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**SUBJECT:** THE FISCAL YEAR 2005 DEFENSE REQUEST

**CHAired BY:** SENATOR JOHN WARNER (R-VA)

**LOCATION:** 325 RUSSELL SENATE OFFICE BUILDING, WASHINGTON, D.C.

**WITNESSES:** ADMIRAL VERNON CLARK, CHIEF OF NAVAL OPERATIONS; GENERAL MICHAEL HAGEE, U.S. MARINE CORPS COMMANDANT; GENERAL JOHN JUMPER, AIR FORCE CHIEF OF STAFF; GENERAL PETER SCHOOMAKER, ARMY CHIEF OF STAFF

**BODY:**

SEN. WARNER: (Strikes gavel.) Good morning, everyone.

We start today's hearing by first welcoming back one of the members, who's been AWOL, away without leave: the distinguished senator from Connecticut. If you'd like to take a moment to explain your absence, we'd be glad to have your views. (Soft laughter.)

SEN. JOSEPH LIEBERMAN (D-CT): Well, Mr. Chairman, thanks for welcoming me back. It was quite a journey. I feel as if I was actively deployed, and now I'm returning to my home base. And I appreciate very much the opportunity to return.

I do want to say, very briefly, that along the way in this journey, I met a number of families who have service members in — on active duty in Iraq. And I met some of the service members themselves who had returned. And the level of pride and morale is extremely high, and I found, cutting through all the natural debate that goes on about the war, it was very reassuring.

If you'll allow me — I carry this around with me, because I got — we lost Anthony D'Agostino from Waterbury, Connecticut. And you know, I was in touch with his folks, and they sent me a mass card after the funeral. And the father sends me this note, which is, "Dear Senator Lieberman: Please continue to support all our men and women in uniform. Please keep America the true leader of peace in the world. Tony was our only son, our only legacy. Although this was a great loss to our family, we wish you Godspeed in making the world a safer place."

So you know, I had the honor to go out and take my own journey across America, but these are the real heroes. And I wanted to say that in front of you and the service chiefs, in great honor, admiration, and returning with a sense of purpose to work with you and Senator Levin in the critically important work of this committee, to make sure that we complete the mission we started with success and to return our service people home as soon as possible, in peace and in what I would describe as victory.

So I thank you for your welcome. I promise not to give extended remarks any other time you call on me, like —

SEN. WARNER: That's all right. That's — no, we're very appreciative of your sentiments, because I recall vividly when you first joined this committee and you were one of the — the principal cosponsor of the resolution in '91. You were a member of the four of us who were the cosponsors in the recent resolution. And you've always been a very strong voice

on behalf of the men and women of the armed forces. And I appreciate your sentiments that we should complete this mission with a measure of unquestioned success.

I think your statement is so powerful I'm just about to waive mine, but I think I'll go ahead.

We meet today to receive the annual testimony of the service chiefs on the posture of each of our military services and on their respective portions of President Bush's defense budget request for fiscal year 2005 and the future year defense program. We have a great team before us today: military men of great distinction, of great humility; men who have served this nation well during previous conflicts — in most instances, combat conflicts. And now with equally important if not of greater importance, today in this global war on terrorism, you bring to bear that vast experience that each of you have. Thank you for what you do every day for our men and women in uniform and their families.

It has been a challenging year for our military. You have provided the leadership they need to successfully accomplish their mission and to understand just how important their service is to the security of the United States and indeed the whole free world.

I start by recognizing the extraordinary professionalism and the courage of the men and women of our armed forces. In this past year, together with a coalition of nations, they freed Iraq from the tyrannical rule of Saddam Hussein. They are valiantly fighting today in Afghanistan and other far-flung points in the globe. In Iraq they did this mission quickly, with precision and with casualties well below the estimates. This is proof of the training, the equipment, the readiness, the inspiration that you individually and collectively have provided your forces. Their sacrifices and the sacrifices of their families are deeply, deeply appreciated by every citizen in this nation, most particularly the families who have lost their loved ones, who welcomed home those who bear the wounds of war.

I asked you to communicate one message to the uniform service members and their families that you represent: America is proud of you. We need not let the critics of the moment diminish the importance of what our military has accomplished. In my opinion, there is no doubt a very dangerous threat has been removed, and the United States, and indeed the world, is a safer place because of the efforts of our military and coalition partners in Iraq.

The nation will continue, as it should, the debate over whether or not Saddam Hussein for example had large stockpiles of weapons of mass destruction; debate on other issues relevant to the weapons of mass destruction program. But on that specific issue, particularly of stockpiles, and on the other issues, all the facts are not in. We cannot reach final judgments and conclusions. We have upwards of 1,300 men and women in uniform, together with many other civilians, still as part of the Iraq Survey Group continuing that mission.

What we do know at this point is as follows: We know that Saddam Hussein was indeed a threat. He has used weapons of mass destruction on his neighbors and his own people, and he was maintaining his capability to quickly produce these weapons. Clearly he had breakout capability on a range of weapons, some of mass destruction. We know that Dr. Kay testified that Saddam Hussein had restarted Iraq's nuclear weapons program. It was a matter of time — no estimates, but a matter of time until he acquired some measure of capability with those awesome, those ultimate weapons of mass destruction.

We know that Iraq was continuing research and development on chemical and biological weapons, and had an active program to use the deadly chemical ricin as a weapon. We know that Iraq was developing and producing ballistic missiles that violated — clearly violated — United Nations Security Council mandates that were imposed following the first Gulf War.

As Dr. Kay told this committee two weeks ago, and I quote him, "It was reasonable to conclude that Iraq posed an imminent threat. What we learned during the inspection made Iraq a more dangerous place potentially than in fact we thought it was even before the war," end quote. Our military, men and women in uniform under your leadership, have removed this threat.

There have been allegations that the president and his senior advisors manipulated, exaggerated the prewar intelligence on Iraq. I personally have seen no clear and convincing evidence of this. In fact, many of the basic conclusions reached by President Bush, Vice President Cheney, and others, are entirely consistent with the basic conclusions of officials in the previous administration. I have with me today a whole series of those quotes.

An examination of the intelligence, U.S. and that of other nations, and reports to the United Nations, combined with Iraq's past history, led 77 members of this body, the United States Senate, to reach basically the same conclusions that two

administrations of senior officials had reached: Saddam Hussein represented a grave threat that had to be confronted with military force.

Diplomatic efforts had been tried repeatedly and failed. The last of 18 U.N. Security Council resolutions, 1441, passed unanimously by 15 members of the Security Council on November the 8th, 2002 — found Iraq to be, quote, "in material breach of its obligations" that the U.N. Security Council had set down.

The Council then specifically said final opportunity to comply with disarmament obligations is before Iraq, and warned of serious consequences if Saddam Hussein failed to comply. He did not comply.

Before us today are the leaders of our four military services, three of whom were at their current positions at the start of Operation Iraqi Freedom. Now, the Goldwater-Nichols Act, which I brought with me today, fundamentally reshaped the duties and responsibilities of the chiefs and then the body of the Joint Chiefs. It included special provisions to ensure that any dissenting opinions from the members of the Joint Chiefs of Staff could reach the president. I direct you to Section 151, Title 10, Section D: Advice and opinions of members other than chairmen. So I think it's appropriate, since this is your first appearance as a group before this committee since the commencement of the hostilities that in your opening statements, each of you — with your exception General Schoomaker — specifically advise this committee, because there's a presumption raised by Goldwater-Nichols — you had the opportunity to approach the president, and indeed the chairman and others, if you had any doubts concerning the advisability of the use of force at the time it was used. And this is that opportunity today.

I think it's very important for America to understand how their professional military leaders felt about the decision to go to war before the use of force began. And today, in light of revelations about certain portions of our intelligence. So this is that opportunity.

Operations continue in Iraq and Afghanistan and elsewhere in the global war on terrorism. The circumstances of our times demand, however, that we not rest on the laurels of our recent successes. We must prepare now for the future, a future fraught with new challenges and new dangers. The president's budget request anticipates this uncertain future. Fiscal year 2005 budget request for the Department of Defense of \$401.7 billion represents a 5 percent increase over the fiscal year 2004 authorized level, and the fourth consecutive year of growth in the Defense budget. Much is being asked of each military service, and you have all been looking for better and more efficient ways to use each taxpayer dollar, from developing new capabilities, to changing concepts of operations, to better integrating the very valuable Guard and Reserve forces that we have in this nation.

We look forward to hearing about your initiatives and welcome your insights on the challenges that you face.

Senator Levin.

SEN. CARL LEVIN (D-MI): Thank you, Mr. Chairman. First, let me join you in welcoming back our friend Joe Lieberman. He in his own way has been serving the nation, both in the campaign that he just waged and the way he campaigned, and also in his extraordinarily fine service here in the United States Senate, the civility and the thoughtfulness which he brings to his every task that he undertakes. And I just want to join you, Mr. Chairman, I know speaking for every member of this committee, in welcoming Joe home.

As we meet today, America's armed forces are heavily engaged in trying to bring stability to Iraq. Additionally, almost 40,000 more stand on the front lines in Korea, within range of North Korean artillery and rockets. Thousands of American troops are risking their lives every day in continued operations, in the global war on terrorism in Afghanistan, in other hot spots around the world. And of course many more continue to work to keep the peace and to build a more stable future in the Balkans and elsewhere.

To support these efforts, the president has already called up nearly 190,000 members of the Reserves components to active duty. Given the presence of all of our economic chiefs, we all want to extend to those men and women serving us, and through our service chiefs, our thanks to both active duty and Reserve forces, for the work that they are doing with bravery and dedication on behalf of all Americans.

I also want to note that we understand that they and their families are making sacrifices for all of us, and that there are stresses and strains on all of them, and that the military is stretched thin.

Mr. Chairman, you've made reference to the inquiry into intelligence failures prior to the war. It is essential that there be an inquiry into massive intelligence failures relative to the presence of weapons of mass destruction into Iraq. It was

the presence of those weapons which was given as the reason for urgency in proceeding to attacking Iraq. It is essential that there be an inquiry made into the way in which our intelligence was projected and represented by our policy-makers. And it is essential that there be an inquiry made into the planning which either existed or did not exist relative to the post-Saddam period, as to what we could expect in that period and how we would address it.

Whether we determine — whatever we determine about those issues, let nobody doubt that those who ask those questions — all of us — stand four-square behind our men and women who serve our nation around the world. We will provide our men and women in uniform with everything that they need to ensure that they succeed in their mission. And people who are asking the questions about intelligence, so that our future intelligence and decisions are better, are just as determined to help us succeed in our mission and to give our men and women in uniform everything they need to achieve that success — are persons who are taking different positions relative to those inquiries.

The budget before us represents a peacetime budget. It fails to include funding to pay for the incremental costs of operations in Iraq and Afghanistan. And so while the exact costs of those operations in fiscal 2005 are not presently known, many of the costs can be readily estimated. And I want to just emphasize this, so that everyone understands what I've said: What the budget before us does not include are items that we know have to be paid for, and should be paid for, and will be paid for. In terms of supporting our men and women and giving them all of the resources that they need.

Now, some of those costs, although they're not included in this budget, can be readily estimated, and should be estimated at this time. For instance, we know that forces are going to be rotating into and out of Iraq in the October timeframe, just after the beginning of fiscal 2005. It is my understanding, again, that these costs are not in the budget; that this, coupled with the announced policy of the administration of not asking for a supplemental appropriation for the Department of Defense this calendar year is going to result in forcing the services to plan on supporting deployed operations from within the normal budget — at least for several months. That puts the services, it seems to me, in a very difficult position, and I would be interested in hearing from our witnesses this morning about the measures that they may have to take if they are to live within these constraints until a supplemental appropriation is requested next January.

The U.S. military is by far the best trained, best equipped, most capable fighting force in the world today. Its readiness can be attributed in large measure to the hard work that the service chiefs and their staffs have put forward in support of their responsibilities mandated by Title 10, U.S. Code, to organize, train and equip their respective services.

We are going to do everything we can to ensure that our military remains the best. And it is to that end that we are going to be exploring some critical issues with the witnesses before us today, and other witnesses who will be called before this committee.

And, so, Mr. Chairman, I want to join you in welcoming our witnesses today. I want to thank them for their service, for their leadership. It has made a critical difference during these very difficult times. I want to engage — I want to give a special welcome to General Schoomaker, who is making his first appearance as our Army chief of staff before the committee at a posture hearing. Welcome, all of you.

SEN. WARNER: Thank you very much, Senator Levin.

General Schoomaker, as the senior service, the Army, you may lead off.

GEN. SCHOOMAKER: Thank you very much, Mr. Chairman. Good morning. And, Mr. Chairman, distinguished members of the committee, it is a pleasure to appear before you today. With your permission, I would like to submit the 2004 Army posture statement for the record.

SEN. WARNER: Without objection, it will be admitted to today's record in its entirety, ordered, together with the statements of other members of the panel.

GEN. SCHOOMAKER: Thank you, sir. I would like to begin by thanking each of you for the tremendous support you continue to show for our men and women in uniform, as witnessed by your statements this morning already.

The FY '04 Defense legislation and supplemental appropriation have provided our soldiers the tools they need to carry on their important and often dangerous work. The FY '05 president's budget request provides our Army with the resources we need to meet the non-contingency requirements of the national security strategy. It fully funds our statutory end strength of 482,400 soldiers. It supports training requirements in accordance with our joint and combined arms training strategy.

The budget request funds depot maintenance for the 15 critical systems in our recapitalization program. It provides funds to upgrade barracks and family housing and funds facilities sustainment at 95 percent. The budget request also provides for future readiness by funding upgrades for Striker Brigade Combat Team Five and our continuous investment in the future combat system.

As with any budget, it reflects a balance, and we have accepted risk in some lower-priority depot maintenance, base operations and other areas. The budget request does not fund our contingency requirements for Operations Iraqi Freedom and Enduring Freedom. We don't know with certainty what these requirements will be, but we will need supplemental to fund them once they are known.

All of this has been carefully weighed, and I ask for your support of the FY '05 budget request.

There is no question that the pace of our nation at war challenges our Army. It is hard to recall a time in history, with the exception of World War II, when we have been busier, as we deploy and redeploy nearly a quarter-million soldiers over the next four months.

We continue to meet these challenges with the seamless commitment of active, Reserve and National Guard soldiers, who continue to give so selflessly to our great nation. And accompanying me today are Lieutenant General Steve Blum, the chief of the National Guard bureau, and Brigadier General Gary Proffit (sp) from the office of the Chief of the Army Reserve. And I appreciate their presence here today.

SEN. WARNER: Gentlemen, we welcome you to the hearing. Thank you.

GEN. SCHOOMAKER: This is not easy, and we cannot approach it as if it is business as usual. The state of war requires us to challenge old paradigms, to be flexible and adaptable.

Using the authority provided by the Congress and the flexibility you have built into our law, the secretary of Defense and the president of the United States supported my request to temporarily grow the Army by up to 30,000 soldiers above its statutory end strength.

I ask for your support as well. I appreciate the concern that many of you have shown over this issue. This temporary end-strength increase is the right choice. A permanent increase in statutory end strength before the Army has implemented our ongoing force structure reforms would be inefficient and could jeopardize the future readiness of our Army.

I have asked to temporarily grow the force under the authorities provided in Title X, Section 123 Alpha, because the real issue we must address is improving Army capabilities, by tailoring our structure to better meet the requirements of our national security strategy.

Capability is the issue, not the number of soldiers. With the flexibility I have requested, we can grow the active component from 33 to 43 combat brigades, while increasing the number of National Guard combat brigades that are identical to the active force.

In the future, we will make a decision on adding an additional five active component combat brigades to further enhance our capability. Combined with other initiatives, such as adjusting the balance between the active component and the Reserve component, increasing the pool of soldiers in high-demand specialties, and the implementation of unit modularity and stabilization, this restructure will provide the nation and the joint force commanders with an Army better suited to meet rotational readiness requirements such as we face today, while remaining ready to meet the challenges of the future.

We must never lose sight of the fact that it is our soldiers that put it all on the line. And we will do everything in our power to prepare them for the challenges they face. I could not be more proud of them and the professionalism, courage and competence that they demonstrate every day. And I would include our family members in that, as has been already recognized. They pay a tremendous price and they are with us.

In closing, I would like to thank this committee for the opportunity to appear before you today and for your continued support for the men and women in our Army deployed in Iraq, Afghanistan and throughout the world. I look forward to answering your questions.

Thank you, sir.

SEN. WARNER: Thank you very much, General. Admiral Clark.

ADM. CLARK: Thank you, Chairman Warner and Senator Levin, distinguished members of the committee. Good morning to each of you. I very much appreciate the opportunity to be here this morning and to talk to you about your great Navy, the nation's great Navy.

It's also my privilege, like my friend, General Schoomaker, to — my privilege to thank you on behalf of the men and women of the United States Navy — the uniformed members, the civilian members, active and Reserve — for the support provided by the Congress to make our Navy ready to respond to the issues that face us in the world today and for helping us create the Navy of the future.

The support of the Congress in the face of difficult choices, choices that each of you must make each year, have made a difference to our people and to our nation's defense. And all of us in the Navy are very grateful for what you do.

Of course, your Navy is just one part of an unparalleled joint war-fighting team. And so I'm also very grateful for these great partners that I'm sitting here with today at this table. It's been my privilege to serve with these great professionals, and I consider them the best of the best.

We spend quite a bit of time together, oftentimes just the joint chiefs and sometimes with the secretary. But I can tell you that this group of individuals are dedicated and committed to delivering the kind of joint operating concepts and transformational capabilities that this nation needs for the future.

And we recognize that it will take all of us working together to bring the kind of joint capabilities to the nation, the kind of capabilities that the nation needs, now and in the future.

I have outlined, Mr. Chairman, in some detail our Navy's accomplishments in the last year in my written statement. And so, in the interest of time, I won't dwell on them here except to say that this has been an incredible year for our Navy.

Your Navy was built to take credible, persistent combat power to the far corners of the earth, anywhere, anytime the nation needs us to take it there. And our operations this past year have proved again the value of being truly ready to meet combat and ready to perform combat operations.

At the height of Operation Iraqi Freedom, seven of our carriers were deployed, seven of our 10 air wings, 75 percent of our amphibious structure; in total, 55 percent of our fleet deployed overseas.

This last year proved again the importance and the need to exploit the vast maneuver space provided to us and the independence to operate from the seas. It proved once again, and most importantly, our Navy's actions this year highlighted the asymmetric advantages that we possess in this country, and that is the ability to deploy unparalleled technology and the genius of our people. And the things that you have said about our young men and women are greatly appreciated.

With this year's budget request, we seek to accelerate our advantages into the future, to deliver the right readiness for this nation at the right cost, to respond to the nation's war-fighting needs, to shape the 21st century workforce and to deepen our investment in the growth and the development of our people, our number one asset, to accelerate our investment in our Sea Power 21 vision to recapitalize and transform our Navy and improve its ability to operate as part of the joint war-fighting team.

As always, and General Schoomaker pointed this out, this is not an easy task. Our budget request this year assesses the capabilities we need for today and tomorrow. And it balances the investment, and the key word here is balance. It balances the investments that we need so that we can take on the challenges and to deal with acceptable risks.

As I indicated to this committee last year, we would seek in the future to make improvements in our investments for the future. This year we are requesting procurement dollars for nine new ships and 104 aircraft. As a point of reference, that's 30 percent more than we projected in last year's budget.

The key thing — and I've talked to this committee a number of times about investment streams and the requirement to get the ship-building investment stream to the level that it needs to be. As a point of reference, the year that I arrived in this post, the (SCN?) account, ship-building account for the Navy was \$4.7 billion. We invest this year a little over \$11 billion in new construction and in modernization of our force. I'm proud of those improvements.

Our investment in aircraft programs is significantly higher than it was four years ago as well. We have invested nearly \$6 billion in our '05 budget request, and this is almost double our investment in '01. And this doesn't include the investment of our \$6.3 billion in aviation research and development, and this number is triple what it was three years ago.

We have focused these investments on important new capabilities. The heart of our future family of ships is the DDX, the 21st century destroyer, a ship that will absolutely revolutionize naval fire support and almost everything that we know about ship-building. A new stealthy (whole form?), integrated electric drive and power generation system, modularity and enhanced human system engineering will reduce manning.

And it's estimated that that alone will save the taxpayers over \$18 billion in the life of this program, leveraging the platform for future growth and spiral development. And it will change the way we develop and construct ships and it will change the way we fight for the next half-century. DDX starts this year.

The EA-18G, brand new in the budget last year; this year's budget will greatly accelerate the recapitalization of the just plain old EA-6B, the nation's only joint electronic attack capability. OIF accelerated the aging process on this airplane. And congressional action last year, and with your support this year, means that relief is on the way. And it can't happen too soon.

The Virginia class submarine, the first of which we'll commission later this year. Virginia will incorporate unmanned vehicles and the ability to plug into joint networks like no other submarine ever has in history. The Congress's authorization for multi-year procurement of five of these submarines in last year's budget has helped make these important, complex platforms more affordable for the future.

And, of course, there are others, like littoral combatant ship. We will award it with this year's budget. Our first new aircraft carrier in three decades, CVN-21, continues to be funded, and sea-based missile defense and SSGN and F-18 E and F and joint strike fighter, the advanced Hawkeye program. And we accelerate our request for LPD-17 class.

We have other initiatives in this budget, like our fleet response plan mentioned the other day in front of this committee, will deliver the right readiness and the ability to surge 50 percent more combat power than we've ever been able to do routinely in the past.

General Pace described to you this transformational approach, and it's a change in the way we organize, train and equip our force, and it means that we can surge this morning, if the president needs us to, six carrier strike groups anywhere we need to in the world. And it is all about maximizing the investment that the taxpayers make in the nation's defense.

So the bottom line here: We have framed in this budget the right current readiness at the right cost to the nation. And for that, I seek your support. And, of course, at the heart of everything good that is happening in the Navy today is this: We are winning the battle for people.

The momentum here is fantastic — higher-quality recruits, the best retention that I've ever seen in my life; in fact, for the third straight year, the highest retention in the history of the United States Navy — made possible with innovative incentive pay pilots.

And we've experienced dramatically reduced attrition; competitive re-enlistments (in?) detailing, outstanding deck-plate leadership. And, in short, this is the highest-quality Navy this nation has ever seen. And it's all about the people.

The authorities you have granted us in this regard are incredibly important and, in my view, have made the difference. And I ask you to continue to give us the tools to be successful. These tools have been critical in our ability to attract, to retain and shape the kind of workforce we need for the future.

I will say this, as I said last year: Manpower is never free. And so, in this budget, I am suggesting and requesting to reduce our end strength by some 7,900 people from the '04 levels. Our strategy for doing this is simple: We are capturing the work on our ships and stations and improving our training processes and leveraging technology advances, decommissioning our older, most manpower-intensive platforms where the risks allow us to do so, rebalancing our Reserve and active forces in a way that delivers the right skills when we need them and reduces the personnel strain.

I am committed, Mr. Chairman and members of this committee, to building a Navy that can maximize the capability of our people and minimize the total number on the payroll. We will continue to invest in our sailors growth and development, and our ability to provide them meaningful and challenging careers that let them make a difference is part of our covenant with them. But as our Navy delivers the more high tech systems that I mentioned, it is my intent for us to also develop a workforce that is smarter, but will also be smaller. We will spend whatever it takes to equip and enable our sailors, but we do not want to spend one extra penny for manpower that we do not need. So, there's a lot more to talk about, and we will in the hearing that follows.

Mr. Chairman, in response to your question about my position and understanding and beliefs prior to Operation Iraqi Freedom, as I watched the hearing the other day with the Secretary and General Pace, and I watched the kind of questions that you were asking, I thought about where we were at that point in time in our history. And I asked the Secretary of Defense if I could read just part of a private correspondence that I sent to him on the morning we commenced combat operations.

And it goes, and I won't read the whole thing, and it is a private correspondence, but this part he said it would be appropriate to share with you, and this was at my request. I started by telling him that we were ready. I said that the leadership in the fleet was confident. I said that our readiness was higher than I'd ever seen it. And then I said this: For some, this is about WMD. For others, this is about Al-Qaeda. For us, it's about all of that and more. Iraq has been shooting at our aircraft for over five years, and I went on to say to him that it was my belief that this cause was just, and our people believed in it.

Mr. Chairman, that was my position then, and that's what I believe today. I look forward to your questions, and I thank you again for the opportunity to be here.

SEN. WARNER: Thank you very much, Admiral. I felt it important to pose the question at this particular time because we're very proud in this nation of civilian control of the military. Nevertheless, those in the ranks look up and they see you as Chief of Naval Operations, and they repose in you and the other chiefs a very special trust and confidence. And that statement that you just made will resonate throughout the Armed Forces of the United States. Thank you.

General Hagee.

GEN. HAGEE: Thank you. Mr. Chairman, Senator Levin, distinguished members of the committee, it's my privilege to report to you that your Marines, active and reserve, are well-trained, well-equipped, highly motivated, and they're ready. And, as Senator Lieberman so beautifully articulated, their families are behind them. Your support and that of the American people are critical and deeply appreciated. Your sustained commitment to improving our nation's Armed Forces to meet the challenges of today as well as those of the future is vital to our nation's security.

Mr. Chairman, in answer to your question, I was in sort of a unique position over the last couple of years, two positions, actually, before becoming Commandant of the Marine Corps, I was the commanding general of the First Marine Expeditionary Force. That, of course, was the force that fought up on the right flank in Iraq. In that role, I was very involved in the planning of that particular operation. I can tell you, sir, that based on the intelligence that I had received from throughout the intelligence community, and the analysis of our own internal intelligence individuals, I was absolutely convinced that Saddam Hussein had chemical weapons, if not biological weapons, and that he would use them when we crossed the line of departure. We prepared those Marines for that contingency.

We went to great lengths to secure Saratoga suits, we went to great lengths to ensure they all had protective masks and the appropriate number of filters. And we had both chemical and biological detection devices, devices that we did not normally have in the Marine Corps, brought in for that contingency.

I took over as Commandant of the Marine Corps on the 13th of January last year, the intelligence that I saw once I came back here to Washington convinced me that I was correct in my analysis, and when we crossed the line of departure last March, I was still convinced that he was going to use chemical weapons on our Marines and our soldiers. On that particular stance, I'm happy that I was wrong on that. But looking back on the intelligence that we had at that particular time, there is nothing different that I would do, even having perfect vision looking back.

Sir, the Marine Corps first priority is and will continue to be war fighting readiness and excellence in support of our nation. In the near-term, the Marine Corps is focused on readiness to provide expeditionary forces that meet our nation's demanding needs. For the long-term, the Marine Corps and Navy are committed to developing a sea-basing capability that will provide a critical joint competency for assuring access and projecting power from the sea worldwide.

During this past year, your Marines, both active and reserve, were engaged in operations in support of a global war on terrorism from Afghanistan to the Horn of Africa, to Liberia, highlighting the value of our expeditionary capability in Operation Iraqi Freedom we deployed a combat ready, sustainable force of almost 70,000 Marines and sailors in less than 60 days.

We are now preparing to deploy forces to relieve Army units in Western Iraq, in support of Operation Iraqi Freedom II. Beginning this month we will deploy approximately 25,000 Marines into Iraq. In our preparations we are working

closely with Army forces in and outside, concerning equipment, tactics, and procedures. We are also drawing on analysis of our experiences last year in southern Iraq, the tactics of the British, and our own extensive small wars experience.

Before deploying we are conducting rigorous urban operations training, and language and cultural education. We are paying particular attention to individual and vehicle protective equipment, enhancements, and procedures. We are also continuing to prove our war fighting capabilities by leveraging advancements in technology, developing innovative organizations, and improving our joint training. Currently, the first expeditionary strike group, which combines the capabilities of essentially a surface action group, submarine, and maritime patrol aircraft, with those of an amphibious ready group, and a Marine expeditionary unit, special operations capable, is returning from its deployment to the central command area of responsibility.

We are combining our analysis of Operations Enduring and Iraqi Freedom with the lessons from this initial deployment in order to enhance our adaptability, flexibility, and lethality. In addition, naval attack air integration continues to be implemented and we are aggressively improving our interoperability with special operations forces. Our top ground and aviation programs are adequately funded. The introduction of new systems, such as the MV22 Osprey, the Expeditionary Fighting Vehicle, the Joint Strike Fighter, the lightweight 155 Howitzer, the four-bladed Cobra and Huey helicopter, and the High Mobility Artillery Rocket System into our force structure will significantly increase our speed, flexibility, and our overall expeditionary and amphibious war fighting capabilities.

In planning for the future uncertainties, the Secretary of the Navy, the Chief of Naval Operations, and I are committed to developing a sea-basing capability, that will provide a critical, joint competency for assuring access and projecting power that will greatly improve the nation's security. Sea-basing in the future will assure joint access, by capitalizing on the dilemma created by the operation maneuver of forces from the sea. The replacement ships for the LHA class of amphibious ships are an essential part of our concept of joint sea basing.

Mr. Chairman, lastly I would like to emphasize the magnificent performance of your individual Marines, the most agile, and lethal weapons system we possess. On behalf of all Marines I thank this committee for your steadfast support, and I look forward to your questions.

SEN. WARNER: We thank you for your service, General, and I thank you for your very clear and forthright statement, which, again, will be listened to very carefully by your forces and their families, about your actions, and your judgment concerning the conflict in Iraq. I share your view, as we all do. Thank god the weapons were not there, readily available to be used, weapons of mass destruction.

General Jumper.

GEN. JUMPER: Mr. Chairman, Senator Levin, members of the committee, it's a pleasure to be here today, and to represent more than 700,000 active duty Air National Guard, Air Force Reserve, and Air Force civilians who serve in our United States Air Force. And I would like to thank this committee for their continued support of all that we do around the world to deal with this global war on terrorism, and the other contingencies that we support globally. Senator Lieberman, I'm particularly taken by your acknowledgement of our families that are out there, that we hear from every single day. And I am encouraged every day at the courage and the bravery of those families. I would also include in that the commitment of the employers who support our mobilized Air National Guard and Air Force Reserve members that have served throughout this crisis.

I'd also like to take this time, Mr. Chairman, to make the point that during Operation Desert Shield and Desert Storm in 1990 and 1991, I was put in charge of preparing for biological and chemical warfare defense by then Chairman of the Joint Chiefs of Staff, Colin Powell, when I worked for him on the joint staff. The evidence then was compelling, and continued to be throughout the years of our no-fly zone operations of stored chemical and biological weapons, even weaponizing on warheads, we did not know the disposition of their SCUD missiles, but we knew that there were missiles left over after the Desert Storm and Desert Shield crisis.

We watched for years as the Iraqis made attempts to evade the inspectors that were on the ground to find these weapons, and then we watched, as was pointed out earlier, the attempts to shoot at our air planes that were patrolling the no-fly zone. I was, as Admiral Clark said, convinced then, and I was convinced as we went into this war that they were there, and I stand by my position at that time.

SEN. WARNER: Thank you, General.

GEN. JUMPER: Sir, as Admiral Clark pointed out, the group at this table spends a lot of time together, and we talk about our capabilities jointly, and the ability to go to war jointly. We have decided among ourselves that we will never be going alone to any confrontation that this nation undertakes. And we have embarked on a series of joint concepts of operations, so that we can be together when we do deploy at the nation's bidding.

As the Army undertakes its new concept of operations for a brigade combat team, as the sea-basing concept of operation unfolds, we are configuring our Air Force to be able to maintain the superiority in air and space, and to join in on these concepts of operations, as required to make them successful. We're also undertaking dedicated efforts to improve our close air support for the United States Army. And you will see in this budget efforts that will assure that we have dedicated and improved close air support on into the future.

We in the United States Air Force have completed our configuration to the air expeditionary force, an effort that's taken us since 1994, in a more dedicated way since 1997, to complete this configuration, into 10 equally capable expeditionary force packages. Today, I can report to you that 75 percent of our people in the Air Force are on tap to be mobilized if required.

Operation Iraqi Freedom required us to deploy eight of our 10 Air Expeditionary Forces. We pulled them forward. We deployed into 32 bases and locations around the world. I can tell you that at the height of Iraqi Freedom I don't think we had one tent left in the United States Air Force, and we continue today with 14 bases throughout the AOR to conduct operations. And the Air Force's — as the Army helped us with our security needs with their Air National Guard Security Forces when we experienced increased threat conditions after 9/11, we have now almost 100 percent of our combat engineers deployed to help the transition in and out between the United States Army and the United States Marine Corps.

We've invested — continue to invest a great deal in the technology of air and space. We will see continued development of the space-based radar, of the transformational communications system. We will see the FA-22 in the budget as it continues to go through its operational testing, a system that will be able to deal with the surface-to-air missiles that we see being developed and deployed right now around the world, and also be able to deal with anything that comes up to challenge us in the air.

We have developed — we are developing a new series of joint weapons to include stand-off munitions. We are developing a small diameter bomb, 250-pound bomb that will be able to glide with internal wings out many miles to be able to deal with targets far away. And when we put this — are able to incorporate this on the FA-22, we'll be able to support the brigade combat team concept deep behind enemy lines to support people on the ground.

In the mobility, you will see that we continue to acquire additional C-17s, an airplane that has been renownedly successful. We saw in Operation Iraqi Freedom the drop of over a thousand members of the 173rd Brigade in northern Iraq, a very successful operation. In that number, were jumping with the Army, were 22 airmen who got on the ground and made sure that airfield was able to turn and be used to air land as quickly as possible.

We continue — and again, in concert with the United States Navy to develop UAVs, and to put these UAVs out there in the hands of the people who need them. The Predator unmanned air vehicle, the Global Hawk, the Predator B — these are armed — Predators, the two versions of the Predators are both armed and can deal with targets, as we saw them do in Iraq as we took out a satellite TV station being used by "Baghdad Bob" that was parked right near the Grand Mosque, and we were able to do that with great precision with a very small warhead used from the Predator UAV.

And we continue to ask that we be able to recapitalize our tanker force in a way that is appropriate and is approved by this committee and by members of the Congress.

Continuing improvement of our bomber force, to include stand-off capability on our B-1s. The B-2, we're developing a bomb rack where we can drop 80 individually guided GPS-guided munitions from a single B-2. That's been tested and proven to be successful.

And, of course, as the other members have testified up here, Sir, none of this is made possible without absolutely magnificent people. Twenty — more than 20 percent of each of our Air Expeditionary Force packages are made up of the Air National Guard and the Air Force Reserve. We cannot go to war without them. They volunteer in normal times to go on these rotations. And then we have innovative concepts that are working. We see the blended unit in Senator Chambliss' state of Georgia that has the Air National Guard and the active duty force in the same unit. In this case, commanded by a guardsman, but the command can transfer back and forth, and it provides us a terrific way to have ready forces that the Air National Guard can fall in on in times of surge. We're going to look at this concept also into the future with our fighter

forces to include the FA-22.

And we are happy to report, as are the other services, great progress and success in retention and in recruiting. Before this fiscal year started, we have 43 percent of this year's recruiting already in the bank and ready to go. Retention, again, for several years in a row now, is at 100 percent in all categories. We expected some drop after drop — after stop-loss was dropped last summer. We saw no drop-off in retention.

And I'm proud to report, sir, that in my travel overseas, where I have visited with soldiers, sailors, airmen, and marines in the AOR in all services, the highest morale I have ever seen, and I pride that I can tell you I've never felt before.

And sir, it's a pleasure to be here today, and I look forward to your questions.

SEN. WARNER: Thank you, General, for that statement. I think the committee as a whole very appreciative of good, strong reports from each of you that we've received this morning.

We'll now proceed to a first round of six minutes each. And I will lead off.

General Schoomaker, we are preparing to have one of the largest rotation of forces in Iraq in contemporary military history. That not only involves the training, have those men and women ready when they arrive, the equipment — and you and I have spent some time here recently in consultation on how at this very moment further adaptations are being made to the equipment, particularly the Humvee, to meet the ever-changing type of threat and weaponry being used. And General Hagee, you're about to oversee your forces once again returning to Iraq.

So, I'll ask each of you to discuss the ramifications of this very significant turnover of forces, the equipment, whether it's the Humvee or the personal vests, the body armor, what is the status as they go into this face of harm's way?

GEN. SCHOOMAKER: Sir, as you correctly stated, this is one of the largest movements that we've had since World War II. Very complex. We've approached it in a very deliberate fashion and have spread this — have extended the period of time in which this rotation will take place to provide for the adequate preparation time, training, coordination, reconnaissance, and all of the things we have to do to ensure an appropriate, seamless turnover of forces within this very complicated theater.

Included in this is the extensive management of the equipment that will remain behind. Any equipment that we've designed, especially for force protection — when you talk about all the up-armored vehicles, not just up-armored Humvees, but the extensive efforts we've been making on other larger vehicles that are there — supply trucks, helmets, these kinds of things. The body armor, which we have, I'm happy to say, have met the goal that I testified to previously in both Iraq and Kuwait — to have the Interceptor Body Armor now over there in sufficient numbers for everybody to have — all of that will remain in place and is being managed in a very detailed way, the best way to say it, that will ensure that there is no — nobody that isn't protected to the very best that we can — we can do.

We have tripled the number of up-armored Humvees in theater, and are moving towards a requirement of 4,100 — four thousand, one hundred. This is a constantly moving target. We have included the Marine Corps' requirements in that number, and we are working very closely with General Hagee and his people to ensure that adequate distribution of these vehicles, you know, for their sector takes place.

We have significantly increased the production of this equipment. And you and I have had extensive conversations about not only the up-armored Humvee situation, but the add-on armor kits that are being produced on that. So, unless you want to go into more detail, sir, I think that's —

SEN. WARNER: That's fine. General Hagee.

GEN. HAGEE: Sir, I will not repeat what General Schoomaker said.

SEN. WARNER: Can you speak up a bit? These — this is a large room, and you've got to have these —

GEN. HAGEE: Sorry, sir. I will not repeat what General Schoomaker said, but we are — we are ready. We have about 3,000 vehicles. That includes both large vehicles and the smaller Humvees that we are hardening right now, we are hardening in conjunction with the Army. The Army is also leaving behind some of their so-called "up-armored Humvees." And when the transfer of authority takes place, we believe that we'll have all of our vehicles hardened and ready to go.

We have enough body armor for every single Marine, not only in Iraq but in Afghanistan, to have sufficient — sufficient

protection. We have also working with the Army developed technical means against these IEDs, and I can't go any further here in open session.

In addition, we have spent the last few months doing extensive training, working with the Army, taking their lessons learned from Iraq. We have sent every single maneuver battalion through an extensive, one-week course out in Southern California. We've taken all of our pilots, put them through a two-week course down in Yuma, Arizona. And we've taken our combat support and combat service support Marines, and reminded them that every Marine is a rifleman, and sent them through an extensive training course.

So, as we deploy this month, we believe we are ready.

SEN. WARNER: Thank you.

The commandant mentioned Afghanistan. Obviously, the theaters are in some competition for equipment. It would be my expectation that you find that your forces in Afghanistan are equally well-equipped as those in Iraq. Am I correct on that, General?

GEN. SCHOOMAKER: That's correct, sir.

SEN. WARNER: You mentioned in your opening statement the Guard and Reserve and the tremendous value they have been throughout this and indeed other conflicts. Yet, when the secretary of defense came up, I thought he very forthrightly said that there had been some analytical studies made of the Guard and Reserve and their training and work-up for such operations should be changed. Can you elaborate on how you're working with the Guard and Reserve community to begin to make them units that are more readily able to integrate to the active forces?

GEN. SCHOOMAKER: Sir, I would be happy to. At the big level, our initiatives of modularity that allow us to plug and play Reserve component units with active component units in a seamless fashion, of course, is our objective. I think if you take a look at the way that we are currently preparing and have been preparing the three Guard brigades that are part of this current rotation going in for OIF2, and the fact that we have put the very best equipment on these soldiers, about \$3,000 a set, to include the Interceptor Body Armor, the very best of weaponry, and all of the other equipment that's there, and that they have been going through one of the most extensive training regimens, both at the National Training Center and at the Joint Readiness Training Center, which replicates very closely the environment in which they will operate, with extensive civilians on the battlefield — (inaudible) —

SEN. WARNER: Thank you for that, General. Lastly, General Jumper, the brunt of the transportation has fallen in many ways on your transportation command. What's the status of those aircraft and their ability to really handle this enormous transfer of force that it is beginning to undertake?

GEN. JUMPER: Mr. Chairman, a great deal of planning has gone on, not only for the airborne portion of this but also for the portion that we send on ship. And a great deal of planning has gone into this and it's being flowed — I've talked to General Handy (ph), the commander of the U.S. Transportation Command, about this, and he has got a flow plan that is going to get this done in a timely fashion. So, I'm confident that the planning for this has been good and the flow will be normal.

SEN. WARNER: And the Navy's role, Admiral, is up and ready on this?

ADM. CLARK: That's correct, sir. And as we speak, we have one of General Hagee's — a ship full of General Hagee's helicopters in the Red Sea en route, and all of the other shipping that is required is under control and ready to go.

SEN. WARNER: Thank you, gentlemen. Senator Levin.

SEN. LEVIN: Thank you, Mr. Chairman.

As I indicated in my opening remarks, the budget that's before us does not include funding to pay for the incremental costs of operations in Iraq and Afghanistan. How do we — how are we going to pay for the costs that we know are going to be incurred before a supplemental budget is presented to us in — next — next January — is part of the question.

And let me ask General Schoomaker specifically, do we have — do you have an estimate of the incremental costs that are going to be required to continue those ongoing operations at the same level in Iraq and in Afghanistan?

GEN. SCHOOMAKER: Sir, I do not have an estimate other than to look at the level at which we are currently operating. This year, our share of that supplemental approached around \$38 billion in the '04.

SEN. LEVIN: Do you have an estimate to what the approximate monthly cost would be to maintain those operations at the current level, the incremental level?

GEN. SCHOOMAKER: At the current level, sir, I believe we are expending around \$3.7 billion in Iraq —

SEN. LEVIN: Per month?

GEN. SCHOOMAKER: Per month, yes sir.

SEN. LEVIN: Those are incremental costs?

GEN. SCHOOMAKER: This is the cost of operation that I understand right now is the total cost of operating in Iraq. In Afghanistan, it's about \$900 million a month.

SEN. LEVIN: All right. And do you have costs for the other services? General Hagee, do you have a cost?

GEN. HAGEE: Sir, right now we are projecting for this fiscal year, within the — within the Marine Corps, expending about \$800-to-\$900 million. And within — discussing this with the Secretary of the Navy, we believe that for this year it's about \$1.5 billion. We have captured those costs, we have submitted them to OSD, and we expect for them to be paid out of the supplemental.

SEN. LEVIN: General Schoomaker, General Hagee, press reports indicate that the CIA is concerned that a civil war could erupt in Iraq within the next six months. How prepared are your forces, given the large rotation, to address that potential turn of events if it occurred? General Schoomaker?

GEN. SCHOOMAKER: Sir, as you know, we're going to have a peak of almost 200,000 people in there at the peak of this rotation. We certainly are not intending to hold those people in there. I mean — that's part of the rotation base. I have heard of the discussions about the possibility of civil war, and that's clearly a possibility, but I have not heard anybody predicting that, in fact, that was the case. So we are as prepared to deal with whatever we have as we are today to deal with what is going on. We are very well prepared to fight, we are very well prepared to do our duty there in the manner that we are doing it now.

SEN. LEVIN: General Hagee, do you have any comment on that?

GEN. HAGEE: Sir, I align myself with the chief of staff of the Army.

SEN. LEVIN: There were a number of expectations and assumptions that were based on prewar intelligence that did not pan out; for example, the expectation that many Iraqi army units would defect. That didn't happen. There was an expectation that Iraqi police would stay at their stations. That didn't happen. The fact that these didn't happen led to subsequent events, such as the looting and the destruction of government files and buildings — probably led to what I consider to be a major error — and others do, too — the decision of Ambassador Bremer to disestablish the Iraqi Army. As a result, the various Iraqi security units had to be rebuilt from the ground up. There are certain other predictions or assumptions, assessments, that were made by the intelligence community that did not take place — obviously, the presence of weapons of mass destruction. General Hagee gave us one example of how our actions were affected by those assessments and by those predictions. The same thing could be said relative to a CIA assessment that Iraq had UAVs that were intended for delivering those weapons of mass destruction and apparently they did not.

There were more than 500 sites where weapons of mass destruction or WMD-related activities were possibly located. That means that there may have been targets that we did not strike because we were concerned about collateral damage from a potential release of chemical and biological weapons. Now, those are just some of the assessments and predictions that did not pan out. And this is my question to each of you — have you been interviewed by either the Senate or House Intelligence Committees or by any other congressional committee to determine the impact of prewar intelligence on the planning for or the conduct of Operation Iraqi Freedom? General Schoomaker?

GEN. SCHOOMAKER: No, sir, I haven't.

SEN. LEVIN: Admiral Clark?

ADM. CLARK: No, sir.

SEN. LEVIN: General Hagee?

GEN. HAGEE: No, sir.

SEN. LEVIN: General Jumper

GEN. JUMPER: No, sir.

SEN. LEVIN: Do we have contingency plans, in the event that Iraq sovereignty is transferred to them, does not agree to provide the status that we want for our U.S. forces in Iraq? Once sovereignty is transferred, we're going to have to deal, then, with whoever that sovereign is relative to the operation of our forces and, presumably, reach an agreement with that entity that represents the government of Iraq relative to the status of our forces and the ability of our forces to operate. And do we have contingency plans in the event that Iraq does not agree to provide the status that we want or to allow the U.S. forces to operate freely there? General, let me again start with you. Do you know of any contingency plan?

GEN. SCHOOMAKER: Sure. I'm not aware of what is going in that regard. I think it's appropriate for General Abizaid to address that, because I know he's engaged.

SEN. LEVIN: Do any of you have any comment on that? My time is up, thank you.

SEN. WARNER: Senator McCain.

SEN. MCCAIN: Thank you, Mr. Chairman, I want to thank the witnesses for being here today. General Schoomaker, this transition that was just discussed of troops being rotated in Iraq will result in about 40 percent of those troops being guard and reservists. Is that correct?

GEN. SCHOOMAKER: Sir, I believe it's about 37 percent was the last figure I was given.

SEN. MCCAIN: Probably the largest percentage of guard and reservists in a combat situation in history. Would you agree with that?

GEN. SCHOOMAKER: Sir, I wouldn't be able to agree with that. I don't know. In history, in World War II, Korea, and everything, I'm not sure.

SEN. MCCAIN: Well, I continue to — I don't have the facts, but I continue to disagree with the assertion made by the Secretary of Defense and you all, again, today, that we won't have significant impact on retention of guard and reservists. Many of these guard and reservists will be there for their second tour, is that correct?

GEN. SCHOOMAKER: Sir, I don't have the figure before me, but if I recall the testimony the Secretary gave the other day, something like 7 percent of the guard and reserve has been called up more than once.

SEN. MCCAIN: Well, we'll find out, I guess. I hope that — as I've said before, I hope that I'm wrong. You intend to expand, General Schoomaker, the size of the Army by 30,000 individuals over four years. Is that correct?

GEN. SCHOOMAKER: Sir, I've asked to grow some headroom in the Army so that we have the ability to do the modularity and the movements and transformation that we want to do while we find the offsets for them within our current and strength authorization.

SEN. MCCAIN: I guess I better repeat the question, General Schoomaker. Is there going to be an increase of 30,000 troops over a four-year period?

GEN. SCHOOMAKER: Yes, sir.

SEN. MCCAIN: And do you intend to ask for that to be paid for each year in an emergency supplemental? It's not reflected in any budget request by the DOD.

GEN. SCHOOMAKER: No, sir, it isn't. That's what I asked for — was under the supplemental funding under the current level of operations that we have. As I spoke before, we have 11,000 people right now above our statutory end strength that are being paid for because of the level of operation. What I've asked for is to be able to target who we keep to do that so that we can form more units while we find the offsets in personnel within our current authorization through our restructuring and the other initiatives.

SEN. MCCAIN: Which, again, in all due respect, ends up with an increase of 30,000 personnel? Is that correct?

GEN. SCHOOMAKER: Sir, I — yes, sir. I have asked to be able to grow to that level. We cannot achieve that level overnight. This is going to be incremental growth over that period.

SEN. MCCAIN: But each year, is it the intention to ask for the funding for this out of emergency supplemental

funding?

GEN. SCHOOMAKER: Sir, as long as we have this emergency, yes — in conjunction with what we have in our program. But, obviously, if the emergency terminates, then we will have to terminate this, and this is why we built the off ramps during the period of growth.

SEN. MCCAIN: I guess my point is, Mr. Chairman, I have not known of personnel increases being paid for in the name of emergency supplementals to pay for conflict, and I think what it does, is it increases the size of deficit and then, again, deceives the American people about the size of the deficit and the debt that we are incurring some now — I've forgotten, now, per household. General Jumper, are you aware that members of the Senate Armed Services Committee staff were given falsified information by the people at Tinker Air Force Base?

GEN. JUMPER: No, sir, I'm not.

SEN. MCCAIN: You were not aware of this issue being discussed in open hearing? Your liaison people didn't inform you of our concern about that?

GEN. JUMPER: No, sir, not about false statements. I've heard nothing about false statements.

SEN. MCCAIN: I showed before the committee doctored documents that were given to the staff of this committee. You know nothing about that?

GEN. JUMPER: I'm sorry, sir, I do not.

SEN. MCCAIN: General Hagee, do you need additional members of the Marines Corps to carry out your responsibilities?

GEN. HAGEE: As I see the situation right now, no, sir.

SEN. MCCAIN: You do not.

GEN. HAGEE: Do not, sir.

SEN. MCCAIN: Thank you, Mr. Chairman.

SEN. WARNER: Thank you, Senator McCain. Senator McCain —

SEN. MCCAIN: I'd like to add several questions submitted in the record to the —

SEN. WARNER: Not objection — all members are given that opportunity. But you raised very important questions relative to the budget and the supplemental as did Senator Levin. I wish to make it clear that, having been in the building myself for many years — these witnesses before us received guidance from the secretary of Defense as to what to do. They did not make the decision not to include in their own budget process the cost for those personnel. I think we all agree on that. So it's the level above them where that decision was made as to the allocations of the budget cost. So are we agree on that, gentlemen?

SEN. LEVIN: I think that's usually true.

SEN. MCCAIN: Yes.

SEN. WARNER: So they are responding to the actual facts, but the decision on the budget was made, frankly, by the Office of Management and Budget and promulgated through the secretary of Defense.

SEN. LEVIN: They could appeal it to the president, I guess, under Goldwater-Nichols.

SEN. WARNER: Senator Lieberman?

SEN. LEVIN: Good old Goldwater-Nichols.

SEN. LIEBERMAN: Thank you, Mr. Chairman, and, again, thanks to the chiefs for being here. Mr. Chairman, there has been some reference made and questions asked regarding the ongoing debate about the quality of our intelligence about WMD and the way in which the administration used that intelligence. And those are important questions, but I think it is even more important that we focus, as I believe all of us want to do, Senator Levin said it in his opening statement on how we support you and our forces to successfully complete the mission in Iraq, and while the inquiry regarding WMD and the intelligence is significant, certainly, as we go forward. But what's really important is to go forward, and we're

there now. We successfully carried out what I have, for more than a decade believed, was a just and necessary mission, which is to overthrow Saddam Hussein. I have no doubt, thanks to the skill and bravery of your forces that America and the world is safer as a result. And now the question is, how do we complete the next phase, which, in some sense, is a different mission. And so my questions will focus on that.

Like everyone else, I have been reading lately and hearing about Mr. Abu Musab al-Zarqawi, a Jordanian thought to have links to al Qaeda, who I gather we now link to a number of bombings in Iraq and now have found this disk what looks like a request by him to the leadership of al Qaeda for support — for what I was impressed — he called a "secular" war against the Shi'as. I just must say parenthetically I've always been struck by the conclusion that many reached that there was no link between al Qaeda and Saddam Hussein. How could there a link, they say, because al Qaeda is theological and Saddam was very secular. Unfortunately — and I'm not reaching a conclusion here, I'm just urging others not to reach a conclusion — unfortunately, they had something that tied them together, which was their hatred of us.

And I now return to my question, which is — I'll start with you, General Schoomaker, and maybe with General Hagee, the news about Zarqawi leads me to ask — how would you describe the insurgency we are facing now? Am I right in concluding it is a mix of Ba'athist loyalists, of Saddam loyalists, and terrorists? Is that the conclusion you reach about the enemy we're facing in this phase of the conflict in Iraq?

GEN. SCHOOMAKER: Sir, I think it's been best described as being a combination of former regime loyalists, you know, the dead-enders. There are certainly some criminal elements that are being paid to perform certain things by them, and, obviously, you've seen intelligence that there are other entities that are there. But it appears, from what has been in the open press today, that there is a direction towards trying to work the seams between the different entities within the country, to their advantage. And I'll pass it to General Hagee.

SEN. LIEBERMAN: But as you advised the Secretary and equip and staff General Abizaid, I take it that you have no doubt that part of the element we're fighting there is terrorist, not just the Ba'athist loyalists. Is that right, General?

GEN. SCHOOMAKER: Yes, sir, I think that that's clear. The evidence is there that they are — you know, terror is a tactic as well as —

SEN. LIEBERMAN: — right —

GEN. SCHOOMAKER: — as a philosophy, and I think that we, nevertheless, regardless of what the source of it is, we are seeing terror tactics used against us in this insurgency and, really, the source of it, from my perspective, matters less from my area of responsibility, which is to protect, to prepare our soldiers to perform over there. And so I would agree in that regard.

SEN. LIEBERMAN: That's an important point, and I accept it, which is that I may conclude that there are terrorist groups that have come in from outside. But the point is from the point of view of your forces, terrorism is terrorism. It could be the Ba'athist using terrorist means.

General Hagee?

GEN. HAGEE: Sir, I agree with that assessment.

SEN. LIEBERMAN: Let me ask then a more general question which builds a little bit on the questions you've been asked before, which is — and I'll ask each of you this — whether the budget submitted by the administration gives you the resources you need to fight the ongoing war against the insurgents in Iraq, and conduct those essential military activities to win the peace, as well as to be prepared to fight and win if necessary elsewhere in the world. So I'd ask you then, and I guess I'd ask, understandably you can never have everything you want in a world of limited resources. What would be your top unfunded requirement, if in fact you feel that you've received as much of your priority list as you need in the administration's budget?

GEN. SCHOOMAKER: Sir, I would have to submit that for the record. I would not like to guess at that at this stage. But I would like to say that the '04 budget with supplemental is sufficient to prepare us and to conduct the operations that we are doing today. What we have in the '05 Army budget is sufficient to prepare, equip the Army to do the day-to-day things to support the preparation for the war. It does not include the contingency costs of actually operating over in that theater.

SEN. LIEBERMAN: So what you would like to submit in writing is what your top unfunded requirement would be?

Did I understand that correctly?

GEN. SCHOOMAKER: Sir, if you're asking me that question, that's the way I would prefer to answer it, yes, sir.

SEN. LIEBERMAN: Fine. Admiral Clark?

ADM. CLARK: The demand on the Navy is certainly not the same as it is on the Army and the Marine Corps with regard to the specific fight. The requirement for us to be represented globally certainly is there, and 32 percent of my force is forward deployed today. I have sufficient resources to execute that. Over the course of our discussion — this is my fourth visit to see you all — I have talked on a consistent pattern about the requirement to make sure this force is ready. And in my opening testimony, I spoke to the value of readiness. I assure you that this budget has the resources in it to make sure that it's ready and I can respond this afternoon, if I have to.

With regard to my most pressing requirements — and you are exactly right, in a perfect world I could dream up some things that we could go faster — I fundamentally believe that one of the things that is costing us in the acquisition side of the house is that many of our programs, because of resources, were not able to move fast enough, and so we'd have them on a program on minimum sustained rate or do not invest as rapidly as we could, and that ends up costing the nation more.

But I will tell you that for me it is about now the focus — and we've been turning a laser beam on how to create the Navy of the future, because for too many years we did not buy enough ships and airplanes. And so that would be my most pressing need, and that's where I would be additional resources to recapitalize ships and aircraft, submarines, in a more rapid manner.

SEN. LIEBERMAN: Thanks, admiral. I know I'm over my time. Mr. Chairman, I wonder if we could just ask General Hagee and General Jumper to respond briefly.

SEN. WARNER: Yes, of course.

GEN. HAGEE: Sir, with a combination of the budget and supplemental, we can handle the day-to-day operations and any contingencies that come up. As far as the number one item on my list, it would be resetting the force, ensuring as we use the equipment, either in Iraq or Afghanistan or wherever, that we have sufficient funds to either purchase new equipment or to refurbish the equipment that is coming back.

SEN. LIEBERMAN: Thank you. General Jumper?

GEN. JUMPER: Sir, we also have the resources to do our job and resetting the force quickly and being able to recapitalize, as Admiral Clark says are the two priorities on the Air Force's list.

SEN. LIEBERMAN: Thank you all for your testimony. Thanks for what you do for us and our country every day.

SEN. WARNER: We thank you, Senator Lieberman. Senator Dole.

SEN. ELIZABETH DOLE (R-NC): (Off mike) — and if their lodging, their subsistence are of the same quality as the active units that are training on the same basis. Would you respond to that?

And then also the budget request news release sent out by the Department of Defense proposes — and I quote — "the use of innovative management to improve the mobilization process." Could each of you go into more specifics about how your service intends to be meet that objective?

GEN. SCHOOMAKER: Senator Dole, thank you very much. As I think you might know, I've spent considerable time with the 30th Brigade, Old Hickory, through its — all the way from its pre-mobilization, through the mobilization process, and through its most recent training at the Joint Readiness Training Center. And we have pulled out all stops to ensure that they are absolutely prepared, equipped, trained, have had all of the benefits, all of the access to ensure that they have mission success as they do that.

What we are — to answer the second part of your question, what we are doing in preparation for mobilization, is we are going to school on ourselves. We're learning very much about what we're doing now, and had been doing in mobilization, and both the chief of the Army National Guard and the chief of the Army Reserve are working with us in achieving the initiatives through modularity and transitioning from what we used to call an alert-train-deploy mentality to a train-alert-deploy capability within our Reserve components.

SEN. DOLE: Would the others answer briefly please?

ADM. CLARK: Very briefly, we have now only 1,900 Reserve mobilized, and our problem and challenge is significantly different than the other services. Just suffice it to say that the main way we are taking this on, senator, is this: Rebalancing the active/Reserve mix. Don't get caught in a position so that if you have to go accomplish some mission that you have to have a lot of Reserves on Day One. And so we have restructured our fast response force so that Reserves will not be required for at least the first 60 days of any operation we might be required to be involved in.

Then the other — General Schoomaker's comment about learning on ourselves — absolutely true. We continue to do that. The biggest area for us has been in pay. We have made progress with the computer system to support that.

GEN. HAGEE: Senator, as you know, we are an expeditionary-ready force. We have active duty personnel located with our Reserve units to ensure that their training meets the same standards as our active duty forces. And we are ready to activate those individuals within an extremely short period of time to respond to any contingency.

GEN. JUMPER: Senator, in the Air Force we train our Air National Guard and Air Force Reserves in the same standards as the active, and they share the same equipment. We have a high, very high volunteer rate for our normal rotations in the Air Force. But we are configured with our air expeditionary forces that we can call forward the active portions of those forces as force packages as we need them, if we want to avoid mobilization. Still, with our high volunteer rates, we don't think that that's necessary in normal times.

SEN. DOLE: General Jumper, I have an interest in the A-10 aircraft. This year's budget shows a significant procurement funding increase for the A-10. The A-10 certainly has shown its continued capabilities in Iraq, despite its status as aging aircraft. Does the budget investment support your goal of extending the service life of this aircraft to 2028? And have recent operations further validated the use of other platforms, like the F-16, the B-1 for the close air support missions?

GEN. JUMPER: Well, senator, as you know, especially since Kosovo, and particularly into Afghanistan, we have worked close air support with every kind of airframe that we have. The most significant addition has been our bomber force. And in many cases we have been able to provide close air support with greater accuracy with our GPS-guided bombs than we have actually been closer to the ground with some of our fighter aircraft. But our F-16s, our A-10s and our bomber aircraft are all committed to that mission.

We will remain — we will continue to have in Air Force dedicated airplanes whose sole mission is close air support, like the A-10. And, as you say, we have a significant upgrade program. How this will play out into the future and how we work this with the aging aircraft problems of the A-10 is yet to be determined, but we will continue with dedicated close air support capability in our Air Force.

SEN. DOLE: Thank you. My time is expired. Thank you, Mr. Chairman.

SEN. WARNER: Thank you very much, senator, for your contributions on these questions.

Now, Senator Reed.

SEN. JACK REED (D-RI): Thank you, Mr. Chairman. And gentlemen, thank you for your service to the nation and to your individual branches of service. My theme will be reminiscent of many that are here today. The most remarkable thing about this budget is what it leaves out, not what it includes. Leaving out the cost of operations in Iraq and Afghanistan, leaving out the deliberate increases as a result of 30,000 additional Army troops that we're committed to. I think it's a deceptive way to finance the operations of the military, and I think it has practical ramifications also. And it impacts the Army most specifically, and the Marine Corps to similar degrees.

General Schoomaker, as I understand the way we are financing operations today, is that this budget proposal will cover the routine operations of the Army through the '05 year. But operations in Afghanistan, Iraq and other contingencies are being funded out of the '04 supplemental?

GEN. SCHOOMAKER: That's correct, sir.

SEN. REED: At the current burn rate, when do you run out of '04 supplemental money? What day or month or —

GEN. SCHOOMAKER: Sir, we are funded through the end of this year, at the burn rate — through the end of the fiscal year. And —

SEN. REED: So you are funded till June — till, excuse me, September 30th.

GEN. SCHOOMAKER: End of September, yes, sir.

SEN. REED: So if this supplemental is delayed past September 30th, say the end of November, or even delayed until the following year, which is customary nowadays when we consider legislation November/December timeframe, you will burn out all the money that's appropriated?

GEN. SCHOOMAKER: That's correct, sir.

SEN. REED: In trying to balance the commitments and the demands, do you anticipate cutting down base support operations as a way to cover shortfalls?

GEN. SCHOOMAKER: Sir, I — quite frankly, I only have visibility of what we have. I don't know what OSD has available to it to do it. But I am concerned — and I think this is what you're getting to — on how we bridge between the end of this fiscal year and whenever we could get a supplemental in the next year.

SEN. REED: Thank you.

GEN. SCHOOMAKER: And I do not have an answer for exactly how we would do that.

SEN. REED: Admiral Clark, do you have similar concerns?

ADM. CLARK: I do not, because I do not have that kind of surge requirement at the time. If I had to increase the pace of aviation operations, then I would need additional resources. I do — we'll end up being the party that pays for the Marine Corps transportation, and so that's a small amount that we will have to deal with. We expect to be covered by the '04 supplemental for this movement, and then the next year we'll have to deal with when they will be coming home.

SEN. REED: General Hagee, your comments?

GEN. HAGEE: Sir, I share the chief of the staff of the Army's concerns about this.

SEN. REED: General Jumper?

GEN. JUMPER: Sir, so do I. We will have — we are funded through the end of FY '04, and then we will have to either cash flow or find a way to bridge until any potential supplement in '05.

SEN. REED: So if we don't see a supplemental up here middle of the summer, given the way we work, you gentlemen to varying degrees are facing a funding problem beginning September — ending — well, beginning October 1st — is that fair?

GEN. SCHOOMAKER: Yes, sir.

SEN. REED: Admiral Clark, just for the Navy?

ADM. CLARK: Based on what I said last time, I don't have any requirements that I know of at this time, but I might have a small transportational —

SEN. REED: General Hagee?

GEN. HAGEE: Yes, sir, we will have a challenge during that first quarter. We would take actions like General Jumper mentioned, forward funding or cash-flowing it until the supplemental became available.

SEN. REED: Let me ask another related question. This goes against the Army, because they're bearing so much of this burden, and bearing it extremely well, general. The secretary of Defense had a chart at the last hearing which he was going to use, I guess, to talk about the end strength increases. But what I find remarkable is that from September '03 to December '03 the Army lost 10,000 soldiers, at a time when stop-losses were in place, at a time that we were contemplating at least increasing the number of soldiers. I'm concerned that this is — this trend, if it continues, will be serious in terms of manning the forces, regardless of whatever end strength and by whatever means we achieve, coupled together with the anticipation in July, when IF I finishes, of significant recruitment problems and retention problems. Could you comment upon that, General Schoomaker?

GEN. SCHOOMAKER: I'm not familiar with the chart you just held up, and I don't know about losing 10,000 forces. We —

SEN. REED: But let me just — this is the secretary of Defense's chart, with the end strength of the actual Army

statutory — excuse me, actual Army end strength. They show in September '03 499,301; December 490,174 — a loss of about 10,000 personnel and end strength. That's his chart.

GEN. SCHOOMAKER: Sir, that was — our statutory end strength at the end of last year was 480,000.

SEN. REED: I'm probably being confusing. The numbers I refer to is the actual end strength, not the statutory end strength.

GEN. SCHOOMAKER: Yes, sir, and that's temporary end strength within their authority, within the authority of the secretary of Defense, has grown.

SEN. REED: I'm not questioning the legality. It appears to me we lost 10,000 soldiers, real boots on the ground, at a time we had stop-loss orders in effect, at a time in which we were trying to begin our recruitment for these additional soldiers. That's —

GEN. SCHOOMAKER: Sir, they're not related. That's what I'm trying to tell you. We have met our retention and recruiting goals at 100 percent of the force. The force waxes and wanes based upon who we're mobilizing, who we're moving.

And it's been as high as twice that number during part of it.

SEN. REED: If you could provide me a more specific written response —

GEN. SCHOOMAKER: Yes, sir, I will.

SEN. REED: — and I will provide more specific questions, perhaps. But if you just look at the lines here, you know, we are increasing actual end strength month by month for the last year. We hit a peak in December of last year and we start going down. And if the next report for January–February–March shows continued deterioration in actual end strength, I think it undercuts your ability to conduct your mission and it raises a serious problem.

And I'll just stop there.

GEN. SCHOOMAKER: Yes, sir.

SEN. REED: Thank you, Mr. Chairman.

SEN. WARNER: (Off mike.)

SEN. WAYNE ALLARD (R-CO): Thank you, Mr. Chairman. I have a brief statement I'd like to have included in the record just prior to my questioning.

SEN. WARNER: (Off mike) — will be put into the record.

SEN. ALLARD: Thank you, Mr. Chairman. I went to a board of visitors meeting, which is advisory to the superintendent of the Air Force Academy, just recently. And I want to take this opportunity to thank General Jumper as well as Secretary of the Air Force Roche for attending the last two board of visitors meetings. I know they're very busy individuals, and their commitment to the future leaders in the Air Force is very much appreciated.

I'd also add that this last meeting was probably the best board of visitors meeting in the six years I've been on the board that I've had a chance of attending. We're under new leadership with Jim Gilmore as our chairman. And both the superintendent of the Air Force Academy, General Rosa, as well as the commandant, General Wyda (sp), gave good reports.

And I think, most generally, in talking with the members of the board, they felt that considerable progress had been made at the Air Force Academy as far as addressing this problem of sexual assaults that they've just been dealing with for the last year or so.

And I would ask General Jumper if he might — you were there; you listened — if you might — and that's appropriate — I'd like to have you just kind of share with this committee your assessment of where we are with sexual assault issues there at the Air Force Academy and how the plan is moving forward.

GEN. JUMPER: Thank you, Senator. And I appreciate your efforts, sir, to reinvigorate the board of visitors and to get the members interested in what's going on out there. And you and Chairman Gilmore have done a superb job of that, and I think that's what made the meeting such a success.

Senator, as you know, there's a great deal that's gone on as we implement the provisions of the Fowler Commission report. We have about 80 percent of those recommendations implemented at the Academy. The actions that you and the board of visitors took at the last meeting went a long way to implementing many of the rest of those provisions.

And as we have looked at the agenda for change at the Academy, I think we have seen an excellent response, especially with regard to the use of alcohol among the cadets. The number of incidents have gone down dramatically. We don't declare success on that; we just take it as a trend.

The number of incidents, sexual assault incidents that have been reported since the new leadership was in place is 10. Those are being dealt with. And the issue that we are consumed with right now — I know Senator Collins is worried about — is the issue of confidentiality and actually how we implement something that allows some element of confidentiality. We are working that right now with the DOD IG to try and find a way to accommodate all the concerns surrounding that.

But I think, from the alcohol uses to the reporting to the response team measures that we have put in at the Academy, I think that the attitude I see when I go out there — and as you know, Senator, I visit often and I randomly go around and talk to the cadets, as does Secretary Roche — I see a positive attitude.

I see a recognition of the problem. I see less and less denial and a determination to get on with fixing the elements of this problem. And we will continue to press forward with all energy, as you know, Senator, to get through this thing.

SEN. ALLARD: Thank you, General Jumper. General Schoomaker, the president's FY '05 budget request provides over \$1.4 billion for the Department of Defense's chemical demilitarization program. And you have a major role in that, or the Army has a major role in it.

And I was looking at the budget request and how JIPRA, which is a provision that has been put in place by the Congress for agencies to measure the progress and results of their programs, and I noticed that that particular program received the lowest rating as far as measuring results. And it doesn't necessarily reflect funding.

But there's also, I noted, some problems with cost overruns and some other problems. I wonder if you would just share with me about the funding and some of the evaluations of that program. And the bottom question is, are we going to be able to meet the 2012 treaty deadline for the Army's chemical demilitarization program?

GEN. SCHOOMAKER: Sir, I know that acting Secretary of the Army Brownlee is personally involved in running this issue. I am not as familiar with it. And I would be glad to provide for the record the —

SEN. ALLARD: Yeah, I wish you'd do that, because, you know, the JIPRA measurement on that means that, you know, you're setting goals and objectives and you're not meeting them or they're not — and so I'm concerned about that. And if you could give at least me and perhaps the rest of the members of the committee who would be interested —

GEN. SCHOOMAKER: I'd be glad to.

SEN. ALLARD: — in knowing what's happened. I'm particularly concerned about the cost overruns and everything we're hearing about in that particular program. I think that's an area of concern and is something that we need to watch.

I also have a question for you. The Denver paper, the Denver Post, has reported three weeks ago that as many as 40 women have been sexually assaulted while serving our country in Iraq. And then the Washington Post has made an article and then we have had the USA (sic) write an editorial on that. And as a result, Secretary Rumsfeld has ordered a comprehensive investigation into the matter. Is the Army addressing the problem of sexual misconduct when soldiers are deployed?

GEN. SCHOOMAKER: Would you say the last —

SEN. ALLARD: Are you addressing this problem in the Army?

GEN. SCHOOMAKER: Yes, sir, we are. We're addressing it very aggressively. This has been a subject that has received leadership attention. It is a chain-of-command issue. It is a leadership issue. It's a discipline issue. And we have significant resources available to us to handle it, and we're reviewing those in regard to much of what General Jumper just spoke to.

SEN. ALLARD: Back to you, General Jumper. Last November the Armed Services Subcommittee on Strategic Forces, which I chair, held a hearing on the current status of many of our military space programs. It was noted that many

of these programs had fallen behind schedule, experienced enormous cost overruns, and they may not be appropriately managed.

I believe that we cannot allow our military space programs to continue down this path, which could eventually threaten our space dominance. I believe that we need to seriously examine the size and type of satellites that we're building, and I believe our launch capabilities need to be much more responsive and much more affordable.

General Jumper, given the cost of building a few large, highly-capable satellites is becoming prohibitively expensive. Do you believe it is time for us to begin examining the possibility of building large quantities of smaller, less-capable satellites that together provide the same overall capability?

GEN. JUMPER: Senator, I can tell you that Mr. Pete Teets, who is the space executive for OSD, and the undersecretary of the Air Force, is focused on the ability of our space industry to perform.

It has to do with a number of things, not the least of which is getting our arms around the requirements. It has long been a practice in the space industry that requirements can come from all directions and that they are perhaps not properly constrained. And we are taking aggressive action to get a hold of the requirements.

Certainly one of the things that has to be looked at is the size and complexity of satellites. And as you know, there's a large effort going on with the development of microsats technology and what it might be able to do for us, especially as we look at being able to focus on specific areas.

So I take your point, sir. I know that Mr. Teets is looking at that. And I think that is probably one of the alternatives to the way we're going now.

SEN. ALLARD: Now —

SEN. WARNER: Thank you very much, Senator. We were past the time.

SEN. ALLARD: Thank you. Sorry, I didn't realize my time.

SEN. WARNER: That's all right. Not at all.

SEN. ALLARD: Thank you, Mr. Chairman.

SEN. WARNER: It's a very important questions. Senator Pryor.

SEN. MARK PRYOR (D-AR): Thank you, Mr. Chairman.

Admiral Clark, I was interested in a comment you made about moving the Navy to more technically advanced ships.

SEN. WARNER: Excuse me, Senator. Your voice is being lost. You've got the light on your mike, and bring it up. Thank you.

SEN. PRYOR: Thank you, I got it — that we're moving toward much more technically advanced ships. And I'm curious about that. In a sense, are you saying that we are going to have fewer and fewer tasks that, say, an E-1 can perform on those ships and more and more tasks on those ships that E-6s will perform? How will that work?

ADM. CLARK: You've got it exactly. The technology that we are inserting in our new platforms is going to require a more experienced — call it a richer experienced force.

SEN. PRYOR: Right.

ADM. CLARK: Technology is the edge. By the way, I said in my opening testimony, our asymmetric advantage is technology and the genius of our people. And I want all of it I can get. And the reality is that — let's take DDX. DDX starts construction in '05. DDX will have — will be an all-electric ship. It will have the ability to project fire. As I said, it will revolutionize naval fires — 100 miles. Today we can do it around 10.

This will change the way we fight with the Marine Corps. It will change the way we support Army units on the ground. But this ship is only going to have — a typical ship today that size would maybe have 500 or 600 on it. This one is going to have between 100 and 150 people on it.

No, I don't anticipate that there are going to be many E-1s there. It's going to require a very experienced group of people to operate this ship. And this is why I need all of the incentive tools that I need to shape the kind of force and it's

why I'm one chief that's talking about a force that's much more capable but with fewer people in it.

SEN. PRYOR: Right. And I assume, for budgetary reasons, fewer people with a higher pay scale for those fewer people is right. But does that wash out in the end in terms of —

ADM. CLARK: Well, it absolutely is shaped differently. And this budget — for four years I've been coming up here talking about making my force richer in experience. And this budget again — when I got here, the top six — that's E-4 through 9, was 69.9 percent of my force. In '04, it goes to 73.3. And in this budget, it goes to 74 percent of my force.

You cannot change this overnight, and we have been progressively growing the experience in the force that provides more opportunity for our people but also seeks to let them — sends them the message, "We need you. We need your skill set." And this is what the Navy is going to be like in the future.

SEN. PRYOR: Let me ask this in light of that. And I track completely with what you're saying. But I recently received a letter from a constituent from my state of Arkansas, and I believe he's stationed in Japan. And under the high-year tenure system, it sounds like he's about to be forced to retire. He's an E-6. And I don't know all his background; I don't know a lot about him, but I do have his letter right here.

But, you know, I just wonder if we should re-evaluate our high-year tenure system in light of what you just said, that there may be some people that maybe don't go up the promotion chain but are awfully good at what they do, and we should keep those people for a longer period of time. Does that make sense?

ADM. CLARK: That absolutely makes sense. And so, you know, one of the things that, as the chief, I get to do is that I get to put policies in place. And so, in order to shape the manpower force, I have put policies in place that puts a limit on an individual that has served for a number of years and hasn't been promoted in order to then make room for a hard charger that has the potential to serve much longer in the future. I put rules in on how long they can serve without being promoted.

Having said that, every individual is an individual. And I've got waiver clauses on every one of those people. So that option is always open, and we assess each case as required to meet the needs of the future and the naval service.

SEN. PRYOR: Yeah, because, based on what you said a few moments ago, it seems like you do want, you know, preferably more tenured people, more experienced people. You may have fewer of them per ship. So I understand that. So I just didn't know. I didn't want to point out an inconsistency, but I just didn't know how that worked.

General Schoomaker, let me ask you a question about this huge rotation that you're undergoing right now in Iraq. I think you're moving out 125,000, moving in 110,000, if I understand the numbers correctly. Could you just give us a status report on that rotation?

GEN. SCHOOMAKER: Sir, the rotation is on schedule and moving very well in every aspect of it, from the transportation plan to the turnover in the theaters.

SEN. PRYOR: So we're right on the timetable.

GEN. SCHOOMAKER: We are doing very well, yes, sir.

SEN. PRYOR: Are there any hidden or maybe unexpected costs that you had not anticipated? Are the costs of the rotation tracking on schedule?

GEN. SCHOOMAKER: I'm aware of nothing that's different in that regard.

SEN. PRYOR: Let me also ask this, General Schoomaker. Since I've been on this committee, which has been just over a year now, we've heard a lot about transformation. What is the most significant development or developments in transformation in this budget that we're talking about today? What should we see in the Army over this year, this fiscal year, that we as a committee can look to and track and follow the transformation process?

GEN. SCHOOMAKER: Sir, it would take the rest of the hearing for me to lay it all out. And we're going to come over and provide exquisite detail to every member and every staff member that would like to see what we're doing.

In short, modularizing the force, increasing the number of modules, putting enablers in that causes these modules to be much more powerful than they are today, changing the doctrine that looks much more like the doctrine of the future, not the doctrine of the past, using this momentum that we have as a result of the war and the focus and the level of funding

we have to reset for tomorrow, not reset for yesterday on the deal.

This whole issue of getting the temporary bumps so I can start it early, you will see three new brigades this year, at least three new brigades next year, and three new brigades the following year. So, we will increase the active force by 30 percent with a minimal cost to our program. If you take a look at the National Guard, he's moving toward 34 brigades that look exactly like the kind of brigades that we have in it. If we go all the way to the end of what we can do, we can end up potentially with 82 brigades in the United States Army that means that the dwell time issues, the kinds of pressures that are on the Guard, the Reserve, and the active force are reduced. Stabilization of this force, so that people stay longer in place, kids go to the same schools, spouses work, people can invest in homes and develop equity like other people do, all of these kinds of things are all part of this transformation. It is not just equipment, it's got to do with the full dimension of the doctrine.

SEN. WARNER: Thank you very much, Senator.

General.

Senator Collins.

SEN. COLLINS: Thank you, Mr. Chairman.

General Schoomaker, last Saturday I had the great privilege of participating in a welcome back ceremony for 24 soldiers from the Maine National Guard, who were returning from Afghanistan. I would note that Maine has the third highest percentage of Guardsmen and women being deployed right now in the entire nation. Last week, Secretary Rumsfeld suggested to us that the Guard is not overstressed, and he provided us with a chart that showed that only 7 percent of our Guard has been mobilized more than once during the past 10 years. That does not reflect the experience of my Guard units in Maine at all. Many of them have been deployed three times in the last ten years. Some were mobilized with only five days notice. Many of them had no idea how long they were going to be gone, nor when they would return. And I want to emphasize that the members of the Maine guard are very proud of their service, and they do a fabulous job. But repeated deployments over a ten year period, three times in ten years, has imposed a tremendous strain on their families, and on their hardships. And I'm reminded of the old saying that you recruit the soldier, but you retain the family. And I think, as Senator McCain and others have suggested, that we are going to see an exodus from the Guard and Reserves that's going to be very harmful because of these repeated deployments.

I have two questions for you. First, how are you going to restructure the Guard units so that you spread the burden more evenly. My units are clearly in the 7 percent. Second, will the additional 30,000 troops that you are requesting, active duty troops, help relieve some of the excessive pressure on these over used Guard units.

GEN. SCHOOMAKER: Senator, thank you very much for your question, and thank you for the service of your constituents, and we're very proud of them. While you were meeting them, I was down in Senator Pryor's state with 400 Guard commanders and command sergeant majors from across the whole United States working exactly what you're talking about.

This is not an issue of how many people as much as it is what capabilities, and how many units of capability do we have available to us, to overstress people that we have in the Guard and Reserve, and the active force, are in special cases that have high demand, and we have too few of. So much of our transformational activity is balancing lesser used capability within our force into the more highly used capabilities within our force, so that we can reduce the stress. The rain barrel analogy that the Secretary of Defense used the other day that I used with him, he beat me up a little bit when I used that with him, but apparently he liked it because he used it with you. The problem is, we are paying for a full barrel of rainwater here. I'd prefer to call it maybe whiskey, but we had to go with rainwater. And the spigot is too high up on the side of the barrel, and we're not able to assess all of that liquid that's in the bottom of that barrel.

What we want to do is move that spigot down by creating more of the low-density units, and take the stuff we have too much of, that we don't use enough, and convert them, and balance it across the active Guard and Reserve force structure. And it's essential, to do this we have to have some room, and thus the temporary bump. That buys us the ability to start doing it now, because the faster we can create more of these brigades that look like each other in other capabilities, the faster we'll be able to relieve the stress on the force, so that kind of pulls it together. That temporary strength goes away, the units remain when it's over, because of this rebalancing that we do.

SEN. COLLINS: Thank you.

Admiral Clark, you didn't think you were going to get off Scot-free today, when I'm here. I'm going to submit several questions to you about ship building, but I want to bring up a different issue today with you. A few months ago I also welcomed back to Brunswick Naval Air Station a squadron of P3 pilots and crews who had been assigned overseas to provide support in both our operations in Afghanistan and in Iraq. Could you comment on the role of the P3 aircraft in Operation Enduring Freedom, and Iraqi Freedom, and what you see as the future for our Marine patrol aircraft?

ADM. CLARK: Absolutely, and thank you for asking the question, because it's a group of people that really everybody needs to know about what they have been doing for America. This airplane, which was designed over 30 years ago, actually probably 40 years ago, and we started buying 36 or 7 way back there. This airplane was designed to go hunt submarines. It's classic about what happens in America when you apply the genius of our people, and you keep introducing new systems, and over time we've kept putting better and better sensors on this airplane that was designed to do reconnaissance, sometimes underwater reconnaissance. In Operation Iraqi Freedom I will tell you that they operated principally in support of the land forces. So we operated them at an extraordinary rate. These airplanes are wearing out.

In fact, I took a proposal to the Secretary of Defense recently and said, I cannot keep flying them at this rate. The rate that we're flying them today will not meet the transition for the new airplane that we have in this year's budget, the RND4, the MMA, we can't get to the transition without limiting the flight hours on this airframe. These people have done a fabulous job, and it's our task to husband this resource, use it where the nation must use it, in order to deal with the global war on terrorism, and the challenges that we face. The men and women flying in these old airplanes are doing a magnificent job.

SEN. COLLINS: Thank you.

SEN. WARNER: Thank you, Senator, very much.

Senator Cochran.

SEN. COCHRAN: Thank you very much, Mr. Chairman.

I want to express how proud I am of our troops, and the efforts they're making in keeping our nation secure, and also the great military leadership that we've had. General Schoomaker, I understand that the Army is attempting to reset your pre-positioned stocks.

And General Hagee, your statement suggests that this task is already largely accomplished for the Marine Corps.

However, I believe both of your services are also continuing to use at least some portion of those stocks in support of ongoing operations in Iraq. So I have two questions. First, what is the current status of your pre-positioned stocks, and how much do you plan to continue to draw on them during OIF-II. Second, based on those answers, how long will it take you to reset your pre-positioned equipment? How much supplemental funding will it require, and what is the impact on your ability to respond to other missions in the meantime?

GEN. SCHOOMAKER: Sir, thank you for the question. As you know, the most heavily used pre-positioned stocks are those that are in Kuwait right now, the ones that we used for the war. The Third Infantry Division, for instance, deployed from Fort Stewart and Fort Manning, and fell in on those pre-positioned stocks, and that's what they used to fight the war. So we have something on the rough order of magnitude of about 9,000 pieces of equipment in those pre-positioned stocks that will require resetting. This will take us a couple of years to do.

This equipment right now, in the main, is equipment that was used for the phase one, two operations, the battle operations, that we are not using today, so we are starting to reset them. The equipment that we've sent over there for current operations, primarily Humvee and other wheeled vehicle kinds of force is different. So I think the one that is most used right now is the one that's in Kuwait. We're resetting it. Others are intact, and available for us for worldwide commitment.

SEN. COCHRAN: General Hagee.

GEN. HAGEE: I may have not been quite clear. We are resetting the force right now. We are in the midst of accomplishing that. We have not completed the refurbishment of our three maritime pre-positioning squadrons. We have one that is essentially complete, and ready to respond to any contingency. We have several ships, and the two other squadrons that are complete. The remaining ships either are providing equipment to our forces in Iraq, the forces that are getting ready to flow in, or we are in the process of refurbishing that equipment right now. How long it will take until we

have all three squadrons back up will be a function of how long we'll have to use the equipment there in Iraq. But, we're going to be working on this for a couple more years to come.

SEN. COCHRAN: General Schoomaker, your statement makes clear the need for all soldiers, regardless of their specialty, to be able to engage in combat missions. This guidance, the wisdom of which continues to be made abundantly clear in Iraq, seems to imply the need for additional training, especially on small arms. I know that the Army has for some time had a short fall in ammunition. And the direction you're heading would indicate that shortages are likely to increase. If it's not classified, what is the current size, and cost of your ammunition shortfall, and what are your plans to address it?

GEN. SCHOOMAKER: Let me start with the end first, and if it doesn't answer your question, I'll provide the rest for the record. I've asked them to take a look at opening another facility for small arms production this year, and we are in the process of doing that right now. You are correct, we are stressed in the small arms area, have been for quite a while, and I'm concerned about it.

The need to train all soldiers to a higher level, especially the combat support, and combat service support soldiers, to do live fire convoy ambushes, to improve their proficiency in individual arms puts additional strain on our small arms ammunition budget. And we are doing that right now, we are doing that training, we are proceeding, and I'm told we're okay in terms of having the ammunition available today to do this, but I know if we fire at this rate, we're going to have to produce more in the future. So it's time to facilitate now to enable that. I think it's in the price range of \$30 to \$40 million, to create another facility to do this. Right now the nation has — the Army has one small arms facility, manufacturing facility.

SEN. COCHRAN: General Schoomaker, your statement emphasizes the Army's need to continue its efforts in leader development, and states that you will ensure that leaders get the, "right mix of operational assignments, and training, and education opportunities, for now and in the future." I'm wondering how your initiative to extend the length of time that soldiers stay at a given post up to six or seven years interacts with your leader development goals, especially at posts that have this small number of units, or that have very similar type units. Can you explain how soldiers with small, or homogenous posts will get multiple assignments that will advance their leadership skills over a seven year period?

GEN. SCHOOMAKER: Yes, sir. Obviously we have to look at the larger posts as being the ones that are easiest to do this at. Take Fort Hood, Texas, with two divisions there you've got the ability to professionally develop in an operational setting much easier there than you do on some of the outlying ones. In some cases we're going to have to look regionally to be able to do the things that we want to do with some of the smaller places. We are remaining — our commitment to the professional military education piece, however, remains the same. And we are working right now, the whole process, and I quite frankly do not see that we'll have a problem maintaining the institutional training side, schools, education, those kinds of things.

Where we need to manage — we need to ask ourselves the opposite question we've always asked, and the question ought to be why are we moving this soldier? If the answer is, there's a good answer, then we'll move that soldier. But, if the answer is, well, because they've been here two or three years, and it's time to move, I don't think that cuts the mustard. And I think as long as we continue to develop the soldier and provide cohesion in the unit, that the soldier and his family should stay. And I think we're going to find an overwhelming number of cases where we don't have to move soldiers. And every soldier we don't move is a soldier in the force. I have 63,000 soldiers, on average, every day in motion that are not in units. And by stabilizing this Army I conservatively can get 8,000 to 10,000 soldiers manning brigades, and that's part of what we have to do, that's part of what we're doing inside of this 30k that we're taking about temporarily, is finding those people and getting them to the units so that we can bring down that temporary piece of it.

I'm sorry for such a long answer, but it's an extremely complicated process that will make this Army better in the future than it was before we went into this.

SEN. COCHRAN: Thank you very much.

SEN. WARNER: Senator Chambliss.

SEN. CHAMBLISS: Thank you, Mr. Chairman.

General Hagee, I was very pleased to see your comments in your written statement relative to the purchase of Blount Island, and what an asset that's been to the Marine Corps. I think that the peacetime missions as well as the wartime mission at Blount Island is going to be even — an even greater asset to the Marine Corps in the future.

I was going to ask you about the armor plating of the Humvees and the tactical trucks, but you responded to Senator Warner's question and mentioned that. And I'm very proud of that work that the folks at MCLB-Albany have done there, and I'm glad to hear that the leadership as well as the men and women in theater have a great appreciation for the improvement of those systems.

General Schoomaker, I want to go back to Senator Allard's question to you relative to these allegations of sexual assault in Iraq and Kuwait. And I know this is not isolated to Iraq and Kuwait. It's not isolated to the Army. But these are the latest allegations that have come fore — come forward. And you mentioned that this is a chain of command issue.

Now, I want to make sure that you're comfortable with the fact that the chain of command is operating to the extent that you, as chief of staff of the Army, are getting information direct from the ground on what's happening with respect to these allegations, and that you have a procedure in place that is not just adequate, but a procedure in place that is working to allow allegations of this nature to be brought forth in the proper and sensitive respect that it should be brought forth, and that these allegations are being handled in a very professional manner, and that justice is being meted out. Are you comfortable that that's being done?

GEN. SCHOOMAKER: Sir, I am comfortable that we have the resources, and the procedures, and the regulations, and the training, and everything else that's required. What we must — you're hitting on the most important part, and that's compliance with all of this. And that's why the acting secretary of the Army and I are personally involved and are energized to make sure that we are compliant. And we've got a task force the acting secretary has set up to look into this and to make sure that we are in compliance, and to find out why in each case that we find ourselves not in compliance why we're not. And I'll tell you, it will go back to chain of command or discipline. It will go back to things that are fundamental. And we need to address that and fix it.

Unfortunately, we're not aware of each of these allegations that are allegations — you know, what Senator Allard was talking about there in terms of those numbers. You know, we're not aware of each and every one of those, so I don't know what the magnitude or what his figures are, but I do know what we know, and we are on top of this and will continue to do it. And this extends into our military (cabinet ?).

SEN. CHAMBLISS: That's an issue that the Personnel Subcommittee, if not the full committee, Mr. Chairman, is going to be following very closely because it's critically important to you, I know, and certainly to us, and to all members of each branch of the service.

GEN. SCHOOMAKER: Sir, I would add that since I have a daughter going into the Army, that I've got a personal interest in making sure that —

SEN. CHAMBLISS: Sure. Well, I know you're concerned, but I just want to make sure it gets the profile that it needs to be attended to.

General Jumper, I appreciate your comment about the work that the blended wing is doing at Robbins, and now Brigadier General Lynn (sp) is commanding the first blended wing that I think is going to be the precedent for every branch of the service in the future relative to the integration of the Guard and Reserve into the active force. And those men and women down there continue to do a terrific job, and I am just as proud of them as you are.

I want to talk with you for a minute about strategic airlift. You talked about the C-17 and the great work that it is doing in theater, has done and continues to do, and I agree with that. And strategic airlift has been absolutely central to our success in both Afghanistan and Iraq over the past three years, and central to the success of the Expeditionary Air Force for much longer than that.

Now, you're currently in the process of revising the mobility requirement study to incorporate lessons learned in Operation Iraqi Freedom and Operation Enduring Freedom, and I understand this study is going to be complete by June 2005. However, I don't think it takes a complex, time-consuming study to determine that we simply don't have enough airlift. We don't — we can't build enough C-17s, we can't modify enough C-5s fast enough to produce the amount of airlift capability that we need.

Now, one illustration of this, which I find a little troubling, is that 125 times over the last three years, DOD has contracted with the Russians to use AN-124 aircraft for strategic airlift because we simply didn't have enough of our own. At the same time, DOD and the Air Force seem to be dragging their feet on funding C-5 modernization programs, which could help alleviate our need to contract with the Russians. And I'd appreciate your comments on this situation as well as

your comments on how you will fund the C-5 modernization effort in order to increase our strategic airlift capacity.

GEN. JUMPER: Yes sir, Senator. And thank you for that question. Indeed, the global mobility forces that are out there working every day are indeed the key to our ability to reach out around the world. As the current mobility study has put the requirement at 54.5 ton miles per day, that is the number that we are challenging, and we are looking — re-looking to see if that's the right measure or if we need to rethink it completely in this contingency world that we live in. In order to get to that number, we were on the track that got us to some number of C-17s plus re-engined and re-engineered C-5s.

Part of our work with the C-5s is to see how many of the C-5s that are currently in the inventory are capable of being modified, or do they have the service life left, et cetera — have they been over-worked, et cetera. That work is ongoing, and is a part of the study that's due in the summer of '05. We will then be able to put those together and come up with an answer on the right combination of C-17s and C-5s modified to be able to meet the requirement. That work is ongoing. It's on the front burner.

We have made some adjustments in the funding on the C-5 to move from the — (inaudible) — to the aviation modernization program in the C-5s so we can keep more of those compatible with the current FAA and international regulations. But I can — I can assure you, Senator, this is a — this is an area of concern for us and we're going to keep pushing this.

SEN. WARNER: Thank you very much, General. And thank you for raising the questions about the sexual assault, because that is a primary concern to this full committee. Senator Clinton.

SEN. CLINTON: Thank you, Mr. Chairman. And thanks to all of you for the work you do every day and for once again coming to appear before this committee.

I am equally concerned, along with Senators Chambliss and Allard, on the investigation, General Schoomaker, into the allegations of sexual assault and misconduct. And will you be sharing the results of the investigation with this committee at some future date?

GEN. SCHOOMAKER: Senator, I'd be glad to.

SEN. CLINTON: Thank you.

GEN. SCHOOMAKER: (Inaudible) — what we're doing is taking a look at our internal processes and making sure that they're being complied with and find out if there are things that we have to tailor. But we'd be glad to share that.

SEN. CLINTON: I would appreciate that. Does the internal processes review also include looking at these individual cases that have come to the attention of the press? Obviously, that concerns us as well.

GEN. SCHOOMAKER: Yes ma'am.

SEN. CLINTON: Thank you, General.

General, also, with respect to the news that yesterday the Army Corps of Engineers admitted that it had falsely stated that the Air Force and the Small Business Administration were involved in the awarding of the contract to Halliburton for the rebuilding of Iraq's oil industry, will you direct the Corps to provide to this committee information on how it did decide to award that contract to Halliburton?

GEN. SCHOOMAKER: Will I do what, ma'am?

SEN. CLINTON: Direct the Corps to provide information?

GEN. SCHOOMAKER: I'll ask them to do that —

SEN. CLINTON: Thank you, General.

GEN. SCHOOMAKER: — Senator.

SEN. CLINTON: General, I am deeply impressed by the work that the Army is doing under the rubric of transformation. And the report that you have provided us in this posture review is very reassuring and persuasive as you make these significant changes. But I am also concerned about some very old problems. And the recent unclassified study by the Army's Combined Arms Center at Fort Leavenworth, a 504-page internal Army history of the Iraqi war, pointed out considerable problems in logistics. And I, in reading the press reports of this report, were struck by all of the old

fashioned problems we had. People couldn't communicate. They, you know, always were outracing their supply lines. They, you know, didn't have the information, as well as the resources, that they thought. The fact that the strategy of starting the war before all support troops were in place in order to achieve an element of surprise taxed the resources of local commanders. How are you addressing that issue? And, is that an issue that is reflected in this budget, or are there additional resources and changes that need to be taken into account?

GEN. SCHOOMAKER: Those issues are reflected in the budget. The logistician for the combined force land component commander, General Christiansen, is now the G4 of the Army, so he had the problem — I mean he suffered the problem on that end. He's now part of the solution, and we are aggressively looking at this. You're exactly right, we have — we have — we have not made the best use of our information technologies. We have not done things that we can do to fix that.

But, in all fairness, I also have to say that the distances and the speed at which all of this occurred seriously exposed these issues. These are far greater than what, you know, the distances that were anticipated doctrinally. And I've heard it said that the distance from Kuwait to Mosul, up where the 101st was, is like going from Omaha Beach to Berlin.

SEN. CLINTON: Hm-huh.

GEN. SCHOOMAKER: That's a pretty good distance. And that's a lot further than Patton tried to do in his "Red Ball Express." So, I think this is a serious issue because it has everything to do with our strategic and operational level agility, you know, our ability to do the logistics. Plus, there's a lot of money tied up in this, and so we are — believe me, we're going to school on this piece.

SEN. CLINTON: General, I know that many of us on this committee want to be very helpful to you in confronting this set of challenges, and it does strike me that there is an opportunity here to think a little bit outside the box. I mean, some of the supply of fuel and energy problems that you ran into, I have long thought that we ought to be pushing much harder on alternative energy, clean energy, because I think that, you know, we use fuel cells, for example, to lift off our space shuttles, but we're not yet figuring out how to use them in our military on a day-to-day basis.

So, there — there are, I think, some opportunities, not just in the immediate arena about how do we solve this problem the best we can right now, but thinking outside the horizon, what could be we — we be working on at this moment that would help us? And we would appreciate any suggestions or ideas that you or any of the other services have that would enable us to help on this, because I was particularly struck in the report about the failure of communication, which was so reminiscent about what happened in New York on 9/11 — police not being able to talk to firefighters, people in one part of the building not being able to communicate with someone in another part — and then to read that, you know, again, we didn't — the radios were out of range, people were improvising with cell phones. We just have to get a better grip on what we need to do with technology.

And, you know, just as for years DARPA and the space program were the source of new technology that had tremendous effects both for the military and civilian side, we need to be making some of those investments today as well.

GEN. SCHOOMAKER: I don't disagree with you.

SEN. CLINTON: The final point I would make, General, and this really is for all the services, but because the Army is so much on the point here, I appreciate what you said about train, alert, deploy, and I continue to be concerned about the medical and dental readiness of our Guard and Reserve. And I asked this question for all of our service chiefs at last year's posture hearing, but since then a GAO study released in 2003 found that the Army had not been able to consistently carry out the statutory requirements for monitoring the health and dental status, with the result that many reservists called up, frankly, couldn't be deployed because of health, and particularly dental problems.

So, I would like to get some additional information about what we're doing to try to deal with that. And, you know, of course, the fact that we don't have universal health care insurance, and so Guard and Reserves are on the civilian economy and they don't necessarily have the health care that they need is an issue far beyond this hearing, but whatever the Army is doing, or the other services, to try to make sure that we have the health status as good as possible, I'd appreciate knowing about.

GEN. SCHOOMAKER: Senator, I am happy to report that we're tracking this very well. On those that we have mobilized, we have a baseline of their medical status when they went in, and we're doing a very good as they come back out and comparing the baseline, making sure they're corrected. But you're exactly right, we are funded previously to have

one physical every five years to our Guard members, and no dental. And — and that means that you get what you get when they arrived, based upon the, you know, what they've been doing with themselves. And that's one of the reasons why we changed the mobilization criteria now. We mobilize for the first 25 days, do the medical check, and if we have problems, we demobilize, and we only keep those that pass it as it goes forward. We have to fix this systemically in the future. And as part of that, being better prepared before alert so that we can deploy more rapidly with a more ready force.

SEN. WARNER: Thank you very much. Senator Sessions.

SEN. SESSIONS: Thank you, Mr. Chairman. I want to congratulate all of you on the continued superb performance by men and women in uniform. I could not be prouder. They've been stressed in a number of different situations. They've consistently shown discipline and courage on the battlefield or in the streets of the cities in Iraq. Many of them had to have been — felt threatened — but they've held their fire, they've maintained their discipline in the face of hostility and have won friends as a result of it. And I'm just very, very proud of them.

Also, I'm proud and hope we can continue to improve our jointness idea, where air and ground and naval and marine — all work together as one force for America, and as we do that, I think we utilize our existing resources better, we get more bang for the buck that we've invested, and I just tell you, I couldn't be prouder of what you're doing. We are transforming in the middle of a war, it's a very stressful time to have to do that but, certainly, maybe it's a good time in the sense that we are learning exactly what we need to be effective. As you noted in the logistics, General Schoomaker, you learn from stress. We learn from stressing our guard and reserve how we can do it better.

I thought, General Schoomaker, let me ask you this — is it fair to say, since you've been in your position, that one of your top priorities has been this personnel issue? How to confront it, how to use our guard and reserve better and more effectively, how to configure our active-duty forces effectively?

GEN. SCHOOMAKER: That's correct. We are paying, we are funding almost 2.6 million people in uniform, and we need to figure out how to get the most out of each and every one of them. Not just them individually, but how to configure them in a way that's most useful for not only the current operating environment but what the future one is going to be. And we cannot transform without transforming the personnel system.

SEN. SESSIONS: I think you are correct, and we are looking forward to your report of this intensive analysis you've done about troop strength, our configuration, the brigades idea that you have. I do think it's time for us to think anew, out of the box, as Senator Clinton said, and really develop a force that's appropriate, perfect, if possible, for the future we might be facing.

I thought I understood you to say that you may could even increase the force — effective force — 30 percent by this rearrangement. Did I understand that?

GEN. SCHOOMAKER: Sir, there is no question we can.

SEN. SESSIONS: Well, that is a tremendous thing, and I know you've increased our manpower, our end strength, by utilizing the flexibility that has been given you. But also to be able to increase the effectiveness of our force 30 percent — Mr. Chairman, that's —

GEN. SCHOOMAKER: Sir, I have to re-emphasize the increase in manpower is temporary. I do not intend to retain that manpower. I want it long enough to get this thing — the pump primed and to get these capabilities developed so that I can have that 30-percent increase within the level of end strength that I've got today.

SEN. SESSIONS: Well, General Schoomaker, you are a combat veteran, you have been a Special Forces guy all your life, you understand warfare, and if you say you can do that, I think we ought to give you the chance to do it, and I'll be supportive, for sure.

GEN. SCHOOMAKER: I appreciate it.

SEN. SESSIONS: General Schoomaker and General Hagee, we are going to have a lot of equipment that's also taken some hits and wear and tear in the deserts of Iraq and Afghanistan, and we've got to reset that equipment so it will be available for you. I am concerned, in this budget, which I am pleased to see does have a 7-percent increase — for a defense budget increase. That's good the president has done that, but do we have enough and are we — do we have a plan to reset that equipment, track vehicles, wheel vehicles, and other equipment that may be — suffered substantial wear and tear? General Schoomaker and General Hagee?

GEN. SCHOOMAKER: Sir, we are resetting this year that equipment we can with the additional funding we have through the supplemental. We do not have the funds to reset this equipment within this program beyond this year, and I'll say it one more time — I think we have to have two years of supplemental beyond this emergency to reset this force. It's just going to take us that long to do that. War and the level of operation that we have conducted over there consumes equipment. It consumes engines, transmissions, even metal on aircraft, and this is a huge task. I said in the magnitude of 9,000 pieces of equipment reset alone for pre-positioned stocks.

SEN. SESSIONS: I've heard that \$3 billion may be necessary — \$3 billion may be necessary. Is that a figure that you could vouch for?

GEN. SCHOOMAKER: Sir, I don't think — that figure doesn't resonate with me. I think that the supplemental that will be required will be considerable if we consider this — continue this level of operation and reset the force.

SEN. SESSIONS: General Hagee?

GEN. HAGEE: Yes, sir, we are using the supplemental — the old force supplemental to reset the force during this fiscal year. We are also capturing those costs of equipment expenditure, both in Afghanistan and Iraq, and would expect that those costs would be covered by supplemental in '05 or in the out years.

SEN. SESSIONS: I think we're going to have to confront that. After the last Gulf War, I think we learned we did not set aside enough money to refurbish our equipment, and it cost us in the long run. So we have — better to invest that early rather than later. Thank you, Mr. Chairman.

SEN. WARNER: Thank you very much, Senator. Thank you very much. Senator Ben Nelson.

SEN. BEN NELSON: Thank you, Mr. Chairman, and thank you, gentlemen, for being here today, and let me add my appreciation to the families of the military because, like many of my colleagues, I've made calls to those who have lost loved ones. I've spoken to wives, I've spoken to parents — they are all resolute in their pride of the service of their loved one, and we all recognize how important that service is and how important it is to do everything that we can to have adequate end strength for security of the forces as well as for the importance of the mission. And perhaps, in the long term, restructuring makes sense in the temporary effort to try to make certain that we have end strength sufficient to take care of security of the troops and the mission.

What I hope that the process of restructuring is being based on that need rather than on the budget process. The budget process is, in my judgment, the equivalent of making a pie a piece at a time. That way, we never really know what's coming, and we can't see a comprehensive budget at any one particular point in time because of one nuance or another; that we can't do it in this budget, but it will be a supplemental, and there will be two supplementals, and I hope in the next three years there are no more than two supplementals, but I suspect it won't be limited to the Department of Defense budget. There will be supplementals for other things, as well. But I hope that the process here of reorganization, which cannot ignore budgetary constraints and budgetary concerns, but it can't be driven simply by budget, and I hope — I think there may be a feeling among some of my colleagues that the budget may have more to do with it than it should, and I only want to say that as a prelude to asking General Schoomaker — in your judgment, is this being done, not simply for budgetary purposes but for the end strength requirements that you see today and tomorrow?

GEN. SCHOOMAKER: Sir, I am not sure I exactly followed your question, but I'll tell you why we're doing this. We've got an enormous amount of momentum as a result of this conflict, and we ought to take advantage of this momentum that we're paying for, for the reasons that we are conducting operations. And we ought to reset ourselves the way we want to be tomorrow, not set ourselves the way we were. If we didn't have this opportunity — it's kind of a silver lining in a black cloud. If we had to pay for this level of motion to get this whole thing moving, it would take us decades to do the kind of transformation that we can do now within this window of opportunity. It's as simple as that in my mind, and it may not be complex enough to answer your question, but that's what I think that this window of opportunity is.

SEN. BEN NELSON: At the end of the day, it's not being done primarily for budgetary purposes, it's being done to transform the military and to protect troops and mission?

GEN. SCHOOMAKER: That's correct. I mean — in the end —

SEN. BEN NELSON: Present and future missions.

GEN. SCHOOMAKER: In the end, we end up with the same force configured differently — same size force configured

differently with better capability — better capability for the future.

SEN. BEN NELSON: And in the interim, is that end strength sufficient to protect the security of the troops and the mission? I know, in the long term, transformation may get us to where we need to be, but what about the medium term and on? To use another analogy, if you want to cut asparagus in your garden, you had to plant it two years ago. What I'm concerned about is making sure that at the current — in the current situation, we'll have protection of security —

GEN. SCHOOMAKER: Sir, in the current situation, we are — what we know today, we're fine, and this is working for what we know today. I cannot predict what's going to happen in the future. If we end up with a huge conflict in the future, all bets would be off.

SEN. BEN NELSON: I understand that, I understand. One other question — and I appreciate your response to my letter regarding the Army's aviation review. Do you have any idea when this might be concluded so that we would know what is going to happen with regard to — any potential changes that you might develop?

GEN. SCHOOMAKER: I expect no later than the end of this month that I will be back-briefed on the final results, and we will share that here. I mean — we'll gladly open it up and let everybody look at it. Again, we're looking at modularity. We're looking at getting everybody — right now, all these brigades are different — the number of helicopters in them, the number of units, sub-units — within these brigades, and it's extraordinarily inefficient the way that we're organized both on the ground and air.

SEN. BEN NELSON: Well, and I appreciate the fact that you're doing that. I think it is important to continue to make those reviews. And, General Jumper, I would like to commend you, first, for continuing your vision to maintain what's been referred to as a "total force," blending together active Air Force Reserve and the Air National Guard. It's been successful in Nebraska, we believe. We've watched it very carefully, and as part of your balancing the forces, are you planning to move current KC135s from reserve units to the active? If so, what would happen to the missions for those that would be losing their KC135s — if you know?

GEN. JUMPER: Sir, there is a flow plan that has been briefed around, and I'll make sure you get that flow plan. I wouldn't want to try to articulate any piece of it, because it's a total plan, and it's out there, and I'll be glad to get that to you.

SEN. BEN NELSON: If you get it to me, that will satisfy my question.

GEN. JUMPER: Yes, sir, I understand.

SEN. BEN NELSON: I appreciate it. Thank you very much, gentlemen. Thank you for your service.

SEN. WARNER: Thank you very much. Senator Bill Nelson.

SEN. BILL NELSON: General Jumper, in the course of the intelligence that was given to us prior to us voting on the resolution regarding Iraq, we were told not only about the weapons of mass destruction, but we were also told about the unmanned aerial vehicles, all of this information since having been unclassified by statements that were made by the president, as well as the Secretary of State, including the unmanned aerial vehicles as a threat to the interests of the United States being put on ships off the Atlantic Coast that could threaten Eastern Seaboard United States cities with weapons of mass destruction.

What we were not told was, as reported by "The Washington Post" a week ago, that Air Force intelligence totally discounted the story of the unmanned aerial vehicles — Air Force intelligence that should know more about UAVs than anybody else in the CAV. Did you know about that Air Force intelligence report?

GEN. JUMPER: No, sir, I did not at the time. As you know, the intelligence community gets together all elements of its intelligence sources, and they come together and each, as the Air Force does, contributes their knowledge to the effort, and that goes into an overall assessment that's put out by the central intelligence that has privy to everything. So I did not know — at the time, this was not an Air Force position that was contrary to another position. This was our input, at the time, to the overall effort as part of the intelligence community.

SEN. BILL NELSON: And were you chief of the staff of the Air Force at the time?

GEN. JUMPER: I was, sir, yes.

SEN. BILL NELSON: Well, Mr. Chairman, there is another example, as we get into this question of how were we so

faulty on the intelligence, and then why were we not told there was a disagreement, a dispute, as to the accuracy of that intelligence but instead it was presented to us, in this case, about UAVs, that it was the gospel truth? And here, the Air Force chief of staff did not even know about the disagreement in Air Force intelligence that had no truth to it.

MR. WARNER: (Inaudible) — record into the record—

SEN. BILL NELSON: Please, Mr. Chairman.

MR. WARNER: — the following comment here — the classified version showed there was a major disagreement on the issue from the agency with the greatest expertise on such aircraft — the Air Force. The Air Force "does not agree that Iraq is developing UAVs primarily intended to be delivery platforms for chemical and biological warfare and CBW agents." It is said, "the small size of Iraq's new UAV strongly suggests a primary role of reconnaissance, although CBW delivery is an inherent capability," end quote. I think you'll find that much of the material that came before the Senate did have the caveats and so forth set forth in them.

SEN. BILL NELSON: Well, according to what you just read, which clearly states the Air Force's opinion that they didn't have the capability of delivering the WMD, and we find out that General Jumper, the chief of the Air Force, does not even know about that dispute, that concerns me, and it concerns the obvious question that we have to answer in the future of having accurate and timely intelligence in order to protect ourselves. So thank you for sharing that, Mr. Chairman.

General Schoomaker, you have stated here, "train, alert and deploy" the Reserves instead of "alert, train and deploy" the Reserves. And yet the budget just submitted has a \$600 million shortfall in the training for the Reserves. Why?

GEN. SCHOOMAKER: Sir, I can't answer that, and I'll get back to you on it. I was unaware of it.

SEN. BILL NELSON: It's there. What I don't know is that it might not just be the Reserves. It may be the National Guard as well. But whether it is \$600 million just for the Army Reserves or \$600 million for the Reserves and the National Guard, the question is obviously begged on what you are trying to do in remodeling the Army, which I congratulate you — and you've had a lot of accolades around this table today, and we want to see you succeed. And it's a changing world, and we have to succeed. And yet we have got a budget in front of us that's a \$600 million shortfall.

GEN. SCHOOMAKER: Sir, I will look at that. I don't understand it that way, but I'm taking your word for it that's where it is, but I will look at it and I will get back to you and let you know.

SEN. BILL NELSON: Perhaps at some time, Mr. Chairman, we might want to get General Helmly, the head of the Reserves to come up, and let's specifically get at this, because where the chief of staff of the Army wants to go, this budget is not reflecting where he wants to go.

GEN. SCHOOMAKER: Sir, I have General Blum and — where are you? — General Profit is here from the Office of the Chief of the Army Reserves, and General Blum from the — who is the chief of the National Guard Bureau — here with me. And we will —

SEN. WARNER: Does the senator wish to have the general approach the mike and give a response to your question?

SEN. BILL NELSON: Oh, absolutely.

SEN. WARNER: Fine. General Schoomaker, would you invite your colleague up, please?

GEN. BLUM: Thanks. I thank you for the opportunity to respond on this. We're working very closely with the Army on this. It is one Army with three components for the first time in the history of this nation. General Schoomaker is using Army fiscal assets against all three components, to assure that all three components are ready to do what this nation requires or asks of it. I am not aware of the \$600 million shortfall that you are talking about, but I'll be happy to look at what you see, and I'll be glad to discuss it. If it means that we're all going to have all the money we need and would like to achieve the readiness that we'd like, it doesn't exist in any budget, with any supplemental. So there will be some risk, and General Schoomaker and General Helmly, the chief at Army Reserve, and myself, are working in a very collaborative effort to make sure as we move to this modularity piece, which is a big piece to solving the problem to ensure that the units get what they need in time to be ready so they can meet the train-alert-and-deploy model. It is not intended that everybody in the Army, all three components, will be equally resourced, adequately resourced to be completely combat-ready at any moment. The people that are being reset obviously are coming back in and refitting and reconfiguring. That's where resources from that set move to people that are moving into the getting-ready set, so that when they are ready and they are called, they have had the training, the equipment and the resources that they needed so that they can go down

range and do their job. But I would very much like to see what you have, and if we are short, sir, we will work to identify the shortfalls for you.

GEN. SCHOOMAKER: And I am — you know, we need to look at this, because we may be looking at one thing and thinking this — I mean, we may disagree on what it is you're talking about here, but I am unaware of that level of unfunding.

SEN. BILL NELSON: What I'm trying to do is help you.

GEN. SCHOOMAKER: Sir, listen, I could use all the help I could get, believe me. But you just presented something here that just doesn't ring — it doesn't resonate with me. And so — and we've been working so closely together, I'm surprised I wouldn't know of something like that.

SEN. BILL NELSON: Mr. Chairman, also to try to help General Schoomaker, because jihadists, as I have reported to you and Senator Levin, are going across the Syrian border and they are killing our American men and women, and there is an offer out there on the table of which I've reported to you all — I have reported to General Myers, I have reported it to the secretary of State, secretary of Defense, et cetera — there is an offer out there on the table to seal that border as presented by President Assad. And if that hadn't filtered down to you, General Schoomaker, it is obviously a considerable concern to you to be able to secure that border. I would suggest that's something you might want to follow up on.

GEN. SCHOOMAKER: Sir, I watched the secretary's testimony when you raised that issue. I've been on that border. I know what it takes to seal borders, and that would be an incredible effort if that were possible.

SEN. WARNER: Thank you very much, Senator.

Senator Kennedy.

SEN. EDWARD KENNEDY (D-MA): Thank you, Mr. Chairman. And, again, I want to thank all of you for service to the country. We're all grateful, and we thank you for being here today.

General Schoomaker, I want to just focus on one area, and that is the Humvees, light-skinned Humvees. I visited a wonderful young person — and I am sure you have too — out at Walter Reed on Saturday. He had been wounded December 10th, lost both of his legs in Iraq. We've had 16 killed in Massachusetts. A great number of those have been as a result of riding in light-skinned Humvees. Wonderful young person, Private John Hart, Brian Hart, his father, and his mother Alma ask that the one thing to try and make sure that we weren't going to let these young people out there in light-skinned Humvees. You're aware of this issue and the problem. We have had conflicting testimony over the period of the recent months and going back to 2003 on the numbers that are going to be needed in terms of the Humvees and also the add-on armor kits. Starting September 30th, 2003, Humvee requirements were 1,723. When you were here on November 17th, the number was mentioned at 3,600. Now I believe it's 4,100 — 4,149 is the exact figures.

And approximately we have Secretary Brownlee when he testified this summer on November 19th, with the up-armored Humvee, it is more of a challenge, if we go strictly with the up-armored Humvee, could be as late as the summer of '05 before we had all of them. He was talking about 3,600 at that time. He was talking about 3,600 when he testified on November 19th. You're talking now 4,100 at the present time.

In the budget for this year, you have \$335 million, which is 818. You have — and in '05 it's \$156 million. For Humvee add-on armor kits, it's \$209 million for this year; none for '05. Medium truck add-on armor kits, zero '04 funding, zero '05 funding. Heavy truck add-on armor kits, zero '04 funding, zero '05 funding. Does the president's '05 budget fully fund your requirement per the unarmored Humvees?

GEN. SCHOOMAKER: Sir, there's — your numbers are correct that you said on the up-armored Humvees. The difference in when we testified before you last on this issue and now is the Marine requirement —

SEN. KENNEDY: Marine and Air Force too, I believe.

GEN. SCHOOMAKER: Yes, sir. We have quadrupled.

Now, our total requirement for the entire Army in the future is about 11,000 up-armored Humvees. We did not have that requirement before. And so the answer is against the entire Army requirement, no, it is not funded here. It is going to take us years to do that. But I think you know that the Secretary Brownlee has had the CEOs of both AM General and O'Gara-Hess together this week, or last week, at the facilities. They're looking at how to increase the production levels

there. We're raising production levels from 80 to 220 a month. And there they are working two 10-hour shifts right now in those plants. And we are looking at the opportunity of how we might be able to increase it.

SEN. KENNEDY: Well, I think the area and the requirement, the greatest need is obviously Iraq, and having sufficient numbers of either the armed Humvees or the armor kits. And I'm just wondering when we are going to be able to get those. How are we going to be able to tell the parents of these kids?

GEN. SCHOOMAKER: Sir, we are — as you know, we are also going to the add-on armor kits, and we are producing them at great numbers.

SEN. KENNEDY: Well, the '04 funding is \$209 million; none in '05. You've got \$209 million for 0-9 — zero — for '05 vehicles — fiscal year '05, zero out. You've only got enough in the request for the Humvees for 818 in this. Given the magnitude of the problem, and the magnitude of the problem today in Iraq, it's difficult to see how something which as basic as these Humvees and the body armor are being met. We have the statement from Lieutenant General James Helmly, who said the suddenness, the uncertainty, the rapidity with which you mobilize the units not only caught them — the Army — flat-footed — it didn't mean you — I know you've come in — but it meant you had shortages of body armor. There came up shortages of up-armored Humvees. That's January 21st, 2004. And what we're asking is why the budget now for the Army does not reflect the need that you have in Iraq to make sure that every one of those young soldiers is going to be in a armored Humvee or going to be guaranteed that the other — the add-on armor kits are going to be there?

GEN. SCHOOMAKER: Sir, because the budget is only part of the answer, we are using the current supplemental funding to do much of the level of effort that we've got going on, you know, to include the local — and I know you're aware of all of the local efforts that are going on to manufacture things — but, you know, this is one of those areas that we — the Army never intended to up-armor every Humvee — never was until this kind of situation that we have today. We never intended to have this number of Humvees. We have taken armored units, artillery units, all kinds of other units and put them into Humvees as motorized formations, which never existed before. And so this is an area where you cannot fix it overnight. It's a matter of physics.

SEN. KENNEDY: And I'll be glad — I understand that this wasn't anticipated. I mean, many of us thought that that might be the case. It was anticipated. I'd like to, Mr. Chairman, then just to ask, if I can, if the general could provide from the supplementary other funding, all the funding that you have available, I want to know, so I can tell this family about exactly whether this has the highest priority — the highest priority — the Humvees and the body armor — that these parents are talking about.

GEN. SCHOOMAKER: Sir, force protection is our highest priority.

SEN. KENNEDY: And, you know, we — I talked to General Abizaid five months ago, and he said the supplemental request will permit the services to rapidly resolve this equipment problem — rapidly resolve the procurement of up-armoreds. That's six months ago.

GEN. SCHOOMAKER: Sir, we've tripled the number of up-armored Humvees in theater.

SEN. KENNEDY: Well — okay, but how many are necessary to be replaced in Iraq today? That's what — how many young people are going out on patrol today in Iraq in the light-skinned Humvees?

GEN. SCHOOMAKER: Sir, I don't know.

SEN. KENNEDY: Well, if any of them are going out, it's wrong — I think. You'd agree, wouldn't you?

GEN. SCHOOMAKER: Sir, there are some people that do go out there, and they go out on purpose in them, but there is capacity there for people to use the up-armored ones for their patrols.

SEN. KENNEDY: Well —

GEN. SCHOOMAKER: And we are moving —

SEN. KENNEDY: — we can get into this — you'll have a tough time convincing the young boy I saw that lost both his legs three weeks ago or four weeks ago, and when in a light-skinned Humvee. Now, if there are areas that are passive, okay. But I think it's a tragedy if we are not ensuring that every young serviceman that goes on out in a dangerous — any dangerous area in Iraq is not going to be adequate protected.

I don't understand it.

And if you have the supplementary funding you've got and the production list, I want to know how we're going to guarantee so I can tell this family — I'm going to tell the Hart family that there isn't going to be a young person that's going to go out in a patrol in a risky area in Iraq that isn't going to have the adequate protection. We ought to be able to do that. That is — and I'm sure you agree with that.

GEN. SCHOOMAKER: Sir, I do. I'm with you 100 percent. And we'll provide you with —

SEN. KENNEDY: And if we can just find that out, if we can get that from you and the supplementary services and what's happening over there in terms of these patrols, I'd appreciate it.

Thank you, Mr. Chairman.

SEN. WARNER: Thank you, Senator Kennedy. I opened this hearing — the question period, my first question related to the Humvees and the status. And I think Acting Secretary Brownlee and the chief of staff are doing their very best. And I should point out, in my detailed discussions with you, General, about that issue of the Humvees, you carefully pointed out to me that there are some missions which the men are safer using the lighter-weight Humvee. Am I not correct on that?

GEN. SCHOOMAKER: Sir, there are people making choices on which vehicle they want. And some people make choices, not randomly, but because the nature of the mission requires it, that do not use the up-armored Humvee.

Now, this whole measure of protection against IEDs and other things is a matter of — a multitude of capabilities has been discussed, to include some that we shouldn't discuss here. But I am confident that we're doing everything we can to move increasing more up-armored Humvees and other armored vehicles into theater to do exactly what Senator Kennedy is talking about. I mean, we share the same goal here.

SEN. WARNER: That's important that you share the same —

SEN. KENNEDY: I thank the chair. But the fact is, you're below the requirement that the Army has set for themselves. And the budget does not provide — this budget that is before us, which we are having the hearing on, the (makeup ?) of the requirement that the Army itself has set. That's my point. And if it does, and I'm wrong, and you're making it up with supplementary funds, I look forward to hearing from you.

Thank you, Mr. Chairman.

SEN. WARNER: Thank you. General Hagee, do you wish to make any further comment about the Humvees that'll be in your units going over?

GEN. HAGEE: No, sir, I've already addressed that in my statement, sir.

SEN. WARNER: Thank you. Now, Senator Levin, you and I will conclude here. Would you like to lead off and we'll just alternate with questions?

SEN. LEVIN: I'd be happy to do that. Just on this Humvee issue, is the facility that is armoring the Humvees working three shifts?

GEN. SCHOOMAKER: I'm sorry, sir. Say that again, please.

SEN. LEVIN: Is the facility that is armoring the Humvees working three shifts?

GEN. SCHOOMAKER: I am told — I don't know how many shifts they're working. I'm told they're working 20 hours a day, and I believe that's two shifts of 10 hours.

SEN. LEVIN: Can we check that out —

GEN. SCHOOMAKER: Yes, sir.

SEN. LEVIN: — just to make sure that they're working 24/7? And as to whether there's anything more we can do money-wise, we don't have to wait for a supplemental. This issue is important enough so that it could be done tomorrow, if there's any indication that the budget is the reason. And if it's not the reason, then the question is, is the facility going 24/7? If it's not, then we expect it will be.

GEN. SCHOOMAKER: Senator, I'll get you all of the facts on this.

SEN. LEVIN: General, one of the disadvantages of the new unit rotation approach is that the expertise that's gained and the relationships with Iraqis that have been built over a 12-month period are severed abruptly. They're cut abruptly in a major way as these whole units rotate; much less dramatically if it was individual rotation. Is that an issue which is being addressed in some way?

GEN. SCHOOMAKER: Sir, as I mentioned, we are stretching this rotation, the turnover, over a period of four or five months for exactly that reason, and that is to make sure that we've got the handoff.

Now, I know, for instance, the unit that I talked to in the training base the other day has already made four trips over there, and they're doing (right-seat rides?). And so this period of handoff here is deliberate, and the intention is to make sure to pass all the context to one another and be comfortable in that regard.

GEN. HAGEE: Senator, I would like to add that we are doing the same thing in the Marine Corps. We are working very closely with the 82nd Airborne Division over there. We've already made several trips over there. And we're going to take our time in the handover to ensure that we are completely familiar with that battleground.

SEN. WARNER: I'll shift to a question here now for the chief of the Navy. The subject is ship-building, something that you and I have worked on for many, many years.

The budget request for the Navy's ship-building and conversion account is almost \$1.5 billion less than last year. The Navy states there are nine ships in the budget request. But two of these ships, one DDX and one littoral combat ship, which has been your ship from the beginning, are funded with the RDT&E funds at a fraction of what these ships will eventually cost.

I'm also concerned that the budget request projects only six ships in the Fiscal Year 2006 budget. Can you enlighten us as to why the department reduced the ship-building and conversion account by 13 percent in this particular request before us here today? And you've often spoken of your 375-ship Navy. I think we're at, what, 297 this morning, thereabouts?

ADM. CLARK: Two hundred ninety-four this morning, Mr. Chairman.

SEN. WARNER: Two-nine-four.

ADM. CLARK: Yes, sir. Well, the path to 375 is to start buying new ones and to buy the kind of ships that you need for the future. The littoral combatant ship will allow us to buy the kind of ships we need to dominate the near-land arena, and we're going to have to buy them in numbers. They're going to be smaller ships.

But we're not buying them — we're not doing that just so we can buy small ships that have numbers. It's the kind of platform — and, by the way, because it's plug-and-play, it's going to be — it's a revolutionary kind of a concept in the way you build and outfit and put the combat systems in the ship, again, with very low manning. That's what we need in the future.

Your specific question about why this number is lower than last year is that each year, when I've come to testify before this committee, I've been trying to make this number bigger. This year — and I mentioned in my opening statement the issue of balance, and I've balanced this the best I know how for this year.

And because we have been allowed, under the procurement rules, to procure the first ship of a class, just the first one, in R&D, the number for this particular year is a lower number. The reality is that if we had paid for it all in one year, the SCN number itself would be remarkably bigger.

But the other thing about it is that we have several ships that are being done in modernization programs that constitute major segments of the total SCN fund. And I'm talking specifically about the SSGNs and the engineering refueling overhauls in the submarines and so forth.

And so I view this as a — and I've talked about this before, that we need to think about recapitalizing the ships in the Navy with a stream of resources. And I've said that I'm reaching for a \$12 billion stream, and that's what I've been doing.

I believe that — and I've testified to the previous question about the importance of DDX and the importance to our future.

Where I see ourselves today, Mr. Chairman, is this. We've been working to get to the point where we are today, where the ships are going to start rolling off the line. And this is a great victory for the Navy, and it's happened because we had the support of the Congress to get here.

But this isn't a finished task. In order to create the resources to recapitalize the Navy, we are trying to transform the way we do business in the Navy. And the resources that have allowed us to move from the number I talked to you about when I started this job — I had between — it was under \$5 billion that year in the account. In the whole decade of the '90s, it was barely over \$6 billion per year. This is the hole that we created.

And so I'm pleased that this year, in new construction, we're at almost \$10 billion. And with the other modernization, we're at \$11.1 billion. We're on the way. We're not there, and we've got to keep working at it.

The issue for next year — we'll revisit the program when it's exactly what we're working on right now — is the development of the program for next year. We take a dip next year, and we're looking at that hard to see how we can recover from that. '06 happens to be a very difficult year for us.

The question was raised when the secretary of Defense was here about the gap that we've taken in DDX in '06. I will tell you that there's a learning curve to be had in any ship-building, in any development program. But if I had plenty of resources, I would have funded that ship in '06 and kept right on going as fast as we could.

The fact is, I'm required to put all of the money in one year to buy a ship for a carrier of a six-or seven-year deployment, and I didn't have the resources in the '05 bill to put it in '06. And we will be working that hard to see how we can improve that number for next year. We desperately need to do that to get to the size Navy that we need.

The other point that was made is that the Navy is more capable than it's ever been before — very, very factual statement; lethal platforms. There is one area, though, where numbers really count and laws of physics still prevail, and I haven't figured out a way to have one of these ships be more than one place at one time.

And so I have never said 375 is the exact number. It is about the right number. And as you analyze the scenarios and the kind of forward presence that the nation wants you to be representing the country, that number will ebb and flow. It's the target for us to reach for, and we're seeking to rechannel funds so we can realize the Navy of the future.

SEN. WARNER: Well, thank you, Admiral, because I know, from many years' privilege of serving in this body, it's not a matter of preference for the Navy. We're very conscious as a nation of the need for the sea lanes to be kept open for not only security purposes but for our commerce protected. And therefore, historically, the Congress has been very supportive of ship-building for the United States Navy. Thank you.

Senator Levin, why don't you take a question?

SEN. LEVIN: Thank you, Mr. Chairman. I'd like to ask General Schoomaker about the effect of rotation on the capability of the forces that we have there. We're going to — as I understand it, the Fourth Infantry Division is modern, digitized; 101st Air Assault Division has got a huge helicopter fleet. Both those units are coming out. Will their replacements be as capable?

GEN. SCHOOMAKER: The geometry — the way General Abizaid is changing the shape of Iraq over there requires different kinds of capabilities. And the forces that we're putting in there are sufficient to the task that he wants them to perform.

I think you know one of the areas where the 101st was, for instance, in the north, the striker brigade is going up in there. And this is one of the areas where he's starting to move more things towards local control. And so we are meeting his requirement with the force structure that he wants.

I ought to remind you that even though the Fourth Infantry Division was there, for instance, we basically dismounted them out of most of their heavy platforms and put them in Humvees to do the kind of things that we're going to do — more motorized force, artillery, in some cases armor and infantry. So we are meeting the need that he's articulated. And it certainly is not the same kind of force that went in and fought the war and then stayed.

SEN. LEVIN: What did Secretary Rumsfeld — this is sort of a follow-up just to that. What did Secretary Rumsfeld mean when he said that the capability of the security forces in Iraq will increase?

GEN. SCHOOMAKER: I believe he's talking about the Iraqi security forces.

SEN. LEVIN: Okay, thank you. Thank you.

SEN. WARNER: Let's talk about another aspect of intelligence. We've had a lot of discussions, of course, about the WMD and things like that. But we must, as a nation, constantly be improving our intelligence from lessons learned. We

can't wait till six different committees are looking at the issues now. We've got to, on a real-time basis, contribute to the intelligence community, to strengthen the decisions and the knowledge that we think are best.

So I'd like to ask all of you this question. There's been significant attention on national intelligence, as we said. There were reports shortly after major combat operations, included in Iraq, about problems with tactical intelligence.

What is your assessment of the intelligence support provided to the battlefield commanders in the Iraq theater, and indeed, the Afghanistan theater of operations? What improvements to national theater and tactical intelligence need to be made now to best support our combat forces and others all over the world who are relying on this intelligence? And what initiatives have you taken in your respective military departments to ensure the strongest tactical intelligence?

Why don't we give you a rest, General, and we'll start over here with General Jumper.

GEN. JUMPER: Thank you, Mr. Chairman. The biggest problem we've found as a result of our lessons learned from Iraqi Freedom was our bomb damage assessment and how we were able to get accurate and timely bomb damage assessment to the commanders on the ground.

Part of this is what I call an administrative problem. It's a problem of definitions and what it takes to score an enemy vehicle destroyed, which I think really has to be relooked. And we're undertaking that now to try and get those definitions more useful to the field commander, who's much more concerned about whether he's going to have to deal with an enemy tank company in the next five or six hours than he is whether the national intelligence was able to score it a kill because the turret was separated from the body of the tank.

It's that sort of detail we're trying to correct; and to also organize ourselves so that we take advantage of all the sensors that are over that battlefield. As you know, we have — between the services here, we have hundreds of vehicles over that battlefield with sensors that can be turned on to this surveillance problem after they deliver their weapons.

So that is one thing that we're going to focus on with some energy, to get that corrected. It's been a chronic issue with late BDA, and we're going to take that one head on.

As far as other efficiencies that we can get immediately, and you will see money in our budget against this notion of being able to network the platforms we already own. We saw some magnificent results during the dust storm in Iraqi Freedom, where we put together our Joint STARS vehicles with our Global Hawk vehicle networked with the bombers and some of the assets from the other services, to be able to know exactly during the depth of that dust storm when reinforcements were moving down out of Baghdad towards us, especially the Medina Division south of Baghdad, and were able to coordinate with our space efforts to know exactly when the dust storm was going to be there, and then to network those assets to be able to destroy them as they moved down, even before they got into position.

It was done with —

SEN. WARNER: What about your targeting, your targeting is highly dependent on accurate intelligence.

GEN. JUMPER: Pardon me, I'm sorry, sir.

SEN. WARNER: The targeting.

GEN. JUMPER: Yes, sir. And that intelligence, of course, the real-time surveillance, was made available because we were able to focus those platforms on that particular problem. So the question is then, how do we arrange these assets so that you can shift from some of the national priorities of collecting intelligence to be analyzed into putting those same assets against the real and emerging problems that exist on the battlefield at any one moment, like we were able to do during the dust storm. And I think we can get to the point with proper networking that you can treat this as an interleaved solution. You can focus for just very short periods of time, seconds or moments, on one problem long enough to get an answer, and then go back to another chore, much like you do with a network of computers.

This is what we're trying to do. There's money interest he program to be able to do this with networking, with programs like the E-10-A, and other command and control efforts along with the intelligence community to network this in a proper way.

SEN. WARNER: Thank you.

General Hagee.

GEN. HAGEE: Yes, sir, this is an issue that we are addressing just like the logistics issue that Senator Clinton brought out. When you talk about, as you know, sir, when you talk about tactical intelligence, you're talking about information that's fleeting. It's really important that you get it quickly to the user on the ground. And I would divide this into three main areas. One is our UAVs, and General Jumper talked a little bit about that, and the ability of our UAVs to quickly get that information down to the individual Marine or soldier who is on the ground. And we are addressing that in this particular budget.

The second area, which General Jumper talked about quite a bit, and that is having these various sensors be able to talk to one another, to fuse this information and turn the data into actual intelligence quickly for that individual on the ground, and we are addressing that large area.

The third area has to do with HUMINT. When you get right down to it, there's just some information you can only get via human intelligence. And I believe that we need to do much better in this particular area. Having discussed some of this with Direct Tenet, I know he feels exactly the same way, and is doing what he can to increase this nation's human intelligence capability.

SEN. WARNER: Thank you very much. I, likewise, want to see emphasis put on HUMINT.

Admiral.

ADM. CLARK: Well, there are several areas that I would focus on. I would start by saying that there were some great victories in intelligence. We're focusing on all the things that didn't turn out right, but I happen to believe that one of the first things that we need to focus on is continue to work to turn strategic intelligence into tactical intelligence with the speed of light. And we are unable to do that and get it to the end user. And what I believe is happening today is that there's a lot of intelligence that is there, we own it, but we can't get it to the right place.

The second thing I would say is that I believe, and let me give you an example of things that worked very well. It's been little talked about, but we were able to determine that they were trying to, and ready and prepared to deploy mines in the waterways, and if they had done so we would be working for months to get them all out of there. Fortunately, we saw them doing it. We had the intelligence to get it done.

Here's what I think that leads to, I believe the future is going to have a much greater focus and influence, and a requirement for pre-hostilities kinds of — the plan for pre-hostilities, and this is why I believe that gets me to sensors. That unmanned — General Hagee mentioned UAVs, it's all unmanned sensors. I'm convinced that the requirement to have underwater unmanned sensors, we had some of those over there working in the waterways the first time ever, half a dozen preproduction models, actually. But the ability to know before hostilities start, and you can be operating clandestinely in enemy territory, or in the near land arenas that lacking that you can't play your hand until hostilities start. We have to have the platforms and the sensors to be able to do that.

So, unmanned vehicles in the air, on the surface. A major problem for us is, we have to sort ourselves out in the waterways where it's free for everybody to be. And you can't do that with large — this is why I want small, why LCS is so important to me. We've got to have a small air platform that can react with speed, and saturate and dominate the arena with unmanned vehicles, so we own the space. Networking is vitally important, General Jumper mentioned it.

Let me go to the next point, we call it ATA, it's an automatic target acquisition, it's really fundamentally machine to machine discussions instead of machine to human and human to machine, we have got to exploit our technical advantage there. Then I would say the other thing with sensors is, we have programs in the budget that are going to vastly improve our capability, working with the Air Force, AESA radar is coming. It will tremendously improve our ability to see the ground. But, then we've got to be able to communicate, and Senator Clinton talked about the whole issue of communications. The modern communications that will carry these data streams is a primary investment priority for the nation.

SEN. WARNER: Did you wish to include in that programs on anti-ship missiles?

ADM. CLARK: Absolutely.

SEN. WARNER: It's a growing concern to this Senate.

ADM. CLARK: Yes, sir.

SEN. WARNER: Thank you.

Now, General Schoomaker.

GEN. SCHOOMAKER: Thank you. I'll be very brief here. We learned a lot, we have a lot of lessons learned, there are about 127 areas specifically in tactical intelligence from OAF lessons learned, and OEF. About 107 of those have been rectified, and are working. Four key areas, one of them is tactical collection, and this has got to do — it's already been spoken to here across the board. But, it really is talking about every soldier is a sensor, so that you're collecting from everybody that's in touch with the space. It has to do with HUMINT, it has to do with the integration of UAVs, it has to do with the kinds of things that you can do in LIP. And it really is an issue of making intelligence, understanding that intelligence really are operations. It can't be a union issue here, that you have to fight for knowledge, and that's one of the things that we know.

It's things like having a common operating picture for both blue forces and red forces in terms of that. The second one is in reporting, and that is reporting from the soldier all the way up to the national level, and we're not making the best use of our IT infrastructure, of our processes, and all the rest of it is still legacy. Access to national level intelligence, there is still too much difficulty in terms of the same things that have been spoken to here, of accessing databases across all of the — I'm talking about now from a tactical level, in a timely fashion. It's still very complicated.

SEN. WARNER: That's something we should address very promptly. And I would appreciate it if you would give me a little memorandum on how you see that problem, and what recommendations you'd like to make to the Congress to step into this situation.

GEN. SCHOOMAKER: Sir, this is a huge issue, and I think all of us share — we all share this business of how do we really get access, so that we can mine all of what we really know.

SEN. WARNER: Let's close out this question by me, if you'll come back to me in the nature of a memorandum with the other chiefs, because my colleague, Senator Levin, and I both serve on the Intelligence Committee, and that, to me, is something we should raise the level of attention to.

GEN. SCHOOMAKER: Sure, sir. If I could add the last point, and then I'll quit. That is working the analytical centers, the analytic centers. So that we're not only networked in services, but networked across the interagency, and in the joint interagency national through tactical. It's very, very important to us.

The last point I'll make is that one of the things that makes our future formation, these modular brigades we're talking about so powerful is that we're putting a significant RSTA, reconnaissance, surveillance, and target acquisition capability within those formations. Ground cavalry kinds of organizations, UAV scouts, and with the kinds of optics and sensors that they need to do it. The paperwork on this in terms of capability is huge, and that's one of the main centerpieces of what we're doing.

SEN. WARNER: As a seasoned combat soldier you know that intelligence is an enormous force multiplier.

Senator Levin?

SEN. LEVIN: Thank you. I want to go back to the issue of national intelligence, and the shortfalls there, and the errors there, and asked you about whether or not any of you have been interviewed relative to the effect or impact of pre-war national intelligence on the planning for, or conduct of Operation Iraqi Freedom, and you indicated no. I want to ask you another question relating to the national intelligence, and that is whether or not you have seen any reports or analyses of the impact of that national intelligence on the conduct of Operation Iraqi Freedom, have you seen any reports on that issue, inside your service or anywhere else? It doesn't make any difference — General Jumper, again, I'll give you the first shot.

GEN. JUMPER: Sir, I'm scanning here. That's a broad question, I can't recall anything in particular that analyzed that. If I come up with something I'll get back to you immediately.

SEN. LEVIN: General Hagee?

GEN. HAGEE: No, sir, I have not.

SEN. LEVIN: Admiral Clark?

ADM. CLARK: No, I have not.

SEN. LEVIN: General?

GEN. SCHOOMAKER: Sir, in only the lessons learned kind of information within our own resources, I've seen that, but nothing else.

SEN. LEVIN: In terms of what I'm talking about, you've not seen that kind of an analysis?

GEN. SCHOOMAKER: Not to the best of my knowledge, I haven't seen that.

SEN. LEVIN: Now, I have a pending request, as our chairman knows, sitting on the Secretary of Defense's desk, a pending report to have interviews with our military leaders, including our commanders in the field, to see if we can't make an assessment of our national intelligence on the conduct of Iraqi Freedom. And I'm just hopeful that we can get a positive answer from the Secretary of Defense. There just is no justification, it seems to me, for the delay in getting a positive answer, and it's essential to this committee and other committees, to look at that aspect of our pre-war intelligence. So I'm just going to state this. I'm not going to ask you a question on this, I'm just going to state this as a fact, that we are awaiting the answer to that request. It seems to me that it's the responsibility of this committee and the similar committee in the House to understand that impact, and I would hope, and I know that the Secretary of Defense's representatives here, that we can get a prompt answer, and a positive answer to my request.

My last question —

SEN. WARNER: On that point, when you and I were visiting with the Secretary, I think it was last week, we discussed a range of those inquiries, and he seemed to indicate that he was going to take these under serious consideration.

SEN. LEVIN: I hope he does. I think our responsibility is a heavy one here, for the future well being, as well as for any accountability or responsibility in the past, but the future, it seems to me, requires that we do everything we possibly can to understand the affect of our intelligence on operations, on planning, as well as the other aspects of intelligence for other purposes. That's right within the purview of this committee, and I would hope the Secretary of Defense would help us carry out that responsibility with a positive answer.

Just one last question for General Hagee, and that is, there have been press reports that some of the Marine officers believe that the Army was too confrontational in its approach in Iraq, and unnecessarily antagonized the population, and that the Marines were going to pursue something less confrontational as a way of encouraging greater Iraqi cooperation against the insurgence. I'm wondering if you would comment on those press reports, whether they're accurate or not?

GEN. HAGEE: Sir, I've seen those press reports, and I can tell you that the Army and the Marine Corps are working together very well to ensure, especially as we go in, that we have learned all the lessons that they have gathered over there, and that we can implement them when they go in. When the Army first went in the battlefield looked a certain way, and because of the great performance of the soldiers over there that battlefield has changed, and both the Army and the Marine Corps are changing their tactics to respond to that change.

SEN. LEVIN: Thank you.

SEN. WARNER: Thank you.

Gentlemen, we've had an excellent hearing. And we'll be submitting additional questions for the record. Thank you very much, and pass the well done down to your troops.

END

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