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HEADLINE: U.S. SENATOR TED STEVENS (R-AK) HOLDS HEARING ON IRAQ SUPPLEMENTAL

SPEAKER:

U.S. SENATOR TED STEVENS (R-AK), CHAIRMAN

LOCATION: WASHINGTON, D.C.

WITNESSES:

DONALD H. RUMSFELD, U.S. SECRETARY OF DEFENSE

GENERAL RICHARD MYERS, CHAIRMAN, JOINT CHIEFS OF STAFF

GENERAL JOHN ABIZAID, COMBATANT COMMANDER, CENTRAL COMMAND

DOV ZAKHEIM, UNDERSECRETARY OF DEFENSE (COMPTROLLER)

BODY:

U.S. SENATE COMMITTEE ON APPROPRIATIONS HOLDS A HEARING ON THE  
PRESIDENT'S FISCAL 2004 SUPPLEMENTAL REQUEST FOR IRAQ AND  
AFGHANISTAN

SEPTEMBER 24, 2003

SPEAKERS:

U.S. SENATOR TED STEVENS (R-AK)

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STEVENS: Good morning, Mr. Secretary, General Myers, General Abizaid, and I note that Dr. Zakheim is with us. I thank you for coming.

We're here to discuss the administration's request for the 2004 supplemental and it would be my wish that we'd hear from the secretary first and then proceed with our questions or statements.

Mr. Secretary?

RUMSFELD: Mr. Chairman, thank you and members of the committee. We've been requested to have our statement submitted for the record and that only I make a brief opening statement, which I will do.

STEVENS: I'm pleased that you've complied with that request. All of your statements for the permanent record as so read.

RUMSFELD: Earlier this month the American people marked the anniversary of September 11th. And thanks to the courage of the men and women in uniform, two brutal regimes have been removed from power, two nations have been rescued from tyranny.

And thanks to those who fight the battles, thousands of terrorists have been captured or killed, including nearly two-thirds of known senior Al Qaida operatives and most of those responsible for the September 11th attacks.

With the support of some 90 nations, a number of planned attacks have been stopped, terrorist assets seized.

RUMSFELD: But perhaps the greatest blessing is the fine men and women who wear the uniform. Each volunteered for service and in the course of the war many have given their lives; still others have suffered serious wounds. As many of you, we visit them in Bethesda, Walter Reed and other hospitals around the country. Our hearts go out to their families and to all those who have been injured or killed in this war, both U.S. and coalition alike.

We're grateful also for the brave soldiers and the fine civilian staffs from the coalition countries that now serve in Iraq, Afghanistan and elsewhere in the global war on terror. Together we've accomplished a great deal, but a good deal remains. Notwithstanding the successes, dangers persist. Many terrorists are behind bars but those that remain at large are planning future attacks.

As a sign of his conviction, the president has requested \$87 billion in emergency funds to fight the war on terror. The vast majority of the funds that the president has requested will go to the troops who are risking their lives in this struggle. Of the \$87 billion, \$66 billion is to support ongoing military operations: money for military pay, fuel, transportation, maintenance, weapons, equipment, life-saving body armor, ammunition and other military needs.

He requested \$51 billion for military operations in Iraq, \$11 billion for military operations in Afghanistan, the Horn of Africa and other Operation Enduring Freedom missions; \$2.2 billion for defending the U.S. homeland; \$1.4 billion to support coalition partners, many of whom are stepping forward with troops willing to risk their lives in this effort, but whose governments lack the resources to support those deployment. So \$66 billion, or 75 percent, of the request is for the troops. They need it and they will need it soon.

The remaining \$21 billion is to help Afghanistan and Iraq secure their nations for freedom so that they can get on a path to stability, self-government and self-reliance. For the Afghanistan request, it's for \$300 million for roads, schools, clinics; \$400 million to train and support the Afghan national army and highway patrol, border patrol and national police; \$120 million to train, demobilize militia, and help them find jobs and support other private sector initiatives; and nearly \$300 million to support the rule of law, elections and other critical support for the Afghan national government.

This support is in addition to the \$1.8 billion previously appropriated and the \$5 billion that has been pledged thus far by the international community.

Since Ambassador was here before this committee on Monday, I will not address the request for the \$20 billion for the Coalition Provisional Authority in Iraq, except to say that a major portion is to help the Iraqis assume responsibility for the security of their country, including the training of Iraqi police, border guards, facility protection services, a new Iraqi army and a new Iraqi civil defense corps, and for the Iraqi justice system.

The funds for the Department of Defense and the \$20 billion for the Coalition Provisional Authority are linked inextricably; both are needed.

RUMSFELD: All of the CPA requests — investments are critical for the efforts that General Abizaid and General Sanchez and their troops are engaged in.

Helping Iraqis provide for their own security is critical. The investments the president is requesting are in a very real sense a critical element of the coalition's exit strategy. The sooner Iraq can defend its own people, the sooner the U.S. and the coalition forces can turn over the security responsibility to the Iraqis.

But reaching our goal requires some investments now to restore critical infrastructure and basic services necessary to jump start the economy. Iraq cannot make those improvements today without assistance from the U.S. and the international community. But the purpose of this assistance is to help the Iraqis get on a path where they can rebuild their own country.

The president has requested a \$20 billion investment in the future of Iraq. To put that in context, the Marshall Plan after World War II cost roughly \$90 billion in today's dollars. Those investments helped transform a region that has since been a source of — that had been a source of violent war and instability for centuries and turned it into a place of peace, prosperity and mutually beneficial trade.

I recently returned from Iraq and Afghanistan, as did Secretary Powell, and I know a number of you have been there very recently as well. I am convinced that progress is being achieved in both countries.

Afghanistan is on the road to a more stable, democratic self-government. After two years of training, the Afghan national army has recently been fighting side by side with coalition forces in our most recent anti-terrorist campaigns, Operations Mountain Viper and Warrior Sweep. The central government is working to extend authority to these provinces. Together with the Afghan authorities, the coalition is deployed what we call provincial reconstruction teams, or PRTs, to four provinces with four more on the way.

Afghanistan faces challenges to be sure, but the progress has been measurable. The terrorist training camps are gone, Al Qaida is on the run, the Afghan people are liberated and the country is on a path to democracy.

In Iraq, the coalition forces also face difficulties and dangers, let there be no doubt, including the threat from regime remnants, criminals and foreign fighters who have come into the country to oppose the coalition forces. What's remarkable is that, despite the significant dangers they face, the coalition's civil and military staff in Iraq has in less than five months racked up a series of achievements in both security and civil reconstruction that may very well be without precedent.

RUMSFELD: Consider a few of their accomplishments. In less than five months, virtually all major Iraqi hospitals and universities have been reopened, hundred of secondary schools — until a few months ago, those schools were used often as weapon caches for the Baath Party. They've been rebuilt and they were ready for the start of the fall semester.

Fifty-six thousand Iraqis have been armed and trained in just a few months and they are contributing to the security and defense of their country. Another 14,000 have been recruited and are currently in training for a total of 70,000.

Today a new Iraqi army is being trained and more than 40,000 Iraqi police are conducting joint patrols with coalition forces. By contrast, it took 14 months to establish a police force in postwar Germany and 10 years to begin training a new German army.

As security improves, so does commerce. And some 5,000 Iraqi small businesses opened since liberation on May 1st. The independent central bank of Iraq was established and a new currency announced in just two months, accomplishments that took three years in postwar Germany. The Iraqi Governing Council has appointed an Iraqi cabinet of ministers, something that took 14 months in Germany. And all of this was is less than five months.

In all major cities in most towns and villages, Iraqi municipal councils have been formed, something that took eight months in Germany. To date, the coalition has completed 8,000 civil affairs projects with many more under way.

All of this has taken place in less than five months. The speed and breadth of what Ambassador Bremer, General Abizaid, General Sanchez and the coalition military and civilian teams has accomplished is impressive. It may, in fact, be without parallel, whether compared to postwar Japan, postwar Germany, or postwar Bosnia or Kosovo.

I keep hearing that the United States should not go it alone. Well, the U.S. is not going it alone. There are, at this moment, some 17 nations represented in Ambassador Bremer's Coalition Provisional Authority. They're participating in that authority.

Moreover, there are currently 32 countries with troops in Iraq today. They include Albania, Azerbaijan, Bulgaria, the Czech Republic, Denmark, Dominican Republic, El Salvador, Estonia, Georgia, Honduras, Hungary, Italy, Kazakhstan, Korea, Latvia, Lithuania, Macedonia, Moldova, Mongolia, The Netherlands, New Zealand, Nicaragua, Norway, the Philippines, Poland, Romania, Slovakia, Spain, Thailand, Ukraine and the U.K. Portugal is at this moment preparing to deploy forces in Iraq, as well.

Of the 19 NATO nations, 11 have already committed troops to Iraq. We're currently in discussions with 14 other countries.

Now, do they equal our forces or do their financial contributions equal ours? No, they don't. But do they represent a significant, military commitment and do they represent a significant political commitment of those nations?

RUMSFELD: Yes, they do. And we are, and we should be equally grateful for their contributions, for their political courage as well as for their friendship.

A great many of the forces of those countries, I should add, are also volunteers, as are all of ours.

In Afghanistan, NATO has just taken over command of ISAF, the alliance's first mission outside of Europe in its entire history. I met with the new German commander of ISAF forces in Kabul. What they're doing is important for Afghanistan and for the NATO alliance as well.

So between Iraq and Afghanistan, there are now 49 countries with forces on the ground, with many others making important contributions in other ways. So this business that America is going it alone, it seems to me, is not factual at all.

Let me conclude by recalling why we're spending this money, why we are proposing it, why the president is requesting it. The Wall Street Journal recently tallied the cost to our country and the economy after the September 11th attacks: \$7.8 billion in lost income for the families of more than 3,000 victims; \$21 billion sent to New York City for direct damage costs; \$4 billion for the victims' fund; \$18 billion to clean up the World Trade Center site; \$700 million to repair the Pentagon; \$6.4 billion in reduced lost wages or salaries for workers in New York industries; \$1.3 billion net job loss nationwide; \$50 billion in costs to the insurance industry; \$11 billion in lost business to the airline industry; the bankruptcy of two airlines even after a \$15 billion federal bailout; \$38 billion in costs for new border security, protection against biological threats, and emergency preparedness; \$1.3 billion in costs to state governments for homeland security; \$33 billion in spending by the private sector for new protective services.

So even assuming some overlap, which there undoubtedly is, the 9/11 attack very likely cost the American people hundreds of billions of dollars. And that's not counting the price paid in lives and the immense suffering of their families and their loved ones.

I believe our nation can afford whatever it needs to defend our people, to defend our way of life, and to defend our vital interests. At the height of the Cold War, in the Eisenhower and Kennedy years, we spent roughly 10 percent of GDP on defense. The last time I was secretary of defense, in the 1970s, we spent something in the neighborhood of 5 percent. Today, we spend a little over 3 percent. That's a great deal of money, let there be no doubt, but it's a modest fraction of our nation's wealth.

To defend freedom in the 21st century, we need to root out terrorists. We need to take the battle to the terrorists. And

we need to help the now free people in Iraq and Afghanistan rebuild from the rubble of tyranny and claim their places as responsible members of the community of nations.

A British author wrote, quote, "If a nation values anything more than freedom, it will lose its freedom. And the irony is, that if it is comfort or money that it values more it will lose that too."

RUMSFELD: Is \$87 billion a great deal of money? The answer is yes. Can our country afford it? The answer is also yes. We believe it is necessary for the security of our country and the stability of the world, and that the price of sending terrorists a message that we're not willing to spend what it takes, that we value comfort or money more than freedom, would be far greater.

Thank you, Mr. Chairman.

STEVENS: Thank you very much, Mr. Secretary.

This hearing is particularly related to the \$66 billion, the request for the defense activities. The full amount of \$87 billion, of course, is subject to questions from the members of this committee.

It would be my intention to yield time to every member of the committee eight minutes each on the first round, and we'll see how many people here for the second, see how much time we have.

On Monday, Mr. Secretary, Ambassador Bremer, as you indicated, testified before the committee on reconstruction efforts in Iraq. His perspectives to me were invaluable in helping the committee better understand the importance and the critical need for the supplemental funding as a whole. During his testimony, as a World War II veteran, I was struck by the strong parallel between what occurred at the end of the Second World War and what's going on in Iraq now.

As we all know, the Marshall Plan in 1948 — that's three years after the war was over — was created to address the dire economic circumstances in Europe following that war. The plan ran for a period of four years and cost approximately \$88 billion in 1997 — we'll just use the current dollars at \$90 billion.

Of that amount, West Germany was provided approximately \$9.2 billion to assist in their recovery efforts. The population of West Germany at that time was between 15 million and 18 million; Iraq's population today is estimated between 24 million and 27 million.

At the end of World War II, the United States was one of the major war powers to occupy Germany. By the end of 1945, after a massive demobilization, we still had over 402,000 soldiers in Germany alone. Over a four-year period, the number of soldiers dropped from 162,000 to 82,000 and we currently now, as I've been informed, have about 128,000 soldiers in Iraq.

STEVENS: The Army estimates that they spent about \$10 billion to \$40 billion in Germany alone for occupation costs in 2002 dollars. The supplemental request before the committee for \$66 billion to support ongoing operation in Iraq and Afghanistan and continue the war on terrorism, I think, has to be taken in perspective.

The key difference is that in 1945, we had a conscript army. For the most part, they were not married, had — nor did they have families. They were young men who were drafted, primarily.

In contrast today, we have an all-volunteer force that costs a great deal more to recruit and train. Approximately 70 percent of the force is married and has a family.

The scope of the occupation duties in Germany would be very similar to what's happening in Iraq, however the degree of difficulty is very different. Our U.S. service personnel face difficult challenges in Iraq. The security situation is fluid and their ability to protect both themselves and Iraqi people while carrying out their missions is a daunting one to me.

After World War II, the United States showed we had learned that the military victory must be followed by a program to secure peace. Democracy could not flourish unless Europe's devastated economies were rebuilt.

The United States assisted our allies in their reconstruction efforts. The Iraqi people are our allies now. We need to offer them the same assistance we offered to the Europeans after World War II.

Iraq offers us a unique challenge. Iraq is not a highly industrialized nation, nor does it have an underpinning of democracy in its history. And more importantly, it has suffered for years under a brutal dictator who conducted war against his neighbors and against his own people.

We cannot afford to fail the people of Iraq. We must complete our two-fold mission to provide stability to Iraq, to let democracy take hold. And to give this new democracy the economic assistance it needs to succeed is an absolute requirement, in my judgment.

I believe your supplemental will address the needs of our soldiers, sailors, airmen, Marines to fulfill these critical tasks. In order for them to do the job, we need to do ours and approve this as soon as possible.

I'll retain the balance of my time.

I yield to Senator Byrd.

BYRD: How much do I have?

STEVENS: Eight minutes, sir.

BYRD: How much?

STEVENS: Eight minutes, sir.

BYRD: Eight minutes. (OFF-MIKE)

STEVENS: As many as needed.

BYRD: (OFF-MIKE)

STEVENS: I have no idea, Senator.

BYRD: (OFF-MIKE)

STEVENS: We have 19 members here. At eight minutes apiece that's a long time just for one round.

STEVENS: I don't know how long we'll go.

BYRD: Thank you for your illuminating answer.

Are you going to have any outside witness? Why not have some outside witnesses?

STEVENS: Senator, I cannot remember an outside witness at an emergency supplemental hearing.

BYRD: Well, you can't remember an emergency supplemental like this one either. I urge you to make provisions to call outside witnesses so that the committee will have more than just the administration line.

STEVENS: Senator, it would be my intention to call witnesses to testify at the request of the president of the United States and no one else.

BYRD: Which would not include outside witnesses?

STEVENS: That's correct, sir.

BYRD: Well, I hope you'll think that over, take it under consideration, don't rule it out.

Now, Mr. Chairman, thank you for calling this very important hearing on the president's \$87 billion supplemental budget request for Iraq, Afghanistan and the war on terrorism. The American people deserve to know more about what the administration has planned. But rather than explanations of the administration's long-term plan for Iraq, the American people only get comparisons to the Marshall Plan.

I can understand the administration's desire to equate in the minds of the American public Saddam Hussein's Iraq to Nazi Germany or imperial Japan. World War II evokes images of the greatest generation, of which I am one, but not of the greatest generation. I am one of the so-called greatest generation, and it was a great one, as designated by Tom Brokaw. But there was a greater generation, that generation which founded this republic and wrote the Constitution. That was the greatest generation.

The entire country united to defeat the brutally aggressive Axis powers and then after victory staying behind to rebuild the cities of their conquered foes. But with World War II, Japan had attacked us, the Axis powers had declared war on us. The U.S. occupation of Germany and Japan took place in the wake of a widely supported defensive war — and there is a difference — with a commitment to internationalism and multi-lateralism.

We are seeing none of this in Iraq. The war in Iraq was not a defensive war.

BYRD: It was a preemptive attack. We have alienated most of the international community in fighting this preemptive war. The Germans and the Japanese did not resist the U.S. occupation after World War II. They did not commit sabotage, assassinations and guerrilla warfare.

The Marshall Plan was not presented to Congress for its rubber-stamp approval.

Now, we want to talk about the Marshall Plan and an attempt to equate it with this same situation here. Let's talk about these things.

The Marshall Plan was not presented to Congress for its rubber-stamp approval. It was a comprehensive bipartisan strategy, developed after extensive cooperation with Congress, to provide \$13.3 billion to 16 countries over four years to aid their reconstruction.

When the Congress considered the Marshall Plan to rebuild Europe, the Foreign Relations Committee held five weeks of hearings — five weeks — with the chairman calling 90 witnesses to testify. Think about that.

After the Foreign Relations Committee reported legislation, the Senate further debated it for an additional two weeks. We see nothing like that in this Senate.

Senator Arthur Vandenberg, the Republican chairman of the Foreign Relations Chairman, called the aid plan, quote, "the final product of eight months."

Now you want to talk about World War II? If you want to equate it with this, let's bring in these matters which I'm discussing.

I quote Arthur Vandenberg: "The final product of eight months of more intensive study by more devoted minds than I have ever known to concentrate upon any one objective in all my 20 years in Congress." That was Arthur Vandenberg.

If this administration today truly believed in the Marshall Plan and what it stood for, it would be more open to working with Congress before committing vast sums for foreign aid as was done half a century ago.

The reconstruction of Europe was undertaken in the context of the spirit of internationalism, multi-lateralism and collective security that led to the formation of the United Nations, NATO, the World Bank and the International Monetary Fund. The same can hardly be said, hardly be said, today. Come on.

Yet today we're asked to appropriate \$20.3 billion for the reconstruction of Iraq for the next year alone. The president's \$87 billion request is larger than the economies of 166 countries.

BYRD: These funds are not just for rebuilding bridges. It's an attempt to transform a political culture very different, very different, from our own into a democracy; a form of government never before seen in those ancient lands.

It is the beginning of an enormous commitment to Iraq. Let me say that again. It is the beginning of an enormous commitment to Iraq.

We have the duty to understand the enormity of the potential consequences and to insist on an explanation of those consequences for the American people before we act.

Now, it will be a huge task to attempt to build a republic in Iraq. The American people, from whom the power of our government originates, have never been asked for their mandate for democratizing Iraq or for making an even greater generational commitment to democratizing the Middle East.

Secretary Rumsfeld, where is the mandate from the American people to carry out the reconstruction of Iraq? Who has set the parameters for how extensive this nation-building effort should be? And when did the American people give their assent, Mr. Secretary?

And thank you for coming before the committee again. Thank you.

RUMSFELD: Thank you, Senator.

BYRD: I always enjoy having you before this committee. Wish we could have you more.

(LAUGHTER)

RUMSFELD: Thank you, Senator Byrd.

The answer to your question is that in our constitutional process, the president came to the Congress, as we all know, sought a resolution, received a resolution. He recognizes that, under Article 1 on the Constitution, the Congress controls the purse strings.

And therefore he has made this request to the Congress and certainly the deliberations that we're currently engaged in, and the seven or eight or nine hearings that'll take place in — previously and in the coming days on these subjects will reflect the role of the Congress. And certainly the Congress represents the American people.

BYRD: But now, Mr. Secretary, if I may keep to the question, you mentioned the resolution that was passed by the Congress on October 14, I believe it was, of last year. But where is the mandate from the American people to carry out the reconstruction of Iraq and to democratize that government?

RUMSFELD: It certainly is correct for — as you say, and suggest, that there is a need to transform a country that does not have experience with democracy. That is correct.

The way I would respond to your question, Senator Byrd, is this: We have 130,000 troops there. Our friends and allies have still additional troops. The Iraqis now are up to close to 70,000 people providing security.

The goal for the United States is not to stay there or for the coalition. It's to turn that country back over to the Iraqi people, which is, as Ambassador Bremer pointed out, a seven-point plan to do that, through a constitution and elections and then passing of sovereignty at a pace as rapidly as is reasonable.

BYRD: Now, Mr. Secretary, my time is very limited. I'm trying to get at the bottom of the idea that the American people are supposed to carry out the reconstruction of Iraq and that we are to build a democracy there and democratize the Middle East.

BYRD: Where is the mandate for that? The American people have never been told that.

RUMSFELD: Well, the last thought I could suggest is this: that the task we're engaged in — the bulk of the funds here are for the purpose of providing security and to enable the political process to move forward so that sovereignty can be transferred to the Iraqi people. The way that we can leave that country better than we found it, a lot better: no more mass graves, no more prisons filled with people...

BYRD: We know all about that...

RUMSFELD: We can leave it by investing in the kinds of security that we're talking about here. And that is what this request is overwhelmingly about.

Admittedly, there has to be some funds for the political side and some for the economic side as well as the security side because all three of those things have to go forward together.

BYRD: But still, I haven't had an answer to my question as to where the mandate comes from the American people. The American people never been told that we're going into that country to build a new nation, to build a new government, to democratize the country and to democratize the Middle East.

RUMSFELD: The American people...

BYRD: The American people haven't been told that. They were told we're going in there because of weapons of mass destruction.

RUMSFELD: The American people were told by the president of the United States, at the U.N. and here in the United States, the reasons for going in. Once having gone in, the last thing we need to do is to turn that country over to another dictator like Saddam Hussein. The least we can do is...

BYRD: Nobody is suggesting that.

RUMSFELD: Well, the least we can do is to attempt to put into place a political process where they can migrate toward something that will not be a threat to their neighbors, that will not repress their people, that will be representative and reflective of the people in that country.

BYRD: If I may just pursue this for a brief moment, if I can follow this question, what will the United States do if the

so-called democracy we're building in Iraq takes a wrong turn? Will the United States override an Iraqi constitution if we don't think it's a good basis for a republic?

RUMSFELD: I think that the answer to that question is very clear. The president's made it very clear that there are certain red lines, in answer to your question. The red lines are that the country be a country that does not have weapons of mass destruction, a country that's at peace with its neighbors, and a country that is not repressing its people and is reasonably represented and respectful of the various diverse ethnic and religious elements in the country.

Beyond that, the Iraqi people are going to have to fashion that constitution and they're going to have to rebuild their own country.

STEVENS: Senator, we must move on. You're using some of my time again (OFF-MIKE)

BYRD: I respectfully point out to you that the last whereas clause of the resolution was adopted by the Senate 77 to 23 reads as follows: "Whereas it is in the national security interest of the United States to restore international peace and security to the Persian Gulf region."

STEVENS: That was what we stated as the ultimate goal of the activities that we authorized the president to undertake.

Senator Cochran...

BYRD: Mr. Chairman...

STEVENS: Senator Cochran is recognized for eight minutes, Senator.

BYRD: Might I respond to that?

STEVENS: Senator, I was talking on my own time. You'll have time later.

Senator Cochran, it's your time.

BYRD: All right, thank you. Thank you for your courtesy.

COCHRAN: Mr. Chairman...

STEVENS: Senator, I was courteous to you. You went seven minutes over your time.

BYRD: Seven minutes. Think of that, on an \$87 billion request, \$87 billion. Here I am the ranking member of the committee, I have seniority over all Democrats over here. As a matter of fact, I have seniority over all Republicans really. I've been around here a long time. I have seven minutes.

Go ahead, Mr. Chairman, you're in charge.

STEVENS: Is the senator finished?

BYRD: Go ahead, Mr. Chairman, you're in charge.

STEVENS: Thank you very much.

Mr. Cochran?

COCHRAN: Mr. Chairman.

Mr. Secretary, thank you very much for the outstanding leadership you're providing to the Department of Defense in our efforts in Iraq and Afghanistan and around the world to protect our security interests and the freedom of the American people.

I think the address to the United Nations by President Bush yesterday set the right tone for the world community, in terms of the fact that this is a challenge in Iraq, this is a challenge to the will of mankind, and the United Nations in particular.

Do you have any early reaction from your friends or contacts in the United Nations about the willingness of the U.N. to act in a favorable way to the call that President Bush made yesterday for more involvement, more support by countries from around the world and in the United Nations, in particular, to help us in our goal in Iraq?

RUMSFELD: Senator, I don't. Unfortunately, I have not had a chance to talk to either the president or Secretary Powell

since their time in New York, where each of them had been engaged in a series of bilateral discussions, as well as the more public activities that they have been engaged in. I'm sure we'll know more in the next day or two.

COCHRAN: Are there funds in this supplemental request that will help us defray some of the expenses of countries that might be willing to participate but don't have the financial resources to commit troops or to pay for training and equipping them?

RUMSFELD: I'll come right back to that if I may. I do want to finish answering the other question.

I neglected to say that any thought that we have a modest coalition already — there may very well be additional countries from the U.N. as a result of events in recent days, but the United States already has a coalition of 32 nations in the country and 90 nations in the global war on terror.

With respect to your questions, the answer is yes. There are some funds. My recollection is it's about \$1.4 billion. And there are some countries that have stepped forward, offered troops and assistance that did not have sufficient funds to pay for some aspects of their transportation or equipment or intelligence and that type of thing, so that there are instances where the United States is assisting them, just as we're assisting in developing the Afghan national army and the Iraqi national army and the Iraqi police forces. Because the more we can get other countries providing that kind of security, in the case of Iraq particularly Iraqis, that means there's less of a burden on General Abizaid and his troops.

COCHRAN: I notice that part of this request is for funding that would actually go to the Department of Homeland Security: \$2.2 billion for homeland security activities. Is that going to the department or is that for the Department of Defense to use to assist in homeland security?

RUMSFELD: The latter. I think it involves Noble Eagle and the air CAPs and a variety of other things that DOD does to support the security of the United States.

COCHRAN: One item as I understand it is a reimbursement to the Coast Guard for activities that they have engaged in in support of the Iraqi war. It's \$80 million, I think. And there's a question that has come to my attention about the sufficiency of that and whether or not the Coast Guard would actually have to use fiscal year 2004 funds that we have just appropriated in a bill passed by House and Senate. It's now in a conference report. Probably be before the Senate this week.

I would hate to see the Coast Guard have to use FY 2004 monies if we can provide those funds that are allocatable to the Iraqi operation.

RUMSFELD: I don't know the answer. We'd have to supply an answer for the record.

There are some instances where the Coast Guard provides critical assistance to the Department of Defense. And in this case, I know for a fact they did with respect to Iraq.

And I'm told that the money for the Coast Guard is in the CENTCOM piece of the budget. So that shouldn't be a problem.

COCHRAN: OK.

Well, we'd appreciate your reviewing that and giving us some assurance that it is sufficient to meet the needs of the Coast Guard.

RUMSFELD: We'll do that. Thank you.

COCHRAN: General Myers, I have a question about the National Guard and reserve forces. I wonder if there are sufficient funds in this supplemental request that will help ensure that those forces have the training and the equipment they need to protect themselves as well as to carry out their missions in Iraq.

ABIZAID: Sir, that's accounted for in this supplemental. Your supposition there is exactly right.

COCHRAN: Well, how many National Guard and Reserve troops do we have in the theater at this time? Do you have that figure for us?

ABIZAID: Yes, sir. I do. Currently, we have approximately 170,000 reservists called up. When I say reserve component, both National Guard and Reserves in all the services. That's down from a high of 223,000 during major combat operations in Iraq.

Before major combat operations started in Iraq, our baseline after the attacks of September 11th, 2001 was about 50,000. That was what we had protecting the skies over the United States and helping with events in Afghanistan and other places in the world.

So steady state war on terrorism would be somewhere between 45,000 and 50,000. So that difference between that and the 170,000 that we have today is focused, pretty much, for the contingency in Iraq.

And I think, you know, as you look forward, you could probably expect that number to come down a little bit. But there's — those are the numbers.

COCHRAN: Will the involvement of additional countries with more troops and more support help us to reduce the need for National Guard and Reserve forces?

ABIZOID: It certainly could. If we got a — it certainly could. If we got a third multinational division, which, as you know, we're working very hard and it's being worked at the U.N. as well, as you mentioned. If we got a third multinational division, that might reduce the active or reserve component call-up that we'd have to have to fulfill that need.

COCHRAN: Let me ask General Abizaid, what is your assessment of the effectiveness of our National Guard and Reserve forces in the theater?

ABIZOID: Well, sir, there's no doubt that the National Guard and reserve component forces have been doing an outstanding job. They have been absolutely essential. We couldn't get the job done without them. It isn't a matter of nice to have; it's a matter of must have.

They've been doing great work, all the way from combat operations to support operations. They're all over the theater. I saw some National Guardsmen in places as far away as Yemen and I've seen them in faraway places like Afghanistan, and they're certainly in Iraq in very large numbers. They're doing great work.

COCHRAN: Let me ask you a question, too, about the Iraqi forces you're trying to recruit and train and get involved in the protection of their own homeland. Do you think the Iraqi people have the courage and fortitude to see this mission through to a successful conclusion?

ABIZOID: Sir, the Iraqi people have the courage to see this through. It's very, very clear to me that, as you look at the country, as you look at the enthusiasm of people trying to build a new future, that they are both courageous and optimistic in most of the country.

ABIZOID: They have the courage, they have the tenacity, they have the education, they have what it takes to get the job done, but they can't do it without our help. Every day they get stronger, every day they get better. There's no doubt that they're prepared to risk their lives against those people that are trying to cause the mission to fail. And I have great, great faith in the Iraqi people, along with us, to make this mission successful. As do, by the way, Senator, our soldiers.

TURNER: Thank you.

Thank you, Mr. Chairman.

STEVENS: Thank you.

Senator Inouye? Senator Inouye is recognized for eight minutes.

INOUE: Thank you very much, Mr. Chairman.

Mr. Secretary, before proceeding with my question, I would like to agree with you that every life is precious, every life is sacred, and whatever contributions are made, whether it's a division or a squad, they're important.

But having said that, I'm looking over the supplemental request now, there's an item of \$390 million to pay the cost of supporting the Polish division and another \$390 million to support a potential second multinational division. What would be the impact if we did not appropriate this money?

RUMSFELD: The impact would be that the support that we were getting, have been getting from the forces of other countries, would be in some measure denied us.

INOUE: They would leave the theater?

RUMSFELD: Senator, I can't answer that. I don't know what they would do.

The one division has, of course, already been paid for, the Polish division, and the various countries that are participating in that, I don't — I think it's 11 or 16 countries are involved in that particular one. The funds would, for the most part, relate to the second division, and it would clearly make it more difficult to encourage countries to participate in that second division.

INOUYE: Mr. Secretary, there is another item, \$1.4 billion to support our coalition forces. What is that for?

RUMSFELD: This — Dr. Zakheim, why don't you respond to that?

It involves a whole kludge of things. Among other things, for example, the assistance that is being provided us by Pakistan in connection with the Afghanistan operation. And we use their bases, we use their fuel, we use various types of services from them. And we have an arrangement whereby we can reimburse for those types of things, as, of course, this committee knows.

Dov, do you want to elaborate?

ZAKHEIM: Yes, sir.

Senator, these arrangements began almost — shortly after the war in Afghanistan. The Pakistanis have been dispatching forces in what are called the tribal areas in the northwest which border Afghanistan. They in the past have not even sent their forces in, and the alternative, quite frankly, would have been our having to go in there.

ZAKHEIM: We didn't know if we'd get the permission. We certainly would not know the territory anything like the Pakistanis do.

When they come in — and not just Pakistan, Jordan and other countries — when they come with requests for reimbursement for operations they would not otherwise have undertaken if we would not have requested them to, we do not automatically reimburse them. We have a very, very rigorous system of reviewing those requests for reimbursement, and in some cases we've denied them.

It has to be a direct support for the United States efforts in support of our efforts in the global war on terrorism for activities that these countries would not have undertaken had we not asked them to.

INOUYE: Mr. Secretary, I get the understanding, in reading the supplemental request, that there will be a decrease in U.S. troop level if we increase foreign involvement from three to four divisions. Is that correct?

RUMSFELD: I think that the way I would respond — and then, I'd like General Abizaid, who is the combatant commander for the Central Command, to elaborate — I look at it not in two pieces, Senator, but in three pieces. There is the U.S. forces, there are international forces and there are Iraqi security forces, that are made up of an Iraqi army, police, border guards, site protection people.

Then there are the facts on the ground, and what will determine the total number of forces and capabilities will be the facts on the ground. It will require more or less. Then the balance among those three elements will determine which forces are there to deal with those facts on the ground.

Our goal, our purpose is not to assume a permanent responsibility for the security of Iraq. It's certainly not to create a dependency on the part of Iraq that they must have our assistance or international assistance. It is to invest enough in the Iraqi security forces so that they are the ones that take over the responsibility for both the U.S. and for the coalition forces.

John Abizaid, do you want to comment?

ABIZAID: Well, yes.

Senator, we have for a long while looked forward to the opportunity to bring in a coalition division primarily in the north. One reason is that the north is relatively calm.

Another reason is that we thought we could attract some Muslim forces. We want to internationalize the force. As you know, the high percentage of Americans to coalition forces leads to this notion that this is an American occupation, at least in the eyes of people in the Arab world and within Iraq.

But more importantly, we knew that we could get some capability up there that would then allow us to concentrate American forces where we would need them in other areas.

Under the current circumstances, it is possible — of course, it's always difficult to predict the security situation, but it is possible to contemplate that additional coalition forces would lead to withdrawal of American forces over time.

INOUYE: Further reading the request, I get the impression that if we're not successful in encouraging three multinational divisions to join us, we would replace that group with four Reserve enhanced brigades. Is that correct? American brigades.

MYERS: Senator Inouye, just to answer that question, I'll just piggyback on what John said.

What John tries to figure out with his commanders and his folks every day is the needs for the future. And you can only look out so far in this business, as you're well aware. So that's one of the options.

If we don't get a third multinational division, there are several options for filling that need.

One is the security situation can improve to the point where you don't need it.

Another is, as the secretary said, you could have enough Iraqis on board by that time that you don't need it.

There are certainly active duty options that we're looking at. And there are also in the supplemental the options to bring on reserve component forces to fill that need, given that it materializes.

INOUYE: What are the odds? Are we going to reduce our forces?

MYERS: I'll let General Abizaid talk about that.

ABIZAID: Sir, I think there are four things that play here. One of them is the current security situation. The other thing has to do with the number of international forces.

But by far the most important element is the ability of Iraqis to take care of the security situation. And that's really split in two. It has to do with paramilitary forces and military forces on the Iraqi side and police forces on the Iraqi side.

If we can bring the Iraqi paramilitary and police forces up to both a strength and a capability that would allow them to take over certain urban areas, then I think we can contemplate bringing American force levels down over time. And I think it's not impossible to believe that that could happen next year provided that there's not a spike in violence that is unanticipated.

INOUYE: Mr. Secretary, if I may just follow up, prior question, this request includes \$1.4 billion for the support of coalition forces. But I gather that the \$1.4 billion we appropriated for '03 has not been spent. Is that correct? About only half has been obligated?

ZAKHEIM: I think it's been spent.

About half has been obligated so far. We anticipate that over the next few months, we will be continuing to reimburse the Pakistanis roughly at the rate of about \$70 million a month.

ZAKHEIM: That is basically what we have verified, in terms of their costs that...

INOUYE: So the amount we appropriated will be spent?

ZAKHEIM: It will be fully spent, sir, yes.

ABIZAID: Senator, if I may just add to the answer, I would like to point out that it's not just a matter of military forces. It's clearly a matter of also bringing economic and political activity forward in such a manner that it sets the conditions that allow us to be able to be successful.

So it's very difficult to say there's a strictly military solution to the force levels. It depends upon all the aspects of national power.

STEVENS: Thank you, Senator.

Senator Specter is recognized for eight minutes.

SPECTER: Thank you, Mr. Chairman.

Thank you, gentlemen, for your service and we thank the men and women of the armed forces for the outstanding job which they have done.

Mr. Secretary, there has been a great of discussion among senators about the possibility of advancing these funds with loans or perhaps involving the International Monetary Fund or the World Bank. As I travel through my state and elsewhere, there is obvious concern about an \$87 billion request. I believe the Congress will support the president and support the administration and support the armed forces. We are looking for ways to lighten the burden, if we can reasonably.

Inevitably, we move through the appropriations process and we just finished the subcommittee which I chair, which had appropriations for health and education and worker safety. And as you might expect, there were many arguments raised on the Senate floor about why not more money for a given item, when we are being asked to spend \$87 billion on a supplemental?

Where you deal with infrastructure — water, sewer, electricity — customarily, it is a capital investment and funding is looked for perhaps to the IMF or the World Bank. It is realistic, Mr. Secretary, to try to structure some of this with loans from others or looking to the Iraqi oil, where I think it is fair to use Iraqi resources to pay for the rebuilding of Iraq? We don't want that oil. Is there some way we can offset this request in loans or IMF or World Bank?

RUMSFELD: Senator, I know that this is subject that's been looked at very hard by the administration and by the Office of Management and Budget, the Department of Treasury.

The concern is that the Iraqis currently have something in the neighborhood of \$200 billion of various types of obligations, whether reparations or debt. They have a relatively modest amount of oil revenues this year. They go up substantially next year and they're estimated to be up, I think, around \$15 billion to \$20 billion within a matter of two, two and a half or three years.

They have immediate needs and we are having a donors' conference to get other countries to participate in, I believe, Madrid next month.

You're quite right about the international lending organizations. The goal is to get them to participate, as well. The goal also is to get private-sector investments in that country as the security situation improves.

It's going to take all of that. And the idea of adding an additional burden to the debts they already have was concluded to be the kind of thing that didn't work very well after World War I. And after World War II, the effort was to help them get started, kick-start them and let them go and it worked.

RUMSFELD: It worked a lot better than it did after World War I. And so the conclusion on the part of the administration is that they believe that this portion should definitely be grants.

SPECTER: Let me move to another question and just an observation. The \$200 billion in debt expended by a tyrant, they're really bankrupt. I don't think we have to look toward repayment of that. We're starting anew. And it seems to me that we can appropriately, by analogy, the commercial transactions, look to their assets into the future.

But let me move to another question, Mr. Secretary. This issue of unilateralism and multilateralism is a big, big point. I know that the coalition of the willing was a multilateral approach; did not get the United Nations' support.

When we were considering the resolution for the use of force, there were many of us — and I expressed this on Senate floor — of concern to involve the United Nations as much as that could be done. And Senator Lugar had an amendment, which I had co-sponsored along with others, which would have conditioned the use of force on greater involvement of the United Nations. That amendment ultimately was not offered in a very complex procedural setting.

And as we — as the president is moving — and I compliment him for his efforts to bring in the United Nations — we have the continuing feeling that in many quarters — and with the French I think totally unjustifiable; they still haven't forgiven us for saving them in two world wars — but that sense is there as we're trying to get cooperation.

And I'm just wondering, as we look at the historical impact of what has been done here and concern that the United Nations was weakened because the United States moved without the approval of the Security Council — I don't believe that the United States has anything to apologize for — but I wonder if in hindsight — and I don't think this is Monday morning quarterbacking, because we're looking at two points: one is the precedent as to what we have done here and looking at the secretary general's concern that other nations may want to act unilaterally as the — not unilaterally as we did, but without the consent of the Security Council.

And also, in an effort to try to get more support from the international community, if it might not be advisable to take a look at it and comment on whether, in retrospect, we might have done it a little differently. Not to apologize, not to

mea culpa or to say we made a mistake necessarily, but if you had it all to do over again, Mr. Secretary, would you have approached it with a little more effort to get more involved, including the Security Council?

RUMSFELD: Senator, the amount of effort that was made by the Department of Defense, Department of State, the president personally to get other countries involved was enormous. It began from very beginning to — CENTCOM was engaged in relationships to include other countries. We ended up with 32 other countries involved in that activity with troops on the ground.

RUMSFELD: Now that's not a small number of U.N. members, it's quite a few.

You're quite right: The president, initially and yesterday, has indicated his conviction that it would be helpful to have a role played by the U.N. greater than is currently the case. And that's why he spoke there, that's why he and Secretary Powell were up there engaging in all those bilaterals.

To say that the U.N. was weakened by the U.N. action, I think that has to consider how the U.N. would have been weakened if Saddam Hussein had been able to ignore 18 straight resolutions of the United Nations Security Council. It would have to make one wonder what is the value of a U.N. Security Council resolution if a dictator could with impunity ignore 17 or 18 such resolutions.

I think that one could argue that that would have weakened the United Nations more.

The president has demonstrated, unambiguously, that he wants to work with the United Nations and is attempting to do so.

SPECTER: Thank you, Mr. Secretary.

Thank you, Mr. Chairman.

STEVENS: Senator Hollings, you're recognized for eight minutes.

HOLLINGS: Well, let me try to be helpful in my eight minutes because this is a complicated situation, Mr. Secretary.

Iraq was a tremendous military victory, and you folks at the table ought to be congratulated.

Thus far it's a political failure. I'm hearing all kinds of nonsense here, but complimenting the president on trying to bring in the U.N. — I know the senator from Pennsylvania and I know how to politic. I wouldn't say, "It's a really important thing for you to try to help me," I'd go out and ask for your help. And yesterday, you can see that the United Nations feels that it was an assault on their principles as well as an assault on Iraq.

And we were chastised there, and instead of sitting and listening — it's just like if you got up and left the room right now — the president got up and left the room with the secretary of state and everything else, so I don't compliment the president a darn bit. He has not been helpful to the military.

Starting at that thing, let's get away from trying to connect with this long litany of bankruptcy of two airlines, insurance industry \$7 billion, lost income and all — trying to connect Al Qaida with Iraq or 9/11 with Iraq, because even President Bush says there's no connection. That's number one.

Number two, let's get away from the co-called coalition: Macedonia, Moldova, Mongolia, come on. President Bush, the father Bush that you served with, secretary of defense and so forth, he got 144 nations.

HOLLINGS: This 32 is not a corporal's guard. We're in trouble. That's your trouble.

I'm getting right to my point. It's not money. I said months ago, it's not a money supplemental, it's a manpower supplemental.

And you've got a heck of a job over there, that if they had a constitution this afternoon and an assembly and everything else, they'd still be — those borders are porous. We got a Lebanon on our hands. They're going to be blowing up each other out there for years on end.

And how can we be helpful? Well, number one, I think when you talk about getting these two brigades in there, multinational brigades, it's going to be tough. Turkey, at the best, it'll have 10,000. That's not quite a brigade. And then you'll bring in a little bit of Bangladesh and maybe a couple of hundred from India or something else like that.

And I'm looking to this time September next year, it's not going to fly having the majority of the Reserves and the

Guard on duty in Iraq in the United States defense establishment back home or elsewhere.

And I don't know how you can do it. I've got the budget for 11 peacekeeper operations, plus, you know, now with Kuwait, Afghanistan and Iraq. I still think you're going to need that kind of supplemental of manpower.

Now, the news is good. The headlines with the economy is, you've got a full complement in the volunteer army. Let some more volunteer; I'd rather be paying them than running around paying Poles to get there or whatever else we're trying to do.

But let's look at that. I think we can pass that and get a manpower supplemental and really get on top of it, because we're destroying our National Guard and Reserves, I can tell you. They're exhausted. They were called up right after 9/11. I've got them. They're doing an outstanding job and everything else like that, but there's so much that we can get done. And you folks in the military have been taking on our political mistakes.

There were two resolve clauses. Don't get away from that two pages of "whereases." The one resolve clause was to enforce the U.N. resolutions, and we overrode that. The U.N. was trying to do it, Hans Blix was there. We said, "You're irrelevant, you're a debating society, get out of the way, we coming in." And, of course, so far they've been proved right: We haven't found any weapons of mass destruction. So you can't blame Hans Blix for not finding them; we've had five months to find them. And paying off people and giving rewards and everything else.

We hadn't gotten rid of Saddam. He's killing us every day out there. I don't know where the heck he is, but we getting killed.

So let's don't run around, "We've gotten rid of Saddam, we've gotten rid of the tyrant." This has been a political flop and it's our task to make it a political success. And let's understand that in the initial instance.

And one way to try to do it is start to build up the military, and then, incidentally, get the dickens the military out there, turn it over to the State Department and AID. Then we'll have our military properly supported.

But we don't have a money problem, we got a political problem. You folks did your job and did it in an — and you're trying to do it the best you can. But when the president makes his speech and then walks out and doesn't even listen to the people who are talking and you're asking to get their help, that isn't any politics, I can tell you that right now; that's how to make enemies out of people.

RUMSFELD: Senator, I certainly agree with you that the men and women in uniform achieved an impressive military victory.

HOLLINGS: Yes, sir.

RUMSFELD: I cannot agree that it's a political failure after four and a half months.

RUMSFELD: It seems to me that that would be premature.

I do agree with you that it is a manpower supplemental. And I'd like General Abizaid to elaborate, because he's there dealing with this every day.

But the reality is that we have a choice. We could go out — and I agree with you further that we're not going to get a lot of international troops with or without a U.N. resolution. I think somewhere between zero and 10,000 or 15,000 is probably the ball park. It's going to change the drill dramatically.

HOLLINGS: But then we'll have the majority of the Guard and Reserve on duty there this time next year.

RUMSFELD: Well, that's my point. When I agreed that it's a manpower, I don't think it's a U.S. manpower supplemental as much as it is an Iraqi manpower supplemental.

I think that there is no — the United States has no desire whatsoever to become the assurer of security for that country. We do have an obligation to try to help the Iraqis become capable of handling their own security. And we've found that as we've gone from zero to 56,000 Iraqis providing for their own security in four and a half months, that's impressive. That's an accomplishment. That's not a political failure.

And the goal is to keep investing in them so that they will be able to assume that responsibility, and we'll not only not have to put more Americans in there or more coalition troops, but we'll be able to pull Americans and coalitions down as the Iraqis assume responsibility for their own security.

John Abizaid, would you...

HOLLINGS: Well, let me — I agree with you it's, sort of, premature. I'm trying to make it a political success. We don't have the final word on it.

But we were running around. I was misled. I voted for that thing. But how was I misled?

Number one, you had aluminum tubes. You had mushroom clouds. You had yellow cake. You had the vice president saying "reconstituted nuclear." And I really thought we were doing it for Israel.

If there were any real security threat by Saddam Hussein, Israel would knock it out in the next two hours, like they did at Baghdad. That's a little country, they're surrounded and they got no time for debate in the United Nations and everything else like that. And I'm with them.

But I thought that's the kind of security — we didn't have any security threat. Al Qaida is not connected to 9/11.

Excuse me, General. Go right ahead.

ABIZAID: Well, sir, it's not my place to comment on the political success or failure of anything, but it is my place to comment on the success of the mission.

We can be successful in Iraq. And while people with different opinions might be able to argue about what happened before in Iraq before the war, there is no doubt now that Iraq is at the center of the global war on terrorism in a way that we can't deny. And so political success and military success in my mind have to be achieved if we're going to win the global war on terrorism.

I believe that there is no doubt that our military forces are up to the task. There's no doubt that we must achieve success politically with Iraqis. But we also must show political will to stay the course, in my mind, in order to achieve success there.

ABIZAID: And I think it's possible that we can.

HOLLINGS: But, General, get my point. Deputy Secretary Hamre, and we all have high respect, and I think you've got high respect for him, he's just in the morning papers saying it's not you, it's the political entity — namely, us, the Congress, the State Department, AID and everything else ought to be doing what you're doing. That's my point. That's what I'm talking about politically.

I don't see how in the world you're going to ever get really good security, because two Republican Guard units folded back into the city of 5 million. You can't find them. You can't go door-to-door and deweaponize them, and everything else of that kind.

So we've got a problem, a real problem on there, and the quicker we can get it over, as the secretary says, to the Iraqis — I agree with you on that.

Thank you, Mr. Chairman.

STEVENS: Senator Specter is recognized for eight minutes.

Senator Domenici, pardon me.

Senator Domenici?

DOMENICI: Push my button. I tell you, my button has been pushed already today. The problem is I'm not going to let it push me, I'm going to just forget about a few things I've heard today that would cause me to get off the path of what I came here today to do.

First, I would tell you and tell Senator Byrd, I'm not a member of the greatest generation. I'd like you to know I'm a member of a much lesser generation than you. For I'm too young to be a member of the great generation. But I've been here 33 years, and I believe I'm entitled to my time just as you're entitled to yours: no more and no less for both of us.

Now, let me say to you, we voted here October 12th — 11th or 12th — late at night. We gave the president authority to go to war, if war we had to have with Iraq. When did we invade? When did the bombardment start? Anybody remember?

(UNKNOWN): March 19th.

DOMENICI: March 19th. Both events, the voting by 77 senators and the invasion of the country, are less than one year old, and we already have people here and across this land, and media people, who see no success other than they don't want to say to the military, "You did a bad job," because they wouldn't dare do that, because they did a tremendous job.

But other than that, all of a sudden, from October the 11th to March to this date a few months later, everything has gone wrong. We are doing everything wrong.

Well, to all four of you, and to anyone that's listening, I think those who say that are wrong.

DOMENICI: I believe we're doing a tremendous job. We have an option. We can pull out. And I would say, for anybody who wants to make that recommendation, make it. Take it to the floor of the Senate and say, "We ought to pull out, because we have so many things going wrong, we just ought to quit." I don't think they'd get 10 votes.

Now since that's the case, we have to take a look at what's going on. I want to tell you that in the New York Times today, there's some very good news. I know that sounds strange to all of you: the New York Times, good news about this war. Maybe their presses went awry.

But they printed a poll, that's why it was good news. And the poll said that something's happening for the better in Iraq. The polls said two-thirds of the Iraqi people expect their lives to better as a result of removing Saddam Hussein. Two-thirds.

And they went on to say, Mr. Secretary and generals, the Iraqi view of the job being done by Ambassador Bremer, and then these two words, quote, "are remarkably positive," close quote, with 47 percent of the respondents lauding him for the recovery process in place.

Now you wouldn't guess from what we're hearing, both from the media and some senators, you wouldn't guess that anything like that is going on in this country.

Now Mr. Secretary, when you undertook this job, did you think it was going to be easy?

RUMSFELD: No, sir.

DOMENICI: Did you think...

RUMSFELD: I was right.

(LAUGHTER)

DOMENICI: Did you think it was going to be easy to change their government, Mr. Secretary?

RUMSFELD: No, indeed. They have no real experience with democracy. It's a hard thing to do, change your culture.

DOMENICI: Now, Mr. Secretary, do you — because it's hard and because it's never been done, did you choose to say with our president, "Let's try"?

RUMSFELD: Absolutely.

DOMENICI: Why?

RUMSFELD: For several reasons. I think a peaceful, responsible Iraq could have an enormous effect in that part of the world. And it's an important country. It's a large country. It's a country that has resources. And it — a country there that has that position and is not threatening to its neighbors, not invading Kuwait, not giving \$25,000 to every family that does suicide bombing and killing innocent men, women and children — it would be a good thing for the world.

DOMENICI: Generals, whichever one of you choose to answer, you committed our military men there and you're its leader. Chief of staff, was it worth it, this war?

MYERS: I think, as General Abizaid has said, that our troops over there know exactly what the mission is. If you would ask them individually, like many of you have, they think it's worth it. They understand...

DOMENICI: Do you think it's worth it?

MYERS: Absolutely.

DOMENICI: Can we win? Can we complete our mission?

MYERS: Sir, we can win. We can win.

And let me just take off on that a minute. We can win. But to win, we need several other things to happen, in my view. We've got to have the will to win.

And that's what the terrorists, by the way, are betting on on this high-stakes game in Iraq. They're betting that we can be made to leave — we the coalition. They've seen it before in Somalia. They saw it in Lebanon. They've seen it in other places. And they're hoping that they can outlast us, that they will have the will to win.

And that's — that is a — that's an issue we need to confront, not only as an American people, but as a coalition against this. Commitment is important and patience, I would say. As you pointed out, Senator, we've only been at this now for a — relatively, scope of human history, a relatively short period of time.

DOMENICI: And let me move over to the other general, please.

ABIZAID: Well, Senator, you know, a lot today has been made about the greatest generation, and my father's a member of that generation.

ABIZAID: And I think there's something to be said for that.

But when you talk to our young people in places like Afghanistan, in places like Iraq, downtown Baghdad, and you hear what they say about how they're doing and you see their confidence and you see their dedication and you see their ability to withstand great dangers, you have to ask yourself whether or not they're not the greatest generation.

They are fighting and winning the global war on terrorism and they know it won't be easy. They know it won't be without casualties and they know it won't be without sacrifice.

But we've got to win this war, we've got to be tough, we've got to be tougher than our enemies because they think we're weak, and we're not.

DOMENICI: General, do our troops think we can win?

ABIZAID: Our troops know we can win.

DOMENICI: And how do you assess the situation today? Is it better than two months ago?

ABIZAID: The situation is better than it was two months ago, it's better than it was four months ago, and it will be better two months from now. But it will be a slow process, it will be a dangerous process.

And you, Senator, really, this is a battle of moderation versus extremism that we're engaged in. If we can win in Iraq, we can win the battle of moderation.

And it's just not the battle for the United States, it's the battle for the Arab world as well. They crave the opportunity to move forward in a moderate way.

Every leader in that part of the world believes that. People believe that. There aren't 60,000 Iraqis coming to serve with us under arms because they're betting that they're going to lose.

True, there are people that are against us and they are dedicated against us in a way that's going to make us fight and fight hard. But I have asked every brigade commander that I have met — and I've met almost everyone of them in the field out there — "Are we winning?" And I've put it in no uncertain terms, and they say, to a man and to woman, "Yes, we are."

STEVENS: Thank you very much, General.

Senator Leahy is recognized for eight minutes.

LEAHY: Thank you, Mr. Chairman.

I'm struck here by the little bit of testimony we're getting up here on these matters. The talking points seem to always be on the Marshall Plan, the Marshall Plan and so on. Let's just make sure that we understand a few of the facts. Much of the Marshall Plan was on a dollar per dollar match by the European nations; it wasn't direct out from us, much a dollar/dollar match. Keep hearing about what it did for Germany. Germany was not the largest recipient: They were about 11 percent, England was around 25 percent.

Loans made up almost 10 percent of the Marshall Plan. Now Secretary Rumsfeld has testified — and very accurately —

that about \$200 billion owed to Saudi Arabia and Kuwait. I would hope that we're not paying off loans to Saudi Arabia and Kuwait.

Especially, I remind everybody who keeps trying to tie Saddam Hussein to September 11th, and I commend the president finally stopping that by saying there was no connection between Saddam Hussein and September 11th.

There is a major connection between Saudi Arabia and September 11th. Most of the hijackers came from Saudi Arabia. Most of them were protected and funded from Saudi Arabia. And there are a lot of Al Qaida — we both know — still in Saudi Arabia, notwithstanding some of the crackdown done by Saudi Arabia after attacks in their own part. There are still members of Al Qaida, they're protected by the Saudi royal family and they're still getting funded there.

LEAHY: So I would hope we're not going to be paying off loans to Saudi Arabia.

President Truman urged sacrifice. He, among other things, had a personal broadcast appeal to the American people to keep down our grain consumption because we were shipping grain — I use that as just one example — so there would not be inflationary things here.

He had thorough review of it. And instead of eight-minute photo-ops for review, the Senate — Senator Byrd, mentioned this — the Senate held 30 days of hearing. There were 100 non-governmental witnesses. There was 1,466 pages of testimony. The House had 29 days of hearings with 85 witnesses. They set up with the administration and a bipartisan — there's been very little reaching out to both sides of the aisle up here on this issue — a bipartisan effort to go by one-year authorizations — authorizations, as well as appropriations — to see where it went.

So I just want people to understand what the Marshall Plan was.

I'm worried — and General Myers as I've told you before, I am extraordinarily proud of our men and women that are over there. It shows the finest Army, Navy, Air Force and Marine Corps anywhere in the world. But I'm concerned that more are being killed every day. They announced some time ago that mission was accomplished there. And since then, we've lost more people than there had been in the war.

I'm afraid that Iraqi people don't feel safe. Now I understand what polls say, but we find many of them still turned against us. I would hope that they would be our friends, but friendly fire incidents don't help.

I worry that some of this is a Viet Nam like search-and-destroy things brute strength, instead of doing more efforts to bring Iraqi people onto our side.

Foreign troop contributions, no matter how much we say, they've been meager at best. Some of these countries that we listed — and I'm glad to have Moldova and Estonia and Azerbaijan in there shoulder to shoulder with us. But I would suggest that some of these countries are seeking out more loans and foreign aid for us to pay for it, and also some of their contributions are about the size of a rural police department in my state of Vermont.

So I worry about the expenses. Now we've been told by the administration — former OMB director Mitch Daniels said the total cost would be between \$50 billion and \$60 billion. The Department of Defense told us the oil revenues of that country could bring in between \$50 billion and \$100 billion over the next two or three years, and that would finance the reconstruction. Well, that didn't work.

Everybody up here will support the money for the troops. None of us, whether we're for or against the war, are going to leave our men and women unprotected, unprepared and without the equipment they need. We all know that.

But there is going to be a real question about the money to rebuild schools, hospitals, roads, electrical infrastructure and so forth. In Iraq, I think one plan is to build a \$50,000-a-bed new prisons.

I think that we need to know a lot more. So, Secretary Rumsfeld, I worry about what this supplemental doesn't request.

LEAHY: The National Guard and Reserves are critical to the security and reconstruction efforts. Everybody knows that. In fact, the Department of Defense recently extended Reserve deployments in Iraq for a year. They are going to deploy upwards of four and a half brigades.

Now, the Senate recently voted overwhelmingly to make non-activated reservists eligible for TRICARE on a cost-share basis to try to keep our Reserves as healthy as possible. That's a bipartisan coalition. And this coalition, Republicans and Democrats, expressed willingness to work with the department to develop a cost-effective program.

Why didn't the department request funds for this program in the supplemental? Why not — to the Senate — when there is overwhelming support here for TRICARE for our Guard and Reserves? Why isn't that in your supplemental request?

RUMSFELD: Senator, let me respond to several of those points.

LEAHY: Could you do that — in case we run out of time, could you do the TRICARE one first?

RUMSFELD: I'll sure get to it. The short answer is that the decision was made, I think in cooperation with the Congress, to restrict the supplemental to the global war on terror.

LEAHY: But we're talking about the money for our forces in Afghanistan and in Iraq, where we have more and more Guard and Reserve being called up.

RUMSFELD: I'm told we already paid for TRICARE for Reserves when they're on active duty.

LEAHY: No, I'm talking about for Guard and Reserve — prior to being on active Reserve, why can they not be part of TRICARE?

STEVENS: Will the senator yield?

LEAHY: Yes.

STEVENS: As chairman of the Defense Subcommittee, I'll tell you, we tried to do that. It was not authorized yet.

LEAHY: We got a whole lot in here that's not authorized. I mean, we don't even have an authorization bill for this.

We're building electrical grids. We're building schools, hospitals, everything else, all of which may be very good. We're putting millions of people back to work in Iraq, and there hasn't been an authorization bill on this part yet.

RUMSFELD: May I respond to some of the points you made?

First, let me say that you're quite right, we have no interest in paying off anyone else's debts or loans that they had to Saddam Hussein's regime. All debt payments have been deferred until 2004 through an international agreement and understanding. And clearly with that kind of debt the country is going to require substantial debt reconstructing.

With respect to Saudi Arabia, you're correct. There were a great many of the 9/11 terrorists who happened to be Saudis. It is also correct, however, to say that the Saudi government has been working increasingly closely with us, and that, in fact, this week they either arrested or killed an additional high-level Al Qaida and they have been focusing on that problem to our benefit.

LEAHY: I wish they had earlier.

RUMSFELD: The president's comment about major combat operation was over was correct. He did not say mission accomplished. There was a sign there that said that, but his comments were correct. The mission...

LEAHY: I wonder how that sign got there. That's amazing. Go ahead, sorry.

RUMSFELD: The mission is clearly not over. General Abizaid has been describing the difficulty of the mission and the danger of the mission, and we understand that.

I have to say something about the comment you made about the countries that have relatively small contributions. They are also relatively small countries, and hundreds of people — there's six countries with over thousand, to say nothing of the Iraqis that are getting killed and wounded just as coalition forces are. The Iraqis have 70,000 involved.

Now, the fact that a country has only a few hundred, it may be that that country as a proportion is roughly the same as other countries. And I think that we ought to be respectful for their contributions and we ought to be grateful for their contributions.

RUMSFELD: I will make one last comment and that's about the prisons. We need those prisons. Saddam Hussein let something like 100,000 to 150,000 criminals out on the streets against the Iraqi people. They are out there doing damage. The looting that took place was essentially against the Iraqi institutions, the Saddam Hussein institutions. It was against the ministries. It was against the prisons. It was against the things that repressed those people.

The prisons were destroyed. There are places where in the latrines, they didn't just take out the toilets, they took out the pipes. They took out every aspect of tiles that were in there. They have destroyed most of what was left of Saddam

Hussein's regime, purposely. You can tell the way the looting took place that it was focused on that regime.

We need prisons and that's why the money's in there for it.

LEAHY: That's why we're spending more than we do in the United States for our prisons?

RUMSFELD: I don't...

LEAHY: My time's up.

Thank you, Mr. Chairman.

STEVENS: The senator's time is up.

I'm going to use another minute of my time, just for a little bit of memory here. You know, I left the military and went to college and through — halfway through law school before the Marshall Plan started. We had a military occupation of the areas in Europe for over three years before the Marshall Plan suggested.

Is the other side suggesting we should go to a military occupation for a period of time? Do you want to do that? Do you really want military occupation and not a progress toward democracy in Iraq?

I'm supporting this because I believe we'll get our people home sooner if we move now to create something will create democracy in Iraq.

LEAHY: Well, if the chairman's addressed a question to me, let me say this.

STEVENS: I'm not suggesting a question, I'm making my statement.

LEAHY: Well, Mr. Chairman, to answer your question...

STEVENS: I didn't give you a question, Senator.

LEAHY: ... if we're going to have a Marshall Plan, then we ought to have hearings on a Marshall Plan.

STEVENS: There were hearings yesterday before the Foreign Relations Committee. There are going to be hearings before the Armed Service Committee.

This is the Appropriations Committee, responding to a request from the president of the United States for emergency appropriations. This is not a committee to develop the policy of the United States in terms of authorization. This is not the place for that.

Senator Burns is recognized.

BURNS: I thought Senator Shelby wanted to follow that.

Thank you very much, Mr. Chairman. And first of all, let me...

STEVENS: Senator, would you yield?

BURNS: Yes.

STEVENS: Just for information, everyone's concerned, we're going down the list of the appropriators by seniority, not by the time people came in. Too many people come in and go out, come in, go out, so we're going down the list as they appear on the roll call. Thank you.

BURNS: Well, I thank the chairman for that.

I just want to thank the leaders that we have at the table today. You have carried out your daily operations and your daily challenges that fulfills the wisdom, the vision of freedom that all people who live and die for daily and for that great human endeavor. I think we lose vision of what we are all about in a little bit.

To your credit, I think our men and women in uniform now serving on the ground, that has served on the ground, have been and remain the best ambassadors we have in Iraq. To your credit, they've upheld the American tradition. Once we were attacked, and we were, they've taken the battle against terrorism to the enemy on his ground.

BURNS: Americans do not want, nor can ill afford, the terrorists bringing the battle to us on our ground. That has never been the tradition of the American people since the Civil War.

And we must understand in the vision of this president that no nation, no society, no government, no economy is exempt from the acts of terrorism and the damage that it can do. That's what this mission is all about.

Now, saying that, we are in the business of appropriating money to carry out that mission. I know we have money in here to replace ordnance that was used, equipment, also replace weapons. But the replacement of our personnel, our people, and to maintain the size of our military strength under the new approach of an all-volunteer Army, sort of, concerns me.

Mr. Chairman, General Myers, could you give us any kind of an indication, do we see any weakness in our recruitment or replacement of personnel, especially among Reserves and National Guard, since their duty has been redefined? And especially if you could give us a percentage between active people in support and combat positions now. Could you give us an overall look about that?

Other words, I know it's higher now with Reserves and National Guard. Tell me, is that affecting our recruitment and replacement of those people?

MYERS: I'll do the best I can, Senator Burns.

Let's take the active deputy first. Active duty propensity to reenlist has actually gone up from '99 to 2003, the percentages of those folks that are eligible for reenlistment, the percentages have actually gone up. And recruiting right now, I believe all the services are still meeting all their goals, as they have for the most part last year and then most part the year before.

On the reserve component side right now retention is still and recruiting is still good. We are heavily using the reserve component, and you would expect to do that if you're a nation at war and the stakes are high.

I agree with the statements that were made earlier about the pride that these people have in their jobs. I just visited Bosnia and Kosovo, two operations that are manned by Army National Guard primarily — other reserve component as well. They couldn't be prouder of what they're doing.

And one of the things the secretary and I, the rest of the Joint Chiefs of Staff, the secretary's staff are working on is to provide — so this recruiting and retention picture doesn't change for the worse, is to make sure that we provide as much predictability in the lives of our folks in the armed forces as we possibly can.

MYERS: It's important for active duty. It's perhaps even more important for the reserve component because they have to deal with the employer piece as well.

And we have, by the way, a lot of employers out there that have really been supportive of those members of their businesses that are a part of this effort. I think in the end those that are supporting it realize that it's all tied together, as the secretary said in his opening remarks, and that we've got to win this one, and that's their sacrifice.

We can do a better job in providing predictability. We can do a better job in communicating when people will come on active duty and when they will be leaving activity duty, in terms of reserve component. We can do a better job of that and I think that's something that I think the secretary and I discuss and try to work every day, as a matter of fact.

BURNS: I would comment that it's pretty hard to predict — you know when you're going to leave and you know when you're needed and when you're going to be called up — now when you get home, that's another story because you're going to be used as needed in that.

But I'm wondering if you hear the press and you hear some other folks talk that this whole thing is falling apart, that our enlistments and our recruitment capability are replacing people in our Reserve and our National Guard that would have an effect. Especially when you have employer input that either you've had to hire people to take their place or to go through their own recruitment in retaining people.

Look like those numbers would, after about five or six months of operation now and ever since September 11th, would show some drift one way or the other; would show us a trend that would indicate that there is general dissatisfaction out here under the conditions we're operating now.

MYERS: Let me just back-track a minute. I've got some facts here from my notebook that are slightly different than I stated.

And that is, in the Army, in the Army Guard and Reserve, they have had recruiting challenges this year, but made up

by their increase in retention.

So, you know, the snapshot we take right now, we look fine. What the secretary and I worry about — and the chiefs and his staff — is you look forward, are we doing all we can to encourage people to stay with us? The people that have this tremendous experience on the one hand and do we treat them right.

And I would also say, Senator Burns, that it's really important to tell them when they go home. But there will be contingencies and so forth but we can do a better job of that and we need to do that.

RUMSFELD: I'd just like to add that the system that's in place is designed for an industrial age, and as a result, a number of the people were only given five, six, eight, 10 days notification before their call-up. And that's just not respectful of them and their employers and their family. And we're fixing that system. We cannot do that to the Guard and Reserve, in terms of activation.

Second, as General Myers said, we're in the process — and General Abizaid is working on it as well — they're in the process of finding ways that they can get some leave time for people in Iraq to get out to an area that's calm and relaxed and they can enjoy themselves for a few days, and that process is just in the early stages.

And second, if people are going to have to serve 12 months boots on the ground in Iraq — and a number of people are — then we're trying to find ways that we can begin a process where some of them can have a period of leave at home in some way. And that's being worked on.

RUMSFELD: I don't want to create an expectation level that it's going to happen instantaneously for everybody, but we're sensitive to what you're talking about. And we have to be taking steps now to make sure that we continue to meet recruiting and retention goals, because the single most important thing we've got in the Department of Defense is those wonderful people.

BURNS: Thank you, Mr. Chairman.

STEVENS: Thank you very much.

Senator Harkin is recognized for eight minutes.

HARKIN: Thank you, Mr. Chairman.

Mr. Secretary, again you have said, as Ambassador Bremer said day before yesterday when he was here, that our goal is to turn back security to the Iraqi people as soon as possible. One of you used "possible," one used "feasible." I'm not going to parse words.

But then I look at the items that are listed in your supplemental request, and I go through it, and I'm beginning to wonder — you know, because a supplemental — let's face it, a supplemental under any administration is basically for either an emergency or miscalculations, poor planning, things like that that come up that we have to pass a supplemental for.

And so I look at some of the items here, and I'm not going to go through them all, but I'm going to go through some of them, because it adds up to a lot of money, and I'm wondering why it's in a supplemental and what it means in terms of our long-term commitments to keeping people, our troops in Iraq.

For example, here's military construction, Air Force: \$292.55 million, to remain available until September 30th, 2008. It's for aircraft runway repair in Afghanistan, an air freight terminal at Dover Air Force Base, a munitions maintenance storage and wash pad at Camp Darby, Italy, and on and on and on.

Now, I have to ask: Is this really an emergency? This seems like it ought to be something that ought to be in our regular appropriations bill.

Let me go through...

STEVENS: Would the senator yield on my time right there?

HARKIN: What?

STEVENS: Would the senator yield on my time?

HARKIN: Sure.

STEVENS: We had a demand earlier in regard to Iraq that the administration submit the monies — the request for monies that were associated with Iraq. That was discussed with the administration, and this money was requested in a separate appropriation — a supplemental appropriations bill rather than as the practice in the past of having the administration take the money out of operation and maintenance or out of military construction, out of other items that were related to the war. That's what happened in the past. Every president in the past has done that.

This time the administration, for the first time, has requested the total amount of funding related to the war in one package, at my request.

HARKIN: I appreciate it. But my question is, I'm not certain that a lot of this is related to the war. I think it's just, you know, almost like the kitchen sink just thrown in and maybe some new carpeting to boot.

ZAKHEIM: Senator, if I could respond to that please.

HARKIN: Very briefly, because I got a whole bunch more I want to go through. Why don't you wait until I go through them all?

Here's research, development, test and evaluation, Defense-wide: \$265.8 million, for research, development, test and evaluation.

Here's research, development, test and evaluation, Air Force: \$39 million.

Here's research, test and evaluation, Navy: \$34 million.

OK, those are just some of them. I wonder why is this in a supplemental appropriation? This sounds like regular appropriations. Just sounds like, "Well, you've got it here, so we might as well ask for it and get it."

ZAKHEIM: Sir, it's not regular appropriation at all, Senator. In fact, if you take the military construction, which you mentioned, there's about \$133 million directly for Iraq. The rest is all related to Operation Enduring Freedom, including Camp Darby. Everything there is for supporting Enduring Freedom, which, as you know, is primarily Afghanistan. That is, the entire \$412 million.

As for the research and development, Senator, that is all for classified programs. In another setting I'm sure we can explain to you that again this is all related to either Enduring Freedom or Iraqi Freedom.

HARKIN: Well, here's an additional item here. Here's missile procurement, Army. It's only \$6.2 million, but it's the replacement of multiple launch rocket systems destroyed in Operation Iraqi Freedom. Yet recently General John Abizaid said we're in a classic guerrilla war.

HARKIN: Well, maybe you do have to replace the launch system, but I don't think that that is an emergency appropriation. It ought to be in a regular appropriations bill.

Here is another item: \$35.5 million for overseas humanitarian disaster and civic aid. It says here, "The request includes \$20 million for Central Command for projects in Iraq, Afghanistan, and related areas. It also includes \$15.5 million for European command for projects in countries directly supporting the war on terror."

What is this? Why is this in here? What's this all about, that we're putting it in a supplemental for the military, \$35.5 million for disaster and civic aid?

And here's another one, "transfer of funds for intelligence community, \$21.5 million, \$15.5 may be transferred and merged with the Federal Bureau of Investigation for salaries and expenses." That doesn't seem like something that ought to be in a military supplemental appropriation. But here I'm getting sort of to the, I think, nub of it. Here is \$930 million, almost a billion dollars, to be available until September 30th, 2006. And there is just one item here, it says, "Base camp housing units to improve the housing and morale of deployed forces, \$344.7 million." This sounds like a long-term type of thing. This sounds like something is going to be there for quite a while, and it doesn't square with this idea that we're going to turn it over to Iraqi security as soon as possible, or as soon as feasible. These seem like long-term items.

ZAKHEIM: Not at all, Senator. The base camp, the big one that you referred to — in fact, with the situation that we have there, and I think General Abizaid probably could answer this in far more graphic detail than I, is that so many of our people out there are living in impossible conditions, and the funds that are applied here are simply to get them into what are called semi-permanent conditions. As long as they're going to be in Iraq, and that's whether it's for six weeks, six months, or a year, or a short period of time, we just don't want them living in tents anymore in 130-degree weather

that they've suffered out there. If you've been out there as we have, you know that that's what it likes. So it's totally semi-permanent.

I'd like to also give you...

HARKIN: Can I ask this question though?

ZAKHEIM: Sure.

HARKIN: Then how about the \$119.9 million for power plants and distribution systems, water and waste water treatment facilities?

ZAKHEIM: Yes. That's all to support those facilities. I mean, if you're going to have a semi-permanent facility, you want these people to have toilets.

HARKIN: Well, it sounds more permanent than...

ZAKHEIM: Not at all, sir. And we've — and certainly, if you've been to the region, you've seen these elsewhere. These are not exactly luxury hotels, to put it mildly.

More specifically, all the funding and all the monies and projects that were put together for this supplemental were restricted to Operation Iraq Freedom, Enduring Freedom and Noble Eagle. There were other projects very worthy, very urgently required that we did not include, precisely for the reason you gave.

HARKIN: Wait a minute. The transfer of \$15 million to the FBI for salaries and expenses is absolutely connected with our war in Iraq?

ZAKHEIM: Yes, sir.

HARKIN: I guess we can stretch appropriations to mean what we want.

Lastly, again, I want to read a statement by you, Mr. Secretary, that you made earlier this year. You said, and I've got the quote right here, "I don't believe that the United States has a responsibility for reconstruction, in a sense," Rumsfeld said. "What we have is a responsibility to get that country on a path toward representative government." And then in addition to Iraqi assets and contributions, U.S. allies, a, quote, "international donors' conference would be established," said Secretary Rumsfeld.

Deputy Secretary of Defense Paul Wolfowitz said that Iraq would play a major role in funding the reconstruction, noting that the country's oil revenue would generate \$50 billion to \$100 billion over a two to three-year period. You just said today it would be \$15 billion.

HARKIN: So can you blame us if we're kind of a little skeptical here of some of these numbers that keep getting thrown at us all the time?

RUMSFELD: Could I respond, please?

HARKIN: Yes, sir.

RUMSFELD: The statement I made on March 27th was that I don't believe the United States has the responsibility for reconstruction in a sense. What we have is a responsibility to get that country on a path that it has a representative government that fulfills the standards that General Myers had just outlined.

We want to participate in reconstruction. Other countries will want to participate in reconstruction. And the funds can come from those various sources that I mentioned.

Now, let's go to the oil situation. I don't think anyone knows precisely what the facts will prove to be over the next three or four years, but the numbers I'm told by Ambassador Bremer are the following, that in 2003, the expectation is that the oil revenues for Iraq will be something in the \$2 billion to \$3 billion level.

HARKIN: Over what period of time?

RUMSFELD: In calendar year 2003.

The expectation for 2004, that Ambassador Bremer is putting forward, is \$12 billion over the calendar year. The expectation for 2005 is \$19 billion. And the expectation for 2006 is \$20 billion. So you might get up, over a three-year

period, to a level at a \$20 billion revenue.

That, of course, Senator, is dependent upon the amount of investment that goes into that oil infrastructure. It is 30 years of being degraded and under-invested in. Iraq has enormous oil reserves, maybe the second or third largest in the world, I am told.

Now, if there is outside investment that goes into that infrastructure, it is possible that those numbers could go up. I'm not making any assumptions about them. But right now, they're patching that infrastructure together with rubber bands and chewing gum. And nonetheless, as degraded as it is, those are the expectations that Ambassador Bremer set forth Monday to this committee, I am told.

HARKIN: Well, again, this probably isn't in your purview. But how much of this reconstruction is to repair the damage that we did? I mean, we're rebuilding schools. But I don't think we bombed schools, did we?

RUMSFELD: Practically — very, very little is a result of war damage. You are exactly right. The infrastructure that's critical to the success in this situation is infrastructure that the Saddam Hussein regime under-invested in for over 30 years.

And the problem with schools and hospitals is a little distinctive. The Baathist Party used those for headquarters and weapon caches and as a result, a number of them were damaged during the war.

STEVENS: Senator Shelby is recognized for eight minutes.

SHELBY: Thank you, Mr. Chairman.

Secretary, perhaps a little different tone here.

First, Mr. Secretary, I want to join the course. Mr. Secretary, I have a little different tone. I want to first commend you again for your leadership as secretary of defense and for your candor not only with this committee, but with the American people.

You've not, I believe, sugar coated our great challenge in Iraq nor minimized the strategic opportunity that we have there. I believe that a lot of people believe we must stay the course and we cannot, I believe, we must not cut and run. We cannot waiver at home. We've got to complete the job. We know it's a lot of money and a lot of concern.

But tell us again about the progress that we're making that — such, for example, you've alluded to the police force that we're building, the army that we're building with Iraqi (inaudible). And our success is measured at this point in our fight against the hard-core terrorists who have infiltrated Iraq.

RUMSFELD: It is always a difficult thing — and I thank you for your comments, Senator Shelby — it's a difficult thing when you know people are being killed, Americans, coalition, being killed and wounded.

RUMSFELD: And we know that Iraqis are being killed and wounded. It's a difficult thing in the midst of that to then comment on progress. But we have to. There is progress. There's political progress. There's economic progress.

There are folks who come to us and compare it to Germany. Someone here has said that there were no sabotage after Germany surrendered and all of that. The fact of the matter is there were Allied forces killed afterwards. There were mayors that were cooperating with us that were killed. So that's a fact — historical fact.

But the circumstance that we're in, I think, requires us to look at it very accurately and there are successes that are taking place every day. There are political successes to have that governing council, to have those ministries, to have 90 percent of the people living under council — local representative councils that they either elected or that are representative of them. That's a big accomplishment in four and a half or five months. To have the schools operating and to have the hospitals operating is a big accomplishment.

To have conducted the conflict with that precision that so little infrastructure damage did occur was a great benefit to those people. There was not a humanitarian crisis. There was not enormous numbers of refugees or internally displaced people.

And John Abizaid and I were talking about what's taking place with these military folks we've got. They are engaged in military combat for a few minutes a day, if that. There are very few incidents a day. They last a very few minutes.

Basically, what they're doing is they're contributing to the political and economic progress that's taking place in that country and they're doing it creatively. They're really talented, talented people.

John, would you comment on it?

ABIZAID: Well, Senator, I would say that for every combat operation we have, there's probably 30 or 40 civil affairs operations or other operations to help with the infrastructure, to help build things and make things better in Iraq.

That having been said, it's clear that we do have an armed group of resisters that are primarily operating in a defined geographic region that's generally defined by a triangle, Tikrit, Ramadi, Baghdad. We are making progress against them on the military side. We're certainly making progress on the political side.

But the key point is that there is no progress, if you don't make it on both sides. You've got to make it militarily and you've got to make it economically. And I think when you look at the supplemental and I am not the appropriator type of person, as you well know, but we can't move forward unless we move together, both militarily and on reconstruction. When I talk to our people, I say, look, we've got to concentrate on five areas. The number one area is we've got to make sure that Iraqis take more control of their security and we need do it fast. After all, we win, when we leave and they're in charge, and they're in charge of a good government.

Number two, we've got to try to internationalize the force because this is a problem that's bigger than just the United States. Number three, we've got to make our intel better so that we can fight the enemies, identify them and move into the cellular structure that is clear. Number four, we've got to do a much better job telling people how we're doing. The information campaign, both with the Iraqis and here at home, obviously, we've got to do better.

And finally, and last but not least, but perhaps more importantly, is we've got to work on the infrastructure. The infrastructure is as about as bad as any place I've ever seen. We've got to invest in it in the short term, if people are going to believe in a better future. And so, I think you have no choice, if you're going to achieve victory there, but to spend both on the military side and the infrastructure side.

SHELBY: General, along those lines, this is not a macro issue, but I think it has to do with the forces there. The equipment that's being used, a lot of it will — that's nuts and bolts, but it's very important to the Army and all of the forces.

Is there enough money in this supplemental to really maintain that equipment, to rehabilitate it and keep it going in the future, tanks, other vehicles and so forth that would be brought back here to work in our depots?

ABIZAID: Senator, I believe that there is enough money in the supplemental to do what needs to be done with our equipment there. Our equipment has been very, very heavily used there, probably on unprecedented levels. As you understand, when we first moved in there, the logistic space was very immature. Now it's becoming more mature.

So a combination of improving our logistics infrastructure within Iraq and doing a better job in moving what we need to the troops, in terms of spare parts, will have the force in good shape.

And I'd defer to the chairman about the specifics.

RUMSFELD: Could I just make a comment about the Iraqi security forces?

They are making a contribution — 54 Iraqi security forces have been killed since May 1st. Indeed, most of them have been killed in the last two months, because we just started developing those Iraqi security forces. Ninety-one have been wounded in action. And these — so the Iraqis are making a contribution to this effort, let there be no doubt.

SHELBY: Mr. Secretary, how many of the terrorists from outside Iraq — what groups have been identified? Can you talk about this here, or would you rather not? From outside Iraq that have come in. In other words, we know that it's become a place to — for the terrorists to gather to fight us there. And, you know, I think they're not going to go away and we're going to have to take them out.

RUMSFELD: We've got two, four, six, eight, 10, 12, 14, 16 — 20, 25 countries we've scooped up people from that many countries. Large portion of them are from Syria and Iran and Lebanon, but they come from 20 to 25 countries.

John Abizaid, you may want to comment on the distinct groups. They're criminals, they're foreign fighters and they are remnants of the Baathist regime and extremists that make up the bulk of them.

ABIZAID: Well, Senator, we have over — well over 200 what I would call foreign fighters that are in our custody. We've identified many others out in the west we have engaged. And we have killed some in combat in the west.

It's also clear that that we have terrorist groups, such as Ansar al-Islam, that are operating in the country and the — as I

think most people know, Ansar al-Islam has links to Al Qaida. Therefore, those two major terrorist groups are operating in some sense throughout the country, although it's primarily in the geographic area as I've described before.

There are also foreign fighters that come that are extremist-oriented that may or may not be associated with various terrorist groups, that primarily infiltrate across the Syrian border. There is some indication that some infiltrate across the Saudi border. We do not believe that either of the two nations involved is complicit.

ABIZAID: We are making moves to work with the Saudis in particular on their border and to move troops on the Syrian border to assist in that. I would not want to overstate the problem of the foreign fighters. The number one problem remains Iraqis of the former regime, hard-core Baathists and extremists within the Sunni community.

SHELBY: Thank you, Mr. Chairman.

STEVENS: Thank you.

Sorry, gentleman.

Senator...

SHELBY: I didn't hear how many were in custody.

ABIZAID: Foreign fighters, it's over 200, I think the right number is 270 or so.

STEVENS: Senator Kohl is recognized for eight minutes.

KOHL: Thank you, Mr. Chairman.

I'm somewhat disappointed as I have been for a period of time now that the administration — Secretary Rumsfeld, others in positions of authority and power — do not respond to the expressions of concern on the part of people all across the spectrum in our country with respect to the things that we were told and the things that have come to the surface since before the war began and since it ended. It's been brought up before but I haven't heard answers today that satisfy me.

As we all recall, we were led to believe and understand that there was imminent danger of weapons of mass destruction being unleashed not only in the Middle East, but throughout the world. We were told that Iraq had an imminent nuclear capability that required immediate involvement toward an end of destruction. We were led to understand that there was a connection between 9/11 and Iraq. We were led to understand and believe that there was a connection between terrorism in the world — Al Qaida — and Iraq.

And we were made to understand that there was no time to be spent working with the United Nations for another month or two or three, that invasion needed to be done immediately. And as a result, we did it to some considerable extent, unilaterally. So that kind of skepticism as it has evolved since the war ended and the things that were said to justify the need for an immediate invasion have somewhat evaporated, causes the kind of skepticism that we're facing not just here in this room but all across the country.

And I don't hear either today or I haven't heard very regularly the need to own up to, or to concede, or to explain that sort of skepticism that was put out by the administration, that has caused this skepticism so that we can move forward, which I would like to do in a minute, with discussion about where do we go from here.

KOHL: Secretary Rumsfeld?

RUMSFELD: Yes, sir. Senator, thank you.

Just so the record's clear, I never used the word imminent danger. I don't know anyone who did in the administration. You've used it twice. I never used the phrase "imminent nuclear capability." We had a conviction that they did not have nuclear weapons, and so stated, but a conviction, according to the intelligence community that they did have nuclear programs.

I think if one goes back and looks at that record, it's clear, I have publicly stated, as has the president — past, present and recently — that we do not have evidence of a direct link between 9/11 and Iraq at all. And I've said that, the president has said that, both within the last week, as well as previously.

You've mentioned the linkage between terrorists and Iraq that was mentioned — that's true. The intelligence community has released both classified and unclassified documentation. Part of the public record is that Iraq was systematically offering

\$25,000 per family that would encourage their children to go out and kill people in suicide bombing attacks. If that isn't a linkage with terrorism, I don't know what it is.

With respect to Al Qaida and Iraq, I think most people have been very careful about that in the past. All I have ever said about the subject was specific words that I have read from the podium that were released by George Tenet and the Central Intelligence Agency that conformed with a classified version that he had used before the Senate and House Intelligence Committees.

Now, you, again, used the phrase that it was unilateral. I think 32 countries is not unilateral, myself. But where are we? Notwithstanding those comments by me, the essence of what you're saying is fair. Where are we, with respect to weapons of mass destruction? And it seems to me that it's important that it be addressed. And I personally believe it has been addressed by any number of members of the administration.

When Secretary Powell made his presentation to the United Nations, he believed what he said. I believed what he said. The president believed what he said, and the three of us still do.

The Central Intelligence Agency has been giving essentially the same intelligence to the United States and to the American people and the United States government for the past five, six, seven years. It is what was presented in the last administration. It is what was publicly commented on by the prior administration. It is what we have been presented and what we have publicly commented on.

Recently, the agency took the steps to declassify a National Intelligence Estimate, I believe, from October of last year, so that the world could see what they were saying to the Congress and to the administration, and that's a matter of public record.

What's being done? The administration has put together a team of people under Dr. David Kay that reports to the CIA. They have hundreds and hundreds of people in Iraq. It is a country the size of California. They — a country that had years to try to hide what they were doing and mask what they were doing, and there's a great deal of intelligence information about the ways, the techniques they used to try to mask what they were doing.

That work is going forward. They will make a public presentation at the point where they feel they have exhausted, or appropriately explored, or exploited the various leads and information they have. The way they're doing it essentially is not running around all over the country trying to discover things, as the inspectors had to do, which is a very difficult thing to do, as we can all imagine.

The way they're doing it is through interrogation. They're trying to find the people who were involved in those programs and get them to talk to them about what it was they were doing.

When they make their report, we will all, you and I and all of us will know what it is they have, and that seems to me to be a very public exercise that they're engaged in. And I'm as interested in what they find as you are.

KOHL: With respect to the United Nations, I don't think there's any disagreement in any quarter that the United Nations is a vitally important institution, that its strength and all the things that it provides to the world are enormously important to the United States, that if the United Nations were to disintegrate, perhaps, the biggest loser would be the United States.

KOHL: With that in mind, how is it that we are at such odds with the United Nations when we went to war, in the aftermath of the war, and yesterday when the president went to the United Nations with an impassioned plea, with Kofi Annan having responded as he did? If the United Nations is as important to the United States as I believe that it is, why can't we find a way to work with the United Nations and other of the large countries throughout the world to come up with a program that will represent a rebuilding of Iraq under the aegis of the United Nations and not just the United States, but the United Nations and important and powerful countries all around the world?

RUMSFELD: First, let me reiterate that the rebuilding of Iraq is basically the Iraqi people's responsibility. The Coalition Provisional Authority has some 17 countries in it. There are 32 countries involved. It is not basically the United States, I don't think, in that case.

You are right in two respects. One is the United Nations is important. And let me say why I personally believe it's important, particularly for the period ahead.

There are certain things the United States simply can't do by itself, and one of them is counter-proliferation. We're looking at a world in the coming period where we run the risk of having two, three, four more countries with weapons of

mass destruction that are, in some cases, on the terrorist list over the next decade or 15 years. That's not a happy prospect.

The only way that an effective counter-proliferation effort can be undertaken is not by one country, not even by 30 countries. It's going to take a broader coalition of countries sensitive to that problem. So I certainly agree with you.

Next, the problem with the United Nations, between the United Nations and the United States, it seems to me, is not a problem between the United Nations and the United States. And it is basically a problem between the United Nations and a number of countries in the United Nations, including the United States, and a few countries.

There are a few countries that are disagreeing vociferously, some of which have veto power, and that makes it a difficult situation. And that is why Secretary Powell is working the problem. That's why the president is working the problem. And it seems to me that we're going to have to find a more effective United Nations in the decade ahead, particularly if we're going to try to tackle this problem of counter-proliferation.

KOHL: Thank you, Mr. Chairman.

STEVENS: Senator Bennett is recognized for eight minutes.

BENNETT: Thank you, Mr. Chairman.

I have a number of items I'd like to get into. I hope I can do this in a coherent fashion rather than just a scatter shot.

I am interested to hear — we've heard it today here, I've heard it often in commentators from the press — about how brilliantly the war was conducted. And you, Mr. Secretary and General Myers and through you, General Franks, have been given great kudos for the brilliance of the military operation. And then, by comparison, they say the subsequent operation has been, if not a failure, halting.

I have enough memory to remember that, at one point, it was not considered brilliant. And I've said to my constituents that we lost the war on CNN, but fortunately we won it on Fox.

BENNETT: There are those who were saying after a week that we didn't have enough troops. There were those who were saying we had a flawed plan, we didn't know what we were doing, Tommy Franks should be cashiered for having made wild and unorthodox plans, he should have been conducting the war the way the generals on CNN wanted him to. And then, when it turned out all right, we get the rhetoric we're hearing today, that it was absolutely brilliant right from the beginning.

I have the feeling that those who are making the current comments about the progress since the war will end up having to eat the same kind of crow they had to eat on the military side when they said that you didn't know what you were doing.

The reason I have that conviction, Mr. Chairman and Secretary Rumsfeld, is that I have a memory of Vietnam. And in the early days of Vietnam everything was going well. Your predecessor, Secretary McNamara, had the Congress absolutely convinced that everything was wonderful.

There were only a few senators that disagreed with that. Senator Morse from Oregon kept referring to it as McNamara's war. But the rest of the Congress went along.

The disquieting thing about that was that the people who were on the ground in Vietnam, who would come back, all said, "It's not going well." The general opinion in the United States was, "This is wonderful." I remember the campaign of 1964 when McNamara was saying the boys will be home by Christmas.

One of the jokes of that time was, "Gee, if you vote for Goldwater you'll have 500,000 troops and major war in Vietnam." And I didn't believe that, I voted for Goldwater, and turned out they were right; we had 500,000 troops, and I must have caused it because I voted for Goldwater.

But the people who came back from Vietnam kept saying repeatedly, at every level, "Things are not going right. We are being lied to." The grunts came back and talked about fraggings. The reporters who were on the ground came back and said, "This isn't going the way people said." Outside observers would go and come back and say, "On the ground it is not connecting with what the leaders are saying."

So with all due respect, sir, as I listen to what you say, I want to pay attention to what the people on the ground say, and they are coming back and saying, "The press is lying and the commanders and the secretary of defense are telling the truth."

I shared this vignette with the president. I meet with the families of the members of the Guard and the Reserve from Utah who are in Iraq and discovered in that meeting — I hadn't known before — that if you go to Iraq and your wife is pregnant and scheduled to deliver, you can get a two-week compassionate leave to come home to be there for the delivery.

And in the group that I met with was a young guardsman whose wife had delivered twins, and they were sitting there in the crowd with these two babies, less than a week old, the wife holding one, the GI holding another.

And in that meeting was a gentleman who wanted to make the point that everything is disaster and was, if I might, quoting the CNN line, that nothing's going well.

BENNETT: This GI holding this baby spoke up and said, "I believe in the mission. I'm glad to be there, I'm leaving tomorrow and I'm glad to be going back."

And then he made the comment, "When I got home for my two weeks compassionate leave to help my wide at the time of the delivery of the twins, I turned on the television. And after watching the television for one night I turned it off and refused to watch it anymore, because what I was seeing was so different than what I was experiencing on the ground that it made me angry and ill. And I did not want to be that angry in the two-week time I was home with my wife and the family." He said, "I'm going back tomorrow and I'm glad to be going back."

I cannot remember any single incident in the Vietnam era that came even close to that kind of a report from the people on the ground.

So Mr. Secretary, I hope you do not become McNamara. I hope you do not give us rosy scenarios that can't possibly play out. I hope you remain as candid and blunt as you possibly can be. But I will gauge your accuracy by the reports I get from the people on the ground who are actually experiencing this and I hope you do to.

Could you comment on what you are hearing, not from the official contacts that want to make you feel like you've done a good job, but are you going outside those contacts and hearing from people directly on the ground?

RUMSFELD: Senator, I was in Congress during Vietnam and remember it well. And I think there are a whole host of people in the Department of Defense who remember it and are determined not to repeat that experience.

I have bent over backwards trying to be as forthright and candid and accurate and balanced in how I characterize what's taking place. I guess time will tell.

BENNETT: Thank you.

Since I've been in the Senate, I've heard Iraq discussed by various secretaries of defense. The first one who told us that we had to act militarily or we would be in danger of attacks on Americans was Madeleine Albright. And I remember the somewhat chilling briefings that she gave to us in S-407 on this subject and it has gone on from that time forward.

There've been reference made to the infrastructure. Is it not a fact that infrastructure is directly tied to security? That is, for example, if the electricity doesn't work, we're the ones that need the light, our troops are the ones that need the light; if the roads are impassable, it's our vehicles that are impeded as they attempt to get to the firefight to protect people. Aren't these two absolutely inextricably connected?

RUMSFELD: There's no question but that as the difficulties with electricity and water particularly, sanitation and infrastructure, as those difficulties exist, the security problem is worse. And the reverse is true: To the extent those issues are addressed and improved, the circumstance of the people is better and the security improves.

BENNETT: Final comment, Mr. Chairman. Thank you for your courtesy.

I last night turned on the television and it's still going on. We are losing the reconstruction on CNN, but we are still winning it on Fox.

STEVENS: Senator Murray is recognized for eight minutes.

MURRAY: Thank you, Mr. Chairman.

Mr. Secretary, I think you know that some of the intensity of this hearing is a reflection that so many of our constituents are very concerned at the cost of this at a time when our own economy is struggling and people are losing their jobs and our own infrastructure investment here at home is not being made. So a lot of people are asking us what this \$87 billion is going to do, will it bring about security?

I think you're rightfully arguing that without stability in these countries these countries will be a breeding ground for future terrorism. But I think what many of us want to hear is that the investments we're making will make a difference in those countries. We want to know what the plan is, what we're going to see a year from now, how we measure success.

And you've rightfully stated we haven't been in Iraq very long, but we have been in Afghanistan for almost two years, and I am increasingly concerned by what I see coming out of there, particularly for vulnerable populations.

I've seen a report by Human Rights Watch that says army and police troops in southeast Afghanistan and Kabul city are kidnapping Afghans, holding them for ransom, breaking into households, raping women, girls and boys, extorting shopkeepers, on and on. I hear a deep concern about women and girls being targeted, and, frankly, many families now keeping their young girls home and out of school.

And I'm concerned that the atmosphere of violence, along with the resurgent fundamentalism in parts of Afghanistan, is really endangering the important human rights improvements since the end of the Taliban, and that's the ability of girls to go back to school.

Can you tell me how the security plan, the money you're asking for, in both Iraq and Afghanistan, specifically will protect vulnerable populations like women?

RUMSFELD: You're quite right, of course, that the vulnerable populations are the first to suffer as circumstances become less stable.

The area you've described in Afghanistan has been and remains the most difficult area along the Pakistan border, the southeastern portion of the country. You're also correct to point out that there have been some resurgence and regrouping of some Taliban.

On the other hand, as that's occurred, it's given General Abizaid and his forces an opportunity to go in and deal with them, and they have had significant successes in the recent period.

John, you may want to comment on that.

ABIZAID: Senator, the situation in Afghanistan, of course, has a significant security difficulty associated with it in and around the Afghan-Pakistan border area. We've only got 10,000 troops in Afghanistan. You know we also have ISAF that's in the Kabul area.

And while we have made a lot of progress militarily in Afghanistan, it's also clear to us that we have got to couple not only military progress, but also economic and political process in Afghanistan with some forward momentum to expand the ability of President Karzai to have more control over the complete country.

This will take some time, it'll take some dedication of international and United States interagency effort. We've got a plan.

ABIZAID: I believe it's a good plan. Again, it cannot be done cost-free, and I think the investment that is in this supplemental that will allow that to move forward will not only address military needs there, but also the more important economic and political movements that have got to go forward.

It is fair to say that the situation in Afghanistan is one that requires our prompt attention.

MURRAY: And I think what concerns a great many people is that it's clear that it's going to take a long-term investment. If we're asking for \$87 billion now, what is it going to be in the future, how long do we have to be there?

And again, when our own country is struggling, that is why you are being asked for a plan that really shows us that we're going to have stability and that it comes about.

Mr. Secretary, on September 7th, President Bush said that we will help Iraqis restore basic services, electricity and water, build new schools, roads and medical clinics.

This effort is essential to the stability of those nations, and therefore to our own security. On Monday, Ambassador Bremer testified before this committee, saying that security is the first and indispensable element of the president's plan.

Those statements suggest to me that the administration draws a correlation between the types of physical and social infrastructure improvements and a reduction in violence and terrorism emanating from those countries. I assume that's a fair statement.

RUMSFELD: It is, Senator. We do believe that the political progress has to go along with economic progress, as well as security improvements.

MURRAY: Well, beyond Afghanistan and Iraq, where we obviously currently have a large presence and where obtaining the goodwill of the native populations is essential to our success, there may be other areas where we need to make the same kind of impact.

Is it your sense that we should be exploring this kind of approach for other nations, where there's a highly developed terrorist infrastructure?

RUMSFELD: The United States government has approached the world terrorism problem in differing ways depending on the circumstance. For example, in the country of Georgia, we provided some train-and-equip assistance to them so that they could do a better job dealing with that problem.

In the case of the Philippines, where the Abu Sayyaf terrorist group has been active, we've assisted the Philippine military in some training, as well as providing some infrastructure assistance, particularly on Basilan Island, with good effect I'm told that the wells that were dug, the roads that were provided not only helped the Philippine military to do a better job of dealing with the Abu Sayyaf in that area, but in addition it improved the circumstances for the people on that island, and that has had a beneficial effect.

So I don't think there's one size that fits all. I think that the pressure that's being put on terrorists throughout the world with a 90-nation coalition has been effective in many respects, in ensuring intelligence, putting pressure on their finances, bringing all elements of national power to bear, making it more difficult for them to move from country to country, making it more difficult for them to transfer funds.

And you never can be sure that you are going to stop every kind of terrorist attack, and we know there have been terrorist attacks in the last six, eight, 10, 12 months.

But what we can do is by keeping that pressure on, and doing it in ways that seem appropriate from country to country, we can do the best chance of protecting the innocent men, women and children that ultimately suffer from terrorist acts.

MURRAY: And part of that is infrastructure improvement, whether it's schools or roads or...

RUMSFELD: It can be.

MURRAY: Thank you, Mr. Secretary.

STEVENS: Senator Craig is recognized for eight minutes.

CRAIG: Mr. Chairman, thank you. Mr. Secretary, Generals, I, like many here, want to congratulate you on the successes of our men and women in uniform, and the tremendous dedication that they demonstrate, and are continuing to demonstrate.

CRAIG: I, like many of us, have visited with those who have been there and some who are still there. And I, too, am struck with their energy and their intelligence, their dedication, and their recognition that what we're doing there is the right thing.

Possibly, Mr. Secretary, General Myers, and others, you might comment on these thoughts. While some have tended to belittle the 32-country coalition that is engaged in Iraq, largely because of their size or maybe their capability, I experienced something during the war, at least during the active fighting, that told me a great deal about why many of them are there.

By my limited calculation — and I haven't taken out a map, Mr. Secretary — I've calculated that of the 32, 14 of those nations have somewhat newly emerged out from behind the Iron Curtain. The taste of freedom is still very sweet within their lips. And they have, for the first time in a long while, had the opportunity to go their own way, have a representative form of government and, most importantly, express freedom.

I believe that's why they're standing with us today in Iraq, in part. This spring, I was in Romania. Met with the president and the prime minister. Flew to the Black — well, drove down to the Black Sea into an air base that we were trafficking some of our folks through into Iraq because of the Turkish situation.

I must tell you that the Romanian Air Force was so very proud to be a part of this in the limited way that they could be a part. They could offer us their physical facilities. We were investing there. We were investing there for our own purposes

and for human comfort and facilitating purposes.

They held a mini-town meeting there of Idaho folks. Very proud men and women in uniform who were en route to Iraq. The commander of the Air Force for Romania flew down and picked me up in an old Russian airplane that was bolted and wired and fused together, but he was mighty proud. I have a feeling that it is that sense of freedom, new freedom, not the old freedom of Central Europe, that many of those folks feel today and, in their limited ways, they're giving to us and helping us against terrorism because of that.

You mentioned, Mr. Secretary, Georgia and our relationship there. Well, Georgia is on the list, newly having emerged from a great period of tyranny and dictatorship and suppression. Least we not forget — and I think we've not forgotten — that's why we're in Iraq. That's why our president is as committed as he is, and it's why we are. It's why we've supported him. I trust it's why we will continue to support him and you and our military, and to coincide with that, obviously, the kind of infrastructure development that is necessary.

Now, having said that, I have a job of accountability. I am expending a limited resource. I am expending the tax dollars of the citizens of my state and the nation, and accountability is critical. And we all have to be held accountable as you will be and must be. And I would hope that, as we work our way through these processes, that there is a way for us, not beyond the large plan that Ambassador Bremer has placed before us but in a more clearer time line plan and success accomplishment plan able to track and hold accountable where we're going and how we're going to get there.

Now, I know the risk that when you set a time line and you don't make it, you obviously are judged from it, and we all understand. And time lines have slipped on occasion, but I do think that these kinds of experience, kinds of measurements are valuable.

I think the citizens of my state, while they are strongly behind what is going on at this moment, have some apprehension, have some frustration, want to have a clearer understanding of what is transpiring, not only because their sons and daughters are over there. That's the first concern.

CRAIG: But secondarily, in a time of flat economies and large deficits, we are expending a phenomenal amount of money. And I do believe that the citizens of my state, and I think this country, are willing to make the investment in a way that will, hopefully, disallow ever another 9/11. That's all very, very important.

So I would trust, Mr. Secretary, Generals, that a way to measure and if you can't get it before the public, bring it to us and we'll talk about it and we'll talk about it publicly.

And now let me talk about something else that we will talk about publicly, because the message isn't getting out. The young man in my office this morning, who is an assistant to the ambassador, he's from Idaho, he's been a friend longstanding. He's over there now. He's here now. He was in my office this morning.

And Mr. Chairman, he had a little Canon digital camera with him. And he said, Senator, let me show you the pictures that I take in Iraq that the ambassador hands to the press, but never makes the evening news here. And here were a bunch of kids all gathered around with a little sign saying, "We love President Bush." I can kind of understand it, today's politics, why that doesn't make the front page of The New York Times.

There was another picture praising the fact that Saddam Hussein was no longer in power. I said, "Where'd you get these?" He said, "Well, this is out traveling around the country. And when there is a visible presence — a visible presence of us landing in a helicopter, all of a sudden, hundreds of kids appear and these signs appear, and I snap their pictures with this little digital camera."

I said, "Well, get them to us." I'll go to the floor of the United States Senate. I know about 18,000 or 19,000 C-SPAN junkies. At least, we can get it out to them. We'll talk about the successes, even though many in the media choose not to print them.

Yes, I don't deny the responsibility of reporting the losses, but I think it is time we also report the successes. Instant gratification is, in part, a character of our country today, and I suspect that that is part of our frustration.

As we redefine our foreign policy — and this president is doing so in a post Cold War era — we're having — we're being caused to redefine it probably in a way that we don't want to, but we will and I think we must, and I do support what we're doing. But I would also hope that we could sustain in a much clearer fashion a measurement of accountability.

Lastly, my colleague from Pennsylvania spoke to the character of our Guard and the need, of course, to have sensitivity

to them. General Myers, I am pleased with what I'm hearing from you and the secretary, as it relates to how we shape their time and their relationships.

Equipment is critical for them. Hand-me-down doesn't work if they're going to be front line. State-of-the-art must be obtained so that they can train effectively.

We're going to use them again and again and again, I would guess, in the decades to come, as we sustain this country's freedoms and as we work with other freedom-loving people around the world to sustain theirs or gain theirs.

CRAIG: So let's not forget how we handle those people and how we effectively acquire and utilize state-of-the-art equipment for them.

I thank you. I would trust, Mr. Secretary, that not just in the briefings but in the factual material you bring to us that we establish a new form of measurement. I know the ambassador is going to try to break down the plan into — I'm not talking flash cards, but I'm talking the sound bites that maybe somehow we're able to get out to the American people.

RUMSFELD: Thank you very much. Just two comments.

You're quite right, it's important to have metrics, it's also important to have the right metrics and not be misled by metrics — as has happened in some other conflicts. So we're working on that, and it's difficult to do but we're hard at it.

I counted 16 countries, Senator...

CRAIG: OK, you're two more than me. Close enough.

RUMSFELD: ... that have recently achieved their freedom and I agree with you completely that they're highly motivated and our folks are proud to be working with them.

CRAIG: Thank you.

Thank you, Mr. Chairman.

STEVENS: Senator Feinstein is recognized for eight minutes.

FEINSTEIN: Thank you very much, Mr. Chairman.

Mr. Secretary, first of all, thank you very much for being here this morning.

I'd like to associate myself with the comments made by Senator Kohl. I sit as a member of the Intelligence Committee. I feel many of the same things that he has just verbalized here today.

I think on this side of the aisle, still waters are running very deep. That may not be a problem for you, but for those of us that have always felt that foreign policy, and specifically this kind of foreign policy, should be bipartisan, I think there are very strong feelings emerging and my very sincere recommendation would be to pay attention to them.

Many of us believe that we were brought into this on grounds that have proven to be very shaky and that the doctrine of unilateral preemption is a flawed doctrine when faced with an asymmetric threat.

If I'm correct, we will in these two supplementals for Iraq alone spend \$113 billion; \$51.5 billion in this one and \$62.6 billion in the last one. I think that's \$113 billion that none of us thought would be the cost. As a matter of fact, members of your own department have said in hearings, "Well, a lot of it would be paid for with oil." And we now find that that's not the truth.

And all of us want to succeed. We want our people over there to do well. We want to bring them home. We want to see a democratic Iraq, if possible. But just from this member, I think that still waters can also flow over the banks and that maybe someone should pay a little bit of attention to that.

I mean, the time comes when we may not be a majority in this house, but that doesn't mean that we shouldn't be consulted, it doesn't mean we shouldn't be meant to be part of it.

So enough of that. I want to put on my MILCON hat, if I might, on this supplemental and as the ranking member ask a couple of questions about two things in the MILCON request.

The first is \$500 million for unforeseen and unauthorized military construction projects. Now as you know, we had provided \$150 million for contingency construction in the previous supplemental with prior notification. According to the

notifications we have received to date, less than a third of that contingency money has been spent.

So my question is, why are seeking such a large additional contingency when only a third has been spent? Now, I realize the last supplemental covered only six months, but that included the invasion, major combat operations and a great of uncertainty.

Is there any intention or possibility to use this transfer authority to build new enduring bases in Iraq or elsewhere in the Central Command region?

ZAKHEIM: Senator, you're right. We've expended only about a third. By definition, of course, the whole contingency fund is, in effect, for unforeseen construction.

As you would recall, the genesis of this was that there were a lot of construction-type operations that were being funded out of operations and maintenance funds. And there was a lot of concern here and in the other chamber about that. And we all agree that the best way to do this was to create a contingency fund.

Now, it's not only the fact that that \$150 million was really covering only six months, it's also that a lot of the construction had already been done previously, a lot of it with O&M money, as you recall.

So essentially, what we said was if you look at the totality of it, \$500 million, again, for unforeseen projects — and it's only authority; we're not asking for the money, we're asking for the authority, so it would have to come out of other DOD programs. \$500 million seemed a reasonable estimate.

This in no way connotes that we are intending to building long-term construction-type facilities in Iraq. I certainly haven't seen anything and I'm certain that the generals will say the same thing.

RUMSFELD: I'd like to comment on your earlier comments, Senator, about consulting. I agree with you. I served in the Congress and I recognize the importance that each senator and each member of the House of Representatives has, in terms of representing their people in their national Congress.

I can't tell you about the whole rest of the Department of Defense, but Congress has been in session 24 weeks in 2003. I personally have been before the Senate in S-407 to brief members of the Senate 10 times, before the House 10 times, a total of 78 meetings in the Congress, something like three a week during the period Congress has been in session, whether it's been briefings or hearings or various other types.

In addition, we have had 30 Operation Iraqi Freedom updates by the J-3, the J-2 and the Office of the Secretary of Defense and the Department of State for all members between March 19th and May 5th.

We have had regular update packages, blast fax (ph) to the members of the Congress. We've had recess packages provided. It has been an enormous effort on the part of the Department of Defense to recognize the importance of each senator and each House member. And...

FEINSTEIN: But may I respond to that? Because you have....

RUMSFELD: Sure.

FEINSTEIN: ... done those things. The briefings have been very good. I've certainly tried to attend them.

RUMSFELD: You've been there. I've seen you.

FEINSTEIN: I think we appreciate them very much.

But it's as if it's a wall. It's as if everything comes one way, and nothing ever sticks. It comes back the other way. I'm just going to tell you like I see it. The briefings go on but, I mean, we could be anybody in those briefings, not United States senators. I mean, it doesn't matter what we think.

FEINSTEIN: That's the impression that's given.

And Peter's coming home to pay Paul now, because you come in for huge money without a way to pay for it, and in a war that many of us think was generated for the wrong reasons.

And so that's where we, kind of, are. I don't want to debate that with you today, but I want you to know how we feel on this side, and I think you're seeing it come out more and more.

We want to be good Americans, we want a bipartisan foreign policy, we know the time is tough, we want to be with you. But there's a feeling that you know it all, the administration knows it all, and nobody else knows anything, and therefore we're here just to say, "Yes, sir, how high do we jump?" And at some point, we refuse to jump.

RUMSFELD: Well, that's, of course, the responsibility of each member of the House and Senate to make those judgments.

But I can tell you it does stick. There isn't a time that we meet with members of the House and the Senate that we don't go back, talk about it, learn from it, track down questions that are raised and issues that have been presented. We consider the time important and valuable, and I think that the product of the Department of Defense is a better product because of that interaction.

FEINSTEIN: All right, now let me ask you about one, if I might.

On September the 5th — perhaps I don't — you have so many things on your desk, I know, but I wrote you a letter about unsecured Iraqi munition sites, and I think I mentioned 50. I now understand that there are many more than 50. And these sites contain Soviet-era munitions, including bombs, bomb materials, RPGs, as well as shoulder-launched missiles. And I've been given some information and received some photographs as well of these sites.

I'm told that there have been helo flights at night through infrared that have observed these sites being looted, and that some of the munitions that blew up the United Nations building may well have come from these sites.

RUMSFELD: I remember that issue, and John Abizaid and General Myers and I have talked about it, and General Abizaid and I have talked about it, and he can respond.

FEINSTEIN: Good.

ABIZAID: Well, Senator, I saw your letter, and my staff provided input that went to the department and if you haven't received it, I don't know why. You should be getting it soon.

But I would tell you that you are right, there are a tremendous number of sites with ammunition that are in Iraq. The biggest ones we secure. The ones that are known but unsecurable for various reasons, because of their location or because we don't think that the material in them necessarily needs to be secured full-time, receive some amount of patrolling.

I'd also like to point out to you that there are also stockpiles of ammunition in Iraq that we have yet to find. In the 4th Infantry Division area alone, General Odierno told me that he has found over 3,000 caches of ammunition that he has had to either move, destroy or guard.

So I would only tell you that there is more ammunition in Iraq than any place I've ever been in my life, and it is all not securable.

We have moved probably 70,000 or 80,000 tons of it, and destroyed much of it. We are securing other amounts of ammunition for the new Iraqi army, and there is other ammunition that is out there unknown and unsecured.

I wish I could tell you that we had it all under control, but we don't. We're working at it. But the problem with explosives and ammunition being used by terrorists and others who wish to do us ill is a big problem that will not be readily solved.

FEINSTEIN: Thank you for being up-front. I appreciate that.

Thanks, Mr. Chairman.

STEVENS: Senator Dorgan is recognized for eight minutes.

DORGAN: Mr. Chairman, thank you very much.

Mr. Secretary, I have had some other hearings occurring as well today. I regret I've not listened to all of your testimony, but thank you for being here.

I wanted to ask a question about the request that is made of us is in two parts, but in the same request. It is both military and also reconstruction funds.

And I asked Ambassador Bremer about this as well.

DORGAN: It seems to me that, while they are requested in order to achieve the same result, they are very different

types of requests. And I believe that we ought to treat them separately.

Can you tell me why do you think they must travel together, especially in as much as Ambassador Bremer indicated to us yesterday that he would have money until January 1st? So we have from now until January 1st, it seems to me, to come up with the funding source for the reconstruction effort. Why does that need to be done in the next week or two weeks?

RUMSFELD: Senator, we see them together because we are all — certainly everyone at this table is convinced, persuaded, that there's an intimate interaction between political progress, economic progress and security.

As you know, the bulk of the request is for the Department of Defense. A portion, \$20 billion, is for the Coalition Provisional Authority. Of that portion, a significant fraction is for security activities. It's for the Iraqi army. It's for the Iraqi police. It's for the site protection. It's for the civil defense group. It's for the border patrol.

The pieces that are not directly for security relate to security. There's a big chunk for electricity and for water, things that everyone who's doing anything about security needs, plus the very things that will determine if — we will not be successful unless the Iraqi people are committed to the success of Iraq. And they need to see progress not just in the security side. They need to see it somewhat in the economic side, that is to say the infrastructure side.

So we've connected them for those kinds of reasons.

DORGAN: Well, I agree with that goal. My point is that Ambassador Bremer indicated that he has money to take him to January 1st, so we have until that period to finish our work on that piece of the supplemental, that is reconstruction.

And let me just propose something to you and see how you react to it, if I might. I am told the reason the reason the administration is requesting taxpayer dollars for the reconstruction of Iraq is because Iraq has very large overhanging debt. And the oil revenues, which will be about \$16 billion a year, exported oil revenues, beginning next July at a \$3 million barrel per day rate, you're talking \$16 billion per year, that's \$160 billion in 10 years. The reason that would not be used to reconstruct Iraq — which would be logical to me, use the oil under the sands of Iraq to reconstruct Iraq — is because it has high, large overhanging debt.

This is debt incurred by Saddam Hussein's regime, the two largest portions of which are to Saudi Arabia and Kuwait. Included in addition to that are Russia, Germany, France and so on. The newspaper reported that Ambassador Bremer said the largest debt was owed to France and Germany and Russia, but that is not the case. In fact, the largest debt is owed to Saudi Arabia and Kuwait.

Wouldn't it be the height of irony if the U.S. taxpayers're paying for the reconstruction in Iraq while Iraq oil is producing revenue so that the Iraqi people can reimburse Kuwait and Saudi Arabia for debt incurred by Saddam Hussein? That is a Byzantine construct that I personally don't support. And I believe that if you think through this, the ability to...

RUMSFELD: I wouldn't want to leave the impression that's what's going to happen.

DORGAN: Well, that is exactly what's going to happen. If the American people pay for the reconstruction of Iraq and Iraqi oil is producing revenue at the rate, beginning next July, of \$16 billion a year but that revenue can't be used because of the overhanging debt, the bulk of which is owed to Saudi Arabia and Kuwait, that is exactly what'll happen.

RUMSFELD: Senator, this isn't my area of expertise, but my understanding is that any debt repayments have stopped. They've been put off under an international agreement until sometime in 2004. And the plan is that between now and then there would be a significant debt restructuring conference that would take place. And I think you can be certain that there is no intention that U.S. taxpayers' dollars are going to go to pay off Saddam Hussein's debt.

DORGAN: All I can tell you is that when I ask Ambassador Bremer about this, specifically, he indicated the reason Iraqi oil would not be paying for Iraq reconstruction is because of the claim against Iraq for a debt that has been incurred.

Now it seems to me that if Kuwait and Saudi Arabia want to collect a debt incurred by Saddam Hussein, you ought to go find Saddam Hussein and present him with a bill.

It doesn't seem to me like the people of Iraq ought to bear the burden of that debt, number one. And number two, if they do not, then the Iraq oil revenues will be sufficient to pay for the reconstruction.

Let me make one more point. Ambassador Bremer also said this: They are constructing a mechanism inside Iraq to begin funding for their government. And he was very proud of the fact they've constructed an income tax which will impose a top rate of 15 percent on those in Iraq with the highest incomes.

Once again, a circumstance would exist where Americans paying 39 percent tax rate at the top will be paying money to reconstruct Iraq that has a tax system with a top tax rate of 15 percent and it'll also be the case, if what Ambassador Bremer said is the case, that the oil revenues will be used to pay the nations that hold the credit instruments, particularly Saudi Arabia and Kuwait. None of that makes any sense to me.

And if we have until January 1st to deal with this, what I believe we ought to do is give all the money that is necessary, that is requested, to do the job here but — or but provide that money, but do it in a way that is vastly different than is suggested by the administration, with respect to the issue of reconstruction. Securitize the oil revenues. Collateralize them. Raise the money. Let Iraq oil provide the reinvestment or reconstruction in Iraq.

ZAKHEIM: If I could take some of those on, Senator, first of all, as I understand it, the money is only available until January if we do not do anything, in particular with respect to the security forces. So all the things that Secretary Rumsfeld just spoke about — the police, the border guard, the civil defense, force protection and the new Iraqi army — none of those were in the calculus when Ambassador Bremer said he runs out of money in January. If you start doing those urgent things immediately, and we have to, then the money's going to run out quite a bit sooner.

The same with electricity. If you're going to put in the level of effort that is required immediately, your money runs out sooner. Right now, the money that is available to them is not going to cover those urgent requirements.

DORGAN: Well, then I — just — Mr. Chairman, I have a misunderstanding of what we have here. I need to see the plan that has a spend rate that describes the need for spending on electricity outside of the authority that Ambassador Bremer has between now and January 1st.

He was asked directly the question yesterday, "The money that you have" — and we have committed a substantial amount of money, as you know — "the money you have is — a certain amount of it's still available, how long is that available to you? When do you run out? When do you need urgent supplement money, in order to deal things you need to deal with?" His answer was that he has that money — he will run out of money on December 31st.

ZAKHEIM: As long as he just continues with the projects that he had already budgeted for. The projects, such as the security projects, were not budgeted for in his original sum.

RUMSFELD: I would like to say one other word about reconstruction. The words used, the implication is that Iraq's going to be restored or reconstructed to some level, and I've always found that difficult to get my head around.

RUMSFELD: Some people, I think, probably hear it and they think, "Well, it's going to look like New York City," or some people think, "Well, it's just going to get back to pre-war because there was a lot of war damage."

There wasn't a lot of war damage. What that country is suffering from is 30 years of a Stalinist-type economy and starvation of the infrastructure of the needed investments. That is not the obligation of the United States of America to repair that. That's a different thing.

The World Bank, I'm told — I haven't seen the document — but I'm told that first they or an international organization estimated that Iraq is going to need something like \$50 billion to \$75 billion. Another one said something like \$61 billion.

The \$20 billion that is being proposed in this supplemental is not to reconstruct Iraq. It is to take care of the urgent security situation now so that U.S. forces can transfer the security responsibility to the Iraqi people over a relatively short period of time. It's going to take international donors, it's going to take the Iraqi oil money, it's going to take the frozen assets, it's going to take the oil-for-food funds. All of those sources are going to have to be available, and the \$20 billion is not going to reconstruct Iraq.

DORGAN: Mr. Chairman, you've been generous with time. Let me just point out that included in the \$20 billion is restoring marshlands and a whole series of things that don't exactly represent urgent, immediate needs. That's the point I was...

RUMSFELD: That's true. A large portion is electricity and security and water, all of which are essential. And you're right, there are some other items.

STEVENS: Senator Durbin is recognized for eight minutes.

DURBIN: Mr. Secretary, I hope you can remember in your early days in the House when you were so low in seniority that you waited for three hours to get a chance to finally ask a question. But I'm glad that I do have this chance. I welcome

you and all who have you joined today, and I hope that I'll be mercifully short in my questions and you the same in your answers.

Let me say, when I cast that vote last October against the use of force resolution I did not doubt two things: I didn't doubt that Saddam Hussein was a very bad man and the sooner he was gone from the scene the better, nor did I doubt what the performance of the American military would be when called upon.

And they lived up to every expectation. Our men and women in uniform did their very best and in a very brief period of time brought, I thought, control to a situation which some had speculated would take months to bring under control. So I salute them, and I salute all of you at the table for your role in organizing, and well planning a very, very good military operation.

And I note that in your statement, your third paragraph, you expressed your gratitude to these men and women in uniform as well. I want to take our expressions of gratitude, which have come from every member of this committee, from words to deeds.

I was surprised when we got into this to ask and learn what combat pay and family separation allowance was for members of the military. In fact, when I'd go around Illinois and I'd ask people, "What do you think we pay for combat pay for someone who is literally putting their life on the line?" people would guess, "\$1,000 a day? How much do you pay? You know, it must be a lot if they're going to risk their lives." Well, combat pay, imminent danger pay was \$150 a month.

"And how about family separation allowance, Guardsmen, Reserve, others removed from family circumstances, out of their job? What is family separation allowance? How do you make up for the spouse at home with the children under these circumstances? What do you think family separation allowance is?" And they would say, "Well, it has to be at least \$1,000 a month." It was \$100 a month.

Combat pay, \$150. Family separation allowance, \$100.

I came in with an amendment when our defense appropriation bill, or supplemental bill was before the Senate, and asked to increase each to \$400 a month, and I thought it was totally justifiable. And I spoke to the chairman of the committee, Senator Stevens, Senator Inouye and others, and we finally reached a compromise, understanding it was an appropriation bill. We said we're going to raise combat pay to \$225 a month and family separation allowance to \$250 a month.

DURBIN: And we said, "We'll leave it to the authorization committee to decide just what to make in terms of permanent law."

I have come before you today, Mr. Secretary, with a great deal of discomfort over what's happened. We raised those levels and those levels that we raised them to will expire on October 1st. There's pending an authorization bill that would make permanent law increases in combat pay and family separation allowance. The administration has given us conflicting reports on where they stand — where you stand on this.

At one time they said in the statement of administration policy they were opposed to these increases. Then they came back and said, "No, we favor these increases."

Now there's the third option, and the third option is to remove the increases in combat pay and the increases in family separation allowance, but to increase hardship pay only for those troops in Iraq and Afghanistan. I think this would be a serious mistake.

How in the world can we justify activating all these guardsmen and reserves, removing them from their families and saying, "If you don't happen to be assigned to Iraq or Afghanistan, we're going to revert back to \$100 a month in family separation allowance"?

STEVENS: Will the senator yield to me right there?

DURBIN: On your time?

STEVENS: That extension is in the continuing resolution that the House will send us tomorrow.

DURBIN: It's my understanding that we have a proposal, and I'd like to ask the secretary, that we remove the increases and go back to an increase in hardship pay, which is a discretionary increase?

Mr. Secretary, which is it?

ZAKHEIM: Well, it's true that we're extending the family separation and the imminent danger pay through the end of the year. At the end of the year, we go with the increase in the hardship and that is, in fact, for Iraq and Afghanistan.

DURBIN: Well, Mr. Chairman, there's your answer.

So the increase in combat pay from \$150 to \$225 is eliminated and the increase in family separation allowance from \$100 to \$250 a month is also eliminated, and instead there's an increase in hardship pay of \$300 a month but only for two theaters: Iraq and Afghanistan.

We can give all the speeches we want about our respect for men and women in uniform, but I find it unconscionable that we are going to say to so many thousands who have been activated that they are not going to receive an increase in family separation allowance; that it will be eliminated. How can that help morale? How can that say that, beyond our speeches, we really do care about these men and women in uniform?

ZAKHEIM: Let me just add that in the case of the hardship pay, that's across the board. The family separation, as you know, deals only with those who have families to separate from, so this removes a certain inequity as well.

Finally, the clear emphasis of this supplemental has been on the Iraq and Afghanistan theaters. That has been the case across the board, and that's why it's been applied here.

DURBIN: Well, I disagree completely. And to say that you're removing an inequity — the inequity is that someone happens to leave a family behind. And we have been conscious of that family left behind since we established this family separation allowance in 1970 at \$30 a month. I just don't think this is fair to military families.

And to say that increasing the hardship pay only in two theaters means that an activated Guardsman out of Illinois who is sent to some other place to take the spot that an active soldier may have today so that active soldier can go to Iraq or Afghanistan, that activated guardsman or reservist is not going to get the family separation allowance, that is unfair.

I would like to say, Mr. Secretary, I'd like to ask you this question: A lot has been asked and said...

RUMSFELD: Can I just — my understanding is that the executive branch had an arrangement with the legislative branch that the supplemental would be restricted to Iraq and Afghanistan. And it seems to me that the point that Dr. Zakheim makes really does suggest that we conform to the requirement. I could be wrong on this, I'm...

DURBIN: Well, you're right about that. But the defense conference only funds this for three months. So what's going to happen — what I just described is going to happen, and it's an administration decision and I think it's the wrong one. And I think you're going to hear about it, as you should.

May I ask you a second question? And that is, this whole episode involving a no-bid contract to the Halliburton subsidiary — this has been a source of embarrassment to, I hope, the administration and to our country, and perhaps to those who view us from overseas.

Mr. Secretary, at some point along the way did someone step back and say, "You know, we ought to think twice about a no-bid contract to a company which formerly employed the vice president?"

DURBIN: Was that a source of concern to you that it did not appear to be on the square and perhaps a little more thought might have been given to it?

RUMSFELD: The two issues have been raised with me. One was a Bechtel contract and one was a Kellogg, Brown and Root contract.

DURBIN: Halliburton contract.

RUMSFELD: And I'm sure Dov has better information than I do. But I was advised that the Halliburton contract for oil field restoration is currently in the process of being recompeted and that no new funds are planned to be awarded under the old contract. And the Army contracting authority is expected to award a new, recompeted contract about October 1st, in a week or so.

My understanding of the contract is that originally it had been competed and that it was a contract that was for emergency-type activities of the very nature that it was used to fund in this case for a short period of time and that that was what was done.

That was a Corps of Engineers contract. The other contract that gets raised from time to time, I am told — and we've looked into it — is an AID contract with Bechtel that was used for infrastructure. And this contract, which does use appropriated funds to rebuild non-oil infrastructure, was not a sole-source contract. Six companies were offered the request for proposals and the award was made after evaluation of their submissions.

Again, that contract, however, is going to be competed for any new work to be accomplished after the November-December time frame.

DURBIN: I'm happy to learn that what we have read and heard about has led to a greater sensitivity from the Department of Defense. I don't understand how they could walk into this situation and not understand the appearance of impropriety, giving a no-bid contract to a Halliburton subsidiary and one that had the potential, I understand, over two years of \$7 billion being awarded to this company.

But the fact that no more funds will be given to Halliburton subsidiaries until there is a competitive bid, I think, is progress. And I salute you for that change.

Thank you, Mr. Chairman.

STEVENS: I might say to the senator, we did look into this and that was a competitive bid in the beginning. And it's not something — a response in sensitivity. It's a response to the law. The law requires a competitive bid, and that law was complied with. We made an investigation into that.

I'd like to use my time now to discuss the process we're going through. During the debate on the '04 bill the distinguished gentleman from West Virginia continued to ask me and ask the Senate why the '04 bill contained no money for the Iraq war. As a matter of fact, when the budget was before the Budget Committee, Senator Feingold had offered an amendment for \$100 billion to finance the Iraq war to be put into the budget.

That was not the case. The president presented us a peace budget for '04 for the Department of Defense. And we were told we would get, and we have gotten now, a request for '04 on an emergency basis to fund all the activities related to Iraq and to Afghanistan.

This does do that. It is a response. I agreed with my friend from West Virginia on the floor at the time and agreed that the practice of the past was wrong. In the past, the presidents have taken from the O&M accounts primarily but from almost all the accounts of the Department of Defense to use those for emergency purposes. And later the Congress replaces the money, and it then goes back into the accounts from which it was taken.

STEVENS: That leads to questions such as Senator Feinstein had: What happened to MILCON money? The MILCON money was in the supplemental, went back to pay back the O&M account, and therefore there was very little of it left to go forward and deal with the problems for the future.

There has been questions asked about some of the items in this proposal; for instance, the FBI money. That FBI money is directly related to counter-terrorism activities, and it's to investigate bombings and attacks on American and coalition installations and for force protection.

After the USS Cole was attacked, dozens of FBI agents went to Yemen to investigate. In this situation, in Iraq, they have gone to investigate the U.N. bombing, and we've recently captured, as a result of their activities, the mastermind of the Cole attack.

The request before us includes funding to improve troop habitation and basic living conditions, including new latrines, mess facilities, air conditioners, water purification equipment, improved postal services. Also there are funds for morale, welfare and recreation facilities like commissaries.

In addition to that, I have a whole list of the things that we have examined, the highlights of this bill. I asked my staff to prepare that. This bill now represents considerably less than what Senator Feingold thought would be necessary, \$100 billion, but it is \$66 billion for defense.

It includes \$18.6 billion for basic military pay, special pay and entitlements, including \$12.5 billion for Reserve and National Guard members called to active duty.

It includes \$16.9 billion for increased operational tempo, including flying hours, spare parts, ship steaming days, ground operation and logistical support.

It includes \$8.3 billion for transportation costs to support the rotational deployments of personnel by air and major equipment by sea.

It includes \$5.3 billion for procurement, including basic soldier gear like night vision goggles, body armor and 747 up-armored Humvees to protect our forces. There is an additional portion that is classified within that, in R&D, that I'll not discuss here. But we have examined that.

There's \$2.8 billion for depot maintenance of weapons and platforms that need service after the wear and tear of combat operations and the harsh desert climate.

\$2.7 billion to improve the quality of life and habitability in-theater by providing decent facilities, as I mentioned, including relief centers and base camp housing units.

There's \$1.9 billion for coalition support to key operating nations, including the cost of a second multinational division and the flexibility to pay for a third. The first multinational division led by the Polish forces is already in place, as has been discussed.

There's \$858 million to finance the logistical, communications and personnel costs for the Coalition Provisional Authority, the CPA, the center that Ambassador Bremer testified before.

\$658 million for health care of mobilized Guard and Reserve, and for post-deployment health care and replenishment for the frozen blood stocks for our blood supply for emergency purposes.

\$600 million for increased fuel costs.

\$600 million for morale, welfare and recreation support, including a new rest and recuperation and R&R leave program for those deployed for a year, improved mail delivery and recreation and entertainment facilities.

\$412 million for military construction.

And \$73 million to counter drug trade in Afghanistan.

Now, all of those are in addition to those moneys that were in the peace budget, the budget to maintain our Department of Defense activities worldwide. I do believe that these are necessary functions, functions that very much need to be responded to by the Congress as quickly as possible.

RUMSFELD: Senator, Mr. Chairman, may I be excused to request that General Abizaid be excused from the hearing? He has a hearing on the other side of the Capitol.

STEVENS: I was just coming to the question of whether we need some R&R ourselves here.

(LAUGHTER)

We've been going for 3.5 hours now. And I know Senator Byrd has some additional questions.

Senator Byrd, you have additional questions for the gentleman? He's scheduled to appear before a House committee in 20 minutes.

BYRD: I believe not. But let me thank the gentleman for the service he has performed for our country, which he continues to perform in his excellent leadership of our men and women in uniform. I have only the highest praise for him...

ABIZAID: Thank you, sir.

BYRD: ... and the people who serve under him.

STEVENS: Thank you very much, General, for your courtesy. And we wish you the absolute best in the future.

Now I might inquire, Senator Byrd — and we have been going 3.5 hours. I'm not sure how much time we should take off, but I think we should have a little R&R for the reporter. Can we just take a 10-minute recess, while we determine how much longer we're going to go and what the process will be?

ZAKHEIM: Senator, would you mind, before you do that, I just want to clarify something for the record.

STEVENS: Can you do that after? The reporter's been sitting for 3.5 hours, so I think we'll answer a call of nature, first.

ZAKHEIM: OK, sir. I yield to nature.

(RECESS)

STEVENS: Mr. Secretary, are you ready?

General Myers?

MYERS: Yes, sir.

STEVENS: Senator Byrd, you're recognized.

BYRD: Mr. Chairman, can you give us some idea of what your plans are, how long you'll continue to go?

STEVENS: Senator, we're going to continue as long as you have questions of these witnesses, and then recess until tomorrow. Tomorrow afternoon we'll have a further hearing pertaining specifically to the Afghanistan matter, but whatever other questions. We'll have at that hearing is going to be General Peter Pace, who's the vice chairman of the Joint Chiefs, and Dr. Dov Zakheim, DOD comptroller, to answer any further questions about the money side of this bill, but with specific reference to the Afghanistan items we had some questions.

ZAKHEIM: Mr. Chairman, before we broke for nature's purposes you said I could come back at you on an issue that really does need clarification, if I may, sir.

STEVENS: Yes, sir.

ZAKHEIM: I believe that the deputy secretary's remarks about oil revenue were mischaracterized earlier, and I want to clear them up for the record.

Mr. Wolfowitz said — and here I'm quoting — "In my" — and then he broke in — "a rough recollection, the oil revenues of that country could bring in between \$50 billion and \$100 billion over the course of the next two or three years." And I believe the secretary just told you before we anticipate approximately \$12 billion in '04, \$19 billion in '05 and \$20 billion in '06 in revenues. Well, that adds up to \$51 billion.

So the deputy secretary's recollection was very, very good, and I just for the record did not want what he said to be mischaracterized in some other way.

STEVENS: Thank you for that clarification.

Senator Byrd?

BYRD: Well, Senator, I think — I wish that if you had planned to go on into the afternoon, as you apparently do, that my colleagues could have been informed of that at the beginning, because they might have wanted to follow on with some additional questions. They may have felt we were going to stop for lunch and then we would come back.

I don't know what their thinking was, but I do think we — and I say this with respect — I do think we should have been told that we're going on until we finish our questions today. But I gather that's what you want to do.

STEVENS: Senator, I'm informed that we did inform the minority that we would go straight through as long as there were questions. And as I started the beginning, I said this would be the first round and we'd determine how we'd handle the second round when we got there.

But we had no intention — I've asked Secretary Rumsfeld, Secretary Zakheim and General Burns to stay. We knew that General Abizaid had to leave to meet the House hearing. But they have agreed to stay with us as long as anyone has questions here today.

The hearing tomorrow will be, as I said, Dr. Zakheim and then the deputy chairman of the Joint Chiefs of Staff.

BYRD: Very well. I don't intend to make it a cause celebre. It was not my understanding that we were...

STEVENS: I'm sorry about that. We did inform both sides, we thought.

BYRD: Very well.

I ask unanimous consent that a statement by Senator Harry Reid be included in the record.

STEVENS: Without objection, so ordered.

BYRD: Now, I have a second question, Mr. Chairman, having to do with procedure here. As I indicated earlier, it is my feeling that we should have outside witnesses so that we'll get a broad view and a view that may or may not be in accordance with the administration view.

And I have some suggestion I could add to the list, but these are the people I'm thinking of: U.S. Agency for International Development Administrator Andrew Natsios, OMB Director Josh Bolten, retired General Anthony Zinni former President Jimmy Carter, former Representative Lee Hamilton, former Senator George Mitchell, former Secretary of State Madeleine Albright, former Secretary of State Warren Christopher, former Army Secretary Thomas White, Bush administration chief weapons inspector David Kay and the Iraq Governing Council or some representation therefrom.

So I make that request for the record.

STEVENS: Senator, I'm glad to have your request. It's my understanding the Foreign Relations Committee will have outside witnesses and they have started that. It's my understanding the Armed Services Committee is holding hearings. I don't know whether they'll have outside witnesses or not.

This is a hearing on the specific request of the president and the justification for that request. I do not intend to call any outside witnesses, as I said before, and I've never seen an outside witness on a supplemental request before.

BYRD: Well, I'm not here to argue that, but I can remember last year when you and I joined in inviting outside witnesses on a supplemental request, and we had seven department heads in addition to the director of FEMA. We had governors, we had mayors, we had some, I think, county commissioners. We had a broad array of outside witnesses.

And even that aside, whether or not we'd ever had outside witnesses would not rule out the necessity of our having that viewpoint expressed in this instance. And it is my feeling that, in as much as we're launching down a long road here, which entails reconstruction efforts which the American people were not told about and entails the establishment of a democracy in Iraq and the establishment of the democratization of the whole Middle East, we need others than administration witnesses.

BYRD: I make that request most respectfully.

STEVENS: Well, again, Senator, very respectfully, I know all the men that you have mentioned and Madeleine Albright. They're all addressing policy questions that are not before this committee. This committee is responding to a request for emergency supplemental appropriations and I don't know that any one of them know one thing about the needs of the military in Iraq right now or the needs for the department right now for money.

The policy issues are different matters. And the other two committees have those policy issues before them. They may come out with new plans or whatever. I don't know. Whatever money we put up will be subject to the laws that will be enacted by the Congress, and the president, of course, has a right to say whether he's going to prove such bills, should they be passed.

But we do not have in front of us a policy bill. We have in front us a bill requesting money for specific emergency purposes to conduct this war.

And it is in the form requested by yourself, Senator, when you asked the president to submit a definite plan — a request for money for Iraq. This is exactly what you sought when we examined the DOD bill for 2004. It was not in that 2004 request, and the president has submitted a request. It's less than some people expected, but it is an enormous amount of money; I will agree with that. But this — we do not have the policy issues that those gentlemen — I don't know what — I have great respect for the former leader, George Mitchell.

Why should he come in and give us his opinion on this money? I don't see that. His opinion is going to be made up by the members of the Senate as to whether or not the money is appropriated, not by former senators.

BYRD: He knows a great deal about the Middle East, I'm sure, and about the issues involved there. So much for that.

But I should add that while other committees determine policy for the most part, we also determine policy by the appropriations that we make. And we need to have a determination of some policies, as we go along in making appropriations here for the democratization of the Middle East and for — and establishing a democracy in Iraq and for not just reconstruction, but construction of facilities in Iraq that I think may, in many instance, be better — far better than what they had to begin with, and in some instances, it may be viewed as improvements over what we have in our own country.

I don't want to argue this with you, but I think it's a matter worth consideration, that we have people come to this committee who do not represent the administration line. After all, we're not just appropriating for the administration, we're appropriating on behalf of the American people, and it involves their treasure and their sons and daughters.

I understand that there's going to be a donors' conference, I believe, the last of October. Is that true, may I ask?

STEVENS: Senator, that was Ambassador Bremer's testimony yesterday. There would be a donors' conference some time this fall.

ZAKHEIM: And it will be, Senator — it's going to take place in Madrid on October 24th.

BYRD: Yes. It would seem to me that — I don't know when we're going to adjourn sine die, but it would seem to me that we ought to have the information coming out of that Madrid conference as to how much money those various and sundry countries are going to contribute. Perhaps, if we had that information, we would feel that we could contribute less than we're being asked for here.

STEVENS: That may be true, Senator. Does the senator wish to — obviously, we wish to proceed now. There are two — Senator Brownback has not asked questions yet and Senator Domenici and Senator Cochran are back with additional questions. Does the senator have additional questions?

BYRD: Well, yes, I have a lot of additional questions.

STEVENS: Well, would you like to be recognized now, sir, for those questions?

BYRD: I'm afraid it wouldn't take — it would take a lot more than eight minutes.

STEVENS: Well, you may use eight minutes and then come back again, sir.

BYRD: Very well. I'll do that. I hope that I will not overtax the chairman with my questions or the witnesses. When are the witnesses going to be allowed to get a little lunch?

STEVENS: Senator, I just sneaked a Power Bar. I'll get them a Power Bar if they want it.

(LAUGHTER)

BYRD: Well, I think you're not being very gracious to the witnesses if you just give them a Power Bar. I think we ought to treat our witnesses better than that.

STEVENS: If the senator wishes to discuss it, I'll be glad to discuss whether the gentlemen wish to have a luncheon break. But we discussed it informally, Senator, and it's been my understanding they prefer to just keep going until the session is done.

BYRD: Oh, very well. That's very well. I wasn't in that discussion.

Now, Mr. Chairman, I am shocked by this administration's loose talk about a Marshall Plan from the Middle East. Before we went into Iraq, President Bush told the country that the purpose of the war was to disarm Iraq by removing Saddam Hussein from power.

At what point, exactly, did our mission in Iraq expand so dramatically that our conversation has shifted to bringing democracy and free-market economists to the entire Middle East? Talk about mission creep. This is mission creep in its most supreme form.

We're not talking just about reconstructing Iraq, we're talking about modernizing Iraq. We're not restoring the country to the state it was in before the war or even before Saddam Hussein, we're talking about making conditions in Iraq better than they've ever been. And we're trying to do it almost alone out of the pockets of American taxpayers.

The administration has completely redefined our goals in the Middle East and they speak as if this change were just another unavoidable development in the global war on terror.

The truth, of course, is that this long and costly occupation was not unavoidable and it was not an urgent threat in the war on terror. The president chose to initiate this war in Iraq based on tenuously constructed links to terrorism. And now the American people are being saddled with an expensive reconstruction effort that is distracting the country from other real priorities in the war on terror.

So before we start comparing this reconstruction to the Marshall Plan, I think we need to step back a moment and ask how we got to this point. The American people have never heard debate on whether the president's new objectives in Iraq are worthwhile or even realistic. And we should not be afraid to challenge this monumental agenda of nation building that the president is trying to ram through this Congress.

The Washington Post, on September 9, carried an article that stated as follows, colon, quote: "On February 26th, the day Bush said in a speech that bringing democracy to Iraq would help democratize other Arab countries, the State Department's Bureau of Intelligence and Research completed a classified analysis that dismissed the idea. The State Department analysis entitled 'Iraq, the Middle East and Change: No Dominos' reportedly stated that 'liberal democracy would be difficult to achieve' in Iraq and that 'electoral democracy were to emerge could well be subject to exploitation by anti-American elements,'" close quote.

Secretary Rumsfeld, have you — I'm sorry about my voice, but perhaps it'll get a little better as we go along — have you seen this study?

RUMSFELD: Not that I know of.

BYRD: Do you know what I'm talking about?

RUMSFELD: I don't.

BYRD: Is it true that there is dissent within the intelligence community about whether Iraq could ever be democratized?

RUMSFELD: I don't know, but I wouldn't be surprised. There generally is differences of viewpoints. The intelligence community is broad and deep and a lot of people, as with most people who do analytical work, come to different conclusions. And that's a healthy, good thing.

BYRD: Yes. That's a reasonable answer too, I would say. That's a reasonable answer.

Why haven't the American people heard about this sooner? And is this dissent in our intelligence reports being whitewashed by the administration?

RUMSFELD: No. The intelligence community is in the practice of seeking to surface differing viewpoints so that if there are dissents from the majority view in an intelligence estimate, it tends to be footnoted and recognized in the analytical process.

BYRD: Secretary Rumsfeld, on February 6th I wrote to you about National Guard units that were not getting camouflage uniforms before being shipped out to the Persian Gulf.

BYRD: The final line in my letter to you was, and I quote, "Further, I suggest that you initiate an immediate review to ensure that our troops are receiving the proper equipment for the environment in which they are being deployed," closed quote.

Since then I have learned that many National Guard units, including the 157th Military Police Company of Martinsburg, West Virginia, which is now deployed in Iraq, are without the ceramic inserts that are needed to maximize the effectiveness of their bullet-proof vests. This Iraq war supplemental requests additional funds for the ceramic inserts, but this supplemental comes six months after the war began.

Secretary Rumsfeld, did you initiate a review of the equipment that was being issued to our troops as I called for in my letter dated February 6th, 2003?

RUMSFELD: General Myers has been examining this issue and is happy to respond.

MYERS: Sir, we did respond to your request and others. And it's true that the ceramic breastplates, there were not enough of them on hand. We have a date, December, where we will have enough to equip all the forces in Iraq. And that's making them — it's not a question of money; it's a question of capacity to manufacture these devices, and we're making them as quickly as we can.

BYRD: General Myers, you said you did request — I mean, you did respond to my request.

MYERS: Well, in the general sense that we're well aware of the letter and we looked into those issues, absolutely.

BYRD: Well, you looked into one of them. Let me read your reply to me. It's over the signature of Thomas E. White.

"This response to your letter addressed to Secretary Rumsfeld, dated February 6, 2003, in which you expressed concern regarding the readiness of our soldiers after learning of reports that members from the 459th Engineer Company were deploying without desert camouflage uniforms, DCUs.

"Many reserve component units have been mobilized faster and earlier than planned to support potential future operations. In some cases, this has resulted in late delivery of the centrally managed stocks of DCUs to the unit.

"I can assure you the 459th Engineer Company will deploy with DCUs. DCUs will be issued to all soldiers from both the active and reserve component schedule to deploy to the Central Command area of operations.

"I appreciate your continued interest in the welfare of our soldiers, signed, Thomas E. White."

The other part of the request that I made were not responded to. Why was supplemental funding for these important items not included in the request sent by the president to Congress on March 27?

ZAKHEIM: Well, Senator, as you can imagine, the budget that was originally sent up was prepared well before then. And when your letter came in, as the chairman of the Joint Chiefs just indicated, it was responded to, and this was really the first opportunity I believe we had to insert into a supplemental the kinds of needs that you had correctly identified.

BYRD: And we'll have enough vests in December?

MYERS: We have enough vests now. It's the inserts that we're in short supply. We'll have that fixed by December, sir.

RUMSFELD: If I'm not mistaken, General Myers, I believe they already have inserts. They're just not the insert that is being referred to...

MYERS: I think that's right.

RUMSFELD: ... by Senator Byrd...

MYERS: That's right, which is a ceramic insert.

RUMSFELD: ... which is a ceramic insert.

They have the vests, they have inserts, but apparently the...

MYERS: ... ceramic insert is better.

RUMSFELD: ... the ceramic insert has been proven to be better. And as result, it is being added and replacing the other inserts.

BYRD: Why has it taken more than half a year to provide this vital protective equipment to all of our troops?

MYERS: I think the — probably the large demand overcame, as it did in the case of the DCUs, where they had to go back and manufacture DCUs on an expeditious basis. I think it was the same sort of thing in this case: The demand just exceeded the forecast supply.

RUMSFELD: The services, under the law, have the obligation to organize, train and equip their forces and they make judgments about what they think they will need. After every conflict, indeed after every exercise, reassessments are made as to what they now think with new information, new experience and new technologies.

And so, as they go through that process, we are constantly readjusting the so-called requirements, or the needs, that are expressed in the various services' approaches to it, and they then come in with additional changes and adjustments to what they now think is the appropriate thing.

And I'm sure in six, 12 months, we're going to find that the current needs or requirements or appetites are going to be slightly mismatched and we'll have to then make some adjustments again. That's the nature of the world, as it is with any organization in terms of inventories.

BYRD: There have also been countless reports of active duty National Guard and Reserve troops going to military surplus stores to buy boots, gloves and hand-held GPS satellite navigation equipment. They're paying for these items out of their own pockets.

BYRD: Why are our troops using their own modest pay to buy this equipment when Congress has appropriated to the Pentagon \$427.7 billion during this fiscal year? And how can it be that our defense spending is approaching half a trillion

dollars a year but we can't provide the right boots for our troops?

RUMSFELD: I guess I'll let General Myers answer it, but I can begin by, it's always been so. No matter when, the people who have to go into an environment are going to figure out something that they'd like to have that's slightly different than what they were issued, and then they're going to go ahead with their own money, or their family's or whatever, and supply those things.

I've talked to any number of people who've done exactly that, and I've seen that phenomenon occur over a great many years, as I'm sure Senator Stevens and Dick Myers has.

STEVENS: Senator, I'm going to have to interrupt you.

Senator Brownback has not had an opportunity to ask questions yet, so I'll yield to Senator Brownback.

But I ran across a photo of my own, Senator, the other night, taken as I went from India into China, and I had just been to the store and bought boots, and bought a different holster for my gun, and bought a different shirt, but it was still khaki, but it had been made over there in India. It made us, we thought, look a little better. But I remember distinctly spending my money as I went on into China.

Senator Brownback?

BROWNBAC: Thank you very much, Mr. Chairman.

And, gentlemen, thank you very much for being here today. This is my fourth meeting or hearing with either yourselves or Ambassador Bremer this week. And so I'm very appreciative of the amount of time that you've given to the Congress to fully vet and to answer these questions, because there is a lot of questions and concerns, and we really appreciate your being here and your taking the time to do this so carefully.

One thing, I want to back up just for a couple of minutes and remind all of us is that, while some will say this idea of Iraq was hatched in the administration or somewhere, I was in the Congress, in the 105th Congress, when we put forward the Iraq Liberation Act, 1998; that that passed, over 300 votes in the House, passed by unanimous consent in the Senate. And what that called for — passed and signed into law by President Clinton, what that called for was regime change in Baghdad. Because we'd been fussing around for a long period of time with Saddam Hussein, and we were looking at that time and we were working with a number of different people, an Iraqi opposition were coming here and said, "Please address this," and they pointed — the same situation you're dealing with today. The north, Saddam is not running. It's pretty much it's running on its own. The south, completely he is occupying. He has sporadic control of the south, draining the swamps, killing the people. You know, a terrible situation, and he has the middle of the country.

And so we looked around and we thought, "What can we do, what can we do?" We pushed the administration at that time, not particularly interested in that.

So the Congress — the Congress comes up with the Iraq Liberation Act and calls for regime change in Iraq, and President Clinton signed it into law and we appropriated \$100 million over several years, \$100 million to support the opposition, to build up an opposition to Saddam Hussein, work with the administrations to implement that.

So if people, you know, say this has a short history to it of just coming up within this last year, this has a longer history and it's the Congress that initiated the policy. We're the ones that brought this on forward. And I just think it's important that we remember some of the history of this and how much the Congress was involved with this.

And we had a number of people, we had Dr. Chalabi in testify in front of the Foreign Relations Committee several times, along with other people of the Iraqi opposition, saying, "Here's things that we can do." People agreed, they disagreed, but we held a lot of hearings and thoughts on this, and so I think it's important we remember that.

BROWNBAC: I want to say to you, Secretary and Chief of Staff, I've been to Fort Riley a couple of times in Kansas and met with troops up and down the line, the heads and the enlisted men, and to a person they are very pleased and honored to have served in Iraq. Conditions are tough, and they've really had their mettle tested, but they have been very honored to have served.

And they'll cite to the children that they've helped over there, they cite, you know, the kids coming out in the street and welcoming them.

And I've purposely gone there because the press accounts, so much of it's been so negative, particularly since the

embedding of the troops had stopped — or this embedding of the media. I don't know if you can continue that now, it might help if they could be embedded again. But it's just been so negative, and the troops have been — so I went over to talk with the troops directly, and they've been very positive.

A lot of them said, "Tough, but it was the right thing, it's a thing we needed to do," and they're concerned about our supporting and continuing to support them.

One item that I would raise with you is I hope we can help some of the families who have lost family members there. And this is such a terrible tragedy, but we have a gentleman in Kansas, Jacob Butler, who was a soldier that was lost from Wellsville, Kansas, and his family — they're supportive of the cause, this has been a tough, terrible tragedy.

His dad wants to go to Iraq sometime when he can when it's safe to the spot where his son was killed in combat, and for him it's a part of completing the circle here. And I hope when the situation becomes safe enough that we can do these sort of things, if you're being requested of that that we can work with these families.

Because I went to the house and met with the family members, I talked with the mother and father and the family members. Very supportive of what their son did, he's a hero. But they — I said, "What can we do to help you?" And this was the one thing that he asked of me, and so I told him, "Well, we'll try to comply with that whenever we can, when it's safe."

And so I appreciate all your willingness to answer the questions that we've put forward. We do have a lot of questions. People have a lot of concerns about the size and scale of the funds, and what they're being used for.

I would note that once you start down this path, like we did in 1998 with the Iraq Liberation Act, removing the regime in Baghdad, it doesn't end once the regime is out. You got to then go ahead and finish it through, or else you leave yourself in a situation that's probably going to be far worse long term, because you're going to leave this vacuum, and then people are going to come in and we're going to have a situation like what's evolved in Afghanistan since 1980, when the Soviets pulled out. And you'll get a real cesspool of terrorists and drugs that will run and control the place, and we just don't need that in Iraq.

I don't like the size of the bill; this is awfully expensive. But having gotten into this at this point, if we're to complete the task, and if we're to spread democracy and human rights and freedoms and religious freedoms throughout that region, you've got to see this — we've got to see this on through, and this is going to be part of what we need to do.

I may have some particular questions, in addition to the ones I've already used before that we'll submit to you, but I've been very appreciative of your willingness to answer them thus far.

RUMSFELD: Thank you very much, Senator. It's helpful to remind us that the Iraqi Liberation Act passed by Congress back in the late-1990s; it is a fact, you're completely correct.

Second, it is wonderful that you take the time to visit the families of those that have been killed in Iraq, and certainly it's so understandable that a number of those families would want to find a way to have the experience of seeing what their sons or daughters were involved in, and where they might have been killed, and I think that that's understandable and that's something we have to, as the security situation sorts out, find a way to achieve.

BROWNBACK: Thank you, gentlemen.

Thank you, Mr. Chairman.

STEVENS: Senator Cochran, do you have a second round of questions?

COCHRAN: Mr. Chairman, just a couple of questions.

One is, this is a supplemental that's been presented to Congress, and I assume it is a matter of some urgency. To that extent, I worry that we may be prolonging the hearing process and put in jeopardy our situation in Iraq because of that.

To what extent are we pressed for time in terms of consideration of this measure? What is the time line as you see it? When do you expect that we need to act before we run the risk of putting ourselves in jeopardy?

ZAKHEIM: Well, a rough estimate, Senator, probably is no later than sometime in the middle of next month, if not sooner.

And the reason I say that is that Ambassador Bremer has indicated that he would run out of funds by the beginning

of January. That's, of course, only an estimate, and it could be worse than that. But even with that estimate, he did not account in particular for the security expenditures, which everyone agrees are extremely urgent and which comprise 25 percent of his request.

So that that is something that needs to get going immediately, as they say, if not sooner. And so, clearly, action early part of October is probably warranted.

RUMSFELD: The sooner that we can get these — this bill passed and we can get the moneys invested in the security side of it, the sooner we'll have more and more Iraqis assuming responsibility for the security of Iraq, instead of Americans and coalition countries.

COCHRAN: Well, I need to say that I am impressed by the degree to which you are all personally involved in attending the hearings, representatives of the military at the highest level, Department of Defense at the highest level, before the Senate Foreign Relations Committee, the House Armed Services Committee, the Senate Appropriations Committee, the House Appropriations Committee, the Senate Armed Services Committee and the House International Relations Committee. These are all committees that are having hearings, or have had hearings, this week, and I'm hopeful that we can complete action so that we will not hold up funding for important activities of our Department of Defense.

The chairman handed me something that he had seen and I had not seen. I was glad to look at this RAND review, and there's a special article by James Dobbins here on nation-building. And it talks about how much more complicated it is when there are more than one entity involved in helping another nation rebuild. And I'm sure this will be brought to your attention: many factors can affect the success and likelihood of success, and the time it takes to complete the action.

But this is something interesting to read, so I bring it to your attention in case you run out of things to read in the near future.

RUMSFELD: There's no question but that some sort of unity of effort is enormously important. If you think of the problem in Bosnia and Kosovo, and the number of years it's taken, part of the reason is that the people with the incentive to get our troops out of a country — we don't want to occupy countries. We want to be help, create a stable situation and then transfer responsibility to those countries.

RUMSFELD: And the greatest incentive to do that are those countries that have those troops in there. To the extent you disconnect the development of the civil side, the progress on the economic side, the evolution in the political system, you separate it from those people who have the determination and the requirement to not stay there forever, you then end up with a situation where people's expectations aren't met, as was the case in Bosnia or Kosovo. It's just taken an awful lot longer than people had anticipated.

COCHRAN: Thank you, Mr. Chairman.

STEVENS: Senator Domenici, you're recognized.

DOMENICI: Thank you very much, Mr. Chairman.

I'm very sorry that I had to return and that you have to continue to be here. I predicted that I wanted equal time, so I'm here for equal time.

Now I have two questions and I'm going to try to get them out there. They are important to me or I wouldn't bother you with them.

First, I am convinced that the American people are still on your side. They want you to win that war and they still — not by large margins, but who would expect large margins under this kind of situation and in a democracy? But by a plurality, they still say they favor us doing this.

Now, frankly, Mr. Secretary and General, I believe to sustain this acceptance long enough the American people have to be convinced that you have a plan and that you're executing it. I believe the single most important question asked of their representatives and senators by our people is, "Well, I'm for him, but what's the plan?"

Now, Mr. Secretary, I urge as strongly as I can, that as soon as possible — two weeks, not two years — that you put forth, under the auspices of the ambassador and the leader of the Iraqi Provisional Government a plan.

I know you keep saying it's there. I read what's supposedly there. That is a very hard plan for people to understand. It wasn't written for presentation. I suggest you produce documents for presentation to the public on a regular basis, not

more than five or six, General.

How one goal (ph) governance, democratization and capitalization, then set your goals. Infrastructure and public needs, you know what they are; they're in the plan. Put them on things that are to be put up and stood up. And you can say to the public, "Here is the plan." Then you can say to the public, "We're going to tell you about the plan every month," or whatever is a reasonable time.

And I urge, Mr. Secretary, that you literally let Americans in on a totally transparent plan as regularly as you can and show the bad breaks and the successes, as you do it every month or every two months or whenever.

Now could I, at least, get your notion of whether what I'm talking about makes sense and could you do it?

RUMSFELD: Well, Senator, it certainly makes sense.

And the idea that there's no plan is just factually incorrect. There has been a plan. There is a plan. Ambassador Bremer provided the plans.

There are each subplans under it. For example, he provided one on economic infrastructure. There's a piece of that that's elaborate for electricity. There's a piece of it that's elaborate for water. There's a piece of it that's elaborate for oil.

It all exists. The problem is, as you suggest, it's complicated. It is not readily adsorbable or communicated through the television in a sound bite or a bumper sticker.

If we're looking for a bumper sticker, a short message, the message is the plan is to transfer responsibility for that country to the Iraqi people: the security, the political leadership and the economic control. We've got mountains of paper as to how that is being done. How we do what you're asking, and that's finding a way that you could tell your constituents that this is what's being done in a simple way so that...

DOMENICI: I think it's you telling Americans, not me, you've got to tell Americans in a simple, transparent way what the plan is.

RUMSFELD: The plan is transparent, that's for sure. It's available. It exists. It has existed. It isn't simple, though.

DOMENICI: Mr. Secretary, believe me, believe me, believe me, the public does not believe there's a plan because you can't sell what you've got. You have to act like — you have to hire somebody that says, "If you had this plan, it's 386 pages, how would you summarize it and present it so that people would understand it?"

RUMSFELD: That we have not done. You're quite right.

DOMENICI: And I really believe it's tough...

RUMSFELD: It is tough.

DOMENICI: ... but I think it is very urgent. You know, I've been working hard to make my points with you guys and to — excuse me, with you people — and to help where I can, and I think I know what I'm talking about. It would be a beautiful day if the three of you — two generals and you — stood up and said, "Well, we want the American people now to see the plan; it's in five parts and here it is," and take 30 minutes and present it and then answer questions.

I think what we've got now is we lose because we're going to get an iteration of all the bad breaks that are happening is going to be the news. It's already happening. And we're lucky...

RUMSFELD: That's true.

DOMENICI: ... that in the last four hours we've gotten some good news out of these hearings, but we've got an awful lot of negativism that's flown out of it, too, maybe 60/40 on the side of negative.

My last point has to do with, it was clear to me from the beginning that you were screening Iraqis too tightly, in terms of who you would accept as policemen and soldiers; that you were saying, "We don't want anybody that was a member of the party of Saddam and we don't want anybody that isn't totally loyal to" — I think you've loosened up a bit, rightly so, because, you know, an awful lot of able-bodied men want a job and they used to be in that party.

And all I can ask of you is, as you hire them — and I understand you are hiring them and you're taking them into the military — are we being as careful as we can to make sure that they stay on our side and that they remain loyal? And we must have ways to train and do what we can in that regard, and are we doing it?

RUMSFELD: You're right. Just after World War II, they had the issue of de-Nazification. And we've got this problem of de-Baathification, if you will, in Iraq and how to do that.

And some judgments have been made. And clearly, on the one hand, if you take senior Baath Party people and put them into positions of responsibility, they were the ones running that country. They were the ones benefiting from the regime. And you put them in positions of responsibility, it's going to look like, to the other people, that you're simply trading one bad group for another bad group.

And so — but you're quite right. Those people need jobs too. There are a lot of people that need jobs who were, one way or another, connected with that regime.

There's two ways it's happening. There's a public vetting process where they bring people and people then comment on them. And they throw some out.

The other thing that's happening is we're encouraging every contractor to hire Iraqis. So there's an opportunity for Baath Party people who are not brought back into ministries in senior positions to get jobs in the private sector as these contractors come in and begin to do these various projects.

DOMENICI: Thank you very much.

Thank you, Mr. Chairman.

BURNS: To be pretty brief, I want to pick up on what Senator Domenici alluded to, and that is the communications to the American people.

I spent some time in the broadcast business, Mr. Secretary. And I've been in the selling business all my life. I'm an auctioneer. And that's the way we made our living. And I don't want to have a sale in Iraq right. I don't think they could quite understand it now.

The reiteration, over and over and over again, it has become repetitive. It gets tiresome of saying it all the time. But also, there is one sad feature about American advertising and the communications with the American people: The people who really do a great job in communicating, they devise their message at the fourth-grade level so people like Conrad Burns can understand it. And then that becomes repetitive and it finally sinks in.

We talk about those things called freedom and democracy and these types of things. We pick up on that pretty quickly. I'm not real sure it's not time for maybe a town hall meeting, electronic, that was nationwide, have the principals involved and can sit there and can, kind of, point to a board because we know how one presidential candidate in 1992 was very successful using little display cards. And that's the way we devise our message.

But we as people who represent constituencies — I just got a little e-mail here from a good friend, and they have a son in Iraq. And it was wonderful here. He says, "You know, we have rehabilitated hundreds of schools in this country. And from this point on, when the school starts up about this week or next, things will become different. They will become quieter because families are just like American families. When the kids are in school, the focus becomes the family education and how do we survive as a society."

I think it's a pretty powerful statement coming from a man that's been in Iraq, ever he got there a week after operations ceased and has been working there and is a member of the military. But he says, "I see these things happening all over," because some people what we would refer to as the ghetto here, where you have eight or 10 families in a single building that are now looking forward to their kids going to school, and seeing the opportunities that that's presented themselves under this situation because he said, "I was driving with two of these families."

BURNS: And he said, "There was a little demonstration by an organization over there. And one of the men said, 'You know, if they had demonstrated like that, when Saddam was here, he would have them shot.' And I explained to them," he says, "We don't do that. Demonstrations and sending a message is a vital part of freedom and democracy."

They still have that — they have a hard time running that through their computer; if they got the right floppy and the right drive, why, it'll connect. But still, they're starting to catch on what it's all about. And that's what this appropriation is all about.

Now, let me comment on the infrastructure and spending money to bring it up. We know when we got there — no, we didn't destroy a lot of the infrastructure, like water systems and telephones and electrical power. We didn't do a lot of that.

But it was — but Hussein could only produce about 70 percent of the power that was required to run the society in the first place.

The government controlled all the central services, from telephones to water and whatever. And if you were a bad person and not accepted by the party or Hussein, he rationed that. You've been home one night and you'd say, "Well, this guy is not doing a good job for me and he doesn't like me, so I'll cut off his electricity." And that's the way he didn't have to generate for only 60 percent of his people. He rationed everything: health care, all the central services was rationed to his likes or dislikes.

So what we had to do, we've got to get power up to where everybody has electricity, everybody has to have a phone.

Now, I'm really interested in the telecommunications and the communications industry, as you well know, over there. And we'll be going over and visiting here in — very shortly. And I want to talk about that. I want to know what kind of technologies we're putting together for wireless. Broadcast companies, the ability to broadcast news. That infrastructure was limited and it was rationed by the man that we took out of power and that's the way he controlled his people.

We restored everything that was there in the first place. Now it is to reach the people that never had those services in the first place. And that's what this is all about, too.

So I just wanted to make that statement now.

In your research and development part of this, I know some of it is highly classified, but nonetheless, can you give me an idea, General Myers, on — you've got quite an appropriation here in military construction. Tell me what we have to do for your infrastructure, so your troops can be safe and also operate in that country. What kind of construction are we doing and what role does it play and then I'll go away forever?

MYERS: Senator, there are 23 sites, I believe the number is, inside Iraq that we want to provide temporary, secure and safe facilities for our troops over there right now. Right now, they don't have that, so they're living in buildings they can borrow, in tents and so forth.

Frankly, we want it to be a little bit like it is in the Balkans. We have folks over there that live in temporary facilities, but at least the temporary facilities are such that they have toilets, they have warm showers. They can get contract food, which is good. It's a secure place, so they can feel safe to take the gear off and get a good night's rest. And they have some of the other comforts, in terms of necessities, I would say, in terms of communicating with their families.

And so, we're trying to build some of those around the nation. None of them are going to be permanent; they're all temporary. And for the quality of life of our folks and for their operating effectiveness, I think they're absolutely essential.

There are other things in the military construction budget that support the war on terrorism. And as you see upgrades to some of the airfields, those airfields are the ones that specifically support Afghanistan and Iraq and, for that matter, the Central Command area of operation, and absolutely essential to this effort.

ZAKHEIM: Senator Burns, because you asked about telecommunications, I thought I might just point out a couple of things that you may or may not be aware of.

As you know, Ambassador Bremer opened all sectors except for oil to foreign investment, so that's number one.

There is going to be soon an announcement of the winner of the Iraq mobile cellular licensing competition, so that's important as well.

ZAKHEIM: And they did make a major effort to level the playing field for all kinds of technologies, and several hundred vendors had a chance to bid on that.

BURNS: Well, in other words, they settled on the spectrum that they need so that we can have two or three different kind of technologies in the wireless industry; is that correct?

ZAKHEIM: Well, they've done a number of things. First, for that one, they opened it up, but on the spectrum management itself what they're saying is that they plan to get a new regulatory regime for that, so that you've got the mobile licensing competition, which will almost be announced soon, and in addition to that, they expect relatively soon to have a new regime for telecommunications and frequency spectrum.

BURNS: Well, what I was concerned with when I communicated with both the State Department and you folks is that

we don't want to get settled in. Other words, what makes our communication systems in this country work is because we try to stay technology neutral. And there is — I'm sure we got GSM, we got CDMA, we've got other technologies over there that's available. And I just want to make sure that these technologies can compete.

And the wireless communications is the most important, because the wired infrastructure is not as good as it should be. And, of course, until they get fiber in the ground where they can move a massive amount of information — that is some time off.

But the wireless, we have broadband wireless and the ability to set that in place rather quickly. And I think the quicker that the northern part of Iraq can communicate with the southern part of Iraq and those services — yes, sir — it's going to be very important.

So let's keep one thing in mind, that we stay technology neutral, because there is certain features about all of those technologies that we should be looking at.

And thank the chairman. And thank you for your patience. And I'll go away forever now.

STEVENS: Well, not forever. Thank you very much.

Senator Bond, you're recognized. You haven't been recognized yet at all today.

BOND: Thank you, Mr. Chairman.

I'm still technologically unqualified, but I appreciate very much the testimony here today, Mr. Secretary, General Myers. I've found it very, very hopeful and very persuasive to learn not only how much we've accomplished, and the outlines of accomplishments I think are very significant. We just don't hear enough about those, and we appreciate your bringing them out in this hearing so that all the people who watch, as well as those who may be here on the Hill, can learn a little bit more about it.

But it seems to me that your commitment for the additional \$20 billion to build the infrastructure, both the military, law enforcement and the essential infrastructure, so we can get our troops out, is one of the most compelling arguments that you can make. It does no good to supply \$66 billion for maintaining our troops if there's no exit strategy.

Can you tell me what would be the impact if we did not build up Iraq's own capabilities and do the things in that \$20 billion supplemental?

RUMSFELD: Senator, you've hit it right on the nose. If we fail to invest in the Iraqi police, the Iraqi border patrol, the Iraqi site protection, the Iraqi civil defense and the Iraqi army, they're not going to be able to provide for their own security and they're going to continue to dependent on foreign troops, ours and coalition.

The same thing's true in terms of getting off the ground in terms of the economy. They simply have got to get enough of a jump-start that they're able to begin attracting outside investment and have sufficient electricity and water so that the place works.

RUMSFELD: And equally important is the political side. We've got to keep moving them down Ambassador Bremer's seven-point plan toward developing a constitution, ratifying a constitution, and ultimately having elections and transferring sovereignty.

BOND: There have been discussion about how this was not a war of defense. It seems to me that we have been under attack. We've been under attack not just with the huge tragedy of September 11th, but our people have been under attack in Khobar Towers, the USS Cole, Lebanon and Somalia, to name a few.

And I would hope that we have learned that we cannot simply prosecute the people. Usually suicide bombers don't suffer much retaliation. No matter how much you'd like to retaliate against them, that's in higher hands, not ours.

And we have to do what I believe this administration is doing, number one, defending our homeland with the PATRIOT Act and aggressively enforcing it, as my good friend and former colleague Senator Ashcroft is doing under President Bush's direction, but carrying the war to those states that harbor terrorists is absolutely essential.

And it seems to me that we have seen a tremendous difference. With the Taliban regime gone in Afghanistan, with the Saddam Hussein regime gone in Iraq, there is no longer safe places for these terrorists to operate.

Yes, the question raised about the intelligence of how directly Iraq was involved. We won't go into that, can't go into

that here. And we shouldn't.

But I tell you something, I'm from the "Show me" state, and what they're showing us is that the battle against terrorism is being carried out in Iraq today. That's where we're fighting the terrorists. And that gives you some suspicion and a strong indication of the presence and the close alliance that those terrorists had with the former evil regime of Iraq.

And right now, you are fighting the battle against terrorism with our best trained, equipped and finest personnel in Iraq. And to me, the good news is we're fighting the battle against terrorism in Baghdad rather than Boston or Boise or Baldwin, Missouri, or Belton, Missouri. And it seems to me that that is a very important part of the story that needs to be told.

And it needs to be told all of the accomplishments we have made, and the recent polls showing that the Iraqi people by and large understand what we've done for them.

One of the problems I think all of us have is that the media carries the tragedy of the one or two American soldiers killed without talking about the thousands of civil work projects, about the reception that they receive over there.

During the Iraq war, we had a very balanced view because you came up — and I'll attribute it to you, Mr. Secretary; I'm sure it came out of the Defense Department, they had embedded journalists.

Is there any thought of using embedded journalists again to go over and participate with the American forces? And I just met with General Flowers, and the great things the Corps of Engineers is doing over there. Any thought to using those again?

RUMSFELD: Yes, indeed. We've tried to encourage it, but there are very few takers at this point. The bulk of the journalists are in Baghdad, and, of course, there they have the facilities, hotels and connections with their home offices and all of those things that are available to them — briefing centers and the like. So we've not had many takers on the embedding program, which still exists and is available.

BOND: One slight suggestion I would make to you as you go about rebuilding Iraq, there is a great pool of resources available in the United States in the small business area. And as a former chairman of the Small Business Committee, I continue to get requests from small businesses about how they could participate, how they could get a share in it.

I read some official in the Defense Department was quoted as saying that they were holding bidding for the major businesses that go over there, and the small businesses should just talk with their big business partners.

BOND: Well, quite frankly, that is a dead-end street, as I've been told time after time, that the large businesses don't want to be bothered with small business.

I would urge you to rethink and provide some means, as you do in other Defense Department procurement, to involve the many resources of able small businesses that can bring new ideas, new approaches and perhaps new skills, specialized skills, that would be needed in building Iraq to help establish a strong infrastructure.

And, frankly, the example of small American businesses could be a very useful training tool for the nascent small businesses in Iraq. And I've been very pleased to see that small businesses are starting up, and I know that timeliness and so forth is of the essence.

Any thought? Any way we could get some small business involvement?

ZAKHEIM: Well, Senator, just to clarify, there are quite a few small businesses already involved. It's not just the very large ones that we're constantly hearing about, but there are a host of contracts that are in the tens of millions of dollars that have been given to small businesses.

So I don't know who issued that other quote, but it, frankly, doesn't reflect the reality, sir.

BOND: Well, thank you.

And I would be interested, Mr. Chairman, if you could supply us some examples of that. I need that.

Thank you very much, Mr. Chairman.

STEVENS: Thank you very much.

Senator Byrd?

BYRD: Mr. Chairman, when I last had the microphone, we were talking about the National Guard and I want to finish my questions along that line.

On September 20th, The Washington Post carried a report entitled, quote, "Protests Grow Over Year-Long Army Tours," close quote. The article noted that the wars in Afghanistan and Iraq do not appear to have had an impact on the recruitment of active duty and Reserve Army forces, but that the new policy requiring Guard and Reserve forces to serve year-long tours in Iraq appears to be having a serious effect on the National Guard.

According to the article, the Guard appears to be falling short of its annual recruiting goal by more than 20 percent and in addition to recruitment, retention is another concern.

Mr. Secretary, what is the Defense Department doing to prevent the decline of the National Guard? And how long do you intend to maintain a policy of year-long tours of duty in Iraq?

MYERS: Senator Byrd, if I may, if I could answer that...

BYRD: Yes.

MYERS: ... or at least take a stab at it, the first thing that we've got to recognize is that we have most of our combat service support, in the reserve component, Guard and Reserve. And that's just the way we're structured right now.

Most of us feel that's not right for the future, that that doesn't posture us very well for the 21st-century security environment we're going into. So the secretary has directed that we look at the balance and mix between our Guard and active forces to avoid some of the issues that you just brought up. Because it's inevitable, if we're going to send active ground-component Army into a situation, there's going to be a Reserve piece that goes with it.

MYERS: And that may be fine for some situations, but probably not all. That's some of it.

As I testified to earlier, we do have indications that recruiting, at least for one quarter, with the Army Guard were down, made up for by the fact that more Guard folks were applying to re-enlist, so their manning was good — was fine.

And this is an effort that we need to take on long term and look long term, to make sure we don't do anything in the short term that would jeopardize that. Because these people are crucial to our ability and we totally agree with that.

I think the issue of predictability comes in when we start talking about the year and our mobilization process as well. Our mobilization process, as the secretary said, was for a different era. It really is industrial based. It is not light on its feet. It can't pick people up, alert them, mobilize them and get them into a productive situation as quickly as it should be. It's very inefficient. The Army is the one that's primarily concerned with this process, and they're addressing a lot of those issues. That will help us.

But it still remains that for our work in Iraq, that the policy developed that people that go to Iraq should expect to spend up to one year in Iraq and that's active duty and that's the reserve component.

There is an issue of fairness here and I think the National Guard will be the first to tell you that they are willing to pull their fair share. And they always have and they're very proud of that.

The part that's a little bit different is that it takes them longer to get ready to go and get them ready, and then when they come back, to demobilize them, given them the 30 days of leave or more that they've accrued over that period of time, which all has to be taken into account.

Generally, this is something we really worry about and I know the secretary does, I do, the Joint Chiefs do, the service secretaries do, as well, because reserve component's very important to us. And that's the way I would address your...

BYRD: I think you have good reason to worry about it. Pulling their fair share gets harder and harder and harder, as their fair share becomes longer and longer and longer. So you have good reason to be concerned.

I've heard from many families anxious to know when their deployed loved ones might return home. All of these families expressed a deep frustration with the open-ended, unfocused deployment of Guard and Reserve units. After reviewing what some of these units have experienced, I understand the frustrations.

While the nation's citizen soldiers are proud to serve their country overseas, they also have obligations at home, to their home, to their community, to their families. And we all have reason to be concerned.

Given the concerns that families of National Guard members have raised, would you support a policy of limiting overseas deployments for Guard and Reserve forces, in terms both of the duration of overseas tours and the number of overseas tours during a given period of time?

RUMSFELD: General Myers and I have spent an enormous amount of time on this, Senator Byrd. And I think the way to do this is to rebalance the force, as he indicated, so that we have more of the skills that are only in the Reserve and Guard on active duty. That way, we will not have to call up the Guard and the Reserve over and over and over again, which, as you point out, is simply not fair to them, their families or their employers; if they wanted to be full-time, they'd be on the active force, instead of the Reserve or the Guard.

So that's something we're doing and we're hard at. There also are a dozen other things we're doing. And one I should mention, and that is we simply have to be able to bring closure to some of our other commitments in the world. We can't leave forces in locations over extended, long, long, years, decades, periods of time. We need to make sure that we have our footprint worldwide arranged, which, again, will relieve the stress on the force.

MYERS: Senator Byrd, I would just — if I can just tag on to that, I think it's also — we are right now in an extraordinary period, of course. And, I mean, we are a nation at war. And when you're at war, that's when your demands on the Guard and Reserve are — you could expect to be the highest.

In my travels — and I try to talk to the soldiers and sailors, airmen and Marines and the reservists, as well, and their families, to get their input. What I hear from them is that they understand that this is an extraordinary period and they are proud to serve — and then I'll go back to my previous comments — but we've got to — you know, we can do a better job of communicating and providing predictability. We've got to do that. In some cases, we've done very, very well. In some cases, we haven't done as well and we'll do better.

BYRD: Would establishing limits on deployments be acceptable?

RUMSFELD: It's not a subject that we've — that I've addressed in a thoughtful way.

My immediate reaction is no. If the country were in a national emergency, a crisis, and you had some sort of an arbitrary restriction on that, it would be unhelpful to the country.

What we need to do is to treat them fairly, be respectful of them and their families and their employers. We need to see that we have sufficient incentives that we can attract and retain them and they're motivated, they're willing to be retained, they're willing to recruit and come into the force and then see that we treat them well throughout their careers.

RUMSFELD: I think that most people, as Dick Myers says, understand it. If there's a spike in activity because of something like Iraq, they're willing to step forward. These are volunteers.

What they're not willing — what they ought not to have to endure is being put through periods of long uncertainty, or being given only a few days mobilization time, or being called up four, five, six times over a 10-year period. That just isn't acceptable, and we've got to get that fixed and we will get it fixed.

BYRD: So setting aside national emergencies, but more to the point of what you just mentioned, the kind of situation that that brings to our attention, would establishing limits on deployments be acceptable?

RUMSFELD: I would rather not put limits.

What I'd rather do is to say, "Here's how we've arranged the force. We've looked into the future to the best we can. These — we expect that there are going to be certain types of activities where our country is going to have to contribute to peace and stability. And if things go roughly like that, people ought not to be called upon to be activated repeatedly in a five-year period, or some number like that, and they ought not to be prolonged on active duty for excessive periods. They ought to have a period off, or a rotation of some kind, or not be in a war zone for an excessive period. But always with the understanding that the first task for the Department of Defense is to defend the American people. If there were an emergency, or a spike in activity, then by golly, everyone has to be willing to do something unusual and out of the ordinary."

BYRD: Yes. Well, I think that I meant to — I told Senator Domenici that I thought you raised a good point with respect to letting the people know what the plan is.

Now, reference was made to the plan that was released by Ambassador Bremer. That working document was dated

July 21, 2003. But then someone said that ought to have been made public or such plans should be public. I note on this plan it says, "not for public release." So there was no intention of making that plan public.

And I have to say, again, as I said two days ago, I never heard of such a plan until the day before yesterday. This is it, what I hold in my hand. I never heard of it. And how it got around to some of the other senators — I haven't found any senator on this side of the aisle who saw that plan before that day, I believe which was Monday.

Now, two days ago, Ambassador Bremer testified that one of the reasons that the president requested \$20.3 billion for Iraqi construction is that Iraq is still responsible for Saddam Hussein's debt to France, Germany, Russia and Japan. He concluded that Iraq could not handle more debt, yet the president is proposing that Congress approve \$87 billion for the war in Iraq by increasing our own debt.

Instead of spending billions on the war in Iraq, we could have used the money to shore up the Social Security and Medicare programs, which are expected to have 65 million beneficiaries when those programs are expected to run out of resources in 2017. Instead, we are building prisons in Iraq. Instead, the president proposes that we increase our own debt to pay \$20 billion for Iraq reconstruction so that Iraq can pay off Saddam's debt to France.

When you increase deficits, you produce higher interest rates, the cost of a college education, for example, will grow, and the cost of a home mortgage will grow. And that will be a back-door tax increase for working Americans across this land.

What is the president's policy for how to pay for this war in Iraq? Does anyone wish to tell me?

RUMSFELD: Senator, as we discussed earlier today, the debt that Saddam Hussein ran up is substantial, both in terms of normal debt and also in terms of reparations from the Gulf War. The debt payments, by international agreement, have been put off to the year 2004, so there will be no debt payments that would be made out of any funds appropriated here by the Congress.

The next step would have to be for the world community to restructure that loan, that debt in some way. What they'll decide to do, I have no idea.

BYRD: Are you saying, Mr. Secretary, that the U.S. can handle the costs?

RUMSFELD: The what?

BYRD: The United States can handle the costs?

RUMSFELD: If you're asking me whether or not the United States government can handle the expense of the bill that's pending before your committee, you, sir, are an expert on appropriations and this committee will have to make that judgment.

The way I look at it is that when I came to Washington, in the Eisenhower administration there was — we were spending about 10 percent of our GDP on national defense. And when I was secretary of defense the last time it was about 5 percent. And today it's about 3.1 percent.

I would say that the United States is capable of spending whatever it decides is necessary to provide for its national security. And I do believe that these investments are appropriate, I think they're prudent, and I hope that the Senate of the United States and the Congress will approve them.

BYRD: Well, if the president's \$87 billion request is approved, it is expected that the deficit for FY 2004 could reach \$535 billion.

BYRD: That assumes that we're spending the \$164 billion Social Security surplus in the streets of Baghdad.

If we were truly saving the Social Security surplus we would admit that we're facing a \$699 billion deficit. That is \$2,400 for every person in this country or nearly \$10,000 for every family of four. Our public debt will grow to over \$4.4 trillion, with an estimated 32 percent of that debt being held by foreigners. That is a very high cost for this country to bear.

Mr. Secretary, in your testimony before the Senate Appropriations Committee on March 27, 2003, you said, and I quote, "I do not believe that the United States has the responsibility for reconstruction. We want to participate in reconstruction. Other countries will want to participate in reconstruction. And the funds can come from frozen assets, oil revenues and the oil-for-food program," close quote.

Now the president is requesting that the U.S. taxpayer pay \$20.3 billion for Iraqi reconstruction.

Clearly, Mr. Secretary, you misjudged — and we all do misjudge situations and things; I've done so in my own life — you misjudged the extent to which oil revenues, foreign donations and other sources would produce revenue.

At the same hearing, you said that you expected over 60 countries would contribute to the reconstruction effort. Now, how much of those 60 countries actually have contributed? I believe you said that they've pledged \$1.5 billion.

RUMSFELD: I think that's what I said. I think that's the number that — however number of countries have done it, it ends up at the current time I think about \$1.5 billion.

But I don't think I did misjudge, I think I avoided judging, because I know I'm probably not smart enough to look into the future. What I said was what you said I said, except that I also said we have a responsibility to get that country on a path that it has a future for it.

All those things I mentioned have in fact contributed, Senator Byrd. Some money has come from assets that were discovered in the country. Some has come from the oil-for-food program. Some has come from contributions from other countries. Some has come from frozen assets. And some will come from the oil revenues.

We've been over this today a couple of times, and I can't remember quite what I said, but I think it was something like \$2 billion this year from oil revenues, something like \$15 billion or \$12 billion — \$12 billion I think next year, and then going up to \$19 billion the following year and \$20 billion the year after that.

Now, that's not nothing, \$20 billion a year at that point. And if you add it up, between now and '06 or whenever that is, the fourth year, it adds up to a good sum of money, \$20 billion, \$19 billion, \$12 billion and \$2 billion. I've been here so long I can't add that up in my head. \$53 billion — \$52 billion or \$53 billion. So their oil revenues will be contributing.

And now, will they actually prove to be that? Those aren't my estimates, those are the estimates of the Coalition Provisional Authority, the experts that advise them. They could be plus or minus 10 or 15 percent. But I think it's probably ballpark. But we can't see into the future.

STEVENS: Senator, Senator Bond would like to ask another question.

BYRD: Yes.

STEVENS: Is that possible?

BYRD: Oh, absolutely, yes.

STEVENS: Senator Bond?

BOND: Thank you very much, Mr. Chairman.

You know, as we were talking about the costs, obviously we're very much concerned about that cost, but I remember earlier today that you gave some costs of September 11th. We all know the cost in human lives: 3,000 people lost. But the figures you laid out in the cost to the United States economy of a terrorist attack, I haven't done the math in my head, but I know Dr. Zakheim is very quick.

Is there a ballpark estimate of the total cost of that one terrorist attack on the United States?

RUMSFELD: The Wall Street Journal made a stab at it, and I have not, and I'm sure there's some overlap in there. But the estimate comes to something more than hundreds of millions of dollars...

BOND: Hundreds of B...

RUMSFELD: Hundreds of billions of dollars, yes.

BOND: Hundreds of billions of dollars.

RUMSFELD: Yes. More than \$200 billion.

BOND: So what we're talking about is cost avoidance here.

I believe it was President Kennedy who said, "We'll bear any cost." Didn't he say something like that in terms...

RUMSFELD: Pay any price, bear any burden...

BOND: Yes, you have a much better memory than I do. I think that was the point.

You know, I was also struck with another point, about a specific time limit on deployment. You all are the experts, but just as a very interested legislator, it would seem to me that if you had a time limit on deployment, if you said, "All our folks are going to be out by next May," there would be a tremendous incentive for the terrorists, who know, "All we have to do is hang on until next May, keep knocking off one or two or three a day or a week, and if we can just reach that magic time line, we'll have our totalitarian government, we'll have our terrorist-harboring state back."

BOND: Am I wrong in that? Does that make any sense?

RUMSFELD: You're right on the mark. I think one of the worst things a government can do is to try to make a firm deadline on something when it's not possible to know that. And all it does is demystify the problem for the other side; it eases the difficulty for the other side, for the enemy.

BOND: We — I am concerned, I know some of my colleagues are concerned, that — a question was raised earlier about does this money allow the Iraqis to pay back the debts to France and Russia and others who supported Saddam Hussein.

I understand that the \$20 billion which is being requested in this supplemental will be spent under the direction of the provisional authority, and that money isn't going to go to anybody but the construction of facilities and the training of military and law enforcement officials in Iraq. Is that correct?

MYERS: That's correct.

BOND: And I guess if you looked at the debt service, \$200 billion of debt service, just the interest charges on it would be equal to what we hope to get out of oil next year. So my hope is, and my expectation is, that since the United States is stepping forward with its \$20 billion, that we would be in position not only to urge other countries to make contributions, obviously smaller in scope, but by the same token, once we have finished with that, I would hope there would be a continued discussion about whether, if and to what extent there would be any repayment of that existing debt.

You know, if you go through bankruptcy, creditors don't get paid — a creditor is lucky to get seven cents, 10 cents on a dollar, and if there was ever a bankrupt regime, I would say it would be the former regime of Saddam Hussein. Am I wrong in that analysis?

ZAKHEIM: Well, Senator, no, you're right. As the secretary said, the international community has agreed not to address debt at all for a full year, so 2004 they're not even looking at it.

And then I think the game plan is to revisit all of this, and use exactly the arguments you've been making. And certainly I think from our perspective the hope would be that, yes, we're talking about 10 cents on the dollar or less.

BOND: As I recall, when the president announced that we were going to conduct a war on terrorism and bring the terrorists to justice or bring justice to them, I don't believe he put any time limit on how long it was going to be to win that war on terrorism, did he?

Was there any idea at the time that even wiping out the Taliban and the Saddam Hussein regime would end terrorism?

RUMSFELD: No, the only thing I believe that I or the president ever said is that it's going to take time; it's not something that's going to be done quickly.

I should make a comment about Dr. Zakheim's comment. I'm sure he speaks from a pinnacle of considerable knowledge, greater than mine, that's for sure, but I should add that that is not a subject that's a responsibility of the Department of Defense. It's the Treasury Department, and how that gets sorted out will be sorted out by them and by the White House, as opposed to DOD.

BOND: Well, I think we're going to have a lot of legislative input on that, and that's — I ask that for my own edification, because I believe that will be part of the discussions as well.

As I understand it, the war on terrorism may go on for a long time, but once we have destroyed the safe havens for terrorists, from a military standpoint that becomes a much different kind of enterprise, doesn't it?

If there were no longer states like the former Afghanistan and the former Iraq that harbored terrorists — and maybe General Myers could comment on this — how would it change the operation that one would conduct and how one would fight terrorism?

MYERS: I think the president laid the goals of the war on terrorism out right after September 11th, and he said that we've got to degrade and disrupt international terrorist organizations, we've got to deny safe haven, that's number two, and three, we've got to make sure that weapons of mass destruction don't fall in the hands of terrorists.

And, Senator Bond, I think you're absolutely right, that safe haven part is a big piece of that. We know they used Afghanistan to train and to plan operations to include September 11th. And that sanctuary is no longer available to them.

Other countries, states — the rogue states, the ones on the terror list, also provide those opportunities, as does other ungoverned areas in the world, and Somalia — parts of Somalia — most of Somalia I think falls in that category.

But there are other things that happen and so that would be a big help.

And you're also right in that it's not just a military operation. Right now, obviously, the military is in the spotlight because of operations in Iraq and Afghanistan, but there are many other elements of our government, and for that matter governments around the world, that are helping in this problem.

MYERS: And that part — no matter where the safe havens go, I think the safe havens go a long way to hurting these organizations.

But they have shown great resiliency. They think. They adapt to their environment. So once the safe havens are gone, they will find other ways, probably, to operate. And while there might not be military tasks that are needed, there'll certainly be other tasks for this government to reform, whether it's Treasury and money, whether it's the intelligence agencies, Commerce, everybody that has a play in this.

So I think your basic premise is right. It'll go a long way toward confronting this threat. I don't think it'll be the final blow though.

RUMSFELD: Could I add one thing? John Abizaid, General Abizaid, touched on it earlier briefly. Existing terrorists are one thing, and they are whatever they are. It's hard to know from an intelligence standpoint, but it's finite. Whatever they are, there's a number.

The problem is more being made, more being taught, more being persuaded that their goal in life ought to be to kill people, innocent men, women and children, and that their goal in life ought to be to oppose the West, their goal in life ought to be to oppose any regime that is not ideologically perfect from their standpoint. So any secular regime, even though it may be a Muslim regime, it could be vulnerable to their hostility.

That's a problem for the whole world. That's a problem that, to the extent a religion, a religion that has an impressive history, is hijacked by a small number, not by a lot but by a small number of human beings and they are being produced in schools and being funded by people who believe those things, then the world has a problem.

And so we need to do all the things we're doing. But we need to something more than that. We need to find ways to see that the people of the world recognize the danger and the threat that that poses to the world, particularly given the availability of these technologies and the availability of weapons of increasing power and the fact that it's so difficult to prevent their proliferation.

And if you have people who are being taught this, who are willing to give their lives up and they have access to those kinds of technologies, the world faces a threat that is greater than a terrorist state. It is greater than a rogue state. It is greater than an ungoverned area. It is a problem of the world producing people who think that and the necessity for us to find ways to compete with those ideas and to win the battle of ideas.

BOND: Well, I would agree with you the competing in the world of ideas, showing a better way — the other path, rather than the Shining Path in Peru, was very important. And I think, actually, what you're talking about is not the Muslim religion but the Wahhabism and the others that have gone off in the ways that are traditionally counter to the peaceful teachings of that religion.

But just a final area of comment: I had asked you, General Myers, some time ago, about the same question my colleague, my good friend, from West Virginia asked about the deployment of reserves and guards men and women. Are there timetables being set? Are there rotation schedules that are being conveyed to these people?

I had questions from home about that as well, about, "When will we get our father, our mother back? When will I get my employee back?" Are you able to tell them some...

MYERS: Yes. And there absolutely are. And I think we can today — for those deployed and for those that may be called up in the future, we can communicate to them and their families and to their employees with much greater precision when they're going to leave, when they're going to come back. You bet.

BOND: Do you have any ideas on what the mix of Guard and active forces will be over there next year? Have you thought through the plans for that?

I know, and I would certainly agree with the secretary, that some of the skills now possessed primarily in the Guard and the Reserves need to be in the regular Army. But until you could train those, do you know what the force structure might be next year?

MYERS: In the macro sense, as we talked about earlier, during the height of the major combat in Iraq, we had 223,000 reserve component individuals called up. We've reduced that now by 50,000, so we're over 50,000 — we're just a little less, right around 170,000 reservists called up.

Before major combat operations in Iraq, just for protecting the United States of America with our Operation Noble Eagle and some other demands in other parts of the world, we were around 50,000 steady state on the war on terrorism. So that leaves you the remainder that are contributing primarily to Afghanistan and Iraq, that number of 120,000, which we think will go down somewhat.

In terms of how we're going to be used in the future, we know in the next rotation — and the units have already been alerted that will participate in that rotation.

Beyond that, there are several options, depending on what happens. If we get a multinational division in, that's one solution. If we need more U.S. forces, depending on how the situation goes. It could be reserve component. It could be United States Marines. It could be a combination of active Army and Marines.

Those options are still being looked at, have not been decided upon yet. But they will be far enough in advance to provide the kind of predictability that I talked about earlier.

MYERS: And for the most part, will impact units that have not been called up recently.

BOND: Thank you very much, gentlemen.

My time's expired and I apologize and thank the chair and ranking member.

STEVENS: I know Senator Feinstein's returned — the senator from Kansas mentioned the Liberation Act that was passed in 1998. And it's been called to my attention that Section 7 of that act said: "It's the sense of the Congress that once the Saddam Hussein regime has been removed from power in Iraq, the United States should support Iraq's transition to democracy by providing immediate and substantial humanitarian assistance to the Iraqi people, by providing democracy transition assistance to Iraqi parties and movements with democratic goals, and by convening Iraq's foreign creditors to develop a multilateral response to Iraq's foreign debt incurred by Saddam Hussein's regime."

The senator from California wish to be recognized?

FEINSTEIN: Thank you...

BYRD: Would the senator yield to me...

FEINSTEIN: I certainly will.

BYRD: ... on my time?

My earlier question — and let me just make it clear for the record. My earlier question regarding limiting deployments was specifically applied to the National Guard and Reserve forces. I did not suggest ending deployments at all — underline "all" — American troops. I thank you.

FEINSTEIN: Thank you very much. Thank you.

One additional MILCON question.

STEVENS: Can the senator yield just for a moment?

I'm informed that we're soon going to come to the process on the floor of calling up the conference reports that have

been taken up — the homeland security bill has been — conference report has been taken up. We have the supplemental conference report that will be taken up, and the defense bill for 2004, it's conference report will be taken up this afternoon. So I hope that we can agree on a time to end this hearing soon.

FEINSTEIN: I have two questions.

STEVENS: Yes, thank you.

FEINSTEIN: Thank you, Mr. Chairman.

Mr. Secretary, you certainly have staying power. Congratulations.

RUMSFELD: Thank you.

FEINSTEIN: Again, this is a MILCON question. This request includes nearly \$300 million for Air Force military construction for projects in Southwest Asia in support of the Iraq and Afghanistan operation. Of particular interest to me is the identification of the Al Dhafra Air Base in the UAE as a, quote, "main operating base," end quote, to provide an enduring presence in Southwest Asia.

And my questions are these: How many enduring bases does the United States military currently have in the Central Command region and where are they? And then, are there plans to establish additional enduring bases in the region? If so, where? And do you plan on adding enduring bases in Iraq?

RUMSFELD: The answer to the latter is no. The first part of the question I'll let Dick comment on. The middle part about the future, I can address.

We have spent a great deal of time — the better part of 2.5 years looking at our footprint around the world. We're making an effort to adjust it to fit the reality that the 21st-century security environment is notably different from when that footprint was first established.

So we're looking at Northeast Asia, we're looking at Europe, we're looking at CENTCOM and Africa and Latin America, and we have the areas of responsibility coming forward to us with their proposals and their ideas. But they tend to be a bit stovepiped.

We're now in the process of integrating those at which point we then would have to go to the president with a proposal. We then have to look at cost and the kinds of things that MILCON are so critical to and phasing and then we would have to go to our allies.

So I'm — we're well along in that process, and it's going to result in some proposals for some relatively significant changes over a period of time, which we would have to work out closely with the Congress.

But we're not able to answer that because we've not gotten our thinking finalized, nor have we made a proposal to the president.

Do you want a comment on the current situation?

FEINSTEIN: Right. And what the \$300 million is for specifically?

RUMSFELD: You can do that. I think Dov can do this.

MYERS: OK. And I'll start with the bases.

First, in Afghanistan, Bagram Air Base in Afghanistan is our main operating base inside Afghanistan right now. It has, of course, the headquarters for Joint Task Force 180. It also has a limited number of fighter aircraft. It's also a logistics hub.

There are other — two support bases, one in Kyrgyzstan and one in Uzbekistan that support it. The one in Kyrgyzstan, we call Manas and the one in Uzbekistan is Karshi Khanabad or K-2. And there have been improvements made to all of those.

I think the only one in the supplemental is Bagram. And Bagram is one of those bases that suffered greatly during the war with the Soviets. As you probably recall, mines are a problem and there's — the facilities there are just very, very bad. And I'll let Secretary Zakheim talk about those.

When you go down to the Gulf states, as we have pulled out of Prince Sultan Air Base in Saudi Arabia, the relocation of that capability has fallen primarily into two areas. One is Al Udeid Air Base in Qatar and that's where the air operations center is. It's also very close to where General Abizaid's forward headquarters is, which is just down the road. That is the big logistics hub for our war on terrorism and for events in Central Command. So that's Al Udeid, you'll see several projects in the supplemental that help us with Al Udeid.

And then there's Al Dhafra, which is in the UAE, which has taken a lot of the intelligence, surveillance and reconnaissance assets, and to include tankers. It is a fairly — have always been a fairly crowded air base because the UAE uses it, as well, as you would expect, and there were some improvements to that air base.

MYERS: But those are two of the primary bases that we expect to use in the foreseeable future for the war on terrorism, given that that Central Command AOR is...

FEINSTEIN: So you're saying the \$300 million goes for Bagram and the UAE base essentially?

RUMSFELD: Dr. Zakheim will answer that question.

ZAKHEIM: Yes.

RUMSFELD: Before he does, I believe you used a word "enduring" in your question, and I wouldn't want Dick Myers' answer to be connected to your question enduring. Because what I said earlier is the fact, and that is that we're reviewing the footprint, which bases should be enduring, which bases should simply be warm bases where we may exercise from time to time. And all of those things are open and would be discussed, of course, with the MILCON committees.

MYERS: Exactly right.

RUMSFELD: Just to give you the details, the chairman mentioned Bagram. That's \$48 million.

There's \$3.5 million for a switch facility at Diego Garcia that supports operations, both Iraq and Enduring Freedom.

You've got \$47 million for Al Dhafra, that the chairman spoke about.

\$18 million for an airlift ramp in Iraq, but that's simply a contingency parking ramp; there's nothing permanent there.

Airlift apron, \$17.5 million, at a classified location. I can tell you right afterwards if you like where exactly that is.

Al Udeid, again the chairman mentioned that. You've got a total of \$60 million for two projects at Al Udeid.

You have \$15.3 million more in Al Dhafra.

And then you've got some additional funds for facilities that have been supporting operations in the theater but are not actually physically located in the theater. Some \$5 million for munitions maintenance, storage and a washpad at Camp Darby in Italy, which, as you know, has been supporting theater operations. And then constructing the — we need additional money for the roofs that collapsed at Dover Air Force Base, which is the base that does the most support of in-theater operations.

FEINSTEIN: But the \$15.3 million at Al Dhafra...

ZAKHEIM: Yes.

FEINSTEIN: ... will make that a main operating base; is that correct?

MYERS: It is one of the — as I mentioned, Al Dhafra is, from the standpoint of our tanker fleet and the standpoint of our intelligence, surveillance reconnaissance fleet, once we pulled out of Prince Sultan Air Base in Saudi Arabia, it has picked up some of that load. And that's what that's for. That ramp, it's a ramp and living facilities now that we have more people there. So it becomes an important facility for us.

FEINSTEIN: You mentioned, General, that there were 23 sites inside Iraq where the Army wants to provide temporary housing and support for soldiers.

MYERS: Base camps. Yes, ma'am.

FEINSTEIN: So the funding in this bill covers how many of those sites?

MYERS: My understanding is it covers all 23 of those sites.

FEINSTEIN: All of them are covered.

MYERS: Yes. That's my understanding.

FEINSTEIN: Thank you.

Thanks, Mr. Chairman.

ZAKHEIM: We'll get it for you for the record. Something tell me that it might be less, and I don't want to challenge the chairman on it. But we'll get you the right answer.

STEVENS: Senator Craig, do you...

(CROSSTALK)

BYRD: Could I ask you a question?

STEVENS: Yes.

BYRD: I have a meeting in our leader's office at 4 o'clock. In the meantime, I'd like to get a little sandwich. Could I ask you at this point, the next session is when?

STEVENS: Our next session will be tomorrow, Thursday, at 2 p.m., in Dirksen 106, this room, on this supplemental request, particularly directed toward Afghanistan.

BYRD: As I understand it, is it your plan — is it still your plan to mark up this bill on Monday of next week?

STEVENS: That is the request of our leadership and I intend to do my best to cooperate with it, that we mark up on Monday. We were going to do it on Tuesday, sir, but I've discussed that with you, we've moved that back to Monday.

BYRD: Let me implore that you wait until another day to have that markup. We can't possibly — our staffs can't possibly do a good job on preparing for that markup through the remaining few days that we have in this week, counting Saturday and Sunday, and there's just no reason why we ought to go to a markup that soon.

Now, I hope you'll discuss this further with your leader.

STEVENS: I'll do that, sir. I'll discuss it with our leader. But it's my understanding that they wish to bring this bill up on the floor next week, and we'd have to have it out on the floor for at least one day before we could call it up. So I do believe that we will have to go on Monday and finish that markup by Tuesday afternoon or Wednesday in order to achieve that goal of the leadership.

BYRD: Mr. Chairman, the House is not having any hearing on this bill next week. The House is not marking up this bill next week.

STEVENS: But the House is proceeding with the other appropriations bills...

BYRD: That's true.

STEVENS: ... and we will be out of session the following week, the House will not be.

BYRD: Why do we have to mark this up Monday? I hope you will carefully study this request.

I want to protest on behalf of my fellow senators on this side and on behalf of myself any markup of this bill as early as next Monday.

STEVENS: As I said, Senator, I'll discuss it with the leader and tell him of your request, but his request to me was to initiate the markup so that the bill could be before the Senate next week.

BYRD: Very well.

STEVENS: I told him it would have to start by Tuesday. Because of our conversation we decided to start it on Monday and finish it on Tuesday night or Wednesday morning.

STEVENS: And that would mean it would be possible to take it up, hopefully, on Thursday.

BYRD: I thank the chair.

STEVENS: Senator Craig, did you wish recognition?

CRAIG: Yes, Mr. Chairman. Thank you.

Gentlemen, secretary, thanks again.

BYRD: Would the senator allow me one...

CRAIG: Certainly.

BYRD: I thank the senator.

I want to thank the secretary and General Myers, General Abizaid — Secretary Rumsfeld, I believe I named you. I haven't eaten yet so I may be doing a little repetition.

RUMSFELD: I haven't eaten either.

BYRD: Oh, I know. But you're a lot younger than I am.

RUMSFELD: Oh. Not much.

BYRD: I was 85 when I came into this hearing. I think I'm older now.

But thank you to Dr. Zakheim. Thank you all.

RUMSFELD: Thank you, sir.

BYRD: I know it's an imposition when you have to stay through these many hours without eating. That's not my fault. I said good-naturedly to my chairman here I had hoped we'd have additional days of hearings. That would allow for a little lunch.

But thank you again very much for your appearance.

MYERS: Thank you, Senator.

CRAIG: Thank you, Senator Byrd. I don't mean to boast, but I have had lunch and it was excellent.

(LAUGHTER)

Mr. Secretary, again, General Myers, thank you much for your obvious diligence here and your effort at full disclosure.

I think all of us are not surprised but we do grow frustrated over Iraq and especially the Baghdad area and others becoming the collection point for the world's terrorist crowds, if you will, or perpetrators of terrorist acts. It certainly appears that that is happening and that we're falling a bit of a victim to some of that at the moment.

It is obvious that the borders are amazingly porous or I know we're dealing with a large landscape out there. What provisions are being made in this request, if any, for greater border policing and interdiction, if you will, at the border to try to gain control of the Iraqi borders as best as we possibly can?

RUMSFELD: The funds in here, of course, are for all military operations relating to Iraq and Afghanistan. You're quite right: The borders are porous. We are doing a series of things with respect to the borders.

One is we're working with friendly countries to try to cooperate with them to have a much closer arrangement as to border protection, for example, with Turkey, Jordan, Saudi Arabia, Kuwait.

With respect to the borders of Iran and Syria, we have seen terrorists come in from both countries, in some case in relatively large numbers. And we have demarched them, as they say in the foreign policy business, allowing as how we thought that was enormously unhelpful.

We are also focusing a higher degree of military effort attempting to deal with the borders. And it's a combination of manpower as well as technical capabilities, which I don't want to get into.

And last, we're dealing with some Iraqi forces to train them to assist with the borders. And in addition, there is some negotiations and discussions taking place with some of the tribal elements that are in those areas, relevant areas, to solicit their cooperation.

So there's a recognition of the problem you've cited and there are a variety of things under way to try to cope with it.

Do you want to add a comment here?

ZAKHEIM: Yes. First of all, just to remind that Ambassador Bremer points out frequently, the border is about the size of our total U.S.-Mexican border. So it's a very long border.

We have, in the request for the \$20 billion part of the request, \$150 million to establish a department of border enforcement, which would hope for 13,600 new personnel, Iraqis obviously.

CRAIG: In developing that level of personnel, the training and all, is that a part of the overall military group who are standing up in Iraq, of Iraq?

ZAKHEIM: Yes. That's part of the \$5 billion security portion of that budget. And as the secretary mentioned, there are multiple components of that, civil defense and site protection, and this is one of them.

RUMSFELD: It's not part of the regular army — Iraqi army.

MYERS: It's a separate group.

RUMSFELD: Although one of the functions the Iraqi army could perform would be border control as opposed to internal type thing.

CRAIG: You know, Mr. Secretary, you spoke of the successes of standing up as many as you have already and are continuing to work on that as it relates to military. Are we doing as well as it relates to domestic or civilian police authority?

RUMSFELD: That number I mentioned of 56,000 providing security now, with another 14,000 recruited and in training, the 70,000, included the police.

CRAIG: It did include the police?

RUMSFELD: It includes the relatively small number of army people thus far, civil defense, border patrol, site protection and police, all of those combined.

You can go a lot faster with some disciplines than others. For example, the ones that are living in their own neighborhoods, like police and site protection, they don't need barracks. They need different periods of training. The army is going to need longer periods of training, barracks and better equipment, different equipment, more expensive equipment so it's more costly.

RUMSFELD: The advantage of the police and the site protection is that these folks live in the neighborhood. They are providing us additional intelligence. The more there are joint patrols between coalition forces and Iraqis, the better the language capability, the better the intelligence information that's flowing in, because those people live in the neighborhood and they know the drill.

CRAIG: Sure, OK.

Gentlemen, thank you. Thank you very much. I appreciate those comments.

STEVENS: Mr. Secretaries and General, I thank you very much for your attendance of this hearing.

I'd make one request to you. You've heard the opposition we face. If we don't get this money approved for the \$20.3 billion for the side that pertains to rebuilding and moving into a new civilian government for Iraq, what's the impact on military policy? We're there. We're not going to come home. So what does it mean? Are you going to set up a military government? What's ahead for us, in terms of an occupation force and the future, if we do not have the money to transition to a civilian government in Iraq?

RUMSFELD: Senator, you're exactly correct. We simply need those funds so that we can, in fact, invest in creating the Iraqi security forces so that they can take over the responsibilities for providing security in that country themselves.

The only alternative to that is additional United States forces over a sustain period of time and additional coalition forces.

STEVENS: We could not leave. If we left there, there'd be a bloodbath of the people that have helped us. So we're going to stay there. We're not going to run from this place. And what goes on, if we don't get Ambassador Bremer the money they need? That's what the American public needs to know and that's what I need to be able to tell the Congress when this bill comes up on the floor. So I hope you'll help me. Give us some...

ZAKHEIM: It's hard to imagine, Senator Stevens, that the security situation would in any way get better if we don't get those funds. There's only so much you can do militarily.

As General Abizaid said, this is not primarily a military problem, it's a problem of the political and economic development as well. If that doesn't come along, then we're going to be there, as you said — assuming we don't pull out, we're going to be there and the situation just can't get better, because the lives of the Iraqis isn't going to get better, because the infrastructure is not going to be fixed, because the engine for the power and the water and everything else that feeds the economy is not going to get better. We're not only going to be there, we're going to be in, in my view, a deteriorating security situation.

STEVENS: Well, thank you very much. It's going to be a tough fight on the floor, but we'll continue. Thank you for your presentation.

MYERS: Thanks, Chairman.

RUMSFELD: Senator Stevens, I can assure you the president of the United States is exactly where you are. We're not pulling out.

STEVENS: Thank you.

We'll be in recess until tomorrow, the 25th at 2 p.m., in Dirksen 106, this room. We'll hear testimony on the supplemental request, particularly relating to Afghanistan. Our witnesses, to start off where we — Senator Pete Pace, the vice chairman of the Joint Chiefs of Staff, and Dr. Zakheim, the DOD comptroller, who's been with us all day.

END

NOTES:

[????] - Indicates Speaker Unknown

[—] - Indicates could not make out what was being said.[off mike] - Indicates could not make out what was being said.

PERSON: TED STEVENS (94%); THAD COCHRAN (57%); ARLEN SPECTER (57%); CHRISTOPHER (KIT) BOND (56%); PETE V DOMENICI (56%); MITCH MCCONNELL (56%); CONRAD BURNS (55%); JUDD ALAN GREGG (55%); BEN NIGHORSE CAMPBELL (54%); KAY BAILEY HUTCHISON (53%); LARRY CRAIG (53%); ROBERT C BYRD (52%); DANIEL K INOUE (52%); PATRICK J LEAHY (51%); ERNEST F HOLLINGS (51%); HARRY REID (50%); TOM HARKIN (50%);

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