeal? Would these effects be of short duration or an extended duration?
- To what degree and how would repeal of the current law improve military readiness?
- Would a repeal of current law improve military family readiness?
- What effect would a repeal of current law have on recruiting and retention? Would repeal of the current law significantly improve the military's ability to attract and retain personnel to meet service manpower requirements?
- What effect would a repeal of current law have on the propensity of prospective recruits to enlist and on the propensity of influencers (parents, coaches, teachers, religious leaders, for example) to recommend military service?
- Assuming a repeal of the current law, what benefits (for example health care, military housing and pay and other benefits provided currently to married couples and families) would be provided to the domestic partners, spouses and dependents of gay and lesbian personnel? Would those benefits be any different than those now provided to military spouses and dependents? If so, should they be different?
- Other than a repeal of section 654, what changes to other federal statutes (including those regulating the Department of Veterans Affairs), the Uniform Code of Military Justice, and Department of Defense and Department of Veterans affairs policy would be required if section 654 were repealed and for that repeal to be effective in promoting readiness, morale, and cohesion?
- Current legislation, H.R. 1283, introduced in the House to repeal section 654, also would prohibit discrimination based on sexual orientation? Assuming repeal of section 654, would such a non-

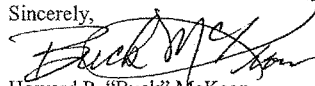
discrimination statute be necessary or desirable? If the non-discrimination policy set out in H.R. 1283 were enacted into law, given the proposed statutory definition of sexual orientation, what implementation challenges would there be? What measures would be required to overcome those challenges?

- H.R. 1283 would not require dependent benefits to be provided if such provision would be in violation of the Defense of Marriage Act. Such a prohibition would seem to extend to any Federal benefit for which married military personnel are eligible. Knowing that family readiness is a major factor in maintaining the all-volunteer force, evaluate this limitation on benefits contained in H.R. 1283 in terms of its effect on cohesion, morale and good order and discipline? Would enactment of this limitation create a wide diversity of benefits between legally married heterosexual couples and families and legally married gay couples and families? If so, how would this diversity of benefits affect family readiness, morale and cohesion? To effectively implement a repeal of section 654 in a manner that does not create disparities between in the military between legally married heterosexual couples and legally married gay couples, would the Defense of Marriage Act have to be repealed or amended?
- What would be the projected costs of a repeal of section 654? To what extent would military barracks, housing policies, and construction have to change to accommodate various sexual orientations and what would be the projected cost of that?

The ability of Congress to make a fully informed judgment about whether section 654 should be repealed is heavily dependent upon its ability to obtain credible, substantive, comprehensive and objective data and information. Many voices have entered their opinions about the need for change. However, this committee and Members of Congress also have a duty to hear directly from the Department of Defense.

Thank you for your attention to this matter, I look forward to your response.

Sincerely,



Howard P. "Buck" McKeon
Ranking Member

Cc: Chairman Ike Skelton, HASC

MEMORANDUM FOR Congressman Jon Kyl

FROM: Prof. W. A. Woodruff

DATE: September 9, 1993

SUBJECT: RAND Study on Sexual Orientation and U.S. Military Policy

I have reviewed the report published by RAND's National Defense Research Institute, a federally funded research and development center supported by the Office of the Secretary of Defense and the Joint Staff entitled Sexual Orientation and U.S. Military personnel Policy: Options and Assessment. The following paragraphs, which generally follow the organization of the study, contain my observations and comments. Page references to the study appear in brackets.

General Comments:

The study was conducted at the request of the Secretary of Defense to help him draft an executive order "ending discrimination on the basis of sexual orientation in determining who may serve in the Armed Forces." [xvii] The Secretary's request was prompted by a January 29, 1993, directive from the President. The President ordered the Secretary to provide the executive order by July 15, 1993. President Clinton's directive to the Secretary said that the executive order should be "practical and realistic, and consistent with the high standards of combat effectiveness and unit cohesion our Armed Forces must maintain." [Id.]

It is apparent from the outset that the study was not concerned with whether the homosexual exclusion policy should be changed; rather, its focus and purpose was to develop recommendations on how a changed policy should be implemented. The President's directive to the Secretary and the Secretary's request of the RAND assumes the ultimate question. The President had decided to change the policy, he was only asking the Secretary and RAND to develop the new policy and an implementation scheme. Whether the former policy was good, bad, useful, useless, legal, illegal, right, wrong, wise, unwise, contributed to unit cohesion and combat effectiveness, or detracted from effectiveness was not part of the mission. The national debate, however, has been centered over the ultimate question of whether the policy should be changed in the first place. Thus, the RAND study does not directly address the real issue in the national debate.

In conducting its study and reporting the results, RAND reviewed available literature, sampled public opinion, and

consulted various professionals and experts. Generally speaking, it approached the problem as an academic exercise to develop background material and information that would support its recommended policy. Analysis of the collected information was approached from the perspective of how it supported the recommended policy. In this regard, the report ignores significant data that leads one to question the underlying assumption that the old policy will be eliminated and new policy instituted.

Chapter 2. Sexual Orientation and Sexual Behavior

This chapter of the RAND study dealt with three basic questions: (1) the prevalence of homosexual behavior in the U.S. and military populations, respectively; (2) whether status and conduct are synonymous; and (3) the prevalence of proscribed sexual activities among heterosexuals and homosexuals.

To its credit, RAND acknowledged that "literature on sexual attitudes, knowledge, and behavior is riddled with serious problems, most of them unlikely to be resolved in the near future, if ever" [41] RAND also admitted that they "cannot offer precise answers to the questions framed." [63] If the questions are important to policy development, one would think that policy changes that could adversely impact upon combat effectiveness would wait until "precise answers" are found or until it becomes clear that the questions are not important. "Ball park estimates" [42] may be appropriate for counting the number of people attending a Washington march, but certainly do not add any scientific certainty to the conclusions contained in the report. In fact, several of the study's conclusions support the old policy rather than the recommended policy.

First, RAND attempts to show that homosexual "orientation" or status is not the same as homosexual "behavior." Since President Clinton ordered a policy that does not discriminate on the basis of "orientation," it is important for the study's authors to separate status from conduct. The study notes that the DoD policy creates a "rebuttable presumption that homosexual status equals conduct . . ." [50] and implies that this presumption is somehow invalid or unfair. In fact, RAND's own results support the reasonableness of the presumption.

RAND concludes that "there is a strong correlation between status and conduct, [but] they are not synonymous." [51] That is precisely why the current DoD policy is a rebuttable presumption. Every soldier processed for discharge for claiming to be a homosexual is permitted the opportunity to establish that he or she is not a homosexual whose homosexuality is manifested by or is likely to be manifested by homosexual behavior. While RAND cites a survey [54] revealing that almost three-quarters of the young men who identified themselves as homosexual or bisexual had not engaged in any homosexual activity as support for the status-

conduct dichotomy, the inapplicability of this study to the military's policy is ignored. In operation, the discharge of a soldier for homosexual "status" only comes into play when the soldier has openly admitted or claimed to be a homosexual. There is a significant difference between an anonymous answer to a national survey and telling your boss you are homosexual. The definition of homosexual in the DoD directive is tied inextricably to homosexual conduct. There may well be some type of "homosexuality" that does not involve homosexual conduct; if so, the military policy doesn't reach it or deal with it. In any case, the rebuttable nature of the presumption of conduct from an admission or claim to be homosexual is both reasonable and fair. Even RAND's data supports this.

Perhaps RAND's difficulty with this issue stems from the President's misunderstanding of the policy. In his July 19, 1993, speech announcing his revised policy, the President admitted that when he was first questioned about the military policy and decided that it should be changed, he had never read it, thought about it, or discussed it with anyone. Having committed to change a policy that he knew nothing about, it is understandable that those charged with implementing the change would have to create the dichotomy that did not exist under the old policy in order to satisfy the President's directive that the policy not discriminate based upon orientation.

Perhaps the ultimate irony of this aspect of the debate is not that critics did not understand the DoD policy, it is that homosexual activists are not interested in a policy that permits orientation but forbids conduct. They understand the reality of the situation; they do not want the opportunity to "be" homosexual without the opportunity to "do" homosexual. In the final analysis, it seems that the only people who make the argument that homosexual orientation is separate and distinct from homosexual behavior are heterosexuals who wish to avoid addressing the issue of whether homosexual behavior is a legitimate alternative lifestyle that government policy should recognize and support to the same degree it recognizes and supports heterosexual marriage.

Chapter 3. Analogous Experience of Foreign Military Services

A consistent argument throughout the national debate over this issue has been that foreign armies have integrated homosexuals without problems, therefore the U.S. military should abandon its policy of excluding homosexuals. RAND surveyed the experience of seven other nations and concluded that a change in policy would be manageable and would not be disruptive.

The introductory paragraph in the chapter notes the similarities and differences between the foreign militaries and the U.S. Armed Forces. While all countries visited, like the U.S., share a common concern for military effectiveness, the well-being

of its soldiers, and minimizing stressors within the ranks, there are significant differences. As RAND notes,

"[t]he U.S. military is -- by virtue of its size, missions, force structure, and world-wide deployment -- different from the militaries of all other nations; indeed, each nation's military is uniquely its own. Moreover, each country's social milieu is unique, so that the context of its military and attitudes toward homosexuality will differ from that of the United States." [65]

Despite these differences, RAND believes the "policy and implementation difficulties" of the other countries, as well as their "successes" can serve as "guidelines for U.S. policy formulations." [65] While noting the differences, RAND makes no attempt to quantify those differences or to assess whether the differences warrant different conclusions. This is understandable, since RAND's mission was not to study whether the policy should be changed, but to help write an executive order to change the policy. Accepting as a given the directive to change the policy, it was not unreasonable for RAND to look at the experience of other armies to see how to implement a changed policy.

The shortcoming, however, is that the differences between the U.S. Armed Forces and the foreign militaries are still significant and RAND makes no serious attempt to account for those differences even in policy implementation.

For example, RAND recognizes that each nation's military is a reflection of societal attitudes and recognizes the inadvisability of making the military the engine of social change [102]. After paying lip service to this principle, RAND ignores its application to the question at hand. A fundamental difference between US and foreign nations is our in-bred emphasis on individual rights. No other country visited has the same history and tradition of individual rights and "equality" as the US. The reassuring statements that even in armies like the Netherlands very few homosexuals actually make public statements ignores the situation in our country. None of the other nations has an active, vocal, and well-funded homosexual political organization like that in the US. We must remember that the largest single fund-raiser for the President's election campaign was the homosexual community. Furthermore, the role of the national media and its tendency to dig up and overplay "sensational" issues creates an environment in this country totally different than the countries visited. RAND noted that the French media did not inquire into private conduct of elected officials; certainly not the prevailing norm here.

Our history of recognizing, affirming, promoting, and protecting individual rights will create an entirely different situation. Most, if not all, of the countries visited reflect

something less than the "not germane" policy recommended for the U.S. by RAND. For example, the Germans treat conscripts and volunteer homosexuals different. Furthermore, they do not usually permit homosexuals to serve in leadership positions. Thus, career opportunities are limited for homosexuals in the Bundeswehr. Similarly, RAND found in the French military "that sexual orientation can make a difference, both for conscription and career military service." [81] In Norway, discrimination against homosexuals in the military is "a fact of life." [97] Even in the Netherlands, the country that has taken the most aggressive steps to fully integrate and accommodate homosexuals in the military, "the position of homosexuals in the Dutch military is still far from ideal." [94] Canada and Israel have recently changed their policies to allow homosexuals, but the climate is apparently still hostile and very few homosexuals have come out.

I recount the actual situations in foreign armies to illustrate the principle that our traditions have generally been that when we announce an official policy we put the coercive force of law and command authority behind it. Indeed, the RAND study itself recognizes this as fundamental if their policy recommendation is to succeed at all. This being the case, we cannot announce one policy -- a policy that claims sexual orientation is "not germane" to military service -- and permit an unofficial policy that permits discrimination. We learned through the troubled years of striving for racial integration and equality that mixed messages compounded the difficulties. While other societies may be able to claim one policy and actually implement another, our tradition of civil rights, media oversight of government, and politically influential activist groups that continually monitor activities of interest to their constituents forecasts a different environment. Thus, claiming comfort from the lack of problems in foreign armies ignores the fundamental differences between American society and others. The lack of problems in other armies may very well be due to the "unofficial" discrimination that still occurs and that is tolerated by the leadership. We cannot formulate and implement a policy that claims that sexual orientation is not germane to military service, yet that relies upon an unofficial understanding that one must conceal his "not germane" characteristic in order to serve successfully and avoid disruption and impair military effectiveness.

RAND's foreign country experience indicates that homosexuality in foreign armies is not a problem when homosexuals conceal their sexual proclivities and do not come "out of the closet." That is the situation that US policy has required. The existence of the policy fostered such a situation. The debate in this country is not over whether closeted homosexuals can serve; everyone knows that they do. The existence of the DoD policy required homosexuals to conceal their sexual proclivities and conform to the group identity. The debate is over whether open homosexuals can be integrated into US military units, their sexual practices accepted

or tolerated by others in the unit, and whether the obvious privacy invasion resulting from billeting homosexuals and heterosexuals under conditions normally found in military units will hinder military effectiveness and unit cohesion. RAND's data indicates that we must rely upon the modesty of homosexuals, who have waged a very public campaign to gain recognition as a minority group under U.S. law, and their reticence to reveal their homosexuality to achieve the level of success of foreign armies. Promulgating a policy that depends upon the homosexual's voluntary cooperation in concealing his or her sexual proclivity for its success seems rather naive and short sighted. Homosexual activists and those challenging the DoD policy are not interested in the right to serve in the closet.

Chapter 4. Analogous Experience of Domestic Police and Fire Departments.

In an effort to identify and weigh the unique aspects of American society and overcome the obvious limitation on the use of the foreign experience, RAND looked to analogous American institutions. [106] RAND concluded that domestic police and fire departments were significantly different than the U.S. Armed Forces, but that they were still the closest analogous institutions and review of their experiences with accommodating homosexuals would help clarify the issue for the military. Again, the purpose of reviewing the experience of fire and police departments was to learn how to best implement a new policy, not to determine whether the old policy should be changed.

As RAND notes on page 107, the differences between fire and police departments and the military are fundamental. While both have hierarchical organizations and depend upon training and teamwork, police and fire departments do not send their members on deployments or missions away from home; they generally work 8-hour shifts and are free to pursue whatever they wish in their off-duty time; they are not required to share crowded berthing facilities on navy ships or two-man pup tents in field exercises. Despite noting these fundamental differences, RAND still considers police and fire departments as useful analogies. If the RAND study were concerned with whether to change the policy, perhaps it would have given more weight to these important differences. But, as noted, that was not their mission.

In reviewing the internal climate in police and fire departments, RAND found "strong anti-homosexual attitudes" [117] and examined the methods employed by department leaders to overcome these attitudes and facilitate the accommodation of homosexuals. One method used in all but one of the cities visited was the recognition of homosexual fraternal organizations. The most notable was the New York Gay Officers Action League (GOAL). [117] In addition to serving as a support group for homosexual officers, GOAL serves as an "established political presence . . . serving as

an advocate for homosexual police officers" [118] RAND notes the existence of these groups but does not quantify their contribution to the departments ability to successfully accommodate homosexuals.

The failure to consider this aspect is astounding. If homosexual advocacy and support groups are needed to successfully implement a policy allowing homosexuals to serve, this changes the structure of the debate considerably. The military has never permitted soldier unions. Soldiers do not negotiate better treatment or more fringe benefits with their commanders. Furthermore, the presence of such advocacy groups illustrates the political/individual rights mentality prevalent in our culture generally but expressly excluded from the military society. Military culture encourages conformity and the subordination of individual aspirations for the good of the organization and the mission. Advocacy groups in the military like GOAL, which the RAND study implies are useful in avoiding and resolving implementation problems, is antithetical to military efficiency and effectiveness. While such a lobby group or union may be permissible and even desirable in a civilian setting, it is simply not appropriate in a military unit.

RAND surveyed police behavior and noted that the vast majority of homosexuals respect the environment in which they work and do not overtly display their homosexuality by bringing their partners to social functions, etc. [129-130] They realize that it would be offensive to the others. The RAND recommendations, however, seem to create an environment that actually encourages homosexuals to participate to the same extent as heterosexuals. For example, it is not against societal norms for a heterosexual officer or soldier to lead his girl friend by the hand to the dance floor in the club. Applying the same rules to homosexuals, this should be acceptable conduct, even though it offends many others. In other words, one of the things that makes the non-discrimination policy work in the police department - self-regulating behavior to comply with the groups norms - would be altered by establishing the so-called code of conduct that applies equally to heterosexuals and homosexuals. The code of conduct would either have to either forbid traditionally acceptable heterosexual behavior or permit homosexuals to engage in the conduct to the same extent as heterosexuals. This further destroys any semblance of usefulness that police department experience may have on the issue.

The RAND study draws confidence from the experience of police departments even while acknowledging that the impact of non-discrimination on the ability to perform the mission "had not received an adequate test in any of the departments examined." [141] This statement clearly reveals the experimental nature of the recommended policy.

RAND is quick to accept and accredit the opinions and professional experience of fire and police leaders on the impact of various aspects of homosexuality on their units, but is unwilling to accept the opinions and professional experience of military leaders. For example, GEN Schwartzkopf testified before the SASC that in every instance where open homosexuality was evident in a military unit, the morale, cohesion, and effectiveness was disrupted. His expertise is far more relevant to the question at issue than extrapolating from a police chief in New York or Seattle.

RAND emphasized the need for strong and effective leadership to effectively implement non-discrimination policies. The report cites a police chief who terminated his department's association with the Boy Scouts and who marched in the city's gay pride parade as example of effective leadership in setting the tone for the department. [147] I doubt seriously if the American people generally, and the military community specifically, want our military to abandon support for an institution such as the Boy Scouts in order to make homosexuals feel more accepted in the military. If this is the example of leadership that will be required to make the RAND recommendation work, the recommendation is out of touch with reality.

Similar to the experience of foreign armies, RAND found that a climate of discrimination, contrary to the official policy, kept many homosexual police officers from declaring their homosexuality [144]. This, in turn, reduced the numbers of open homosexuals and thus reduced the problems with implementing a policy. Certainly RAND is not suggesting that we need to announce a policy of non-discrimination but allow, or even encourage, intolerance so to keep the numbers down and thus reduce the magnitude of problems. The fallacy is that this further undermines the value of the experience of police departments in trying to predict the impact the recommended policy will have on the military.

Probably the most significant aspect of the RAND study of police and fire departments is the experience of the fire departments. RAND viewed the fire departments as a closer analogy to the military than police departments because of the communal living arrangements typically found in fire houses and the need for close coordination and teamwork among firefighters battling a common enemy, the fire. Their theory seemed to be that by studying the accommodation of homosexuals in this setting, more insight can be gained into how to integrate homosexuals into the analogous military environment.

The results of their investigation, however, revealed that in the six cities they visited no male fire fighter on any force acknowledged his homosexuality, in spite of the existence of non-discrimination policies. [122] Thus, the impact of open homosexuality on the forced living conditions and lack of privacy

found in the military can not be determined. RAND doesn't know what the impact on military morale, discipline, and unit effectiveness would be if their policy recommendation is implemented. This, again, underscores the experimental nature of the RAND recommendations.

Apparently, RAND thinks that the phenomenon of remaining "in the closet" will continue and few homosexuals will announce their sexuality even if the policy changes. With few homosexuals "coming out" the actual problems will be few, they reason. Enlightened leadership will certainly be able to deal with the few problems that do arise. While this scenario may be comforting in the confines of RAND's academic setting, there is no assurance that these assumptions will become reality in the field. Furthermore, it ignores the political activity and interest that has surrounded this issue. While some homosexuals will remain closeted for any number of personal reasons, we simply do not know what will happen and there is no reliable way to predict what will take place. Remember, we had a number of soldiers "come out" based purely on the President's promise to lift the ban. If RAND's rosey picture does not come to pass, we find our military engaged in a social war at the expense of preparing to fight a real war.

Chapter 5. Potential Insights From Analogous Situations: Integrating Blacks Into the U.S. Military

RAND concludes that the problems and difficulties with racial integration serve as a useful guide to the integration of homosexuals. [158] The report acknowledges the argument that racial classes and sexuality are very different aspects of a person's identity. But the study also concludes that racially integrating the military was so difficult that it does provide a useful history lesson in the effort to permit homosexuals to serve. Somewhat contrary to the rather easy and trouble-free experiences of foreign armies and domestic police and fire departments, the RAND study finds "any assertion that racial integration was inherently less problematic than the integration of homosexuals today must be viewed with skepticism." (160) Thus, RAND uses racial integration analogy as a guide for implementing change, not determining whether change is valid, needed, or appropriate.

Interestingly, RAND points to "strong leadership" as the key to making it work. In point of fact, most of the evidence of "strong leadership" amounts to affirmative action type programs and directives that set minorities apart for special treatment and protection -- the very types of programs that fire and police experience found to increase resentment and which RAND then says are not necessary.

One major difference between the racial situation and the homosexual problem not addressed by RAND is that the armed forces already allowed blacks. The problem was one of integration, not

exclusion. In fact, the segregation that existed actually created problems that effected military readiness and combat capability. It is faulty logic to use the example of moving from segregation to integration to justify the move from exclusion to integration. The two are fundamentally different. If anything, the problems will be greater and there is not the underlying military benefits that will be achieved. Moving from a racially segregated to a racially integrated military actually improved the efficiency of the service. The best one can say at this point on the homosexual issue is that permitting homosexuals to serve may not reduce combat effectiveness over the long-term. No one has made a serious argument that inclusion of homosexuals has any real military justification.

On page 189, RAND emphasizes that the focus on race relations in the military was to change behavior, not attitudes, and that the same process should be followed re: homosexuals. The problem with this conclusion is that it ignores the specifics of the programs that the military used to control behavior. Race relations classes were required of all members in the mid 70's. I attended these classes as a lieutenant; I conducted race relations training for my soldiers. The objective of the training was to change attitudes. Certainly, overt behaviors were dealt with under existing laws and will continue to be handled that way. But the thrust of the classes and race relations seminars was clearly to change attitudes and to foster trust, cooperation, and cohesion between and among racial groups.

Separating behavior from attitudes can be done on one level, but like orientation and conduct, at another level one leads inextricably to the other. The military spent millions of dollars and countless hours reforming racial attitudes. The military still trains race relations counsellors at the DoD race relations institute in Florida. The whole idea behind the training is to produce counsellors who can return to units and help create a better working environment by helping to change attitudes toward minority groups, women, and others. In fact, this school was featured in a recent television report as the premier example of race relations improvement techniques in the country.

RAND's conclusion that integrating homosexuals will be at least as difficult as integrating the races is true; it may be a classic understatement. If racial integration is a useful model as RAND believes, then it follows that the same methods used to achieve racial harmony must be followed to achieve the accommodation of homosexuals. The racial harmony ultimately achieved in the military came about through a concerted effort to change racial attitudes and stereotypes. RAND's claim that leaders only need to address behavior and not attitudes ignores the very history that RAND claims is so instructive.

Chapter 6 & 7. Relevant Public and Military Opinion

While RAND repeatedly stresses that behavior, not attitudes are the real hinderance to homosexuals serving, the opinions of enlisted men raised in the focus groups suggest otherwise. For example, even those who were willing to accept homosexuals in the work group ("task cohesion") "knowledge of a homosexual's sexual orientation was widely thought to be disruptive; in general, known homosexuals would not enjoy the trust and respect of their fellow soldiers and would, therefore, be unable to function effectively." [231]

To alter this situation and create a climate that will allow the homosexual to "function effectively," you have to change the soldier's attitude towards homosexuality. Apparently, RAND wishes to downplay this salient fact in order to maintain the impression that permitting homosexuals to serve is not an endorsement of homosexual behavior or lifestyle.

Recent court decisions have emphasized that policies based upon negative attitudes of the majority toward the minority cannot be sustained. In other words, if the disruption that results from integrating a certain minority group is caused by the negative attitudes of the majority towards the minority, the policy cannot stand and the majority must change its attitude. Frequently, proponents of this argument cite racial integration as an example of this principle. When the group-identifying characteristic is a benign factor, like skin color, this principle will usually apply. When the group-identifying factor is conduct related, however, the principle does not apply. Excluding convicted felons who have served their prison sentences from serving is, in part, based upon assumptions that other soldiers may not trust, cooperate, or feel they can rely upon one who has been convicted of a crime. The individual may have "paid his debt," but the presence of the conviction still creates a bar to service. To my knowledge, no one has made a serious argument that excluding convicted felons who have served their sentences is improper because it is based upon the prejudice of others. Proponents of the "private bias" argument refuse to acknowledge that homosexuality has anything to do with conduct. In reality, homosexuality has everything to do with conduct.

Chapter 8. Issues of Concern: Effect of Allowing Homosexuals to Serve in the Military on the Prevalence of HIV/AIDS

RAND concludes that due to testing at the MEPS "allowing homosexuals to serve would not lead to an increase in the number of HIV-infected military accessions." [254] They admit, however, that "it is not possible to accurately estimate the likely effects on HIV infection rates among military personnel of allowing homosexuals to serve." [255] Again, we are embarking upon an experiment in which most of the important variables are unknown.

The paragraph on page 271 is incredible! Claiming that an increase in HIV infection rates would have little influence on military effectiveness because the HIV infected soldier would not deploy illustrates an incredible lack of understanding of teamwork and unit ("task" cohesion) mission dynamics. Replacing the HIV-infected soldier at the last minute before deployment certainly disrupts the unit's ability to function in the way they have trained. You must bring in a new member who has not trained with the unit and you will experience some reduced effectiveness until the new member gets up to speed on his or her responsibilities. True, other factors can and do remove soldiers from their units at the last minute. Certainly combat casualties will remove soldiers and necessitate replacements who have not been part of the team. But these situations do impact unit effectiveness. It still takes time to get the replacement "up to speed." Unless there is a valid military reason to inject another possible disruptive influence on the unit's ability to function, it should be avoided.

Chapter 10. What is known About Unit Cohesion and Military Performance.

Page 283 says it all:

At present, there is no scientific evidence regarding the effects of acknowledged homosexuals on a unit's cohesion and combat effectiveness. Thus, any attempt to predict the consequences of allowing them to serve in the U.S. military is necessarily speculative.

The RAND study does NOT produce any information, evidence, or policy reasons for embarking upon such a social experiment. This, of course, stems from their charter not to determine if the policy should change, but to determine how to change the policy.

RAND notes that various experts have differing opinions on the issues. The study refers to the views of Henderson, Marlowe, and Moskos and those of Korb, Segal, and Steihm and implies that they are of equal weight. In weighing expert opinion, the qualifications, background, training, and experience of the expert is critical. RAND does not discuss the professional qualifications of the various witnesses. Indeed, Dr. Korb is scholar with the Brookings Institute and a politician with experience in military personnel matters at the senior policy level. Steihm is a professor who has championed gay rights in her writings. Segal is a sociologist, but apparently has not made the military culture the area of specialization in his professional work like Dr. Moskos. Marlowe and Henderson, like Moskos, have devoted almost their entire professional lives to the study of the military culture and its sociological implications. To imply equal weight to the various opinions is a convenient way to avoid dealing with the real issues.

In fact, RAND seems to discount the actual experience of military leaders like GEN Schwartzkopf, and rely instead upon the more academic approach to the issue. This fails to appreciate that the policy must be implemented in the real world; in military units that must live, train, and ultimately fight together. While classroom discussions are interesting, they are in the final analysis only theories. Even RAND acknowledges that it cannot predict, much less guarantee, that its theories will actually work under the stress of military operations.

The chapter repeatedly stresses that there is no scientific evidence on the effects of homosexuality on unit cohesion. RAND also implies that any adverse effect will be minimum because few people will actually acknowledge their homosexuality. We are now asked to embark upon this experiment, not knowing the potential adverse results for national security and are comforted by the statement that it won't be too bad because homosexuals won't really join or reveal their homosexuality. In other words, the chapter seems to argue that the presence of homosexuals who are closeted will not harm cohesion. That is what the current policy fosters.

If the fact that the numbers of open homosexuals who actually serve will be very limited and because of that self-limitation unit cohesion will not suffer, why does the RAND report make recommendations to create a more tolerant atmosphere for homosexuals in the military? If the atmosphere becomes more tolerant, one would expect more open homosexuals to serve and the unknown effects on unit cohesion would come to pass.

Despite the study's repeated claim that only behavior control is necessary to fully integrate homosexuals, the discussion seems to stress that attitudes toward homosexuality must and will change. Furthermore, if the policy change is implemented, the military will put the full force of law and its coercive authority behind it.

The study's separation of task and social cohesion is interesting. While I am not a sociologist, I find it interesting that apparently few of the military experts who have studied this area seem to think breaking cohesion down into "task" and "social" in the military context is useful. Unlike other groups that social scientists may study, the military unit is not just a work group or a social group; it is both and more. Extrapolating outside studies and applying them to the military is problematic at best and is a poor method to develop personnel policies that should be designed to enhance national defense. Overall, the chapter on unit cohesion acknowledges that there are some real problems with allowing homosexuals to serve [329]. Ultimately, it will take considerable attention, time, effort, and resources to insure that this "experiment" is successful. To what end? No one has yet made a cogent argument that changing the policy will enhance combat effectiveness.

Chapter 11. Sexual Orientation and the Military: Some Legal Considerations

The RAND study ultimately concluded that ending the ban on homosexuals was a policy choice, not a legal requirement. In other words, the DoD policy did not violate the constitution and that Federal courts are not likely to substitute their judgment for that of the military.

The "not germane" policy recommended by the RAND is similar to the "sexual orientation is not a bar to service" policy proposed by Secretary Aspin on July 19. RAND, however, recognizes the inherent difficulties with trying to separate orientation and conduct and, unlike the Secretary's policy, recommends changing the military's long-standing rules on sodomy. Basically, RAND recommends adopting a policy that does not punish or condemn private consensual sexual activity and offers a way to accomplish this without going through Congress to change the UCMJ.

Such a fundamental change in military law, while perhaps within the President's legal authority, seems unwise as a matter of policy. Societal attitudes toward certain behaviors are usually reflected in the governing criminal code. If societal attitudes have changed sufficiently to support a change in the law, the law-making branch of government should perform its constitutional function. It seems rather presumptions for a single individual, even if he is the Commander-in-Chief, to make the policy choice to change the criminal nature of certain conduct.

An interesting aspect of the RAND study is its treatment of heterosexual privacy rights. [363] This has long been one of the fundamental questions in the national debate. Many of the problems associated with service by homosexuals stem from the invasion of privacy that occurs when the underlying presumption that sexual opposites attract is invalid. This is not to say that all homosexuals are predatory and will attack heterosexuals in the shower. We still segregate males and females to provide a modicum of personal privacy. We do this, not because all males will sexually assault females, but because we have recognized that one should have some degree of control over the exposure of their body in the presence of one who might find them sexually attractive.

Strangely enough, the \$1.3 million of taxpayer's money spent on the RAND report did not even address this issue. The study devotes just slightly more than one page out of 518 to this problem and offers no analysis or insights into the problem. While RAND acknowledged "an important policy consideration is to balance the privacy rights of member of the military who object to homosexuality with the principle that sexual orientation is not germane to military service" [363] it simply neglected to conduct any analysis of the issue.

The RAND study treats this as a legal issue and concludes that a court might allow a heterosexual out of his military obligation if his objection to sharing close quarters with a homosexual was sufficiently compelling. Ultimately, RAND concludes that heterosexuals have no legitimate privacy interests worthy of consideration. They dispose of the entire problem with the solution that "flexible command policy . . . and flexibility in sleeping and bathroom facilities, where feasible," will be sufficient. [363] This approach essentially says that heterosexual privacy interests must give way to the interests of homosexuals in serving in the military. Interestingly, the RAND study does not go into any analysis of these competing interests. It merely picks one over the other. [363] Appendix B, however, fully supports the problem of privacy in the military context. It documents and concludes that "members are required to live in close proximity in environments that provide little privacy." [417] Despite the obvious analogy between gender segregation and privacy rights, the RAND study did not address this aspect.



OFFICE OF THE UNDER SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-4000

JAN 27 2009

PERSONNEL AND
READINESS

The Honorable Vic Snyder
Chairman, Subcommittee on Oversight and Investigations
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Thank you for your question to Secretary Gates at the House Armed Services Committee hearing on January 27, 2009 regarding the practice of "burrowing in" of political appointees. He has asked me to respond on his behalf.

We are confident that Department does not have a problem with political appointees interjecting themselves into the permanent workforce. Our personnel actions remain free of political influence or other improprieties, and we will continue to ensure that "burrowing-in" is not a problem as we progress through this transition period.

During this presidential election period, the Department set forth a strong policy that all actions would adhere to merit system principles, remain free of prohibited personnel actions, and comply with relevant civil service laws, rules and regulations. This policy was formalized on May 19, 2008, through a memorandum to Department Components and Defense agencies (enclosure 1). This guidance supplemented the Office of Personnel Management (OPM) memorandum dated March 17, 2008, "Appointment and Awards During the 2008 Presidential election period" (enclosure 2). Throughout the transition period, we have continued to routinely review personnel actions to ensure that OPM and Department guidance is being followed.

Thank you again for your question and for your support of the Department. I look forward to working with you and your colleagues on future Department issues.

Sincerely,

Gail H. McGinn
Deputy Under Secretary of Defense (Plans)
Performing the Duties of the
Under Secretary of Defense
(Personnel and Readiness)

Enclosures:
As stated





The Director

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

MEMORANDUM FOR HEADS OF DEPARTMENTS AND AGENCIES

FROM: LINDA M. SPRINGER
DIRECTOR

Subject: Appointments and Awards During the 2008 Presidential Election Period

During this Presidential election year, I would like to remind agency heads of the need to ensure all personnel actions remain free of political influence or other improprieties and meet all relevant civil service laws, rules, and regulations. All official personnel records should clearly document continued adherence to Federal merit principles and remain free of any prohibited personnel practices. In particular, any appointments of Schedule C and Noncareer Senior Executive Service (SES) employees to competitive service positions or to SES positions by career appointment require careful attention to ensure they comply with merit principles regarding fair and open competition.

As the U.S. Office of Personnel Management (OPM) has done in the past, I am instituting a requirement for the pre-appointment review of all competitive service appointment actions that involve the appointment or conversion of a Schedule C or Noncareer SES employee.

During this period, OPM will continue the current practice of conducting merit staffing reviews of proposed SES selections of Schedule C and Noncareer SES appointees before those selections are presented to a Qualifications Review Board for certification of executive qualifications. OPM will also suspend the processing of Qualifications Review Board cases during Agency Head transitions.

I have attached additional guidance concerning competitive service and SES appointments, incentive awards, and other employment matters, as well as instructions for submitting requests for pre-appointment review. If you have questions or need further information, please contact me at (202) 606-1000. Staff inquiries should be referred to your agency's OPM Human Capital Officer.

Attachments

1. Guidelines on Processing Certain Appointments and Awards during the 2008 Election Period
2. Pre-Appointment Review Checklist
3. Merit System Principles, Prohibited Personnel Practices, Civil Service Rules
4. Dos and Don'ts for Converting Schedule C and Noncareer SES Employees to the Competitive Service

cc: Chief Human Capital Officers
Human Resources Directors

OSD 03617-08



Attachment 1

GUIDELINES ON PROCESSING CERTAIN APPOINTMENTS AND AWARDS DURING THE 2008 ELECTION PERIOD

The U.S. Office of Personnel Management (OPM) and Federal agencies share basic responsibility for ensuring all personnel actions adhere to the Federal merit principles at 5 U.S.C. 2301 and remain free of any prohibited personnel practices set forth at 5 U.S.C. 2302. During an election period, these requirements demand particularly close attention. OPM has provided guidance concerning the special considerations that apply during an election period to ensure all agency personnel actions adhere faithfully to these principles.

This guidance identifies personnel actions that require particular attention and establishes procedures for the pre-appointment review of certain competitive service appointment actions before they go into effect.

I. Appointing Excepted Service Employees to the Competitive Service

OPM will conduct a pre-appointment review of the following competitive service appointment actions to ensure they comply with all applicable civil service laws, rules, and regulations. In no case may an agency make an appointment covered by this section prior to receiving specific authorization from OPM:

- A. Proposed competitive service appointment actions that involve a current or former (within the last five years) incumbent of an executive branch position excepted from the competitive service under Schedule C.
- B. Proposed competitive service appointment actions that involve a current or former (within the last five years) Noncareer Senior Executive Service (SES) appointee.

Note: Schedule C employees may not be detailed to competitive service positions without prior OPM approval [see 5 CFR 300.301(c)] and no competitive service vacancy should be created for the sole purpose of selecting a Schedule C or Noncareer SES employee.

Agencies should use the attached Pre-Appointment Review Record of Proposed Competitive Service Appointment to request OPM review of a competitive service appointment action involving a Schedule C or Noncareer SES employee.

II. Appointing Employees to the Senior Executive Service

OPM will continue to conduct merit staffing reviews of proposed SES selections that involve a current or former Schedule C or Noncareer SES appointee before such cases are formally presented to a Qualifications Review Board. Agencies should carefully review all actions which would result in the Career SES appointment of a Schedule C or Noncareer SES before such cases are forwarded to OPM.

Note: All SES vacancies to be filled by initial Career appointment must be publicly announced (5 CFR 317.501). Only a Career SES or career-type non-SES appointee may be detailed to a Career-Reserved position (5 CFR 317.903(c)).

In addition, OPM will suspend the processing of Qualifications Review Board cases when an Agency Head leaves office or announces his or her intention to leave office, or if the President has nominated a new Agency Head. OPM imposes a moratorium on Qualifications Review Board cases as a courtesy to a new Agency Head when it learns of an Agency Head's planned departure. However, OPM will consider requests for exceptions to such a moratorium on a case-by-case basis. When a presidential transition occurs, OPM will determine the disposition of QRB cases based upon the policy of the new Administration.

III. Prohibition on Awards to Certain Appointees

Under 5 U.S.C 4508, an incentive award may not be given during the period beginning June 1, 2008, through January 20, 2009, to a senior politically appointed officer, defined as:

1. An individual who serves in an SES position and is not a career appointee as defined in 5 U.S.C. 3132(a)(4); or.
2. An individual who serves in a position of a confidential or policy determining character as a Schedule C employee.

Because Limited Term/Limited Emergency appointees are not "career appointees," they meet this definition of senior politically appointed officer and cannot receive incentive awards during the 2008 election period.

For additional guidance regarding appointments and awards during the 2008 Presidential election period, please contact the Deputy Associate Director for your agency in OPM's Human Capital Leadership and Merit System Accountability Division by calling 202-606-1575. Staff inquiries should be referred to the appropriate OPM Human Capital Officer.

Attachment 2

PRE-APPOINTMENT REVIEW CHECKLIST

Agency: _____
Selectee: _____
Current (or former) Position/ Appt. Authority: _____
Proposed Position/ Appt. Authority: _____

Please submit the documentation cited below along with a dated cover letter signed by the agency HR Director that provides: (1) certification from the appointing authority that the proposed action meets all merit and fitness requirements in 5 U.S.C. 2301 and 2302 and Civil Service Rules 4.2 and 7.1 (see attachment 3); and (2) an agency point of contact for follow-up questions.

- The position description for the candidate's current or former appointment and the position description for the proposed appointment. Please include fully executed OF Ss or equivalents that document why and how the respective positions were established. Explain any relationship between the two positions.
- A statement explaining the disposition of the proposed selectee's current Schedule C or Noncareer SES position, if vacated.
- The complete case file for the proposed merit selection, including:
 - The vacancy announcement published in USAJOBS on OPM's Internet Web site (preferably the USAJOBS printed version; if not, include the USAJOBS control number)
 - Recruiting sources and advertising methods used in addition to USAJOBS
 - The job analysis, justification of any selective factor, and rating schedule/crediting plan
 - Applications from all who applied and information showing how each was rated
 - Information showing how regulatory requirements of the Interagency Career Transition Assistance Program (ICTAP) were met
 - The referral list or lists issued to the selecting official and the completed referral list documenting the tentative selection
- A description of candidate sources considered other than from a competitive vacancy announcement and the resulting referral lists forwarded to the selecting official, if any.
- The name of the selecting official and his or her title, telephone number, and type of appointment (e.g., career SES, Schedule C, Presidential Appointee).

Please contact your agency's OPM Human Capital Officer for additional guidance on submitting requests for Pre-appointment Review

Attachment 3

MERIT SYSTEM PRINCIPLES, PROHIBITED PERSONNEL PRACTICES, CIVIL SERVICE RULES

§ 2301. Merit system principles

(a) This section shall apply to--

- (1) an Executive agency; and
- (2) the Government Printing Office.

(b) Federal personnel management should be implemented consistent with the following merit system principles:

- (1) Recruitment should be from qualified individuals from appropriate sources in an endeavor to achieve a work force from all segments of society, and selection and advancement should be determined solely on the basis of relative ability, knowledge and skills, after fair and open competition which assures that all receive equal opportunity.
- (2) All employees and applicants for employment should receive fair and equitable treatment in all aspects of personnel management without regard to political affiliation, race, color, religion, national origin, sex, marital status, age, or handicapping condition, and with proper regard for their privacy and constitutional rights.
- (3) Equal pay should be provided for work of equal value, with appropriate consideration of both national and local rates paid by employers in the private sector, and appropriate incentives and recognition should be provided for excellence in performance.
- (4) All employees should maintain high standards of integrity, conduct, and concern for the public interest.
- (5) The Federal work force should be used efficiently and effectively.
- (6) Employees should be retained on the basis of adequacy of their performance, inadequate performance should be corrected, and employees should be separated who cannot or will not improve their performance to meet required standards.
- (7) Employees should be provided effective education and training in cases in which such education and training would result in better organizational and individual performance.
- (8) Employees should be--
 - (A) protected against arbitrary action, personal favoritism, or coercion for partisan political purposes, and

(B) prohibited from using their official authority or influence for the purpose of interfering with or affecting the result of an election or a nomination for election.

(9) Employees should be protected against reprisal for the lawful disclosure of information which the employees reasonably believe evidences--

(A) a violation of any law, rule, or regulation, or

(B) mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.

(c) In administering the provisions of this chapter--

(1) with respect to any agency (as defined in section 2302(a)(2)(C) of this title), the President shall, pursuant to the authority otherwise available under this title, take any action including the issuance of rules, regulations, or directives; and

(2) with respect to any entity in the executive branch which is not such an agency or part of such an agency, the head of such entity shall, pursuant to authority otherwise available, take any action, including the issuance of rules, regulations, or directives;

which is consistent with the provisions of this title and which the President or the head, as the case may be, determines is necessary to ensure that personnel management is based on and embodies the merit system principles.

§ 2302. Prohibited personnel practices

(a)(1) For the purpose of this title, "prohibited personnel practice" means any action described in subsection (b).

(2) For the purpose of this section--

(A) "personnel action" means--

- (i) an appointment;
- (ii) a promotion;
- (iii) an action under chapter 75 of this title or other disciplinary or corrective action;
- (iv) a detail, transfer, or reassignment;
- (v) a reinstatement;
- (vi) a restoration;
- (vii) a reenrollment;
- (viii) a performance evaluation under chapter 43 of this title;
- (ix) a decision concerning pay, benefits, or awards concerning education or training if the education or training may reasonably be expected to lead to an appointment, promotion, performance evaluation, or other action described in this subparagraph;
- (x) a decision to order psychiatric testing or examination; and

(xi) any other significant change in duties, responsibilities, or working conditions: with respect to an employee in, or applicant for, a covered position in an agency, and in the case of an alleged prohibited personnel practice described in subsection (b)(8), an employee or applicant for employment in a Government corporation as defined in section 9101 of title 31;

(B) "covered position" means, with respect to any personnel action, any position in the competitive service, a career appointee position in the Senior Executive Service, or a position in the excepted service, but does not include any position which is, prior to the personnel action --

- (i) excepted from the competitive service because of its confidential, policy-determining, policy-making, or policy-advocating character; or
- (ii) excluded from the coverage of this section by the President based on a determination by the President that it is necessary and warranted by conditions of good administration; and

(C) "agency" means an Executive agency and the Government Printing Office, but does not include--

- (i) a Government corporation, except in the case of an alleged prohibited personnel practice described under subsection (b)(8);
- (ii) the Federal Bureau of Investigation, the Central Intelligence Agency, the Defense Intelligence Agency, the National Geospatial-Intelligence Agency, the National Security Agency, and, as determined by the President, any Executive agency or unit thereof the principal function of which is the conduct of foreign intelligence or counterintelligence activities; or
- (iii) the Government Accountability Office.

(b) Any employee who has authority to take, direct others to take, recommend, or approve any personnel action, shall not, with respect to such authority--

(1) discriminate for or against any employee or applicant for employment--

(A) on the basis of race, color, religion, sex, or national origin, as prohibited under section 717 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-16);

(B) on the basis of age, as prohibited under sections 12 and 15 of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 631, 633a);

(C) on the basis of sex, as prohibited under section 6(d) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(d));

(D) on the basis of handicapping condition, as prohibited under section 501 of the Rehabilitation Act of 1973 (29 U.S.C. 791); or

- (E) on the basis of marital status or political affiliation, as prohibited under any law, rule, or regulation;
- (2) solicit or consider any recommendation or statement, oral or written, with respect to any individual who requests or is under consideration for any personnel action unless such recommendation or statement is based on the personal knowledge or records of the person furnishing it and consists of--
- (A) an evaluation of the work performance, ability, aptitude, or general qualifications of such individual; or
- (B) an evaluation of the character, loyalty, or suitability of such individual;
- (3) coerce the political activity of any person (including the providing of any political contribution or service), or take any action against any employee or applicant for employment as a reprisal for the refusal of any person to engage in such political activity;
- (4) deceive or willfully obstruct any person with respect to such person's right to compete for employment;
- (5) influence any person to withdraw from competition for any position for the purpose of improving or injuring the prospects of any other person for employment;
- (6) grant any preference or advantage not authorized by law, rule, or regulation to any employee or applicant for employment (including defining the scope or manner of competition or the requirements for any position) for the purpose of improving or injuring the prospects of any particular person for employment;
- (7) appoint, employ, promote, advance, or advocate for appointment, employment, promotion, or advancement, in or to a civilian position any individual who is a relative (as defined in section 3110(a)(3) of this title) of such employee if such position is in the agency in which such employee is serving as a public official (as defined in section 3110(a)(2) of this title) or over which such employee exercises jurisdiction or control as such an official;
- (8) take or fail to take, or threaten to take or fail to take, a personnel action with respect to any employee or applicant for employment because of--
- (A) any disclosure of information by an employee or applicant which the employee or applicant reasonably believes evidences--
- (i) a violation of any law, rule or regulation, or
- (ii) gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.

if such disclosure is not specifically prohibited by law and if such information is not specifically required by Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs; or

(B) any disclosure to the Special Counsel, or to the Inspector General of an agency or another employee designated by the head of the agency to receive such disclosures, of information which the employee or applicant reasonably believes evidences--

- (i) a violation of any law, rule, or regulation, or
- (ii) gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety;

(9) take or fail to take, or threaten to take or fail to take, any personnel action against any employee or applicant for employment because of--

(A) the exercise of any appeal, complaint, or grievance right granted by any law, rule, or regulation;

(B) testifying for or otherwise lawfully assisting any individual in the exercise of any right referred to in subparagraph (A);

(C) cooperating with or disclosing information to the Inspector General of an agency, or the Special Counsel, in accordance with applicable provisions of law; or

(D) for refusing to obey an order that would require the individual to violate a law;

(10) discriminate for or against any employee or applicant for employment on the basis of conduct which does not adversely affect the performance of the employee or applicant or the performance of others; except that nothing in this paragraph shall prohibit an agency from taking into account in determining suitability or fitness any conviction of the employee or applicant for any crime under the laws of any State, of the District of Columbia, or of the United States;

(11)(A) knowingly take, recommend, or approve any personnel action if the taking of such action would violate a veterans' preference requirement; or

(B) knowingly fail to take, recommend, or approve any personnel action if the failure to take such action would violate a veterans' preference requirement; or

(12) take or fail to take any other personnel action if the taking of or failure to take such action violates any law, rule, or regulation implementing, or directly concerning, the merit system principles contained in section 2301 of this title.

This subsection shall not be construed to authorize the withholding of information from the Congress or the taking of any personnel action against an employee who discloses information to the Congress.

(c) The head of each agency shall be responsible for the prevention of prohibited personnel practices, for the compliance with and enforcement of applicable civil service laws, rules, and regulations, and other aspects of personnel management, and for ensuring (in consultation with the Office of Special Counsel) that agency employees are informed of the rights and remedies available to them under this chapter and chapter 12 of this title. Any individual to whom the head of an agency delegates authority for personnel management, or for any aspect thereof, shall be similarly responsible within the limits of the delegation.

(d) This section shall not be construed to extinguish or lessen any effort to achieve equal employment opportunity through affirmative action or any right or remedy available to any employee or applicant for employment in the civil service under--

(1) section 717 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-16), prohibiting discrimination on the basis of race, color, religion, sex, or national origin;

(2) sections 12 and 15 of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 631, 633a), prohibiting discrimination on the basis of age;

(3) under section 6(d) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206 (d)), prohibiting discrimination on the basis of sex;

(4) section 501 of the Rehabilitation Act of 1973 (29 U.S.C. 791), prohibiting discrimination on the basis of handicapping condition; or

(5) the provisions of any law, rule, or regulation prohibiting discrimination on the basis of marital status or political affiliation.

(e)(1) For the purpose of this section, the term "veterans' preference requirement" means any of the following provisions of law:

(A) Sections 2108, 3305(b), 3309, 3310, 3311, 3312, 3313, 3314, 3315, 3316, 3317(b), 3318, 3320, 3351, 3352, 3363, 3501, 3502(b), 3504, and 4303(e) and (with respect to a preference eligible referred to in section 7511(a)(1)(B)) subchapter II of chapter 75 and section 7701.

(B) Sections 943(e)(2) and 1784(c) of title 10.

(C) Section 1308(b) of the Alaska National Interest Lands Conservation Act.

(D) Section 301(c) of the Foreign Service Act of 1980.

(E) Sections 106(f), 7281(e), and 7802(e) of title 38.

(F) Section 1005(a) of title 39.

(G) Any other provision of law that the Director of the Office of Personnel Management designates in regulations as being a veterans' preference requirement for the purposes of this subsection.

(H) Any regulation prescribed under subsection (b) or (c) of section 1302 and any other regulation that implements a provision of law referred to in any of the preceding subparagraphs.

(2) Notwithstanding any other provision of this title, no authority to order corrective action shall be available in connection with a prohibited personnel practice described in subsection (b)(1). Nothing in this paragraph shall be considered to affect any authority under section 1215 (relating to disciplinary action).

Civil Service Rule 4.2

Prohibition against racial, political or religious discrimination. No person employed in the executive branch of the Federal Government who has authority to take or recommend any personnel action with respect to any person who is an employee in the competitive service or any eligible or applicant for a position in the competitive service shall make any inquiry concerning the race, political affiliation, or religious beliefs of any such employee, eligible, or applicant. All disclosures concerning such matters shall be ignored, except as to such membership in political parties or organizations as constitutes by law a disqualification for Government employment. No discrimination shall be exercised, threatened, or promised by any person in the executive branch of the Federal Government against or in favor of any employee in the competitive service, or any eligible or applicant for a position in the competitive service because of his race, political affiliation, or religious beliefs, except as may be authorized or required by law.

Civil Service Rule 7.1

Discretion in filling vacancies. In his discretion, an appointing officer may fill any position in the competitive service either by competitive appointment from a civil service register or by noncompetitive selection of a present or former Federal employee, in accordance with the Civil Service Regulations. He shall exercise his discretion in all personnel actions solely on the basis of merit and fitness and without regard to political or religious affiliations, marital status, or race.

Attachment 4

**Do's and Don'ts for Converting Schedule C and
Noncareer SES Employees to the Competitive Service**

OPM will conduct pre-appointment reviews of Schedule C and Noncareer SES employee appointments to the competitive service beginning with the date of this memorandum through January 20, 2009. OPM seeks to ensure that the merit system principle of fair and open competition is protected. With this in mind, the two most common reasons for OPM not to approve an appointment or a conversion are:

1. the new position appears to have been designed solely for the individual who is being converted; and/or
2. competition has been limited inappropriately.

Below are "Do's" that will help agencies with the conversion approval process:

- *Do* make a public announcement through OPM's USAJOBS when filling competitive service vacancies from candidates outside your own agency's competitive service workforce.
- *Do* carefully consider the Interagency Career Transition Assistance Plan for Displaced Employees regulations (5 CFR 330, Subpart G) before making selections.
- *Do* ensure the Chief Human Capital Officer and Human Resources Director closely review all such proposed actions to determine if they meet the test of merit.
- *Do* ensure the Chief Human Capital Officer and Human Resources Director gather all necessary internal agency approvals before a case is presented to OPM for review.

And Don'ts:

- *Don't* create or announce a competitive service vacancy for the sole purpose of selecting a current or former Schedule C or Noncareer SES employee.
- *Don't* remove the Schedule C or Noncareer SES elements of a position solely to appoint the incumbent into the competitive service.

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000
MAY 19 2008



AND
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MEMORANDUM FOR: ASSISTANT SECRETARY OF THE ARMY (M&RA)
ASSISTANT SECRETARY OF THE NAVY (M&RA)
ASSISTANT SECRETARY OF THE AIR FORCE (M&RA)
THE GENERAL COUNSEL OF THE DEPARTMENT OF
DEFENSE
THE DEPARTMENT OF DEFENSE INSPECTOR
GENERAL
DIRECTOR, ADMINISTRATION AND MANAGEMENT

SUBJECT: Department of Defense (DoD) Appointments and Awards During the 2008
Presidential Election Period

This memorandum reminds Department of Defense officials of the need to ensure that all personnel actions remain free of political influence or other improprieties, adhere to Merit System Principles, remain free of Prohibited Personnel Practices, and comply with all other relevant civil service laws, rules and regulations regarding the appointment and assignment of personnel during the Presidential Election Period and upcoming Presidential Transition. It also supplements the Office of Personnel Management (OPM) memorandum dated March 17, 2008, Subject: "Appointments and Awards During the 2008 Presidential Election Period" (Attachment 1), with DoD guidance and instructions.

The 2008 Presidential Election Period is defined by OPM as the period beginning March 17, 2008, the date of the attached OPM memorandum through January 20, 2009. The appointments of Schedule C and Noncareer Senior Executive (SES) employees to competitive service positions or to SES positions by career appointment require careful attention during this period to ensure they comply with the principles of fair and open competition. The following guidance applies.

1. Appointing Excepted Service Employees to the Competitive Service

OPM will conduct a pre-appointment review of the appointment of a Schedule C and/or Noncareer SES appointee to a competitive service position or to SES position by career appointment beginning with the date of the OPM memorandum, March 17, 2008, to January 20, 2009.

- The pre-appointment review includes proposed competitive service appointment actions that involve current or former (within the last five years) incumbents of a position excepted from the competitive service under Schedule C.



- OPM's pre-appointment review must occur before SES selections are presented to the Qualifications Review Board (QRB) for qualifications certification. OPM seeks to ensure that the merit system principle of fair and open competition is protected.
- The two most common reasons for OPM disapproval of an appointment or conversion are: (1) the new position appears to have been designed solely for the individual who is being converted and or (2) competition has been limited inappropriately.
- The OPM Pre-Appointment Review Checklist must be completed and submitted with appropriate supporting documentation through the Office of the Deputy Under Secretary of Defense (Civilian Personnel Policy) (ODUSD(CPP)) to the Office of Personnel Management. Following a review for compliance with OPM guidelines and completeness, we will forward the package to OPM with a copy of the transmittal to your points of contact.

2. Appointing Employees to the Senior Executive Service

OPM will continue to conduct merit staffing reviews of proposed SES selections that involve a current or former Schedule C or Noncareer SES appointee before such cases are formally presented to the QRB beginning with the date of the OPM memorandum, March 17, 2008, to January 20, 2009.

In addition, OPM will suspend the processing of QRB cases when an Agency Head leaves office or announces his or her intention to leave office, or if the President has nominated a new Agency Head. This rule is not new and it remains in effect regardless of whether we are in a Presidential Election Period. This rule ensures that the incoming Agency Head will have the full opportunity to make executive resource decisions that will have an impact on the Agency's performance.

- The term "Head of Agency" *for this purpose* means the Secretary of Defense or in the case of the Military Departments, the Service Secretaries (5 CFR 317.901 and 5 CFR 359.402). In the case of the Office of the Secretary of Defense and its Defense Agencies, the Head of Agency is the Secretary of Defense.
- For career SES positions in the Military Department that have a direct reporting relationship to the Secretary of Defense (first or second line chain of command), the Head of Agency is the Secretary of Defense.
- Under limited circumstances and on a case-by-case basis, OPM will consider requests for exceptions to QRB moratorium. When a Presidential transition occurs later this year, OPM will determine the disposition of the QRB cases based upon the policy of the new Administration.

- The appropriate Head of Agency designees for the Office of the Secretary of Defense and its Defense Agencies and DoD Field Activities as well as the Army, Air Force, Navy must submit requests and supporting documentation for an exception to the QRB moratorium through ODUSD(CPP) to the Office of Personnel Management, during the period March 17, 2008 to January 20, 2009.
- The following OPM and DoD criteria typically must be met for submission of a request for an exception to the QRB moratorium:

OPM Criteria

- The Head of Agency likely would not have a personal interest in the selection of an incumbent
- The position is located at a subordinate organizational level and is not a direct report to the Head of Agency
- The position does not involve significant policy matters
- The appointment of the Head of Agency is not imminent

DoD Criteria

- The position is critical to support the Global War on Terror, and/or
- The position is essential to the mission, and if not filled, it would imperil mission accomplishment or endanger the life, safety and well being of employees

3. Prohibition on Involuntary Reassignments or Removals of Career SES members.

There is no authority to waive the requirements of law that prevent the involuntary reassignment or removal of a career executive within 120 days after the appointment of the Head of Agency, unless such action was initiated prior to the effective date of this moratorium. Head of Agency is defined in paragraph 2 above.

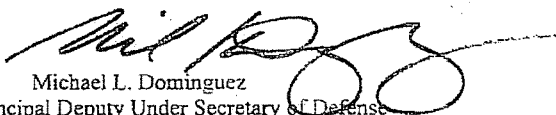
4. Prohibition on Awards to Certain Appointees.

An incentive award (cash or time-off awards) may not be given during the period beginning June 1, 2008, through January 20, 2009, to a senior political appointee, as defined below.

- An individual who serves in an SES position and is not a career appointee
- An individual who serves in a position of a confidential or policy determining character as a Schedule C employee
- An individual appointed as a Limited Term/Limited Emergency appointee

Our citizens depend on all of us to continue the work of the Federal Government during these Presidential Election Periods and upcoming Presidential transition period in an absolutely transparent manner and in full compliance with the basic principles of ethical conduct. The Department's commitment to upholding the highest standards in exercising our civilian human resources responsibilities is one that we do not take lightly. To this end, my staff stands ready to assist you in any way that we can.

Please disseminate this guidance as appropriate. You may contact Letty Mayoral, Policy and Strategy Support Cell, Civilian Personnel Management Office, telephone number 703-696-5326 or email address: Letty.Mayoral@coms.osd.mil.



Michael L. Dominguez
Principal Deputy Under Secretary of Defense
Personnel and Readiness

Attachment:
As stated

**WITNESS RESPONSES TO QUESTIONS ASKED DURING
THE HEARING**

FEBRUARY 3, 2010

RESPONSE TO QUESTION SUBMITTED BY MR. TAYLOR

Admiral MULLEN. There have been no actions taken against anyone for tactical directive violations or ROE violations. [See page 73.]

RESPONSE TO QUESTION SUBMITTED BY MR. BISHOP

Secretary GATES. The Department's Fiscal Year 2011–2015 Future Year's Defense Program budgets for a service life assessment for the F–18 series aircraft. This engineering assessment will help inform the Department on the amount of service life that can be extended and the modification costs. The budget also includes funding for F–15 and F–16 service life modifications designed to ensure the required quantity of aircraft can meet their service life requirements. Additionally, there is money for Full Scale Fatigue Testing for the F–15, and F–16 Block 40s/50s.

Under my direction, the Department will continue to assess strike fighter force structure requirements in preparation for future budgets. Service life extension is one area that can help address force structure requirements. Other mitigation options that are under review include changes to current Concepts of Operations, aligning Carrier Air Wing readiness with Carrier readiness, and Air Wing composition and force structure. [See page 37.]

RESPONSE TO QUESTION SUBMITTED BY MR. KLINE

Admiral MULLEN. The Army has a detailed plan for payment to all National Guard soldiers who are eligible for compensation under PDMRA. The Army is responsible and has received the Army National Guard's preliminary list of eligible individuals. The Army began payments on March 1, 2010 and will continue to diligently process and pay claims until eligible individuals are appropriately compensated.

Statutory authority was required to retroactively compensate former Service members for PDMRA days earned from Jan 19, 2007, through the date each respective Service implemented their respective PDMRA program. Section 604 of the FY10 NDAA, signed on October 28, 2009, provided the Secretary concerned with the discretionary authority to compensate current and former Service members for PDMRA days earned from Jan 19, 2007 through the date each respective Service implemented their PDMRA program. However, the House Appropriations Committee version of the Defense Appropriation Bill contained a provision that provided non-discretionary authority to pay retroactive compensation for PDMRA days. Due to the "discretionary" and "non-discretionary" disparity between the FY10 NDAA and the HAC–D version of the FY10 Defense Appropriations Bill, the Department was precluded from developing final implementation policy. On December 19, 2009, the FY10 the Defense Appropriations Bill became law. It did NOT include the non-discretionary retroactive PDMRA compensation authority originally contained in the HAC–D version of the bill. Following coordination with the Military Departments and the DoD Comptroller, the DoD implementation policy was approved on February 1, 2010. [See page 43.]

RESPONSE TO QUESTION SUBMITTED BY MR. SESTAK

Secretary GATES. The core goal of the President's strategy is to disrupt, dismantle, and eventually defeat al Qaeda in both Afghanistan and Pakistan and to prevent their return to both countries. The President's strategy addresses the challenges the U.S. Government faces on both sides of the border. The U.S. Government cannot allow al Qaeda to gain access to the very same safe havens they used before 2001. The President's strategy recognizes that the security situation in Pakistan is inextricably linked to that of Afghanistan. In my view, Pakistan's security, especially along its Western border, cannot be separated from developments in Afghanistan.

Progress in both Afghanistan and Pakistan will be measured and assessed by the U.S. Government on a regular basis using a mix of quantitative and qualitative measures, intended to capture objective and subjective assessments. The assessment will look at past progress and start to focus on changes or adjustments that might be necessary over the following year. A description and assessment of U.S. Government efforts, including the efforts of the Department of Defense, the Department of State, the U.S. Agency for International Development, and the Department of Justice, in achieving the objectives for Afghanistan and Pakistan are due to Congress in March 2010. [See page 55.]

RESPONSE TO QUESTION SUBMITTED BY MS. GIFFORDS

Secretary GATES. Under my direction, the Department has stepped up near and longer-term effort needed to reduce our high level of energy consumption, and these efforts are driven first and foremost by mission considerations. The Department's own analysis confirms what outside experts have long warned: our military's heavy reliance on fossil fuels creates significant risks and costs at a tactical as well as a strategic level. They can be measured in lost dollars, in reduced mission effectiveness and in U.S. soldiers' lives. I believe that unleashing warfighters from the tether of fuel and reducing our installations' dependence on a costly and potentially fragile power grid will not simply enhance the environment; it will significantly improve our mission effectiveness.

Executive Order 13514 was issued in October 2009 and is a tool to help the Department turn these vulnerabilities around. As one indication, the Department is developing an aggressive target under the Order for reducing our greenhouse gas emissions, which are due overwhelmingly to direct energy use. These targets will significantly shape energy consumption plans and programs both now and in the future. For the military, these reduced emissions will represent major gains in energy efficiency in the long run. Operational energy is necessarily exempt from any regulatory target, since providing immediate support for the warfighter must remain our highest priority. Nevertheless, reducing the energy demands of our operational forces is a major focus of my efforts to cut energy consumption.

Over the last five years, the Department has steadily reduced energy consumption per square foot at our installations, largely in response to statutory and regulatory goals. While continuing that very positive trend, I believe that it is time for the Department to take a longer term perspective and adapt its approach to installation energy management from one that is primarily focused on compliance to one focused on long-term cost avoidance and mission assurance.

The management of energy on our installations is important for two key reasons. One, facilities energy represents a significant cost. In 2009, DoD spent \$3.8 billion to power its facilities—down from \$3.96 billion in 2008. That represents about 28 percent of the Department's total energy costs (that fraction is higher in peacetime, when we are not consuming large amounts of operational energy).

Two, installation energy management is key to mission assurance. According to the Defense Science Board, DoD's reliance on a fragile commercial grid to deliver electricity to its installations places the continuity of critical missions at serious and growing risk.¹ Most installations lack the ability to manage their demand for and supply of electrical power and are thus vulnerable to intermittent and/or prolonged power disruption due to natural disasters, cyberattacks and sheer overload of the grid.

The changing role of the military's fixed installations accentuates this concern. Although in the past these installations functioned largely to train and deploy our combat forces, increasingly they have a more direct link to combat operations, by providing "reachback" support for those operations. For example, The Department operates Predator drones in Afghanistan from a facility in Nevada and analyzes battlefield intelligence at data centers in the United States. DoD installations are also becoming more important as a staging platform for homeland defense missions. This means that power failure at a military base here at home could threaten our operations abroad or harm our homeland defense capability.

The Department has made wide use of third-party financed energy conservation projects accomplished through vehicles such as Energy Savings Performance Contracts (ESPCs) and Utility Energy Services Contracts (UESCs) which allows DoD to use industry funding to pay for equipment to reduce life cycle costs of facilities and pay it back from the accrued savings. ESPCs and UESCs typically generate 15–

¹"More Fight-Less Fuel," Report of the Defense Science Board Task Force on DoD Energy Strategy, February 2008.

20% of all facility energy annual savings that DoD realizes. Use of ESPC and UESC for 2009 reached an award value over \$306 million. DoD annual energy savings from these contracts are expected to reach nearly 1.2 billion BTUs, which, although significant, represent slightly more than one half of one percent (0.5%) of the DoD's annual consumption. From 2003–2009, third-party financed energy contract awards totaled \$1.74B. It is my belief that the Department can build on this progress by increasing the use of third-party financed contracts, enabling more cost effective long-term facilities operation and maintenance with no upfront costs. Third-party financed contracts are a valuable tool in the “energy tool box” towards reduced energy demand. [See page 69.]

RESPONSE TO QUESTION SUBMITTED BY MR. HEINRICH

Secretary GATES. To meet immediate inventory shortfalls, the Air Force is replacing operational losses of HH-60G aircraft in its Combat Search and Rescue (CSAR) fleet with the current production version, the next-generation UH-60M aircraft. With some modifications, this aircraft is suitable for the mission. Also, near-term plans are being developed to recapitalize the balance of the aging CSAR HH-60G fleet with new airframes.

The Joint Staff continues to assess the current DoD personnel recovery capability, including CSAR operations. Initial results indicate that improved integration of DoD personnel recovery assets can reduce operational risk through better management of material and personnel capabilities. The Joint Staff assessment is expected to result in a joint concept of operations that exploits joint personnel recovery and CSAR capabilities. [See page 61.]

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

FEBRUARY 3, 2010

QUESTIONS SUBMITTED BY MR. TAYLOR

Mr. TAYLOR. How many troops have faced either judicial or non-judicial punishment in Afghanistan for violating the rules of engagement?

Secretary GATES. There have been no actions taken against anyone for tactical directive violations or ROE violations.

QUESTIONS SUBMITTED BY MR. SMITH

Mr. SMITH. In your statement prepared for the committee you indicated that the F136 engine would still require a further investment of \$2.5 billion over the next five years. Please provide the description, scope of work, by appropriation, by fiscal year, with government and contractor costs delineated, included in this estimate. What percent of the F-35 Life Cycle Cost (LCC) does \$2.5 billion represent of the LCC? Please provide the projected cost estimate at the time of the signing of the System Design and Development (SDD) contract of the cost of Low Rate Initial Production (LRIP) 1-4 F135 engines, by lot, for the F-35A aircraft and the actual costs paid for those engines. Please provide the estimate of the SDD contract cost and schedule (by fiscal year) for the F135 and F136 engines at the time the contract was signed for each engine's SDD contract. Please provide the current estimate of the contract cost for the F135 and F136 SDD contracts, specified for government and contractor costs (FY09 and prior, FY10, FY11 FYDP). Please define IOC for F-35A, B, and C. Has that definition changed since F-35 SDD began? Has the aircraft hardware and or software delivered configuration changed for the aircraft being delivered to achieve IOC? How many hardware and software configurations of aircraft of each model, will make up the IOC aircraft? Please provide the IOC schedule of the F-35A, B, and C at the time of SDD contract signing and the current projection for IOC of each aircraft now.

Secretary GATES. The \$2.5B through FY15 includes the cost to:

- Complete the development program (i.e., SDD) for the alternate engine.
- Fund an engine "component improvement program" (or CIP) to maintain engine currency.
- Perform directed buys of engines from the primary and second sources to prepare for a competition.
- Procure tooling, support equipment, and spares.

\$2.5B represents less than 1% of the Joint Strike Fighter (JSF) life cycle procurement costs and about 3.5% of program costs through the FYDP.

Please note that the total cost is estimated at \$2.9B which includes the \$2.5B referenced above plus the additional funding required outside the FYDP to prepare the second manufacturer for competition in 2017.

An estimate of costs is below:

**Estimated Resources Required to Fund Joint Strike Fighter
Alternate Engine
(Supports Response to HASC QFR#8/Hearing on February 3, 2010)**

TY\$B Funding Required for Alt Engine	FY11	FY11-15	FY11-16
System Design and Development	+\$0.4	+\$1.1	+\$1.2
Engine Component Improvement Program		+\$0.3	+\$0.3
Subtotal Development	+\$0.4	+\$1.4	+\$1.5
Procurement (Installs)	--	+\$0.5	+\$0.6
Tooling/spares/sustainment	--	+\$0.6	+\$0.8
Subtotal Procurement Sustainment	--	+\$1.1	+\$1.4
Total Alt Engine Funding	+\$0.4	-\$2.5	+\$2.9

Assumptions:

Reflect additional resource requirements needed to fund an alternate engine program above President's 2011 Budget request and FY 2011–15 Future Year's Defense Program, consistent with restructured JSF program
 Competitive procurement of engines begins in FY 2017
 Annual competition with award of 60% of buy to winner
 Directed buys begin in FY13 to prepare second source for competition
 International partner participation consistent with JSF program in FY 2011 President's Budget

Mr. SMITH. You make the point in your testimony before the committee that the F135 baseline F-35 engine has 13,000 test hours. How many hours of the 13,000 hours are flight test hours? How many hours are currently planned for the entire flight test program? In February 2009, what was the estimated date of completion of flight testing in the F-35 development program? What is the estimated completion date now? Please provide the same information for operational test and evaluation completion. How many ground test hours have been logged of the total ground test hours on engines representative of the configuration of the current production F135 engines? For the F136 engine? How many different configurations are represented in the F135 test and production engines (F135, F136, lift fan and associated turbo-machinery) produced to date and included in Low Rate Initial Productions (LRIPs) 1–4? Were and will all production engines currently under contract be of the same configuration when/as they came/come off the production line? If not, how many configurations exist?

Secretary GATES. The F135 has 13,223 ground test hours and 199.8 flight test hours. Roughly 723 hours have been on engines in an Initial Service Release (ISR) representative configuration. The F136 has approximately 638 hours total System Development and Demonstration (SDD) ground test run time on all standards of engines in SDD. The F136 has approximately 135 hours total ground run time on three SDD product standard engines. A revised flight test schedule, including total planned flight test hours, is currently in work within the Department.

The F135 SDD test program had three configurations: Initial Flight Release, Final Flight Release and Initial Service Release (ISR). The F135 Production engines are configured to the ISR standard. The F135 achieved Conventional Take-off and Landing (CTOL) ISR in February 2010 and short Take-off and Vertical Landing (STOVL) ISR is planned for later this year. LRIP 1, 2 and 3 engines are currently under contract. Due to program concurrency, these engines will not have a uniform configuration—only LRIP 3 engines and beyond will be produced in the ISR configuration. There are no F136 Production Engines under contract nor was funding requested in the FY 2011 Presidential Budget.

In February 2009, completion of Development test was planned in 2nd quarter 2013, with Operational Test planned to complete in 4th quarter 2014. In accordance with the February 2010 F-35 Program restructure, Development Test is extended to March 2015, and Operational Test completion and Milestone C are planned in April 2016.

Mr. SMITH. You spoke in Fort Worth at the F-35 production facility in August 2009 and were quoted as saying: “My impression is that most of the high-risk elements associated with this developmental program are largely behind us, and I felt a good deal of confidence on the part of the leadership here that the manufacturing process, that the supply chain, that the issues associated with all of these have been

addressed or are being addressed.” In February 2010 you presented a budget that restructures the JSF program, adding nearly \$17 billion in cost and delaying the production of 122 F-35 aircraft from that projected last year. The JSF program is scheduled to be the Department’s major fighter program for at least the next 30 years with a projected life cycle cost of over \$1 trillion and representing 95 percent of the manned fighter force. The cost of the remaining development required for the F136 alternate engine is estimated to be \$1 billion—one-tenth of the projected life cycle cost of the program. Please provide your views on why the remaining investment is not justified to maintain a competitive program and hedge risks to readiness.

Secretary GATES. The basis for the Department’s decision to not fund an alternate engine is provided in Secretary Lynn’s February 23, 2010 letter to each of the defense committees. A PDF of the letter is inserted below.

[The information referred to is “For Official Use Only” and retained in the committee files.]

Mr. SMITH. In your prepared statement you indicated the additional costs [of the F136] are not offset by potential savings generated through competition and even optimistic analytical models produce essentially a break-even scenario. Please provide what the DOD analysis being used by the Department indicates with regard to the financial cost-benefit analysis of both a F135 program and a F135 and F136 program. Also, please provide the assumptions used in this analysis and how they differ from the DOD engine study provided to the congressional defense committees in 2007.

Secretary GATES. The basis for the Department’s decision to not fund an alternate engine is provided in Secretary Lynn’s February 23, 2010 letter to each of the defense committees. A PDF of the letter is inserted below. Please note these letters contain proprietary and competition sensitive information.

[The information referred to is “For Official Use Only” and retained in the committee files.]

With respect to the estimating assumptions, the following is an excerpt from a memo from Ms. Christine Fox (Director, Cost Assessment and Program Evaluation) which was included as an attachment in the aforementioned letter from Mr. Lynn to the committees.

“... the CAPE updated two key factors in the 2007 analysis: 1) the additional appropriations through FY 2010 that had been directed by Congress for development of the F136 alternative engine, which now represent ‘sunk costs’; and, 2) the cost estimates for the primary and second engine System Design and Development (SDD) programs based on more recent actual cost information from both engine programs. The CAPE 2010 Quick Update made no other changes to the extensive list of assumptions used in the 2007 report to Congress, including the assumption that competition would begin in 2014. In particular, it is important to note that the 2010 Quick Update does not fully reflect the recently restructured JSF program resourced in the FY 2011 President’s Budget and the FY 2011–15 FYDP.”

Mr. SMITH. What non-financial benefits are seen to potentially accrue to the Department for having an alternate engine program? Given that the F-35 is projected to compose 95 percent of the manned-fighter force by 2035 and is, under DOD plans, intended to be solely dependent on the F135, how do you rationalize that dependence and risk to readiness if the cost of providing those benefits, under the Department’s own study, is potentially zero, given “optimistic analytical models produce essentially a break-even scenario?”

Secretary GATES. Section 2.5 of the Department’s 2007 Report to Congress on the alternate engine (*Joint Strike Fighter Alternate Engine Acquisition and Independent Cost Analyses*) summarized the non-financial benefits that could potentially accrue to the Department from an alternate engine program. Contractor responsiveness is the most frequently cited potential value of competition.

The basis for the Department’s decision to not fund an alternate engine is provided in Secretary Lynn’s February 23, 2010 letter to each of the defense committees. A PDF of the letter is inserted below.

[The information referred to is “For Official Use Only” and retained in the committee files.]

Mr. SMITH. You make the following point in your statement: “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.” What attributes exist for required capabilities suitable for a competitive acquisition strategy. How do the F135–F136 programs, given the investment in each to date, not meet those attributes?

Secretary GATES. The attributes for required capabilities suitable for a competitive acquisition strategy are inherent in both the F135 and F136 engine programs.

However, the F136 program requires an additional investment of \$2.9 billion to complete development and reach a competitive posture. I believe it is more cost effective to focus on managing a single engine program for the F-35 aircraft. I am focused on controlling F135 costs and ensuring the F135 continues to meet the performance and operational capabilities required to support the F-35 program.

Mr. SMITH. You make the following point in your statement: "The alternate engine program is three to four years behind in development compared to the current program." What was the original acquisition strategy schedule for the F135 and F136 programs? Was it not the case that was the strategy—to execute a leader-follower development program, with the F136 following the F135 by 3–4 years?

Secretary GATES. The original acquisition strategy for the Joint Strike Fighter (JSF) propulsion program did include a leader-follower schedule, with the F136 development following the F135 development by approximately 4 years.

Mr. SMITH. You make the following point in your statement: "The Joint Strike Fighter (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." Why did the U.S. in 2006 agree with all of the other F-35 international partners, in the nine-nation F-35 MOU, to require the production of both the F135 and F136? If because of a different design the F136 provides greater thrust than the F135, are you saying that that would not affect purchase decisions? How many engine types were represented on a typical deployed aircraft carrier in the 1990–2000 period of time and assuming a F135-only F-35 program, how many engine types will be represented on a typical carrier in the 2020–2030 period?

Secretary GATES. The U.S. and the international partners signed the F-35 Production Sustainment and Follow-on Development (PSFD) Memorandum of Understanding (MOU) in 2006. The intent of the PSFD MOU was to establish a nine-nation arrangement for cooperatively producing, sustaining, and conducting follow-on development of the JSF. The inclusion of the F135 and F136 in the propulsion areas of the MOU is consistent with the F-35 Acquisition Strategy which states, "The Acquisition Strategy recognizes the possibility of two interchangeable propulsion systems, the Pratt and Whitney F135 and the General Electric Rolls Royce Fighter Engine Team F136, depending on availability of funding. Throughout this document, provisions are made for this two engine strategy. However, if development, procurement, or sustainment funding is not provided for the F136 program, the F-35 will proceed with the strategy described, using a single F135 propulsion system."

The F135 is meeting the current technical and performance design specifications required by the F-35 program. I do not believe that an alternate engine is required to meet the performance specifications.

The "typical" aircraft carrier during the 1990's deployed with a mix of F/A-18A/C, F-14, S-3, EA-6B and E-2 aircraft. Each aircraft type was supported by mostly 1, but in some cases 2, engine models. In the 2020–2030 timeframe, an aircraft carrier will deploy with F/A-18E/F, EA-18G, F-35, and E-2 aircraft. Each aircraft type would be supported by a single engine type, assuming an F135-only F-35 program. The reduction from multiple platforms on a carrier airwing, or ground-based airwing to a smaller number of more effective platforms is an important element in the Department's long term goals. Fewer types of more effective aircraft will help reduce operations and support costs, in addition to providing increased operational capability.

Mr. SMITH. Please provide copies of any industrial base studies/capability assessments associated with the F135 and/or F136 engines completed by the military services or defense agencies/organizations within the last five years.

Secretary GATES. The OSD Cost Analysis Improvement Group (CAIG) and the Institute for Defense Analyses (IDA) completed Congressionally-directed studies in 2007. By direction, both studies assessed industrial base implications as well as capability comparisons of a single engine and competitive engine program. Both studies were provided to the Committee in 2007. OSD's 2007 study drew upon the work of the Defense Contract Management Agency (DCMA) to examine industrial base implications. Since the 2007 report, DCMA continues to review industrial base aspects of fighter engine programs. In response to a tasking from the United States Air Force, DCMA authored a May 2008 presentation titled, "Fighter Engine Capability Assessment Update." A copy of this presentation is included.

[The information referred to is retained in the committee files and can be viewed upon request.]

Mr. SMITH. Please provide the FY06 Future Years Defense Program (FYDP), six year budget for the F135 and F136 programs as programmed in the FY06 F-35 budget request, with the total amount for the F136 and the amounts specified for government and contractor costs.

Secretary GATES. The FY 2006 President's Budget submission (February 2005) reflected the following:

	FY05	FY06	FY07
F135 SDD prime contractor	786	709	421
F136 SDD prime contractor	207	227	362

While the entire Research, Development, Test & Evaluation (RDT&E) budget is shown for the 6-year FYDP in the budget exhibits, the FY06 budget exhibits do not show the entire FY06–FY11 FYDP at the level of the F135 and F136, and other RDT&E specific planned accomplishments. That level of detail is only submitted for the budget year (FY05), the submitted year (FY06), and the following year (FY07).

In February 2005, government costs were not separately identified for each of the two engine contracts.

Mr. SMITH. Please provide the planned and programmed funding, by fiscal year, for the F136 System Development and Demonstration (SDD) program when the contract was signed with the F136 contractor, with the total amount for the F136 and the amounts specified for government and contractor costs.

Secretary GATES. The F136 SDD contract was signed in August 2005. The planned and programmed annual funding for the prime contractor as of August 2005 is detailed below. The Joint Strike Fighter (JSF) program did not track government costs separately for the F135 and F136 programs at that time.

Fiscal Year	Planned and Programmed
FY 2005	\$102 million
FY 2006	\$343 million
FY 2007	\$417 million
FY 2008	\$458 million
FY 2009	\$393 million
FY 2010	\$386 million
FY 2011	\$226 million
To Complete	\$161 million
Total	\$2,486 million

Mr. SMITH. Please provide the budgets for the F135 and F136 for FY07–09 as executed and FY10 as projected, with the amounts specified for government and contractor costs.

Secretary GATES. The requested information is provided below; data is as of March 2010 (\$-M-TY)

	FY07	FY08	FY09	FY10
F135 Prime contractor	781	654	507	637
F135 OGCs	31	33	33	40
F136 Prime contractor	338	464	425	400
F136 OGCs	6	9	5	28

Mr. SMITH. You make the following point in your statement, "... 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." 1. Could you please provide the existing procurement programs that resulted from split or shared buys, e.g., the DDG-51? 2. Why does the Air Force continue to support F100 and F110 U.S. purchases of spares and overseas sales of F100 and F110 engines, long after the reason for the "Great Engine War" no longer existed? 3. Does

or has any individual foreign military purchaser of F100 or F110 engines purchased both F100 and F110 engines? 4. Why does the Department purchase similar ammunition capabilities from multiple suppliers? 5. How many and what procurement programs continue to procure similar capabilities from two or more suppliers? Please specify the number of suppliers in each case.

Secretary GATES. I appreciate your interest in the background and current information on split or shared buys within the Department and have addressed each one of your questions independently to ensure a clear and concise response.

1. Could you please provide the existing procurement programs that resulted from split or shared buys, e.g., DDG-51.

The Department does have some examples of major defense acquisition programs that have resulted from split or shared buys. The Army and the Air Force do not have any major defense acquisition programs that procure items from two or more suppliers. The Navy has several such programs: the F-35 Joint Strike Fighter, the DDG-51, Littoral Combat Ship, Virginia Class Submarine, and Mine Resistant Ambush Protected vehicle.

2. Why does the Air Force continue to support F100 and F110 U.S. purchases of spares and overseas sales of F100 and F110 engines, long after the reason for the "Great Engine War" no longer existed?

The Air Force is no longer buying new F100 and F110 spare engines for the active force, but continues to buy small quantities of spare engines for the Air National Guard and spare engine components and modules are routinely purchased to sustain these engines. The Air Force continues to facilitate the purchase of F100 and F110 engines for selected Foreign Military Sales (FMS) countries, but only as a purchasing agent, and the Department will purchase the engines in accordance with the direction provided by the FMS customer. FMS countries are free to select and purchase whichever engine they require. In this case, some countries (e.g. Chile, Greece, Egypt, South Korea and Israel) elected to buy both engines. The Air Force is compensated for any workload associated with these contracting actions. Additionally, FMS countries provide "pro-rata" funding to the Air Force Engine Component Improvement Program to gain access to future Air Force engine upgrades or modifications.

3. Does or has any individual foreign military purchaser of F100 or F110 engines purchased both F100 and F110 engines?

A split fleet, for the purposes of this question, means the same aircraft type flying with a mix of F-100 and F-110 engines. With this as a starting point, of the approximate 27 countries operating the F-100 or the F-110 engines, only 5 have or will soon have a true "split fleet." In one instance, Chile will use both engines due to unusual circumstances from a split buy of F-16's from separate nations. The 5 countries that will have a split fleet are listed below:

Chile—Operates both engines—because the F-16's they purchased new had F-110 engines, but they later bought used F-16's from the Netherlands which are equipped with F-100 engines.

Israel—Operates both engines on F-16's

Egypt—Operates both engines on F-16's

Greece—Operates both engines on F-16's

South Korea—Will operate both engines on F-15K's when it takes delivery of the latest jets they have on order.

Finally, Saudi Arabia operates F-100 on their F-15C/D models, but switched their F-15S aircraft to the F-110. These aircraft are dissimilar and were purchased separately, and therefore I do not consider this example to be one of a split fleet.

4. Why does the Department purchase similar ammunition capabilities from multiple suppliers?

As identified in the DoD Directive 5160.65, Single Manager for Conventional Ammunition (SMCA), It is DoD policy that, "... DoD Components shall: (1) Use acquisition strategies that stabilize the business environment ... (3) Justify expanded production capability for contingency readiness."

The Department purchases similar ammunition capabilities from multiple suppliers since having multiple sources reduces risk by protecting the industrial base against single points of failure. Additionally, multiple sources enhance surge capability in times of conflict, when there is a much higher and immediate demand for ammunition.

5. How many and what procurement programs continue to procure similar capabilities from two or more suppliers?

The Department does have some examples of Major Defense Acquisition Programs (MDAP) that have resulted from split or shared buys. The Army and the Air Force do not have any MDAPs that procure items from two or more suppliers. The Navy

has several examples, the F-35 Joint Strike Fighter, the DDG-51, Littoral Combat Ship, Virginia Class Submarine, and Mine Resistant Ambush Protected vehicle program.

QUESTIONS SUBMITTED BY MS. SANCHEZ

Ms. SANCHEZ. Congress has long recognized that a strategy is needed to maintain our country's body armor manufacturing capabilities so that we are prepared and well-equipped if situations call for a surge. In the FY10 NDAA, Congress specified that individual procurement and research and development line items be established for body armor in order to provide increased visibility and oversight within DoD and Congress. However, it seems DoD has failed to uphold this statutory requirement for FY11. I consider body armor a soldier's primary defense, why has the Department not established individual procurement and research and development line items for body armor. Secretary Gates, can you provide this committee with the Department's rationale on this issue?

Secretary GATES. The Department believes that funding body armor in separate procurement and research and development line items would limit its flexibility to respond to the warfighters' need for protection clothing based on the number of forces deployed and the security conditions on the ground. Funding body armor and other protection gear in the Operation and Maintenance (O&M) accounts provides the Department with the flexibility to react to dynamic field situations and changing body armor requirements and technologies on a real time basis. Today the Department can quickly provide the warfighters with the state-of-the-art small arms protective inserts (SAPI) to upgrade their force protection gear. The SAPI plates and other force protection gear are considered expense items and are part of the soldier's clothing bag, which is bought with O&M funding. Budgeting for procurement of body armor (i.e., SAPI plates) as separate line items may slow the process of providing the warfighter with the state-of-the-art body armor gear on a real-time basis because procurement budget requests are put together a year or more in advance of submitting them to Congress and the actual field requirements in theater may change significantly from the planned assumptions.

Ms. SANCHEZ. QDR that was just released states, "... DoD's information networks have become targets for adversaries who seek to blunt U.S. military operations". Unfortunately, these threats have been ignored for a very long time, and as recent reports have shown, our country is NOT prepared for any type of cyber attack. Can you provide this committee with a better sense of how the cyber threats to DoD and government systems have evolved over the past ten years? What new threats do you expect to see in the next ten years?

Secretary GATES. In general, cyber threats have evolved with the technology. As new operating systems, software, devices, or types of networks have been added to the global infrastructure, new threats to those systems have often emerged within months. The more prevalent a system, the greater the likelihood of there being many techniques to compromise it. In the last five years, the cyber criminal sector in particular has displayed remarkable technical innovation with an agility presently exceeding that of network defenders. Criminals are developing new, difficult-to-counter tools. For example, cyber criminals are targeting mobile devices such as "smart phones," whose increasing power and global adoption as an authentication mechanism for use in financial transactions makes them lucrative targets.

In the next ten years, the threats will become more complex as technologies that were once separate, begin to merge and become seamless. Network convergence—the merging of distinct voice and data technologies to a point where all communications (e.g. voice, facsimile, video, computers, control of critical infrastructure, and the Internet) are transported over a single network—will probably come close to completion in the next five years. This convergence amplifies the opportunity for disruptive cyber attacks and unforeseen cascading effects on other parts of the U.S. critical infrastructure. Along with network convergence, the consolidation of data captured in emails via Internet search engines, Web 2.0 social networking sites, and via geographic location of mobile service subscribers increases the potential for identification and targeting of individuals.

In summary, we face individuals, state and non-state sponsored cyber actors, terrorist networks, organized criminal groups, rogue states, and advanced nation states, each of which has its own combination of access, technical sophistication and intent. As a result, the United States faces a dangerous combination of known and unknown vulnerabilities, strong and rapidly expanding adversary capabilities, and a lack of comprehensive threat awareness. This situation is exacerbated by the fact

that U.S. networks and infrastructure continue to form the core of cyberspace, making the scale of our defensive problem greater than that of any other nation.

QUESTIONS SUBMITTED BY MR. WILSON

Mr. WILSON. I am pleased to see that this budget supports care for our wounded, ill, and injured military members. One of your key initiatives is to ensure a high standard at facilities caring for wounded warriors, including first-rate hospitals and the Army's Warrior Transition Units. However, I am concerned that the current plans for wounded warrior support at the new Walter Reed National Military Medical Center when it opens at Bethesda in September 2011 is not at the same level of support currently furnished by the Army at Walter Reed Army Medical Center. Wounded Warriors who move to the new medical center will experience a significant degradation of services and support. This is unacceptable. What assurances can you give me that all of the wounded warrior support now provided at Walter Reed, including barracks space on the Bethesda campus, will be available when the new medical center opens in September 2011?

Secretary GATES. Next to the war itself, casualty care remains the Department's top priority. The Military Health System (MHS) as well as the Military Treatment Facilities (MTFs) in the National Capital Region (NCR), where the majority of Wounded Warriors transit even if they do not receive care, will continue to provide the best healthcare and recovery services for warfighters and their families. The new Walter Reed National Military Medical Center (WRNMMC), Bethesda, and Fort Belvoir Community Hospital (FBCH) will anchor this effort in the NCR.

Warrior Lodging—The Department's capacity planning for Bethesda includes 350 Wounded Warriors with a minimum of 150 Non-Medical Attendants (NMAs) and other family members. In addition, lodging capacity at WRNMMC, Bethesda will greatly exceed that of WRAMC. Construction is underway for a 280,000 square foot dedicated warrior lodging and services complex to support extended outpatient medical treatment. It will finish in June 2011 and supply 153 double occupancy suites. The design supports warriors and NMAs in a two bedroom suite concept that is fully compliant with the Americans with Disabilities Act (ADA). Further, the Department has included \$62.9M in the President's FY 2011 budget request for another 100 double occupancy suites.

Warrior Support Services—Between the two wings of suites, a four-story central support facility will include a dining facility, resident support center, and administrative functions specifically dedicated to the command and control of the wounded warrior population. Each Service will have space set aside to provide service to their specific population, tailored to meet their mission requirements.

A physical fitness center is also under construction and will be sized to properly accommodate the space and access requirements of the WRNMMC, Bethesda Warrior in Transition (WIT) population and allow them to exercise alongside other Warriors and caregivers. This will support integration and re-integration of WITs into their community, and the reestablishment of the warrior/athlete ethos.

Medical Care for Warriors—The most visible core missions of WRNMMC, Bethesda will continue to be amputee/rehabilitative and Traumatic Brain Injury (TBI) care. The quality of medical care for the wounded warriors at Walter Reed Army Medical Center (WRAMC) and National Naval Medical Center (NNMC), as it exists today, will be maintained and even enhanced at the WRNMMC, Bethesda.

By September 15, 2011, Bethesda will provide healthcare and recovery services for WITs and their families that exceed those that currently exist in the region. As per section 2714(b) of the National Defense Authorization Act (NDAA) for Fiscal Year 2010, the Department is developing a Comprehensive Master Plan to provide for additional world-class capabilities at Bethesda.

Mr. WILSON. Over the past 11 years, Congress has done much to close the gap between military and civilian pay. Closing this gap is critical to maintaining recruiting and retention programs that are essential to the health of the all volunteer force, especially while the nation is currently at war and operations tempo remains high. Given that the parity with the private sector is only 2.4 percent away from current levels, why do you believe it is wise to stop the process of reaching general parity with private sector pay raises at this point?

Secretary GATES. First, I would like to thank the Congress for the attention it has paid to helping to increase the competitiveness of military compensation with the private sector. The pay increases of ½ percent above the ECI over the past decade have helped not only close the actual pay gap but also the pay gap as perceived by military members. Recent survey data indicates approximately ¾ of members be-

lieve their compensation is as good as or better than their former high school classmates.¹

Today, the Department believes the pay gap has been closed and the full compensation package provided to military members compares favorably with counterparts in the private sector. The numbers of young men and women joining the military continue to exceed our goals. Our overall retention numbers are very good. We are on target or ahead of plan in meeting our retention goals. Although part of this certainly is attributable to current conditions in the economy, members' continued willingness to serve and satisfaction with their compensation remain high.

There are a number of ways to measure comparability between military and private-sector compensation. From the perspective of the Department, the ability of our compensation system to attract and retain a sufficient force with the proper mix of skills and specialties is the essential measure. Currently, except for some specific skill areas, the compensation system is providing the force structure the Department needs. In areas where skills are in high demand in the private sector, such as nuclear, healthcare, and special operations fields, we rely on special and incentive pays and bonuses to compete effectively. Instead of across-the-board pay raises in excess of the ECI, increases for special and incentive pays and bonuses would provide more flexibility to the Department to meet specialized recruiting and retention needs.

The often cited 2.4 percent pay gap compares changes in basic pay since 1982 to changes in the ECI. The use of basic pay in this comparison is of limited value, because the significance of the housing and subsistence allowances has grown. When viewing military compensation over this same period and including these allowances, the gap of 2.4 percent actually turns into a surplus of over 9 percent.

Mr. WILSON. Do the equipping and manning strategies for the National Guard's new operational role also take into consideration the strategic reserve role the National Guard has historically played? For example, do National Guard units that are not immediately scheduled for deployment have sufficient equipment to perform domestic missions and serve as a strategic reserve, should new global demands unrelated to the current operations in Iraq and Afghanistan emerge? Are there reserve units dedicated to a strategic reserve role and, if so, how are they equipped?

Admiral MULLEN. Since September 11, 2001, the Army has relied heavily upon the Army National Guard (ARNG) and the U.S. Army Reserve (USAR) for sustained operations and enduring requirements under partial mobilization authority. The Army has increasingly considered itself an operational force that maintains strategic depth. The global demands on the services require National Guard forces to be equally equipped and manned to handle strategic and operational roles while performing federal and state missions.

The statutory and regulatory structure governing employment of the reserve component has changed little since the Cold-War era when the Reserve Component was envisioned as a strategic reserve capable of rounding out operational Active Component (AC) units when required. The ARNG currently maintains a standing rotational commitment of one division and five Brigade Combat Teams plus support structure to meet an annual mobilization requirement of between 55,000 and 60,000 Soldiers. The utilization of the ARNG as an operational force to augment the operational capability of the AC creates a set of enduring requirements and demand for resources.

Under the current operational tempo, the ARNG must cross-level personnel and equipment into mobilizing units at the expense of units scheduled for subsequent rotations. Because personnel and equipment shortages exist service-wide, the ARNG must provide internal bill-payers to meet readiness goals. The initiative to operationalize the Reserve Component means that the ARNG must build and maintain a high degree of unit readiness prior to mobilization in order to support enduring operational requirements. The requirement of a generating force made up of Table of Distribution and Allowances units is necessary for the long-term health and balance of the force even though these particular units do not mobilize as part of the operational force. ARNG units must also balance accessibility to the AC with the dual mission requirements of their home states, placing further demand on scarce and valuable resources.

Within the construct of Army Force Generation (ARFORGEN), Active and Reserve Component units in the early phases of ARFORGEN constitute the nation's strategic depth, available for contingencies other than the current warfight. Throughout the ARFORGEN cycle, National Guard units must be prepared to perform domestic missions. The 2009 Army Equipping Strategy accounts for these requirements.

¹April 2008 Status of Forces Survey of Active Duty Members, by DMDC.

The Army Equipping Strategy specifically acknowledges the need for Critical Dual Use equipment, meaning equipment utilized during both wartime and Homeland Defense/Defense Support to Civil Authorities (homeland) missions, be filled at 80% or better. The overall Critical Dual Use on-hand rate (as of SEP 09) stands at 83%; however, due to the warfight, the available rate is 65%. This Critical Dual Use available rate includes risk that ARNG units will not be able to complete homeland missions. It should be noted, however, that ARNG units have not failed to complete assigned homeland missions in the past as a result of equipment shortages. This risk is mitigated through the use of the Emergency Management Assistance Compact program between States.

The ARNG has no units in a specified "strategic reserve role"; however, ARNG units in the early phases of the ARFORGEN cycle, and not immediately identified for deployment, are part of the strategic depth of the generating force and are available for contingencies. This level of fill includes risk as the Army Unit Status Reporting system identifies that a unit at this level does not possess the required resources to undertake the full wartime or the primary mission for which it has been organized and designed, but the unit may be directed to undertake portions of its mission with the resources on hand. Mission success is possible, but flexibility is severely restricted. This risk is mitigated as units are provided equipment for training purposes and follow on deployment, when identified for a contingency mission.

Certain units of the ARNG, such as Counter Drug units and Civil Support Teams, are constrained by law to specific missions and are unavailable for operational missions outside of their statutory mandates. A base budget informed by enduring requirements enables the ARNG to achieve the proper balance of operational strength and generating force capability while providing trained, ready, and equipped units accessible to the AC for current operations in addition to emergent contingencies. Resourcing the ARNG as an operational force creates strategic depth and provides sufficient and necessary capability to AC commanders in the field.

QUESTIONS SUBMITTED BY MR. BISHOP

Mr. BISHOP. Several defense and space program terminations by this Administration in FY10 and recommended for FY11 are already having profound negative impacts upon the defense industrial base with regard to our nation's ability to design, build, and maintain solid rocket motors. These decisions have already resulted in literally thousands of highly-specialized and skilled rocket scientists, engineers, and technicians losing their jobs over the past several months, along with the resultant loss of decades' worth of expertise to the nation.

I anticipate future impacts on the remaining programs, including increased costs for raw products and materials. For example, previous Defense Department decisions include the end of the Minuteman III Propulsion Replacement Program (PRP), with no solid commitment to a warm-line effort; the Missile Defense Agency's decision to terminate the Kinetic Energy Interceptor (KEI) and to halt production of the Ground Midcourse Defense (BMD) interceptor, also without any significant industrial base sustainment. Other negative departmental decisions include perpetual delays in beginning development for any DoD follow-on program for strategic missiles or other large scale boosters.

Finally, the recent FY11 NASA recommendation to terminate the Constellation program along with the Ares 1 and Ares 5 rockets, collectively mean that there effectively remains no large solid rocket motor production program, and significantly fewer solid rocket motor production programs in general, within the federal government to sustain the private defense and space industrial base in this critical area.

The Department of Defense's "Solid Rocket Motor (SRM) Capabilities Report to Congress, Dated June 2009, at page 47 in the Executive Summary, makes the following statement: "Delays in the NASA Ares program could have a significant negative impact on the large SRM prime contractor industrial base and on some of the SRM subtier base, specifically material suppliers. [emphasis added]. If the cited DoD report was correct in stating that a mere delay in the NASA Ares program could have a "significant negative impact" on the large SRM prime contractor industrial base, what is the Department of Defense's position on the impacts that outright cancellation of the NASA Ares rockets under the Constellation program would have on the shared U.S. defense and space industrial base as recommended in the President's FY11 budget proposal to Congress?"

Secretary GATES. I believe that the outright cancellation of the NASA Constellation program will impact all DoD programs that use SRMs to include strategic and tactical missiles, missile defense systems, and solid booster programs for our space launch platforms. These impacts could include cost increases, as component sup-

pliers may have higher costs structures associated with lower production rates. The Department believes that regardless of the NASA decision, the large SRM industrial base must “right-size” its significant facility overcapacity to remain viable, innovative and competitive for future needs. It is possible that a reduction in excess capacity may, in fact, ultimately create savings for the Department over the longer-term.

Mr. BISHOP. Several defense and space program terminations by this Administration in FY10 and recommended for FY11 are already having profound negative impacts upon the defense industrial base with regard to our nation’s ability to design, build, and maintain solid rocket motors. These decisions have already resulted in literally thousands of highly-specialized and skilled rocket scientists, engineers, and technicians losing their jobs over the past several months, along with the resultant loss of decades’ worth of expertise to the nation.

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Secretary GATES. I expect the private SRM industrial base for large SRMs to “right-size” an already significantly underutilized and overcapitalized infrastructure. This is an important opportunity for industry to better align its industrial capabilities with the current and future large SRM market demand. I do not expect that the large SRM industry will ever see the requirements for large SRMs that we encountered during the industry buildup from the 1960s through the 1980s, or even the 1990s, but I am also well aware that the Department must ensure it has the design skills and production capabilities necessary to support both strategic and tactical programs well into the future. Prime SRM suppliers and their sub-tier suppliers will have to downsize and/or consolidate their capacity, which is already at all time low levels of utilization, to adjust to the new market demand levels. I am committed to working closely with our industrial partners as we right size this base to meet our future requirements.

Mr. BISHOP. Several defense and space program terminations by this Administration in FY10 and recommended for FY11 are already having profound negative impacts upon the defense industrial base with regard to our nation’s ability to design, build, and maintain solid rocket motors. These decisions have already resulted in literally thousands of highly-specialized and skilled rocket scientists, engineers, and technicians losing their jobs over the past several months, along with the resultant loss of decades’ worth of expertise to the nation.

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Secretary GATES. In accordance Section 1078 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84), the Department is preparing a "sustainment plan" for its SRM industrial base. The Under Secretary of Defense for Acquisition, Technology and Logistics established an interagency task force that has been working on this important issue since November of last year. The Interagency Task Force is currently assessing the impacts that the decision to cancel the NASA Constellation program will have on DoD's ability to develop new programs that utilize large SRMs. It is clear that the industrial base must "right-size" itself to be more aligned with the reality of future requirements in order for the base to continue to be viable, innovative, and competitive.

Mr. BISHOP. Several defense and space program terminations by this Administration in FY10 and recommended for FY11 are already having profound negative impacts upon the defense industrial base with regard to our nation's ability to design, build, and maintain solid rocket motors. These decisions have already resulted in literally thousands of highly-specialized and skilled rocket scientists, engineers, and technicians losing their jobs over the past several months, along with the resultant loss of decades' worth of expertise to the nation. I anticipate future impacts on the remaining programs, including increased costs for raw products and materials. For example, previous Defense Department decisions include the end of the Minuteman III Propulsion Replacement Program (PRP), with no solid commitment to a warm-line effort; the Missile Defense Agency's decision to terminate the Kinetic Energy Interceptor (KEI) and to halt production of the Ground Midcourse Defense (BMD) Interceptor, also without any significant industrial base sustainment. Other negative departmental decisions include perpetual delays in beginning development for any DoD follow-on program for strategic missiles or other large scale boosters. Finally, the recent FY11 NASA recommendation to terminate the Constellation program along with the Ares 1 and Ares 5 rockets, collectively mean that there effectively remains no large solid rocket motor production program, and significantly fewer solid rocket motor production programs in general, within the federal government to sustain the private defense and space industrial base in this critical area. The Department of Defense's "Solid Rocket Motor (SRM) Capabilities Report to Congress, Dated June 2009, at page 47 in the Executive Summary, makes the following statement: "Delays in the NASA Ares program could have a significant negative impact on the large SRM prime contractor industrial base and on some of the SRM subtier base, specifically material suppliers. [emphasis added]. Did NASA, or the Office of Management and Budget (OMB), specifically consult with the Department of Defense during formulation of the President's FY11 budget proposal regarding the impacts that cancellation of the Constellation program and Ares 1 and Ares 5 rockets would have on the shared defense and space industrial base? If so, please describe the extent to which those consultations took place and which executive-level Administration officials were involved in those consultations.

Secretary GATES. The Office of Science and Technology Policy (OSTP) for the White House did ask the Navy what they believed the impact would be to the SRM industrial base if the Ares programs were terminated. During the spring of 2009, representatives from OSTP met with the Industrial Policy office (part of the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics), met to discuss the result of the SRM Industrial Capabilities Report to Congress, signed on April 2, 2009. As part of a government-wide effort, AT&L/IP also met with OSTP representatives in mid-November to consult on the congressionally directed SRM Sustainment plan, at which time the various human flight options NASA was considering were discussed.

Mr. BISHOP. Several defense and space program terminations by this Administration in FY10 and recommended for FY11 are already having profound negative impacts upon the defense industrial base with regard to our nation's ability to design, build, and maintain solid rocket motors. These decisions have already resulted in literally thousands of highly-specialized and skilled rocket scientists, engineers, and

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Secretary GATES. Yes, I believe that the Department requires the large SRM industrial base to provide the propulsion for its strategic systems, missile defense programs, and space launch. The Department is evaluating current research and development and production programs to determine how the SRM programs must be adjusted to the changing large SRM critical skills and subtier supplier base. The Department is committed to sustaining an adequate SRM industrial base to support both its strategic and tactical needs.

QUESTIONS SUBMITTED BY MS. BORDALLO

Ms. BORDALLO. My question is regarding the military humanitarian mission in Haiti. Can you comment as to whether or not the C-27, Joint Cargo Aircraft, have been used for the Haiti Humanitarian Relief Operations and in what capacity? If the aircraft has not been utilized, can you explain why this tactical asset has not been used to disperse needed supplies to regions outside the epicenter of Port-au-Prince?

Admiral MULLEN. The C-27J is not in use in Haiti because it is still in the Test and Evaluation stage of development. It is currently scheduled for Multi-Service Operational Test and Evaluation in April 2010. Presently three aircraft are in the inventory and the first operational deployment is tentatively scheduled for spring 2011.

QUESTIONS SUBMITTED BY MR. LAMBORN

Mr. LAMBORN. This submission continues the trend of reducing the proportion of the budget dedicated to research and development. This continued erosion limits our ability to maintain technological superiority over our adversaries. In both the QDR and this budget you talk about prevailing in today's conflicts while positioning for the future. What is the department's plan to ensure that we do not mortgage our future technologically by eroding our investment in basic and applied research today?

Secretary GATES. Under my leadership, the Department remains committed to the future by increasing investments in both basic and applied research. The FY 2011 President's Budget Request for basic research (\$1.999 billion) represents an 11.2 percent increase over the amount requested in FY 2010 (\$1.798 billion). When compared to the FY 2008 DoD request for basic research (\$1.428 billion), the FY 2011 request has risen 40 percent over a 3-year period. The FY 2011 President's Budget Request for applied research (\$4.476 billion) represents a 5.4 percent increase over the level requested in FY 2010 (\$4.247 billion). Combined, the FY 2011 request for basic and applied research is \$6.475 billion, an increase of 7.1 percent over the combined FY 2010 request for \$6.045 billion. It is my view that that the Department's continuing increased investment in basic and applied research represents a commitment to preserving the future technological superiority of our Armed Forces.

Mr. LAMBORN. In your budget hearing testimony, you provided an example to illustrate why a reduction in overall aircraft for the Air Force from 2200 strike aircraft to 1500 or 1600 is not as severe as it seems because replacement aircraft are more capable, i.e. it is not a one to one trade. Your specific example talked to the fact that a MQ-9 Reaper Unmanned Ariel Vehicle (UAV) is as capable perhaps as two F-16s in its ability to provide combat effects over Iraq and Afghanistan (Intelligence, Surveillance, and Reconnaissance (ISR) and air-to-ground strike capabilities). This may be true for today's fight, but your answer overlooks, like much of the QDR, the longer term threat and requirements on this force. The MQ-9 Reaper cannot perform nor does it perform the Suppression of Enemy Air Defenses (SEAD) mission. The F-16 does. How does your equation for force structure and the fighter gap change when these mission areas gain importance, as they may, in a future conflict against a peer or near-peer?

Secretary GATES. The Air Force manned fighter/attack inventory will decrease in size from about 2200 aircraft in FY 2009 to about 1860 in FY 2020. During this time the capability of the force will dramatically increase. The number of fifth-generation aircraft will grow from about 140 in FY09 to about 630 in FY20, a 340% increase. This is an order of magnitude greater than the estimated fleets of any potential adversary.

The Air Force has procured 187 F-22s and plans to procure 1763 F-35s to provide the capabilities needed for a future peer or near-peer conflict. The F-35 is scheduled to replace the F-16 in all mission areas, including the Suppression of Enemy Air Defenses (SEAD). With its stealth features and advanced sensing the F-35 is significantly more capable than the F-16. Given the magnitude of these improvements we do not need to replace legacy aircraft strictly on a one for one basis.

Mr. LAMBORN. Does the delay in the F-35 fighter program drive the need for further life extension upgrades on 4th generation fighters? If so where will the funding come from for these Service Life Extension Programs (SLEPs) and when can we expect to hear specifics about the upgrade plan?

Admiral MULLEN. The Joint Strike Fighter (JSF) program restructure is currently not driving service-life extension efforts for legacy fighters. Rather, the Department continually assesses strike-fighter force structure requirements in preparation for future budgets, and service-life extension is one option that can help mitigate future challenges. Other options to maintain the legacy fighter fleet include changes to current Concepts of Operations, aligning Carrier Air Wing readiness with Carrier readiness, and Air Wing composition and force structure.

The Department's Fiscal Year 2011-2015 Future Years Defense Program includes funding for several legacy fighter efforts. Specifically, the Navy budgeted for a service life assessment for the F-18 series aircraft to help inform the Department on the amount of service life that can be extended and the modification costs. In addition, the Air Force has scheduled a fleet-viability review for the F-16C/D that will be completed by the end of Fiscal Year 2011. Finally, funding is allocated for Full-Scale Fatigue Testing for both F-15s and F-16s.

Mr. LAMBORN. According to your testimony, the President's budget request includes funding for two new Combat Aviation Brigades (CABs). The 4th Infantry Division at Ft. Carson is the only Infantry division without a CAB. Given that, will at least one of these new CABs be designated for the 4th ID at Ft. Carson?

Admiral MULLEN. The Army is studying courses of action for the final stationing of both CABs you mention in your question. The final stationing decision for the 13th CAB is tied to the timeline for the CAB's activation (between Fiscal Years 2015 to 2018) and Fort Carson is one of the facilities under consideration.

Mr. LAMBORN. Testimony at both the budget and QDR hearings emphasized the Administration's commitment to sustainment of Homeland Missile Defense initiatives while intensifying the focus on regional missile defense. The QDR and BMDR report clearly states that the ballistic threat is expanding rapidly both qualitatively and quantitatively. Taking both of these facts into account, it is interesting that the MDA is only procuring 8 new SM-3 interceptors in FY11, when the industrial base is sized to support 48 per year. Why is this and are we procuring enough SM-3s to properly resource the new missile defense strategy in the near and long term?

Admiral MULLEN. The Missile Defense Agency procurement plan for SM-3 missiles is structured to balance competing needs of the theater/regional Combatant Commander mission for Aegis Ballistic Missile Defense (BMD) ships and SM-3 missiles, with development and procurement plans for new versions of the SM-3, continuing Aegis BMD's realistic test program, and development and installation of upgrades to the Aegis BMD weapon system.

Fiscal Year 2011 drop in SM-3 production orders represents the shift in resources from producing SM-3 Block IA missiles to production of the more capable SM-3 Block IB missiles. As part of this shift and along with the eight procured missiles,

twelve additional SM-3 Block IB interceptors are being purchased in Fiscal Year 2011 with RDT&E funds to support testing and evaluation.

QUESTIONS SUBMITTED BY MR. LOEBSACK

Mr. LOEBSACK. The Post-Deployment/Mobilization Respite Absence (PDMRA) program was established to provide benefits to service members who have been deployed beyond established rotation cycles. Unfortunately, because of a delay between the announcement of the program and its implementation, roughly 23,000 Army National Guard Soldiers nationwide, and roughly 750 Soldiers in Iowa, have not received the benefits they earned. This is compounded by the fact that roughly 2,000 Soldiers who are owed PDMRA benefits have already been re-deployed and many more are preparing for another deployment. The FY 2010 NDAA authorized DOD to provide PDMRA benefits retroactively. I understand that Deputy Under Secretary of Defense Carr recently signed a memorandum authorizing the Service Secretaries to provide the PDMRA benefits retroactively. These Soldiers have been waiting for two years for the benefits that they are due for their service, so I would very much encourage you to move as expeditiously as possible to get these benefits paid out. Can you provide me with a timeframe for when the Service Secretaries will provide these payments to the Soldiers who are still waiting for them?

Secretary GATES. The Army has a detailed plan for payment to all National Guard soldiers who are eligible for compensation under PDMRA. The Army received the Army National Guard's preliminary list of eligible individuals. The Army will begin payments on March 1, and will continue to diligently process and pay claims until eligible individuals are appropriately compensated.

Statutory authority was required to retroactively compensate former Service members for PDMRA days earned from Jan 19, 2007, through the date each respective Service implemented their respective PDMRA program. Section 604 of the FY10 NDAA, signed on October 28, 2009, provided me the discretionary authority to compensate current and former Service members for PDMRA days earned from Jan 19, 2007, through the date each respective Service implemented their PDMRA program. Based on the FY 2010 Defense Appropriations Bill passed on December 19, 2009, DoD implementation policy was coordinated and approved on February 1, 2010.

QUESTIONS SUBMITTED BY MS. GIFFORDS

Ms. GIFFORDS. Thank you, Mr. Chairman and thank you Secretary Gates and Chairman Mullen for your service to our country and for appearing here today. I am confident that this year's budget request represents a strong commitment by the Administration to our national defense. However, this year's budget repeats many of the mistakes of last year's. While this year's budget documents are accompanied by the QDR, neither adequately explains the continued gap in fighter aircraft nor does it address in any way whatsoever the recapitalization of Search and Rescue equipment. These two areas represent a significant oversight in the short- and long-term force level constructs. Last year, the U.S. Joint Forces Command study of Combat Search and Rescue showed that the Air Force does it better than any other service, consistently, across the board. In fact, their evaluation showed that the Air Force is better at nearly all Rescue functions than even the elite Army Special Operations units. Still, the budget reflects no noticeable attention to this necessary mission nor does the QDR dedicate one single word to this question. There are nearly a dozen units in my district alone and hundreds of thousands of service members around the globe that depend on this capability every day. On another issue, for several years, Congressman LoBiondo and I have requested a full and fair assessment of our fighter requirements and aircraft inventory. After long last, we finally have a number from the Department that indicates we will lower the requirement for manned fighter aircraft by 206 planes. Overall, this represents a reduction of 536 aircraft from two years ago. According to supporting documents, shortages of Air Force strike fighters still appear to be likely between 2017 and 2024 and these retirements are NOT offset by procurement of the Joint Strike Fighter. We cannot continue to ignore these issues and simply hope they will resolve themselves. We have learned in the most difficult circumstances possible that such a strategy never works. This Committee and this Congress do not have the luxury of planning our nation's defense on a year-to-year basis. It is the responsibility of this Committee to balance short-term security with long-term stability and provide for the continued robust defense of our nation. In many ways, this budget fails to provide for these systems and the long-term strategy fails to see the quality in quantity. Last year you commented on the comparative analysis between our 5th generation fighter ca-

pability and that of China. According to your testimony last year, China will have only 1,700 aircraft in their inventory and zero 5th Generation fighters by 2020. But according to available intel data obtained in the last year, the PLAAF has 600 attack and bomber aircraft and 1,300 fighters today. We also know that incursions into our cyber infrastructure have compromised some of our JSF blueprints and that China is now developing a 5th Gen fighter. Last week, Russian aeronautics manufacturer Sukhoi flew their first Gen 5 fighter, which we know will likely be for export.

Do you stand by your previous testimony on our comparative numerical advantage over the next 15 years?

With the growing aircraft force among our near-peer competitors, how do we reconcile decreasing the number of fighters available for combat?

Secretary GATES. The 2010 QDR assessed Defense Department capabilities required to provide the President with options across a wide range of future contingencies through the 2016 timeframe, including deterring conflict and defeating aggression by adversary states. The Department has assumed a moderate level of risk in the near-term with respect to the number of fighters, but it has re-invested the savings into the capabilities required as a bridge to a future 5th Generation enabled force. QDR assessments indicate the programmed force of strike aircraft will be sufficient to defeat the efforts of our adversaries, including adversaries with advanced anti-access capabilities. I will re-evaluate the impacts of the recently announced slip in F-35 initial operational capability and the implications to our legacy force.

Ms. GIFFORDS. Under current projections, there continues to be a gap in the Air National Guard, even under the most optimistic projections. By 2017, the Air Guard will be forced to close 13 Fighter Wings unless the Department acts now. Last year at this hearing we were promised a plan for recapitalizing the Air National Guard's fighter fleet but neither the budget nor the Quadrennial Defense Review (QDR) appear to contain one. We simply continue to hear that Joint Strike Fighter (JSF) is the answer. Still, your timeline for JSF and your timeline for aircraft retirements leave a multi-year hole.

How does the Department plan to plug that hole with the required number of manned fighter aircraft and under the current realities of the F-35 program?

Secretary GATES. The Department has provided Congress a long-term plan for fighter forces in the "Aircraft Investment Plan for Fiscal Years 2011-2040", which was submitted with the budget. The DoD has assumed a moderate level of risk in the near-term with the number of fighters, but it has re-invested the savings into the capabilities required as a bridge to the future 5th-Generation enabled force. The QDR assessment indicated the programmed force for strike aircraft will be sufficient to defeat the efforts of our adversaries. We will continue to evaluate the impact of the shift in F-35 production and determine the implications on the legacy force.

Ms. GIFFORDS. As part of your efforts to rebalance the department and increase cost effectiveness of the force, have you examined the relative value of the Reserve Components vice the Active Components?

Secretary GATES. We continue to study the appropriate mix between the Active and Reserve Forces and associated cost benefits to support warfighter requirements. The Department applies a Total Force Integrated process in assessing the benefits that each Component contributes in support of the fighter community.

Ms. GIFFORDS. What criteria does the Department use to apportion capabilities and missions between the components?

Secretary GATES. The Department apportions capabilities and missions based upon President of the United States, Secretary of Defense, and Chairman of the Joint Chief of Staff guidance promulgated in documents such as the Unified Command Plan, National Security Strategy, National Military Strategy, and as refined in the QDR, the Congressionally mandated Quadrennial Roles and Mission review process, the Joint Operating and Integration Concepts, the Joint Strategic Capabilities Plan and the Guidance for Development of the Force. Also, there are OSD-led efforts such as the OSD/Capabilities Assessment Program and Evaluation "Tactical Air Issue team" that contribute to the decisions.

Ms. GIFFORDS. Assuming that Reserve Component forces are cheaper, is the department prepared to modify its historic fielding plans which typically replace Active Duty equipment first, with a concurrent and proportional fielding method?

Secretary GATES. During the past two decades the Air Reserve Component has transitioned to more of an operational force. The Air Reserve Component's ability to potentially provide forces at a reduced operating cost is directly tied to the Active Component's on-going investment in Air Force-wide equipment, modernization, and training pipeline. Historically the ratio between Active and Air Reserve Component aircraft has not exceeded a 60/40 mix. If the Air Reserve Component grows beyond 40% of the total Air Force, sustainability and potential cost benefits diminish. At

the end of Fiscal Year 2011, the percentage of Air Reserve Component combat-coded fighter aircraft is projected to be 42% of the total combat-coded fighter force.

Ms. GIFFORDS. When you cancelled the CSAR program, you testified that the next year would be spent researching potential alternatives and verifying the requirement. At Davis-Monthan Air Force Base in my district, they have long awaited the final selection and delivery of a new aircraft. Among operators, there is no question of the need for this system. The Joint Personnel Recovery Agency verified what we already knew—that the Air Force does this mission better than anyone.

What is the plan for the next year and succeeding years to recapitalize this capability?

Secretary GATES. Concurrent with the cancellation of the CSAR-X program, the Department and the United States Air Force (USAF) began two complementary actions. The urgent need to restore the HH-60G inventory resulted in a funded program in Fiscal Years 2010 through 2012, described further below. Additionally, the USAF's urgent need to recapitalize its aging HH-60G fleet will be refined in the next year.

The USAF will continue to work with OSD and the Joint Staff to finalize requirements and develop an acquisition strategy to sustain Combat Search and Rescue operational capability in support of globally deployed Airmen and the Joint Team for the long term. DoD will leverage current analysis and chart a course to a Material Development Decision (MDD) as soon as possible. The President's Budget Request for FY 2011 includes initial funding estimates in FY 2012 and beyond that will be used to implement that program.

Ms. GIFFORDS. Were you aware that the current fleet of Pave Hawk aircraft began to reach the end of their designed service life 7 years ago?

Secretary GATES. The design service life of the Pave Hawk was known and part of my consideration during the decision process. That urgent need resulted in my direction to the Air Force to pursue immediate replacement of HH-60G operational losses and additional aging HH-60Gs with rotary wing aircraft based on currently fielded CSAR capabilities.

Ms. GIFFORDS. Are additional aircraft forthcoming?

Secretary GATES. Yes. The Department of Defense Appropriations Act, Fiscal Year 2010, Public Law 111-118 includes an Air Force program start to replace HH-60G Operational Losses and funded the four aircraft. The President's Budget Request for Fiscal Year 2011 seeks funding for 6 aircraft in Fiscal Year 2011 (including 3 from OCO funding) and 5 aircraft in Fiscal Year 2012. These aircraft would restore the legacy HH-60G fleet to the quantity of 112 aircraft. The Air Force will procure the current in-production variant, UH-60M, and modify them with the requisite mission equipment. The long-term recapitalization of the legacy HH-60G fleet would begin in Fiscal Year 2012, following final requirements definition and acquisition strategy approval.

Ms. GIFFORDS. I am strongly encouraged by what I have seen from DoD on energy issues, and I am confident that the Senate will move, if not swiftly, to confirm the nominee for Director of Operational Energy. Over the last year, I have been working aggressively with the Committee and the services on developing an overarching master plan for DoD's energy usage. I am also pleased by much of what I see in the QDR on this topic and the great partnerships we have forged between the Congress and the Department on this consensus issue.

Can you comment on where DoD is in meeting their short- and long-term energy reduction and renewable energy requirements?

Secretary GATES. Over the last five years, the Department has steadily reduced energy consumption per square foot at our installations, largely in response to statutory and regulatory goals. While continuing that very positive trend, I believe that it is time for us to take a longer-term perspective and adapt our approach to installation energy management from one that is primarily focused on compliance to one focused on long-term cost avoidance and mission assurance. The Department made substantial headway meeting the energy efficiency (energy intensity) goals from 2006 through 2008 compared to the 2003 baseline. While I set a target of 12 percent below the 2003 baseline for 2009, DoD fell short, meeting only a 10 percent energy intensity reduction from the baseline. Some of the reasons for not meeting the 2009 target are large mission changes in the Army and use of millions of square feet of temporary facilities that are energy inefficient. The Army's increase in energy intensity level was a result of increased military activities of training, mobilization, deployment, and global defense posture realignment, in addition to an increase in troop strength. These factors required the use of a number of energy inefficient temporary facilities and dual-use buildings to accommodate personnel in transition. Energy efficiency is a primary component of DoD's investment strategy. I believe the energy investments made through the 2009 American Reinvestment and Recovery

Act (ARRA) will manifest a drop in energy intensity in FY 2010 and FY 2011 as these ARRA-funded projects become operational.

Renewable energy investments on a large scale have the potential to impact military training and operations as they require large tracts of land or include tall structures that encroach upon military ranges and special use routes on DoD- or Bureau of Land Management-controlled lands. Under my direction, the Department is making every effort to review the impacts of renewable energy infrastructure on a case-by-case basis working to preserve military training areas while being open to public-private partnership that yield green energy and green jobs and a measure of energy security for our installations. In 2009, DoD exceeded the 3 percent requirement for electrical energy from renewable resources by reaching 3.6 percent.

Ms. GIFFORDS. Does this year's budget demonstrate a significant investment in growing the renewable energy portfolio within DoD?

Secretary GATES. DoD invests directly in renewable energy through the Energy Conservation and Investment Program (ECIP). The Fiscal Year 2011 President's Budget included \$120 million for ECIP, of which \$63 million was designated for renewable energy projects.

Ms. GIFFORDS. Is the top-line real dollar amount an increase from last year's allocations?

Secretary GATES. The Fiscal Year 2011 President's Budget increased the amount for ECIP and renewable energy from the 2010 President's Budget. The Fiscal Year 2010 President's Budget included \$90 million for ECIP, of which \$53 million was designated for renewable energy projects. However, the Fiscal Year 2010 appropriations were \$174 million for ECIP, of which \$74 million will go toward renewable energy projects.

Ms. GIFFORDS. Have Energy Savings Performance Contracts (ESPCs) proven fruitful in providing significant energy cost savings with little or no government outlays?

Secretary GATES. The Department made wide use of Energy Savings Performance Contracts (ESPCs) and Utility Energy Services Contracts (UESCs), which allow DoD to use industry funding to pay the up-front costs of energy savings projects. The investment is paid back from accrued savings. ESPCs and UESCs typically generate 15 to 20 percent of all facility energy annual savings that DoD realizes. Use of ESPC and UESC for 2009 reached an award value over \$258 million. DoD annual energy savings from these contracts are expected to reach nearly 1.2 billion BTUs, which, although significant, represent slightly more than one half of one percent (0.5 percent) of the DoD's annual consumption. From 2003–2009, third-party financed energy contract awards totaled \$1.74 billion.

Ms. GIFFORDS. What can Congress be doing to improve or streamline the process for installing large-scale renewable projects and accelerate their construction?

Secretary GATES. DoD is leveraging current authorities to install large-scale renewable projects on military installations where appropriate and compatible with mission. Should Congress propose additional authorities to streamline the process or accelerate construction, my staff will evaluate them on a case-by-case basis.

QUESTIONS SUBMITTED BY MS. TSONGAS

Ms. TSONGAS. The FY 2010 NDAA (Sec. 141 BODY ARMOR PROCUREMENT) clearly articulated that the Secretary of Defense shall ensure that within each military department procurement account, a separate, dedicated procurement line item is designated for body armor starting with the budget for fiscal year 2011. It also articulated the same requirement for a separate, dedicated program element for research and development of individual body armor and associated components. The total body armor program has evolved from a \$40 million program in 1999 to over \$5 billion through 2009. The establishment of an individual procurement and RDT&E (Research, Development, Test and Evaluation) line items would provide increased accountability and transparency in long-term planning, programming, and investment for the acquisition of body armor, and would accelerate the amount of investment by industry to further advancements in survivability and weight reduction. Available technology has not been able to keep the system within the desired weight levels without sacrificing performance. It is critically important that efforts be made to lighten the warfighter's load for current operations, especially in Afghanistan where most operations are dismounted in mountainous terrain. The Vice Chief of Staff of the Army and the Assistant Commandant of the Marine Corps testified to the same last year before this committee. Prior to Congress passing law mandating separate procurement and RDT&E line items for body armor, body armor was funded from Operation and Maintenance accounts. Separate line items were mandated because Operations and Maintenance monies can be moved around as the

year progresses and although an initial dollar amount might be placed against a body armor requirement, that dollar amount can fluctuate if the military services think the money is needed elsewhere. Establishing funds that are devoted to body armor programs via separate, dedicated procurement line items ensures the warfighter is equipped with the most technologically advanced, lightest, most effective individual protection gear. Why did the Department of Defense fail to comply with the statutory requirement to create separate, dedicated procurement and RDT&E line items in the FY 2011 Defense budget submission? What is the requested level of funding specifically for body armor procurement and RDT&E for FY 2011? Will the Department include separate procurement and RDT&E body armor line items in next year's budget request?

Secretary GATES. I fully recognize the importance of personal body armor to our troops deployed in combat operations. Since FY 2004, the Congress at the request of the Department, has appropriated \$3.1 billion for the procurement of small arms protective inserts and enhanced small arms protective inserts (SAPI) for use by U.S. personnel. This investment, along with other force protection initiatives implemented by the Services saved countless lives and limited casualties.

The Department's reluctance to fund the purchase of personal body armor protection clothing in the procurement appropriations has as much to do with the purpose of funding, as it does with its flexibility. Because the procurement programs are separately funded in their own budget lines, they lack the flexibility of the Operation and Maintenance (O&M) appropriations. Since the quantity of body armor that is needed to outfit forces is to a great extent directly related to the number of troops deploying, the actual amount of body armor gear needed is unknown when the procurement budgets are prepared a year or more before the deployment date.

Because O&M funds are more readily available and have far greater flexibility in their use, the Services are better able to reallocate funds within their O&M accounts to ensure that sufficient body armor gear has been purchased. Furthermore, personal body armor is considered to be a consumable product, similar to boots and clothing. The personal body armor used by our forces is actually clothing and jackets that have specially designed pockets that hold the SAPI plates. Because of the nature of the SAPI plates and the associated clothing, they are not durable like hardware, so their replacement cycle may be more frequent depending on combat operations.

Personal body armor research and technologies are currently funded in the Services' Research, Development, Test, and Evaluation (RDT&E) accounts. However, because these developmental efforts, relative to major weapon systems are small, the requirement is funded in existing RDT&E budget lines (example: Soldier System Advanced Development; Infantry Support Weapons; SOF Soldier Protection and Survival System; and Marine Corps Ground Combat/Supporting Arms System).

In FY 2011, the Department requested \$1.3 billion for personal body armor in the O&M accounts and \$12.9 million in RDT&E.

Ms. TSONGAS. I would like to understand if the DoD considers leveraging proven, affordable, scalable programs as an alternative to developmental programs that have a high likelihood of experiencing cost overruns. The Patriot air and missile defense system is currently fielded in 12 nations, including 5 NATO countries. Since production began in 1980, over 170 Patriot fire units and over 9,000 missiles have been delivered. An international industry team of over 4,000 suppliers and subcontractors support the Patriot air defense system. Modern production methods have proven effective in maintaining a production reliability of over 10 times the required specification. Reliability of Patriot systems deployed world-wide, measured in "mean-time between-failure", remains over twice the required system specification. U.S. Army operational availability has been consistently over 95 percent. Complex, multi-year, developmental defense procurements often involve some cost escalation. Constraining costs via the long-term usage of proven, scalable programs is a way to continue to serve the needs of our troops and allied troops without undergoing the process of funding new programs with significant cost and schedule risk.

Has the Department of Defense considered controlling acquisition costs through the continued use of proven, scalable technologies that are already in use by our forces and those of our allies? For example, the Patriot systems has been fielded by the U.S. and 12 international partner nations for over 20 years and benefits today from cost savings gleaned through the on-going investment by its current users. Continuing to utilize systems like Patriot (and Theater High Altitude Air Defense (THAAD), Standard Missile-3 (SM-3), etc.) in lieu of costly, new development programs like the current Medium Extended Air Defense System (MEADS) program would save DoD billions of dollars. And, should some of the capabilities currently being developed in the MEADS program be procured in the future, would it be possible to incorporate elements of the Patriot-based solution to create a merged air

and missile defense system, a “best of both worlds” approach? Your comments on this topic, please?

Secretary GATES. As illustrated by the examples provided in the question (e.g., Patriot, SM-3 and THAAD), yes, the Department actively seeks to control acquisition costs through the continued use of proven, scalable technologies that are already in use by our forces and those of our allies. However, to keep pace with evolving threats and operational concepts, it is often necessary to develop new capabilities to augment those already fielded.

The theater air and missile defense mission area is a good example of this situation. In December 2009, the Defense Acquisition Executive approved the Army’s Integrated Air and Missile Defense (AIAMD) program for entry into Engineering, Manufacturing, and Development. The objective of the AIAMD program is to integrate sensors and weapons (Patriot, SLAMRAAM, Improved Sentinel, and JLENS) and develop a common battle command across a single, integrated fire control network to engage the range of Air and Missile Defense (AMD) threats.

To minimize costly new sensor and weapon development, leverage proven systems, and minimize the number of redundant battle command systems, existing Army AMD sensor and weapon platforms will be enhanced with a “plug and fight” interface module, which supplies distributed battle management functionality to enable network-centric operations for advanced AMD capabilities such as extended sensor coverage and better intercept capabilities.

I believe this U.S. capability as it matures could be beneficial to our coalition air and missile defense partners. As such, both as part of our ongoing MEADS program and separately with other partners, the Department has opened discussions on how best to achieve a truly integrated coalition air and missile defense capability, with the AIAMD Battle Command System capability as the centerpiece. Components from Patriot, as well as the more capable, more easily sustained, and more mobile radars and launchers being developed in MEADS, when ready, could be integrated in the AMD System-of-Systems. Not only will this allow the U.S. and our partners to save cost in the long term, but it could ultimately serve as an AMD force multiplier for coalition forces.

Ms. TSONGAS. The MEADS program was initiated to provide replacement for the Patriot Air and Missile System in the U.S. Army, as well as Patriot, Nike Hercules and Hawk in Germany and Italy. However, the MEADS development program has not delivered on promised timely and cost-effective fielding of new air and missile defense capabilities.

Since the program’s initiation, the time to field the First Unit Equipped (FUE) has repeatedly been revised resulting in increased costs and delays to fielding warfighter capability as follows: in 1996, the expected RDTE cost was \$2B to \$3B, with a planned FUE in 2008; in 2002, the expected RDTE cost was \$7B to \$9B, with a planned FUE in 2012; in 2008, the expected RDTE cost was \$10B, with a planned FUE in 2015; and in 2008, the GAO reported that the FUE date will slip an additional two years, to 2017.

In addition, recent GAO reports (GAO-08-467SP & GAO-09-326SP Assessments of Major Weapon Programs) found that only two of six critical MEADS technologies were maturing at an adequate pace to meet program schedule. In order to continue to fight the wars we are in, and support our troops for the scenarios we will face in the future, we must make difficult budgetary decisions which sometimes involve the termination or restructuring of programs which, despite original intent, are no longer performing, or are now unnecessary. Currently the Department of Defense has programs that are over-budget and behind schedule (e.g. JSF, MEADS).

Has the DoD performed a thorough analysis of its program suite, evaluating performance, requirements and relevance of these programs? And is it not possible to harvest some cost savings from these programs in order to pay for other higher priority, near term costs including ongoing costs in Iraq and Afghanistan, needed increases in shipbuilding to cover European missile defense, etc?

Secretary GATES. MEADS experienced schedule delays and cost growth that emerged prior to the program Preliminary Design Review in 2007. The MEADS partner nations conducted an independent program review, which documented several technical and management issues that led to the delays and cost growth. Many of the recommendations of the review, including restructuring the program and extending the Design and Development (D&D) phase have either been implemented or are being considered by the nations.

The MEADS independent review team estimated that the planned 110-month MEADS D&D program (which began in September 2004) would require an additional 24 months and increased costs on the order of \$1 billion to complete the design and initial testing.

In response, the MEADS partner nations agreed to pursue a re-planned MEADS D&D program that extends the 110-month program, reduces the program risk, and provides additional time to ensure the maturity of the MEADS design. The Department is conducting a full assessment of the MEADS program to support the MEADS System Decision Review. This review includes an assessment of the ongoing MEADS Critical Design Review (CDR), an evaluation of the costs, and an evaluation of the status of negotiations with the MEADS partners on program restructure. These elements are described below.

The DoD is conducting an assessment of the CDR to determine the technical maturity and expected performance of the system. The U.S. Cost Assessment and Program Evaluation (CAPE) is conducting an independent cost estimate (ICE) of the re-planned MEADS program to re-validate the total cost of the program to inform the restructure effort. This cost estimate is expected by July 2010. The U.S. is also in negotiations with the partner nations on a U.S.-proposed restructure of the trilateral governance and technical scope of the existing program, including seeking partner approval to modify the MEADS program of record to integrate the Army Integrated Battle Command System (IBCS) functionality to enhance MEADS BMC4I capabilities. Incorporating IBCS into the MEADS concept is a necessary change for the program to meet U.S. air and missile defense requirements and Army operational concepts, keep pace with emerging threat capabilities, and enhance coalition operations. DoD is conducting a thorough review of the current MEADS threat assessments and requirements.

While it is always possible to divert funding from one priority to another, I must balance the overall program portfolio to meet the range of valid capability needs. I also place a priority on honoring our commitments to our cooperative program partners. I believe MEADS is critical, and the DoD is on a path to ensure the program is affordable and capable for all MEADS partner nations. In order for me to make informed decisions, the ongoing assessments and ICE must be completed.

Ms. TSONGAS. The 2009 Weapon Systems Acquisition Reform Act was put in place to provide accountability and “directly impact the operation of the Defense Acquisition System and the duties of key officials who support it” (DTM 09-027, Implementation of the Weapon Systems Acquisition Reform Act of 2009). After thirteen years of development, the Army’s Medium Extended Air Defense System (MEADS) program is nine years behind schedule, and several billions of dollars over-budget. This program is a prime example of the problems in managing a large, complex program with technical risk, and the impetus for the 2009 Weapon Systems Acquisition Reform Act.

What does the Department plan to do about this program given the continuously extending schedule and predictions of yet further cost overruns topping a billion dollars? Given the changing missile defense environment, has the Department completed a thorough review of air and missile defense requirements and validated the requirements attributed to this program?

Secretary GATES. MEADS experienced schedule delays and cost growth that emerged prior to the program Preliminary Design Review in 2007. The MEADS partner nations conducted an independent program review, which documented several technical and management issues that led to the delays and cost growth. Many of the recommendations of the review, including restructuring the program and extending the Design and Development (D&D) phase have either been implemented or are being considered by the nations.

The MEADS independent review team estimated that the planned 110-month MEADS D&D program (which began in September 2004) would require an additional 24 months and increased costs on the order of \$1 billion to complete the design and initial testing.

In response, the MEADS partner nations agreed to pursue a re-planned MEADS D&D program that extends the 110-month program, reduces the program risk, and provides additional time to ensure the maturity of the MEADS design. The Department is conducting a full assessment of the MEADS program to support the MEADS System Decision Review. This review includes an assessment of the ongoing MEADS Critical Design Review (CDR), an evaluation of the costs, and an evaluation of the status of negotiations with the MEADS partners on program restructure. These elements are described below.

The DoD is conducting an assessment of the CDR to determine the technical maturity and expected performance of the system. The U.S. Cost Assessment and Program Evaluation (CAPE) is conducting an independent cost estimate (ICE) of the re-planned MEADS program to re-validate the total cost of the program to inform the restructure effort. This cost estimate is expected by July 2010. The U.S. is also in negotiations with the partner nations on a U.S.-proposed restructure of the trilateral governance and technical scope of the existing program, including seeking

partner approval to modify the MEADS program of record to integrate the Army Integrated Battle Command System (IBCS) functionality to enhance MEADS BMC4I capabilities. Incorporating IBCS into the MEADS concept is a necessary change for the program to meet U.S. air and missile defense requirements and Army operational concepts, keep pace with emerging threat capabilities, and enhance coalition operations. DoD is conducting a thorough review of the current MEADS threat assessments and requirements.

While it is always possible to divert funding from one priority to another, I must balance the overall program portfolio to meet the range of valid capability needs. I also place a priority on honoring our commitments to our cooperative program partners. I believe MEADS is critical, and the DoD is on a path to ensure the program is affordable and capable for all MEADS partner nations. In order for me to make informed decisions, the ongoing assessments and ICE must be completed.

QUESTIONS SUBMITTED BY MS. PINGREE

Ms. PINGREE. Admiral Mullen, when the Department of Defense announced its strategy to repeal the Don't Ask, Don't Tell policy, you stated that, while the Department conducts a yearlong study, it would make an effort to use existing authority to prevent or delay the dismissal of openly gay service members. While this yearlong study is being conducted, do you believe that the Department can prevent the dismissal of any and all service members who are found to be gay or lesbian? What criteria will be used to evaluate whether or not an openly gay or lesbian service member will be dismissed from active duty service while the Department studies the best way to implement repeal?

Admiral MULLEN. In my testimony, I did not address the issue of pending or future discharges, nor did I state that the Department would prevent or delay discharges of openly gay service members. The law requires separation for homosexual conduct, and we must follow the law. Only the Congress can change the law.

On February 2nd, the Secretary of Defense announced that he had directed the Department of Defense to quickly review the regulations used to implement 10 U.S.C. § 654 and within 45 days present recommended changes to those regulations that would, within the confines of the existing law, enforce the law in a fairer and more appropriate manner. This review has been completed. The Secretary of Defense, in consultation with the Military Services and the Joint Chiefs of Staff, has approved revisions to these regulations. The changes were announced on March 25th, and are now in effect.

The modifications, among other things, raise the level of the commander authorized to initiate inquiries and separation proceedings regarding homosexual conduct; revise what constitutes "credible information" and "reliable persons"; and specify certain categories of information that cannot be used for purposes of homosexual conduct discharges.

The Service Chiefs and I support these changes.

QUESTIONS SUBMITTED BY MR. KISSELL

Mr. KISSELL. During the hearing, and throughout the budget and the Quadrennial Defense Review (QDR), I applaud your continued commitment to the health and welfare of our wounded warriors. Today's medical advancements allow men and women that suffer horrific casualties to live and to have a functional quality of life. In previous conflicts many of our service members that survived today would have died. You have adopted a very aggressive approach to post-traumatic stress and traumatic brain injury. This aggressive attack only benefits those that are dutifully serving our nation. Their sacrifices are being honored by your attention to their needs. However, I recently saw a piece on CBS's 60 Minutes about the Armed Forces Institute on Regenerative Medicine (AFIRM) and had an opportunity to meet with one of the civilian doctors conducting research for AFIRM. The advancements being made are absolutely astounding and in some ways it seems like science fiction. The 60 Minutes piece chronicled a young Marine whose hand was blown off in an explosion. The doctors completed a hand transplant and now the Marine, who at one time would have had to settle for a prosthetic hand and a limited life, is training to be an electrician. AFIRM also addresses the dated medical response to burn victims. Doctors are using burn treatment techniques developed 30 years ago to treat burn victims from Iraq and Afghanistan.

The Department of Defense (DoD) has developed a number of innovative ways to treat post-traumatic stress disorder (PTSD), mild TBI, and other wounds, but burn treatment lags behind a considerable amount. AFIRM's research uncovered innova-

tive ways to bridge the gap and improve the lives of our wounded warriors suffering from burn injuries. Although, AFIRM is a DoD program designed to develop treatment techniques far beyond comprehension some five or ten years ago, no funding is allocated for clinical trials next year. In fact, for the remainder of this year, AFIRM can only conduct two more clinical trials and next year zero clinical trials. After meeting with one of the physicians in AFIRM, he provided me a list of 13 clinical trials pending without funding and 21 additional projects ready for clinical trials. The 21 projects have no funding and are within two years of readiness. These are unfunded opportunities. I think this will be a huge help to our wounded warriors, but am unsure why the budget does not request funds to push the research to trials and out to the field where it is needed. Please provide an answer as to the future of AFIRM, funding for the research ready to progress to clinical trials, and the number of wounded warriors helped by the tremendous efforts of military and civilian physicians in AFIRM. I would also like to meet with the Program Director for AFIRM to discuss other developments and the best way to expedite implementing the techniques.

Secretary GATES. The AFIRM Science and Technology Program is funded through a Memorandum of Understanding (MOU) among the United States Army Medical Research and Materiel Command (USAMRMC), Office of Naval Research, USAF Surgeon General, Department of Veterans Affairs, and National Institutes of Health. USAMRMC directs the AFIRM Program. Per the MOU, funding is agreed among the parties. We anticipate renewal of the MOU to continue AFIRM beyond 2013, pending agreement by all parties.

The initial objectives (i.e., covering 2008–2013) for clinical trials in the AFIRM Program included two hand transplants and one facial tissue transplant, all included advanced immunosuppressive anti-rejection therapies. In addition, the Program anticipated funding up to two clinical trials after investigations in animal models revealed the highest payoff candidates for clinical demonstration. These animal model investigations have been much more successful than anticipated, and the number of AFIRM technologies ready for clinical trials has been and is expected to be much greater than our original plan projected.

Since unexpected funding for clinical development of additional AFIRM technologies was required during budget execution years, the following sources were leveraged: In calendar year 2009, AFIRM clinical trials were funded with the Defense Health Program (DHP) medical Research, Development, Test and Evaluation (RDT&E) funds from the Fiscal Year (FY) 2008 Overseas Contingency Operations appropriation (\$10 million). The \$10 million funded six clinical trials of which five will be partially conducted at the Army's Institute of Surgical Research, mostly on military patients. This year (FY 2010), RDT&E funding for trials (\$5.8 million) was funded by appropriated funds that were requested as part of the Department's request for enhancement of battlefield injuries research. We will be able to fund three clinical trials with these funds. Finally, for FY 2010 and FY 2011, the Joint Improvised Explosive Device Defeat Organization (JIEDDO), through the Director, Defense Research and Engineering's Office of Technology Transition, funded \$17.4 million in clinical trials associated with AFIRM objectives.

Currently, \$2.4 million is programmed under the DHP RDT&E for regenerative medicine clinical trials in FY 2011. The USAMRMC is presently preparing its DHP FY 2012–2017 program review that will identify requirements for funding up to 48 additional trials and advanced development studies, based on AFIRM progress to date and reasonable technical success going forward. AFIRM's strategy is to conduct as many patient trials as possible at DoD medical facilities.

Although the actual number of warfighters being helped with AFIRM technologies to date is small and limited to ongoing, early clinical trials to substantiate safety and efficacy, the potential to help much larger numbers exists. Particularly for wounded warriors, regenerative medicine will likely have its greatest impact treating traumatic injuries of the extremities, injuries of the head and neck, and serious burns. Of the approximately 17,000 battle-injured warfighters medically evacuated from the Iraqi and Afghanistan theaters, such injuries account for more than 75%. Orthopedic injuries alone account for over 60% of all "unfit for duty" Medical Board determinations resulting in loss from the Services. Serious burns account for approximately 5% of all evacuations and 77% of those patients experience burns to the face. Regenerative medicine has the potential to help many of these patients during their definitive care and/or rehabilitation once these technologies are proven safe and effective.

Colonel Bob Vandre, the AFIRM Program Director, will make an appointment to meet with Representative Kissell to discuss other developments and the best way to expedite implementing the techniques.

