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HEARING OF THE HOUSE ARMED SERVICES COMMITTEE;
SUBJECT: THE FY 2011 NATIONAL DEFENSE AUTHORIZATION BUDGET REQUEST
FROM THE DEFENSE DEPARTMENT;
CHAIR BY: REPRESENTATIVE IKE SKELTON (D-MO);
WITNESSES: DEFENSE SECRETARY ROBERT GATES; CHAIRMAN OF THE JOINT
CHIEFS OF STAFF ADMIRAL MICHAEL MULLEN;
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REP. HOWARD "BUCK" MCKEON (R-CA): (In progress) -- the 2011 Quadrennial Defense Review. You write that your efforts to rebalance the department in 2010 continued in the Fiscal Year 2011 budget and were institutionalized in this QDR and outyear budget plan.

While we all commend you for your laser focus on the wars in Iraq and Afghanistan, I believe your efforts to make balance a fixture in the QDR and the outyear budget is too focused on the short term and puts the department on the wrong path for the next 20 years. Choosing to win in Iraq and Afghanistan should not mean our country must choose to assume additional risk in the conventional national defense challenges of today and tomorrow.

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

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

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

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

Let me conclude by addressing two controversial policy initiatives that the president has raised in recent weeks: repealing "don't ask, don't tell" policy and moving Gitmo detainees to the United States.

With respect to "don't ask, don't tell," I also look forward to you addressing the president's State of the Union call to repeal "don't ask, don't tell." Before the president or special interests force a change in the policy or law, Congress deserves to see from the services concrete, in-depth evidence that readiness concerns require a change and that such a change would not degrade wartime military readiness in any measurable, significant way. Many of us on this committee have serious concerns with putting our men and women in uniform through such a divisive debate while they're fighting two wars.

As far as the future of Gitmo, the administration requested a \$350 million transfer fund to finance all aspects of detainee operations at the U.S. naval station in Guantanamo, Cuba, or the Thompson Correctional Center in Thompson, Illinois. In my view, such a flexible transfer authority reflects the overall problem with this administration's detainee policy. There is no clear policy on how we will handle the detainees held at Gitmo.

Mr. Secretary, let me make my view clear: I do not support authorizing funds for a facility which will hold Gitmo detainees in the United States.

Once again, thank you for being here today and I look forward to your testimony in the question and answer session. I yield back my time.

REP. SKELTON: Before I ask our witnesses to give their remarks, let me speak very, very briefly about the unexpected occurrences as reflected by conflicts since 1977 -- unexpected: Operation Desert One, 1979; Lebanon, 1982; Grenada, 1983; Libya, 1986; Panama, 1989; Operation Desert Storm, 1990; Somalia, 1992; Haiti, 1994; Balkans- Bosnia, 1995; Balkans-Kosovo, 1999; Afghanistan, which began 2001; Iraq, which began 2003. And it gives us a bird's eye sketch of the unexpected. That's why we need the full spectrum of capability, and that's what we ask you to testify to today.

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

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

SEC. GATES: Mr. Chairman, members of the committee, thank you for the opportunity to appear before you to discuss the president's budget requests for Fiscal Year 2011.

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

I have a brief opening statement to provide an overview of the budget request. My submitted statement includes many more details that I know are of interest to the committee.

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

We're also requesting \$159 billion in FY 2011 to support overseas contingency operations, primarily in Afghanistan and Iraq, plus \$33 billion for the remainder of this fiscal year to support the added financial costs of the president's new approach in Afghanistan.

The base budget request reflects these major institutional priorities: first, reaffirming and strengthening the nation's commitment to care for the all-volunteer force, our greatest strategic asset; second, rebalancing America's defense posture by emphasizing capabilities needed to prevail in current conflicts while enhancing capabilities that may be needed in the future; and third, continuing the department's commitment to reform how we do business, especially in the area of acquisitions; finally, the commitments made in the programs funded in the OCO and supplemental request demonstrate the administration's determination to support our troops and commanders in combat so they can accomplish their critical missions and come home safely.

The budget continues the department's policy of shifting money to the base budget for enduring programs that directly support our warfighters and their families -- whether on the battlefield, recovering from wounds or on the home front -- to ensure that they have steady, long-term funding and institutional support.

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

The FY '10 budget proposals cut, curtailed or ended a number of programs that were either performing poorly or in excess of real-world needs. Conversely, future-oriented programs, where the U.S. was relatively underinvested, were accelerated or received more funding.

The FY '11 budget submissions and QDR are suffused with two major themes. The first is continued reform, fundamentally changing the way this department does business -- the priorities we set, the programs we fund, the weapons we buy and how we buy them. Building on the reforms of last year's budget, the FY '11 request took additional steps aimed at programs that were in excess or performing poorly.

They include terminating the Navy EPX intelligence aircraft, ending the third-generation infrared surveillance program, canceling the next-generation CG(X) cruiser, terminating the net-enabled command-and-control program, ending the Defense Integrated Military Human Resources System due to cost overruns and performance concerns, completing the C-17 program and closing the production line, as multiple studies in recent years show that the Air Force already has more of these aircraft than it needs, and ending the alternate engine for the F-35 Joint Strike Fighter, as whatever benefits might accrue are more than offset by excess costs, complexity and associated risks.

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

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

Just one example: For years, U.S. Defense planning and requirements were based on preparing to fight two major conventional wars at the same time -- a force-sizing construct that persisted long after it was overtaken by events.

The department's leadership now recognizes that we must prepare for a much broader range of security challenges on the horizon. They range from the use of sophisticated new technologies to deny our forces access to the global commons of sea, air, space and cyberspace to the threat posed by non-state groups delivering more cunning and destructive means to attack and terrorize -- scenarios that transcend the familiar contingencies that dominated U.S. planning after the Cold War.

We have learned through painful experience that the wars we fight -- apropos of the chairman's recitation of the conflicts since the mid-'70s -- that the wars we fight are seldom the wars that we plan. As a result, the United States needs a broad portfolio of military capabilities with maximum versatility across the widest possible spectrum of conflict. This strategic reality shaped the QDR's analysis and subsequent conclusions, which directly informed the program decisions contained in the budget.

Before closing, I would like to offer two thoughts to consider when assessing the U.S. investment in national defense.

First, the requests submitted this week total more than \$700 billion -- a massive number, to be sure, but at 4.7 percent of gross national product, it represents a significantly smaller portion of national wealth going to defense than was spent during most of America's previous major wars, and the base budget represents 3.5 percent of GDP.

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

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

REP. SKELTON: Mr. Secretary, we thank you. Admiral Mullen?

ADM. MULLEN: Mr. Chairman, Mr. McKeon, distinguished members of this committee, thank you for the chance to appear before you and discuss the state of our military as well as the president's Fiscal Year '11 defense budget submission.

I also thank you all for the extraordinary support you provide each and every day to our men and women in uniform, as well as their families. That they are well-equipped, well-trained, well-paid and enjoy the finest medical care anywhere in the world is a testament in no small part to your dedication and stewardship.

I have seen many of you in the war zone, in hospitals and at bases all over this country. They know you care. Just as critically, they know their fellow citizens care. All they want right now is guidance on the mission before them and the tools to accomplish it. That's why I'm here today, to

speak on their behalf about the guidance they are getting from this department and to secure your continued support for the tools we want to give them.

Secretary Gates has already walked you through the major components of the Quadrennial Defense Review and the president's fiscal year '11 defense budget submission, both of which, when combined with the new Ballistic Missile Defense Review and our overseas contingency operations fund request, build upon the reform effort of last year and represent as comprehensive a look at the state of our military as I have seen in my more than 40 years of service.

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

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

I'm sure you have stayed abreast of our relief efforts in Haiti, where more than 20,000 of your soldiers, sailors, airmen, Marines, Coast Guardsmen are pitching in feverishly to help alleviate the suffering of the Haitian people. It is truly an interagency and international mission, and these troops are blending in beautifully, doing what is required, where and when it is required, to support the government of Haiti, USAID and the United Nations mission there.

We also continue to do what is required to win the wars we fight, and the one that needs fighting the most right now is in Afghanistan. You've seen the reports and you know the situation. The Taliban have a growing influence in most of Afghanistan's provinces, and the border area between that country and Pakistan remains the epicenter of global terrorism. You no doubt followed with great interest the development of the president's strategy to deal with this threat -- a strategy that, in my view, rightly makes the Afghan people the center of gravity and the defeat of al Qaeda a primary goal.

We have already moved nearly 4,500 troops to Afghanistan, and expect that about 18,000 of the president's December 1st commitment will be there by late spring. The remainder of the 30,000 will arrive as rapidly as possible over the summer and early fall, making a major contribution to reversing Taliban momentum in 2010. Indeed, by the middle of this year, Afghanistan will surpass Iraq, for the first time since 2003, as the location with the most deployed American forces. Right now, the Taliban believe they're winning. Eighteen months from now, if we've executed our strategy, we'll know that they aren't, and they will know that they can't.

Getting there will demand discipline and hard work. It will require ever more cooperation with Pakistan, and it will most assuredly demand more sacrifice and more bloodshed, but the stakes are far too high for failure. That's why we are asking you to fully fund our Fiscal Year '10 supplemental and the Fiscal Year '11 overseas contingency operations requests. It's why we want a 6-percent increase for Special Operations Command. And it's why we need your support to develop and field the next-generation Ground Combat Vehicle, to allow us to grow two more Army combat aviation brigades, and to continue rotary-wing production, including nearly \$3 billion for the V-22 Osprey program.

In keeping with the secretary's strong emphasis on ISR, an emphasis more than justified by our long experience in Iraq and Afghanistan, we are asking for more capability in unmanned aircraft and ground-based collection systems, including nearly \$3 billion to double the procurement rate of the MQ-9 Reaper by Fiscal Year '12.

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

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

That leads me to the second thing I'd like to consider -- proper balance. Winning our current wars means investment in our hard-won irregular warfare expertise, a core competency that should be institutionalized and supported in coming years. And we are certainly moving in that direction, but we must also maintain conventional advantages. We still face traditional threats from regional powers who possess robust, regular and, in some cases, nuclear capabilities. These cannot be ignored.

The freedom to conduct operations in support of joint, allied and coalition efforts, assuring access and projecting combat power, can only be preserved through enduring warfighting competencies. In the air, this means sufficient strike aircraft and munitions capable of assuring air superiority. At sea, it means having enough ships and enough sailors to stay engaged globally and keep the sea lanes open. On the ground, it means accelerating the modernization of our combat brigades and regiments. On the whole, it means never having to fight a fair fight.

Thus, the president's budget request will buy us another 42 F-35s. It will maintain a healthy bomber-industrial base. And it will fund development of a Prompt Global Strike system, as well as efforts to upgrade our B-2s and B-52s.

For ship construction, the spending plan totals some \$16 billion, procuring 10 new ships in 2011, including two Arleigh Burke destroyers, two Virginia class submarines, two littoral combat ships and a brand new amphibious assault ship. It puts the Navy on track to maintain aircraft carrier construction on a five-year build cycle, resulting in a long-term force structure of 10 carriers by 2040.

Our budget request also seeks \$10 billion for ballistic missile defense programs, including 8.4 billion (dollars) for the Missile Defense Agency. And it devotes ample resources to improving our cyber defense capabilities.

Again it's about balance. It's about deterring and winning the big and the small wars, the conventional and the unconventional -- two challenges, one military. But where balance is probably most needed is in the programs and policies concerning our most important resource, our people. And that's my final point.

This QDR and this budget build upon superb support you and this department have provided our troops and their families for much of the last eight years. Stretched and strained by nearly constant combat -- many of them on their fifth, sixth and even seventh deployments -- our men and women are without question, and almost inexplicably, the most resilient and battle-ready force in our history.

On the one hand, we keep turning away potential recruits, so good is our retention and so attractive our career opportunities. On the other hand, we keep seeing an alarming rise in suicides, marital problems, prescription drug addictions and mental health problems.

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

And so you will see, in this budget, nearly \$9 billion for family support and advocacy programs. You will see child care and youth programs increased by \$87 million over last year. And you will see a boost in warfighter and family services, to include counseling, to the tune of \$37 million. Military spouse employment will get a \$2-million plus-up, and we will increase the budget to \$2.2 billion for wounded, ill and injured members. In fact, the health-care funding level for Fiscal Year '11 is projected to provide high-quality care for 9.5 million eligible beneficiaries.

Lastly, we are pushing to dramatically increase the number of mental health professionals on staff and advance our research in traumatic brain injuries and post-traumatic stress. We know the strain of frequent deployments causes many problems, but we don't know yet fully, nor understand fully, how or to what extent.

So even as we work hard to increase dwell time, time at home, aided in part by the additional temporary end strength you approved last year for the Army, we will work equally hard to decrease the stress of modern military service. Indeed, I believe over time, when these wars are behind us, we will need to look closely at the competing fiscal pressures that will dominate discussions of proper end strength and weapons systems. A force well suited for long-term challenges and not necessarily married to any current force-planning construct will be vital to our national security.

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

REP. SKELTON: Admiral, thank you so very much.

At the witness table, Undersecretary Bob Hale, the comptroller, is also in attendance, and I understand he will remain available for questions as they would arise.

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

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

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

SEC. GATES: First of all, I would say that we clearly are improving the capabilities and resources that we have for the kind of fights we have been in since the Vietnam War; a broad array of conflicts, requiring a broad array of capabilities. The mantra that I have used is the one that I used in my opening statement. We must acquire the greatest, the most versatile possible set of capabilities for the broadest possible range of conflict because I believe one of the lessons of Desert I and of the invasion of Iraq in 2003 is that it is unlikely for another power to come at us head on. They will come at us asymmetrically, coming at us where we are vulnerable not where we are strong.

But we have put into this budget capabilities such as the growth and capabilities of the Special Operations Command and Forces is now in the base but we are moving that into the base budget out of the supplementals and the overseas contingency operations funds. Helicopters, ISR, the full range of capabilities that are needed to deal with the kind of fights we're in today, the kind of fights we've been in for the last 35 years, and I believe the most likely kind of fights that we're going to face in the future.

But by the same token, I would take the strongest possible issue with those who say we are neglecting the potential future fight or the capabilities needed to take on high end adversaries. The reality is in this budget, half the procurement budget is going for systems that are purely associated with modernization of conventional capabilities, about 7 percent for, if you will, the fights we're in, and about 43 percent for dual purpose capabilities -- C-17s, and other capabilities that will be used no matter what kind of fight we're in. But just let me run through the list in about 30 seconds here of what we have in this budget in terms of conventional modernization capabilities.

We have an initiative for long range strike, an initiative for conventional prompt global strike, a new generation bomber, a new SSBN, the F-35, the MQ-9, ballistic missile defense, the Virginia class attack submarines, new Army ground combat vehicle, upgrades to the B-2 and the B-52, and a number of initiatives on cyber. And I would just use one statistic before turning the microphone over to Admiral Mullen. And that is even with the restructured F-35 program in 2020, the United States will have 20 times more fifth generation aircraft than the Chinese, and about 13 to 15 times more than the Russians. And the gap only gets bigger after that. So I think there is a broad balance in this budget and it takes into account what I think is its underlying premise, which is most versatile possible array of capabilities for the widest possible range of conflict.

REP. SKELTON: Thank you. Admiral Mullen.

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

Secondly, I've been working in the Pentagon a long time and there are thoughts that we have somehow moved out of the conventional world, which is not the case. As indicated by the invest-

ment profile, and this is a hard place to move the pendulum and we continue to move it to get the right balance. By no means is the pendulum swung too far at this point.

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

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

REP. SKELTON: Admiral, we thank you. Mr. McKeon.

REP. MCKEON: Thank you Mr. Chairman. Mr. Secretary, Admiral, I mentioned in my opening statement, "don't ask don't tell" and Gitmo. With respect to "don't ask don't tell," first I would like to echo the concerns raised by my counterpoint on the Senate Armed Services Committee yesterday. You made clear in your testimony that the military stands ready to implement a repeal of "don't ask don't tell." Yet this position in support of repeal comes before your service chiefs have had the opportunity to conduct an in-depth review of the impact a repeal would have on military readiness.

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

REP. SKELTON: Without objection.

REP. MCKEON: I'd also ask when this committee should expect a response from the Department to that letter.

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

REP. MCKEON: Thank you very much --

SEC. GATES: Do you want me to --

REP. MCKEON: From Istanbul? (Laughs.)

SEC. GATES: I'm sorry?

REP. MCKEON: From Istanbul?

SEC. GATES: Yeah.

REP. MCKEON: (Laughs.)

ADM. MULLEN: We have reach. (Laughter.)

REP. MCKEON: Thank you. On the transfer of the Gitmo detainees, giving the rising recidivism rate around 20 percent of former Gitmo detainees returning to the fight, are you reevaluating the Defense Department's Gitmo transfer policy?

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

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

REP. MCKEON: One hundred and fifty million (dollars) when we had the briefing before the holiday break, they added up several costs and I think it was more like 500 million (dollars).

SEC. GATES: Yeah, that's just our part Mr. McKeon, there is a Justice Department element and a Homeland Security piece.

REP. MCKEON: Right. Do you agree with the policy that prohibits transfer of Gitmo detainees to countries that are, one, on the state sponsored terrorism list; two have active al Qaeda cells within their borders; and three have confirmed cases of former Gitmo detainees that have returned to the fight?

SEC. GATES: Well I would say that I certainly would have a problem returning them to countries that are on the terrorism watch list. If you take countries where there's been a recidivist problem that would include both Saudi Arabia and Afghanistan I don't think I'm prepared to draw that kind of a limit. And we after all -- we don't even know if we have al Qaeda cell here in the United States. So, you know, Somalia, Yemen for sure, North Africa and different places. So I frankly think that's probably too restrictive. Having a cell doesn't mean that the government isn't concerned about terrorists and isn't acting aggressively against those terrorists. We find ourselves in that same position.

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

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

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

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

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

SEC. GATES: No.

REP. MCKEON: What impact did giving the Miranda rights have on our ability to collect intelligence, if any, when we gave those rights to Abdulmutallab -- I'm having trouble learning how to say these long words -- a known al Qaeda operative, only 50 minutes after beginning the interrogations?

SEC. GATES: Well, I think that -- I mean, I don't know because I haven't read the interrogation reports. I have been told that valuable information was obtained from him prior to that time. I think we have protocols in place now for a high-level interrogation group that is comprised of experienced FBI and intelligence community interrogation experts that will be available for future such cases, and the reality is, under existing law, if a person who has attempted a terrorist act or is an alleged terrorist, is deemed a threat to the national security, there is the authority in the law to delay Mirandizing so that a full interrogation can take place.

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

SEC. GATES: Well, I would just say that, you know, the president asked for a review of several aspects of this, and I think it's fair to say that there were some useful lessons learned from that experience.

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

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

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

SEC. GATES: I'm just not sure.

REP. MCKEON: Thank you. Thank you, Mr. Secretary. Thank you, Mr. Chairman.

REP. SKELTON: I thank the gentleman. The gentleman from South Carolina, Mr. Spratt. We are now under the five-minute rule.

REP. JOHN SPRATT (D-SC): Thank you all for your testimony and for the service you render our country every day. I was in Afghanistan last week and impressed with the team we've got in place but also impressed, as I always am, with how daunting the challenge is if we want to accomplish what we do there. Let me ask you something that may seem a bit mundane, but is important to getting the budget to reflect reality as well as possible. That is the practice of putting a plug in the outyears for what it's likely to cost.

As I understand it, we've provided so far \$130 billion for Iraq and Afghanistan and, to some extent, Pakistan. We're to add 30 billion (dollars) to that, it'd take it up to 160 (billion dollars) that'd

make next year's level, approximately. In the years thereafter, under the budget you've submitted in the QDR, there's a plug, \$50 billion, which I don't think is a realistic plug; \$50 billion is a big comedown from \$160 billion in a one year period of time.

How do you plan to fill that plug and to give us realistic, likely expenditures for sustaining this effort in Iraq, Afghanistan and, increasingly, Pakistan?

SEC. GATES: Mr. Spratt, I think that the most accurate answer to your question is that I don't think a \$50 billion plug for the next couple of years reflects reality either. That's basically the direction that we've been given by OMB, but clearly, as we have done with both FY '10 and FY '11 through the preparation of the overseas contingency operations budgets, we can, closer to the time when combat is taking place and we know how many troops will be available or will be in the theater and so on, we can give a realistic estimate.

While I believe, for example, for FY '12 \$50 billion is too low, by the same token I could not give you a figure today or put a figure in the budget that I would have confidence would come close to being what the real number will be that is closer, so I acknowledge that the \$50 billion plug is inadequate, but beyond FY '11, it's just difficult to know what the right number would be.

REP. SPRATT: Given the difficulties we are experiencing right now in Iraq, do you expect that that period for withdrawal drawdown could be stretched out?

SEC. GATES: Based on recent conversations the chairman and I have both had with General Odierno, we do not expect that, no.

REP. SPRATT: Turning to a different subject, the F-35, you just yourself personally intervened to see what's happening with that program. Would you care to tell us -- give us an update on this problem?

SEC. GATES: Well, I think if I had to put it in a sentence, I would say that the program office was too optimistic in their estimates. The reality is the program has not experienced problems unlike those with developmental combat aircraft in the past. The reality is it's a good airplane. It's meeting the performance parameters. Part of the restructuring program is to put more money into test aircraft and a greater investment in software to limit the slip to about 13 months for the program. This means we'll also be buying fewer aircraft in advance of testing, but we think that we have a good program, as the chairman indicated in his opening statement.

We have funded this plane in recent years based on the estimates of the joint program office, partly due to the law that was passed here in the Congress but partly due to our own undersecretary, Ash Carter. We now have funded this program on the basis of the joint estimating team, the independent estimate of what the funding will be. So we believe that the funding that we have in this budget and in the outyears is a much more realistic profile of the funding for the aircraft.

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

SEC. GATES: Well, I think that what happened was that Undersecretary Carter not only had the jet estimate from last fall, but we also had a second jet estimate. Undersecretary Carter personally invested about two weeks of time, full-time, going into every aspect of the JSF program and

getting into the contracts, getting into conversations with the contractor, the program office, and various others, and it was basically his decision to restructure this program or to recommend the restructuring of the program and that decision was really only made within the last two or three weeks.

And I think it was the right decision and I obviously took the personnel action I did. I think we have processes in place now to monitor the performance of this program and, frankly, one of the reasons why we're getting a new program manager is to make sure that those kinds of things don't happen again.

REP. SPRATT: Thank you very much.

REP. SKELTON: Thank the gentleman. Mr. Bartlett.

REP. ROSCOE BARTLETT (R-MD): Thank you both for your selfless service. Mr. Secretary, you mentioned that they were going to come at us where we are vulnerable, not strong. I would suggest that one of our greatest vulnerabilities, our susceptibility to EMP attack, many of our weapons platforms are not hardened at all and those that are hardened may not be hardened enough. If, indeed, the threat is 100 to 200 kilovolts per meter, as the Russian generals told the EMP Commission, then we may have little hardening.

I suspect that after a robust EMP lay down, we would have little fighting capability remaining. You mentioned the political interest that's driving the Congressional interest and the Joint Strike Fighter engine. If there is an interest in the district I have the honor of representing I don't know of that interest, but yet I'm a strong supporter of this alternate engine because I think it's the right thing to do.

Just a couple observations that a noninitiate might make, looking at our advanced planning. First there's a couple of inconsistencies. We have unmanned planes and unmanned submarines, yet we still have people in ships and tanks.

And if you look at the mission of the Predator and the tank, the Predator in the sky gets information and it blows up things and that's pretty much what the tank does. And one might ask why do we still have people in tanks.

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

Which leads the non-initiate to make another observation, and that is that these too large and too few Naval assets are a real vulnerability. Indeed, I'm not sure we need to have that vulnerability. A study that was done by Art Cebrowski, one of three Naval architecture studies advocated a Navy of 6 (hundred) to 800 ships that would cost no more than our present 2 (hundred) to 300 ships.

Half the cost of keeping a ship at sea is the people on the ships. If you got half the people off the ship, you could buy 50 percent more ships. With the same budget, if you got all the people off ships, you could double the amount of money that we -- or the amount of ships that we have out there.

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

ADM. MULLEN: Thank you, Mr. Secretary. (Chuckles.)

SEC. GATES: (Off mike, laughter.)

ADM. MULLEN: I think the unmanned -- at least, Mr. Bartlett, where I am on this is the unmanned piece is it's got to be a balance. We're never going to get to a point where there aren't people, first of all. Secondly, and more --

REP. BARTLETT: There aren't many people on Predators, sir.

ADM. MULLEN: -- and Predators are an important part, but they're not going to win it by themselves nor will other unmanned vehicles and systems do that at least as far as I can see into the future. That's just how I see things right now. With respect to the tanks in particular, what is instructive to me is when I visit with my friends from other countries who are in counter insurgency fights and when I talk to General Petraeus and McChrystal and Odierno, they will single out the importance of tanks in counter insurgency and how many lives they've saved. So, again, I think it's balance there.

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

I'm very aware of Cebrowski's study. It was very theoretical. And if I were going to take LCS specifically which was supposed to come in at a couple hundred million dollars and is now pushing 5 (hundred million dollars) or 600 million (dollars) per copy, I would use it as an example of a relatively small, relatively very fast and light ship per se with a much reduced crew with some significant capability. And without reliving that history, it's very hard to create some kind of sustaining capability which is where I am and which the Cebrowski didn't support from my perspective.

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

REP. BARTLETT: Thank you, Mr. Chairman.

REP. SKELTON: I thank the gentleman. Mr. Ortiz, the gentleman from Texas.

REP. SOLOMON ORTIZ (D-TX): Thank you, Mr. Chairman. Thank you both for being with us today, and I appreciate both of you detailing the Department's priorities. But you know many Army units that are not deployed face significant readiness shortfalls in equipment, personnel and training.

Assuming that the drawdown in Iraq takes place on schedule, how much will readiness improve for non-deployed Army units in Fiscal Year '11. And the reason that I ask this question is because I've had a chance to travel. We came back from Italy and then we went to Germany, and then we visited some local units. How much will that improve for non-deployed units in the Army especially?

ADM. MULLEN: What General Casey lays out with the build-up in Afghanistan and the draw down in Iraq, it is probably the end of 2011 before he will be at dwell time two to one -- twice as long at home as I am deployed. That's what we look at. The Marine Corps will be there much near the end of 2010. And both the Commandant and the Chief of Staff of the Army talk to that dwell time as a time when they can really start training to the broader spectrum of capability. And right now they're still obviously very focused on training to the wars that we were in.

I haven't seen for a long time any significant degradation in readiness for the units that are being tasked and trained and getting ready to fight these wars. There are still differences on some equipment requirements and those kind of things, but nothing substantially or nothing major across the board and that's from my visits in-country here as well as in theatre and discussions with the chiefs.

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

ADM. MULLEN: Congressman Ortiz, as the Chairman has addressed the personnel side of it, let me address the equipment side. There is right now for Iraq roughly a \$19 billion bill for reset. That bill will probably be down to about \$14 billion by the end of this fiscal year and about \$6 billion by the end of 2011 for OIF.

We think that the reset then will take about two more years after that to be complete. So the full reset in terms of equipment would be for those forces in Iraq roughly 2013. The bill for Afghanistan for reset is estimated at about \$15 billion, and it will remain at \$15 billion until we start drawing down in Afghanistan. And then you'll see the same kind of glide path that I just described for Iraq.

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

ADM. MULLEN: Well, I mean I'll pick a couple. JSF which certainly is in my view at a time in a major program where there are often time struggles not just in aviation programs as the Secretary points out. But we get to this point when we're moving into testing and production, and there's going to be some bumps along the road. I'm not excusing them. It's just a really hard and difficult part of the program.

But the IOC for the first training squadron of 2011 is still on track. The IOC for the Marine Corps first squadron of 2012 is on track. For the Air Force, the 2013 is on track and the Navy in 2014. So we're at a point in time in the program that to me this is typical, and we need to work hard to make sure we stay on this track.

For the Predators, the unmanned vehicles, they've actually come on line at an extraordinary pace. Because of the urgency of war, oftentimes it generates that kind of both focus and capability, and that's really been since 2003 where we really didn't understand. We for the most part didn't understand what ISR requirements were. We knew what ISR was, but how much, what kind, et cetera. And what the Predator gives us as any unmanned vehicle does, it gives us a persistence that you can't have oftentimes with manned vehicles.

So there are differences. But we're in the heart of building many of these systems right now. And I think they will start to deliver here in the next few years.

REP. ORTIZ: Thank you so much. My time is up.

REP. SKELTON: I thank the gentleman. Mr. Jones.

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

Admiral Mullen, a couple weeks ago, maybe a week ago, I got a press call from Jacksonville, North Carolina, the home of Camp LeJeune and the question was about don't ask, don't tell and wanted to know my position, and I shared it with them. I told them that in the 15 years I've been in Congress, I've met many, many wonderful men and women in uniform of all services and I felt like I had a good feel for how they felt.

I realize that yesterday you said this was a personal feeling. I want to say I respect you for your personal feelings. But as chairman of the Joint Chiefs somewhat along the line of what Mr. McKeon was asking maybe in a letter but I'd like to ask you today, do you know the feelings of the service chiefs as to how they feel on a repeal of don't ask, don't tell.

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

REP. JONES: Right.

ADM. MULLEN: -- that I do not know what the impact will be and I do not know what the implementation requirements will be and I need to understand that. There's very little objective data on this. It is filled, as you know, with emotion and strongly-held opinions and beliefs, and that's the work we have to do over the course of this year. And I also spoke very clearly to the need to understand that in terms of what the senior military leadership's principal concern is, which is the readiness and military effectiveness of the force.

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

REP. JONES: Certainly. I just want to make sure that I understand the process and your answer. There are times that you sit down with the service chiefs. I'm sure, whether we're talking about Afghanistan, Iraq, or any other situation involved in our military, that you do have discussions. I'm not asking you if you would say that the -- I mean, the general of the Marine Corps or the Army or whatever feels this way or that way but you have had these kind of discussions with the service chiefs and you do know -- I would hope that you as chairman of the Joint Chiefs -- I hope that you would know their feelings even though I'm not going to ask you to share those feelings with the committee at this time. But you do know how they feel about this issue.

ADM. MULLEN: We have had several discussions on this over -- oh, actually, over many months and, again, they will testify shortly and certainly, I would expect, to speak to it.

REP. JONES: Thank you. Mr. Chairman, I'd just like to -- because I want to wait to the next round possibly -- but, Admiral, I would like to on the next round, if there is another round, I would like to talk more in depth about the psychiatric needs of our military. There are some real serious problems and I know that you have done everything you can to reach out to try to bring more people who are trained as psychiatrists or psychologists. But this is an issue that I think I need the five minutes on the next round to pursue with you. So with that, Mr. Chairman, I'll wait until the next round. I'll yield back my 59 seconds.

REP. SKELTON: I thank the gentleman. Before I call on Mr. Taylor, Mr. Secretary, there are classified materials that were supposed to come in the QDR. Will they be forthcoming?

SEC. GATES: Let me look into it. I'm not sure, Mr. Chairman.

REP. SKELTON: We'd certainly appreciate that, and get back to us, please. Mr. Taylor.

REP. GENE TAYLOR (D-MS): Thank you, Mr. Chairman. I want to thank both -- all three of you gentlemen for your service to our nation. Mr. Gates -- Secretary Gates, when I saw the 82nd being deployed to Haiti, having been through something like that in my own district, it really struck me -- going back to Admiral Mullen's talk about the need to get as many of our troopers home for dwell time as they can.

I would really hope that you would explore every opportunity to fill that mission with volunteers from the individual augmentees from the Guard and Reserve. I've got to believe, given our nation's economic situation and the willingness of the Guardsmen and Reservists to serve, that you can fill that mission with people who want to be there and free these combat units up to have the dwell time at home that they deserve. Second thing is -- and is -- this is kind of following up on that -- I had, along with Chairman Spratt, the opportunity to visit some troopers from the 82nd down in Kandahar Province.

One of them was on his third deployment, the other on his second, and they both -- and they struck me as being extremely sincere and really unwilling to tell me this because on one hand they wanted to be good troopers -- on the other hand, they felt like they had to get it off their chest. They were extremely concerned about the rules of engagement. The trooper on his third tour said that, you know, here we are in Kandahar -- this is basically the first year of this conflict here and I'm experiencing rules of engagement in my first year of this conflict here that we were in in the fourth year in Iraq.

As things got better in Iraq we tightened up the rules of engagement. He was particularly disturbed at the idea of using the Afghan national police to search houses. And, again, this isn't me talking. I'm relaying a message that I told that young trooper I would. Interestingly enough, both of them mentioned that after this hitch they were getting out and, I think, to a large extent because of their concerns for the rules of engagement.

Now, I understand what General McChrystal is trying to do -- that if you unnecessarily kill an Afghan you've got that entire clan against you for the rest of their lives. But I would hope that you would keep this in mind. There has got to be a better way. And interestingly enough, his suggestion was he had no problem with using the Afghan national army to search these houses if you had to have an Afghan face on that search. But he had zero confidence that the Afghan national police in that area were doing their job when it came to searching these houses for bomb-making materials.

Secondly, we're talking about reset. It was recently outside of Balad a amnesty day. Colonel from home had a -- told people turn in things that aren't on the books -- no questions asked. He had a two-mile long of vehicles that showed up outside his gate the next day for amnesty -- generators, fire trucks, ambulances, SUVs, everything under the sun -- all those things the taxpayers paid for that somehow made their way to Iraq. I don't have a problem with that.

But what I really want to see our department make is every effort to get those things home. Either get them back in your inventory or if you deem them something you don't need, given the budget constraints of our cities and states and counties get someone in the Guard or Reserve who used to be in local government, let them walk through and see if that generator has value back home -- if that fire truck has value back home -- if that SUV has value back home. Get the word to the state surplus agencies and let them decide whether or not they're willing to pay the cost to transport it back home. Taxpayers paid for these things.

We shouldn't let them go to waste and, above all, at the end of the day if you do it that way, if by some chance something shows up in the black market in Baghdad then we have at least given the 50 states in the territories an opportunity to purchase it first if they're willing to pay the cost of getting it home. And, again, the taxpayers paid for it. I know in the case of the Guard and Reserve they've got billions of dollars of shortfalls on equipment and I just think this is a heck of a lot better than leaving -- possibly leaving these things behind.

Lastly, on your Army new vehicle, I would highly recommend is somebody who gave this gentleman fits for the past four years -- General Brogan for that task. He's done a remarkable job of getting the mine-resistant vehicles tested, fielded, and delivered to Iraq and Afghanistan. It's my understanding his tour with the Marines is almost over. So whether it's in uniform or out of uniform, I would certainly hope that you would consider him for that job of developing that next generation of vehicle based on the great job he's done in his present capacity.

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

REP. SKELTON: Thank the gentleman. Gentleman from Missouri, Mr. Akin.

REP. W. TODD AKIN (D-MO): Thank you, Mr. Chairman. I have been asking the question for two years and I was told I was going to get the answer when the Quadrennial Defense Review came out. Unfortunately, I'm still sitting here and I've still got the same question. So I'm going to lay out a list of I think what I believe are facts and then I'm trying to ask these things don't seem to add up. Here are the facts.

First of all, the Navy's estimate of fighter shortfall was 243 planes -- the most recent one. Over five years that would be 48 planes a year. Second thing is is you're talking about having 10 aircraft carriers and I would submit that they work better if you put airplanes on them. Third point -- you acknowledged that you need to keep F-18 line through 2013. Next point -- JSF is badly behind schedule.

You've had 16 of 168 flight tests that were planned for '09, and I'm not getting into the JSF and the condition of that other than the fact that it is slipping. Your own statement, Secretary Gates, shows -- you said choose a 75 percent solution over the 99 percent solution. If you've got something

that works well and doesn't cost as much, let's look at that. And then I've just heard that we're talking about reform -- reform the requisition process and has to be based on realism. Well, regardless of how many aircraft you think we need, because that number seems to be about as slippery as an eel, if you've got about five years to possibly purchase them we've several times now put multi years in the budget encouraging you to look at that. And if you look at what the last number of the shortfall was, if you take 10 percent of 243 -- that's about what you'd save -- that's 24 aircraft -- that my taxpayers are going to get 24 more aircraft by getting that 10 percent discount.

If you buy at the lower rate that you've suggested for this year at 34 aircraft or whatever it is, you got -- it's still 17 aircraft is what you make by going multi year. So what doesn't add up to me, first of all, I don't think it -- I don't have any kind of sense that there's a real number that you're willing to stand up to. It's exactly what the shortfall is. But second of all, even that, if you're going to buy some why not get them at a 10 percent discount? That's my question.

SEC. GATES: Well, as you suggest we have orders out -- outstanding for, and funding for, we're asking for -- either have or are asking funding for 59 FA-18s, 23 Es and Fs and 36 Gs. We have -- the question of multiyear funding has come up before. We have looked at it, and according to the analysis that is available to me, with multiyear funding at the numbers we're looking at the savings is about 6-and-a-half percent.

And because of the long-term financial commitment associated with multiyear funding, we have a threshold of 10 percent. And so, it's pretty well below the 10 percent threshold. I would say there have been -- the shortfall in naval aircraft is a number that has, as you suggests accurately, has been moving around. The last figure that I saw in preparation for these hearings is a shortfall of about 100 aircraft in 2018. And there are a number of strategies that people have in mind for -- for mitigating that shortfall. So I think that's responsive.

REP. AKIN: So the strategies would mean we're just not going to fly them as many hours I suppose, cut back on training or something like that. I mean, strategies don't change the life of an airframe.

SEC. GATES: No, the mitigating strategies involving -- involve aligning air wing readiness with carrier readiness. It involves reducing the size of the Marine Corps' FA-18C squadrons. It involves using FA-18 E and Fs attrition reserve aircraft. So there are a number of things that we have.

ADM. MULLEN: The only thing I'd like to add, Mr. Akin, to this is the whole -- the investment in this budget in the EA-18 Growlers is a huge deal and a very positive step. Because we've been without a national expeditionary deployed ashore future because the Marine airplanes are going away here in the next few years. And that is a huge investment on the part of this department; and it's one that's much needed.

And the multiyear piece, those typically don't deliver unless you've got them out over many years. And the question obviously, I think for the FN-18 (sic\FA-18) is when is the line going to end? And part of this is matching up -- certainly, there are international buys that I'm sure you're aware of that are being sought to try to also strategically match that up as well. It's a great airplane, it's been a great airplane; we know that. But the JSF is the right answer for the future from the war fighting perspective, from my perspective.

REP. AKIN: Thank you, my time is up. Thank you Mr. Chairman.

REP. SKELTON: Thank you. Dr. Snyder.

REP. VIC SNYDER (D-AR): Thank you Mr. Chairman. And thank you gentleman for being here. We -- our nation is blessed to have you in the service that you provide to the country. It's particularly good, Mr. Secretary Gates, to see you here today without any sign of visible trauma from an encounter with ice or snow. I think the last time you were here you were -- at this time a year ago you had -- that was the time you had kind of splints, braces from falls on ice.

Mr. Secretary, I want to bring up a bit of a sore point. On January 27, 2009 when you testified here I asked about the issue of Berling. And you didn't have a response at that time, but you said you would get back to me for the record. We did get a response back -- coincidentally, it was exactly one year to the day later -- January 27, 2010. So it took one full calendar year to get a response, signed not by you but by Gail McGinn, the deputy undersecretary of defense for plans, performing the duties of the undersecretary of defense for personnel and readiness.

And I found the response unsatisfactory. Were you aware that it had taken a year for you to get back a written response to a question? And did you see this letter before it was sent last week?

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

REP. SNYDER: That's what I think too, but thank you.

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

REP. SKELTON: Without objection.

REP. SNYDER: I know there has been some press interest in the topic over the last year. If any press person would like a copy of these materials; I'd be glad to get them.

Before he left office, Secretary Pete Geren formally evaluated whether the two men that were shot in Little Rock in front of the recruiter qualified for the Purple Heart. One was killed, and one was wounded. They were both in uniform at the time, on active duty at the recruiting station. The conclusion was that they were not -- that the alleged perpetrator was considered -- I believe the phrase is a lone wolf or something like that.

I was -- which is all we ask is that anyone, in any kind of a war, and anywhere in the country or world be evaluated properly. I was reminded of this yesterday when Secretary Panetta -- I'm sorry, Director Panetta responded to a question about what he saw as the threats of al Qaeda. He specifically referred to one of his three threats as being loners. And I don't want to ask for a response today.

But if we now consider loners to be part of the national security threat from groups like al Qaeda, it may be time to evaluate our policy with regard to Purple Hearts. Specifically, if we in fact think that people can get motivated -- the alleged perpetrator in Little Rock in fact traveled to Yemen -- no indications he had any connections with formal terrorist groups. But it may be that we need to evaluate that policy if in fact we consider part of the al Qaeda threat to be their ability to motivate the so-called loners. And I would just leave that as an unanswered question today.

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

I mean, I know for a fact that when this debate went on in March of '03 when our troops went in to Iraq, that the debate continues. People don't lose their ability to debate policy issues because they're in the military at a time of war. So I think that that is a red herring; it's an argument that somehow men and women in uniform can't handle tough foreign --

REP. MCKEON: Would the gentleman yield?

REP. SNYDER: You have unlimited time Mr. McKeon. I only have five minutes. I'm sure the chairman will give you time at the conclusion here.

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

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

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

And if anyone would like to take me up on that offer, I'd be glad to try to arrange that kind of phone call so you could actually talk to somebody who is in uniform today on active duty. I appreciate you all's service.

REP. SKELTON: Thank the gentleman.

Mr. McKeon.

REP. MCKEON: Thank you Mr. Chairman. I'm concerned about the divisiveness of the debate, but I'm more concerned about the chance of something moving forward without a debate. That's my biggest concern. And I'd be happy to talk to you about it. I'll be happy to take you up on your offer.

REP. SNYDER: I'm not afraid of the debate. I don't think anyone is afraid of the -- the debate is going to be here. So I'm glad to hear that you're not afraid of the debate. It needs -- there is going to be a debate. There is going to be a --

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

SEC. GATES: Mr. Chairman, could I say something?

REP. SKELTON: Who is it?

SEC. GATES: This is me, down here.

REP. SKELTON: Oh yeah. (Laughter.) Certainly.

SEC. GATES: I have the rare if not unique experience of having led three huge public institutions -- CIA in the American intelligence community, the sixth largest university in the country, and now the Department of Defense. In each of those, I have led and managed change. And I've done it smart, and I've done it stupid.

Happily, I think, the stupid was early. But stupid was trying to impose a policy from the top without any regard for the views of the people who were going to be affected or the people who would have to effect the policy change. One of the purposes of the review that I have directed be undertaken by General Hamm and by J. Johnson is precisely so we can understand not just the views and concerns of the chiefs, but of our military people and their families.

And, the impact on unit cohesion, on morale, on retention; so we understand what these things are so we get some facts into this debate. Or at least some data that we think is reliable and objective. We're going to expand the RAND Study, as you suggested in your letter, to cover a broader range of issues than they did in 1993. But the role of a leader, it seems to me, is to set the goal.

But if you want lasting and effective change, you had better bring the people who are going to be affected by it into the discussion and get their views. And, at a minimum, it will help you mitigate whatever negative consequences there are.

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

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

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

Thank you.

REP. SKELTON: I thank you. Mr. Forbes, the gentleman from Virginia.

REP. RANDY FORBES (R-VA): Thank you, Mr. Chairman, and thank you, gentlemen, for being here. I want to shift the debate back to money and economics.

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

We also know that the ship-building plan that was submitted with the budget really brings us down from the floor of 313, that many of us thought was too low to begin with, to 300. OMB thinks we're more on a line to be 270. We know the Chinese are now at 290 with their ships.

And, bottom line, we're talking about needing another 2 (billion dollars) -- \$3 billion a year if we wanted to ramp that up. And there is a provision in the QDR to carry a carrier to Mayport, which would cost 600 million (dollars) to a billion dollars. Now, the cop-out is always to say we need to get balanced, but we can't do balance. We can't build a half a ship. We can't build half a facility at Mayport.

Of those four things, can you just prioritize those for me? If you had to do one through four, if we had that 2 (billion dollars) or \$3 billion that we had to allocate, give me a one, two, three, four prioritization of those items that I just recounted to you.

ADM. MULLEN: I have -- and I think you know this, Mr. Forbes -- been on record and would only reemphasize what I've said over several years. I think the strategic dispersion issue for our major assets, specifically a carrier in Mayport, is critical. I certainly share your concern about the investments in some of our large capital assets, as you've indicated, and the \$16 billion that's in the shipbuilding budget this year is very important.

But we have looked at, you and I and many others in the last decade, a requirement of certainly a minimum of 10 ships a year, and the floor where I was -- when I was CNO, of 313 ships of a variety as the floor. And I was concerned then and certainly remain concerned that we continue to chip away at that and won't have the Navy that we need in terms of overall size. So, capital investment there is absolutely critical.

Equally critical --

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

ADM. MULLEN: Actually, no, I can't.

REP. FORBES: You can't do that.

ADM. MULLEN: I mean, because I think they're all very important.

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

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

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

ADM. MULLEN: I think the risk, actually should an event occur, is very high.

REP. FORBES: Okay, but that was different than the admiral that did the plan who said it was very low. Is that correct?

ADM. MULLEN: I actually don't know.

REP. FORBES: Okay.

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

Also, we know that your shipbuilding report says that we can only expect \$15.9 billion per year, but if you look at the outyears of that plan, we would need about 17.9 (billion dollars). We know we've had cost overruns that raised the price up, not down. We know that there are limited federal priorities in terms of monies that we are going to have.

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

SEC. GATES: Well, as you and I discussed the last time we talked about the 30-year shipbuilding plan, I would tell you that I think the near-term estimates on the part of the plan have a significant degree of accuracy. I think the MIL range in years is based on analysis and studies, and we don't really know for sure. And the outyears toward the end of the 2030s is mainly fantasy because nobody knows.

So I would say that -- and we have told the Navy that we probably need to get them to 16 (billion dollars) or \$17 billion a year in the middle years and later years of this decade in order to try and get to where they need to be.

REP. SKELTON: Ms. Davis.

REP. SUSAN DAVIS (D-CA): Thank you, Mr. Chairman, and thank you all for your extraordinary service to this country.

I wanted to ask one or two personnel questions initially. As you stated -- and I know this is very sincere coming from you -- the most critical strategic asset that we have is our people. And, over the last 11 years we've made a great effort to increase the military compensation to compete with the private sector. And yet this year the president's budget request really moves away from that practice by not enhancing the pay raise with the .5 percent that we've experienced.

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

SEC. GATES: Well, let me start and then maybe the chairman will have anything to add.

The 1.4 percent is driven by the Employment Cost Index.

REP. DAVIS: Right.

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

And the reality is that this has a cumulative effect. That is, as the chairman talked about earlier, at a certain point -- I mean, nobody cares more about our troops than we do. And, as you say, we have put a lot of money into the budget for the troops. There are, as the chairman pointed out -- the

chairman of the committee pointed out early on, there are a number of increases in this budget in terms of housing and various family programs and so on. We're starting a renewal of the DOD schools to rebuild those.

So there's a lot in this budget for our families, but the pay increases, along with health care, frankly are beginning to eat us alive. And, frankly, if you look at -- you know, I think we have to be realistic about this. If you look at the economy today and the unemployment rate, that the pay for our troops at all levels is very competitive.

ADM. MULLEN: I mean, I would just reemphasize that. You know, I said in my opening statement that this committee has been extraordinary in supporting our men and women for the last eight years; it actually goes back much further than that, and the overall compensation package has gotten better since the mid-'90s when that gap was clearly there.

And we have to continue to get this right across a broad range of capabilities. If I were one -- and as was pointed out, we fully funded health care this time, but the health care premiums haven't gone up since 1995. We cannot do this for free. I mean, this all comes out of the same pot, and health care, the total health bill in this budget is \$50 billion. It's going to go to \$64 billion shortly. In 2001 it was 19 (billion dollars).

We, like, you know, many other people in the country, we've got to get control of that because that's where I buy my weapons, it's how I pay for my -- it's the same pot of money.

REP. DAVIS: Yeah.

ADM. MULLEN: So we've got to keep the people thing right, and there has been a tremendous investment there.

REP. DAVIS: Yeah. I certainly --

ADM. MULLEN: And so I'm in favor --

REP. DAVIS: I understand the tradeoffs. I think all the members do. I think that we may see some pressure to do that again and I was just interested in, you know, some of your rationale for that.

If I may very quickly, the other issue that's of critical importance are family support issues, and clearly there is a lot that's been done -- I applaud you for the focus on mental health -- but we hear continually from families that they need some help, especially with special needs children. And we, in our last authorization, had a family support -- setting up a department for special-needs children. That is not in the FY '11 budget, and I wanted to ask you if you could respond to that and if we can continue to talk about this issue.

SEC. GATES: All I can say -- I'll have to look into whether --

REP. SKELTON: He just looked into it. (Laughter.)

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

REP. DAVIS: Okay, we've heard continually from families regarding that. Thank you very much.

REP. SKELTON: I thank the gentlelady. Mr. LoBiondo.

REP. FRANK LOBIONDO (R-NJ): Good morning, and thank you, Mr. Chairman. Secretary Gates, Admiral Mullen, Secretary Hale, thank you for being here. Thank you for your service. I want to start with a brief statement on an issue that we have talked about before and then have a couple questions.

I've had serious concerns for some time about the fighter gap issue and how it will negatively impact our nation's national and homeland defense, particularly as it pertains to the Air National Guard.

As you know, beginning in 2015, 80 percent of the Air National Guard Fighter Fleet begins to run out of flying hours. Without aircraft, the Air National Guard will be unable to continue to perform the air sovereignty alert mission and unable to support the Air Force and overseas operations, which I think they have been doing magnificently and very cost-effectively, I might add. Many units will lose flying missions altogether and may lose highly skilled pilots and technicians, which simply cannot be replaced.

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

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

I know you have opposed such a solution in the past, but would not the 4.5 generation fighter meet several of your criteria for the FY '11 budget, including emphasizing proven technologies, incorporating combat experience, avoiding the expensive solution that we have to face otherwise, and a need for balance -- a mixture of fourth-, 4.5 and fifth-generation fighters, Secretary Gates or Admiral Mullen?

ADM. MULLEN: I understand the issue, sir, and I know that the Air Guard and the chief of staff of the Air Force are very focused on trying to get this balance right. And I think, for us, it's certainly been an issue of affordability. I talked about the JSF program before, and obviously the transition -- the time that we're in right now recognizes the challenges that we have. And while we might be able to buy more airplanes, that money has got to come from somewhere, and obviously in the priorities that we've laid out, we chose not to do that.

Secondly, having been through the recapitalization of my own service, particularly in aviation a few years ago, the reality is if the Air Force is going to recapitalize, it's going to have to decommission a lot of airplanes -- older airplanes. That's just a fact. Now, that creates challenges and tension inside the Air Force between the Air Force and the Guard -- the active side and the Guard, and we're at a point where we're working our way through that.

We still think we have time to work our way through that to meet what we think the requirements will be in the 2015, 2016 time frame that I talk about. At least that's the feedback I get from both the head of the Guard as well as the chief of staff of the Air Force.

SEC. GATES: I would just add the other reality is that as you look at fifth-generation fighters with their advanced sensing capabilities and stealth, that we just need to come to grips with the reality that it doesn't make any sense to replace legacy aircraft on a one-to-one basis. Now, some of the Guard units are shifting their mission, and some of the Air Guard units are providing the pilot training and the exercise with the pilotless or remotely piloted vehicles. And I know there are several Guard units that have made this switch in mission.

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

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

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

REP. SKELTON: I thank the gentleman. We'll call on Mr. Larsen and then we will break. We have five votes -- one 15-minute vote and four five-minute votes. This will take approximately 45 minutes. We will use that time to have lunch, and at the end of the votes, which will be approximately 45 minutes, we will resume, and hopefully the witnesses can get a bite to eat between now and then.

We are now recessed until we come back after Mr. Larsen.

REP. RICK LARSEN (D-WA): Thank you, Mr. Chairman. I'm going to play a little rapid-fire fill in the blank. There's a couple of questions here that are unrelated subject by subject. But first, for Secretary Gates, with regard to the U.S. Air Force KC-X program, assuming the RFP is coming out fairly soon, there has been discussions about perhaps only a single offer. What would be the DOD's approach if there is only a single response to the RFP for the KC-X?

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

REP. LARSEN: Chairman Mullen, with regards to the expeditionary squadrons for the Growler, the Prowler replacement -- and I understand there's some amount of money to recapitalize existing Prowlers perhaps as a bridge to stand up expeditionary squadrons of Growlers. Is that the case in the budget?

ADM. MULLEN: What I didn't say earlier and I'll say very quickly is the Navy and the Marine Corps have really worked hard to mitigate the Strike Fighter shortfall, and I give them a lot of credit for that, and they have, from the 245 or whatever the number was down to a very low number, and they're happy with that.

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

REP. LARSEN: Oh, okay, yeah. But just for me to clarify, then has the decision been made, though, to stand up separate expeditionary squadrons of Growlers for --

ADM. MULLEN: Four squadrons.

REP. LARSEN: And they will provide the expeditionary effort?

ADM. MULLEN: Yes, sir.

REP. LARSEN: And that's the plan now?

ADM. MULLEN: Right.

REP. LARSEN: Okay, thanks.

Back to Secretary Gates, the QDR outlines the need for security assistance reform, and there's some comments in your testimony and the chairman's testimony and the chairman's testimony on it, and I think it says it will develop new and innovative approaches to reforming security sector assistance, but the budget request doesn't yet include authority provisions such as the Section 1206 Global Train and Equip.

Can you talk a little bit about what you want to see happen with the Global Train and Equip -- the 1206 and the 1207 programs, and whether or not we're going to see a specific legislative proposal that looks at reforming those?

SEC. GATES: I don't know the answer to the last question -- 1206, we've asked for an increase from 350 million (dollars) to \$500 million. This is really important money for our combatant commanders. It's the kind of assistance we've been providing, for example to Yemen for their counter-terrorism training and equipment and so on.

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

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

REP. LARSEN: So, to date we're still looking at 1206 and 1207 and presumably 1208.

SEC. GATES: And the decision -- you know, last year we talked about 1207 and we outlined a process of transition of that program to the State Department. The administration decided to accelerate that process, so 1207 is now in the State Department.

REP. LARSEN: In the State Department, but still presumably over the next year we'll be hearing from you all about what a reform might look like.

SEC. GATES: I certainly hope so.

REP. LARSEN: Okay. All right, so instead of phase zero maybe phase minus one; sort of, as you said, before the bad stuff happens.

SEC. GATES: Exactly.

REP. LARSEN: Thanks a lot.

REP. SKELTON: We will stand in recess approximately 45 minutes.

(Recess.)

REP. SKELTON: (Sounds gavel.) The meeting will be resumed, and we will now call on Mr. Bishop, the gentleman from Utah -- five-minute rule.

REP. ROB BISHOP (R-UT): Thank you, Mr. Chairman.

Mr. Secretary, I appreciate you being here. There is much in your proposals for which -- I'm over here, the white hair, yeah -- much in your proposals that I appreciate you've done. I know we have some difference in priorities, as we had last year. Those are an honest difference of opinion and, to be honest, in hindsight, I'm still right. (Laughter.)

But beyond that, you made a couple of unilateral decisions last year with KEI, particularly on Kinetic Energy Interceptors; and we reduced our ground-based defense process; we've yet actually to commit to a long-range program of sustaining Minuteman ICBM III through the year 2030. But especially when you're talking about the GMD program, you said, "not-a-forever decision," which I took to mean that there may be sometime in the future where the department decides to go ahead and produce additional ground-based interceptors in response to the ever-changing threat picture that goes on. That is, unless we have an industrial and technical capability to do that (at some point ?) in the future.

And to be honest, there is in my mind some serious doubts, especially with some drastic changes that have taken place in recent days. The administration's silly decision to terminate the Constellation program without any kind of alternative program -- in a rationale that I look at as more a vendetta than common sense, does not only put us in a (second-rate ?) station but it condemns thousands of jobs, good jobs that are dealing with math and engineering. And to be honest, this truly is about rocket science in some particular way.

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

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

So the question I have for you is, in the decision that was made, did anyone in (the) Obama administration, or NASA, or in OMB -- may they, I understand you can say anything you want to about somebody that's negative as long as you say "bless their heart" attached to it, so OMB, bless

their heart -- did any of those consult with you or the Department of Defense on the potential impact for defense industrial bases with NASA's termination of the Constellation program and the Ares rockets program?

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

REP. BISHOP: Secretary, I appreciate that. But my concern is, is we need to have an industrial base, and sometimes, especially with the subcontractors, there's a very limited amount of that base. The decision that NASA -- that is made, dealing with NASA's going forward in the future, does have impacts on what you can do in the Department of Defense.

So I would hope you would agree that this could be potentially a very serious problem. (I'm ?) concerned if you no longer have the industrial base to create the motors that are necessary for these programs. And I hope you would see -- I hope you would admit that there is some kind of interact; and don't you think you should have been consulted in some way, as to the impact this will have on the Department of Defense?

SEC. GATES: Well, the department may have been consulted, Mr. Bishop. I wasn't, and I will find out if we were consulted.

REP. BISHOP: Well, I hope you'd agree that this is, this is a significant issue that should -- and a serious enough issue you should have been impacted about -- or should have been discussed, and should have been consulted about this particular potential.

SEC. GATES: Yes, sir.

REP. BISHOP: I thank you with that.

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

Do you have funding in this program budget to cover extensions for the F-15, F-16 and F-18 for their service life extension programs? I'm sorry, I ran out of time. And if you want to defer that -- I'll do it in writing, or somebody else can pick up --

SEC. GATES: Sure. We'll answer --

REP. BISHOP: -- that question if we have time to do it.

SEC. GATES: -- it for the record.

REP. BISHOP: Thank you, sir.

Sorry, Mr. Chairman.

REP. SKELTON: Mr. Marshall.

REP. JIM MARSHALL (D-GA): Thank you, Mr. Chairman.

Mr. Secretary, (I was ?) very pleased to see in your proposed budget (the) elimination of -- eventually, by 2015, elimination altogether of the disabled veterans tax, referred to by some as

"concurrent receipt," and we've got to find offsets for \$5.1 billion worth of costs associated with that.

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

REP. SKELTON: If the gentleman will yield -- and I will not take it out of your time. Last year we -- in this committee, we were able to find from other committees enough "concurrent receipt" for one year. Now, that's mandatory spending; it's not out of discretionary funds. And the administration did not send over any -- then or now, send over any offset from mandatory funds, and, consequently, we're at a loss.

And I was quite concerned, (and) I think other members of this committee were too. So I urged the administration to send us over offsets so we can be honest with these folks.

REP. MARSHALL: Well, Mr. Chairman, I applaud the efforts that you made last year to find the offsets we needed to do right by all these folks who've been treated so badly for so long. This is a tax -- it is a tax on disabled veterans, and it's inexcusable, frankly, given priorities that we have.

So the administration just needs to somehow find -- help us find offsets. With all the mandatory spending we're going to do over a 10- year period of time, we can't find \$5.1 billion makes no sense to me.

But, thank you for that, Mr. Secretary -- trying to finally resolve this issue. (You) mentioned at least the possibility that two of the BCTs that are now in Europe might be coming home. And there are at least three bases that might wind up receiving them. Let me put a plug in for Fort Stewart, or at least for keeping in mind -- one factor in trying to make that decision should be the impact on the local community, that has partnered with DOD and the Army, to prepare for the receipt of the BCT.

If it's New York City, that's a drop in the bucket. They're going to be able to absorb whatever investment that they've made, and that investment will be useful to them. The kind of investment that a small, rural community makes to receive 10 or 15,000 people is relatively extraordinary. And that seems to me to be a factor that should weigh very heavily in favor of a place like Fort Stewart where the local community really is very small and the investment will not be absorbed. It'll simply be lost.

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

A final thing I'd like to just ask some questions about: There's a real disconnect, Mr. Secretary, between you and the committee with regard to the second engine. You already know that. You announced in your opening statement that you would recommend that the president veto any bill that contemplates inclusion of the second engine. Here we are wondering, where's that coming from? We haven't seen a fiscal analysis that would support such a strong statement from you about how wasteful this is.

In fact, in 2007 DOD itself produced something that concluded that you really couldn't tell -- you know, on the pure cost question, you couldn't really tell whether this was going to be more ex-

pensive or less expensive. And people widely concede that it does lessen risk -- having two available engines, and that the operational benefit associated with lessening the risk is something that's fairly significant.

That's what we're hearing here. And we don't -- you know, we have a new secretary, and the secretary simply announces that this is wasteful, but we don't really see it from what we've received and what we're getting from staff. If you could help us with that?

SEC. GATES: Sure. And this will be the second year in a row that the administration has taken this position. And I would just say, you know, from our standpoint, the Congress has added \$1.8 billion for this program; we see it costing us another \$2.9 billion over the next five years. And this is the only place in the world where a competition ends up in everybody winning at the end.

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

So the only piece of this that could be competed would be the Air Force -- part of it, and so you end up having two engines for the Air Force. But the key is getting the -- getting the F-135 engine program. It's doing well. It's completed 13,000 hours of testing out of 14,700. The F-136 has completed 50 hours of testing. There's no reason to believe that the second engine won't encounter the same development problems the first one has.

I'll go on, but we can give you the analysis and provide you the details on why we --

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

REP. SKELTON: (Sounds gavel.)

REP. MARSHALL: Thank you, Mr. Chairman.

REP. SKELTON: (I) thank the gentleman.

Mr. Turner.

REP. MICHAEL TURNER (R-OH): Thank you, Mr. Chairman.

Mr. Secretary, Admiral, thank you for being here.

I have two questions for you, Mr. Secretary. The first relates to your earlier statement. You said nobody cares more about our troops than we do. And I believe that you mean that.

There are at times disputes as to what does it mean to care for them. And this issue that I'm going to raise is one of those disputes. Unbelievably throughout our country there are family law courts that are taking custody away from our service members based upon their deployment. With our chairman's support, and three committees of the House, this House has passed four times un-animously legislation which would protect those custody rights. It says simply that a family law court cannot take custody away from a service member based solely upon their service.

I sent you a letter signed by unbelievably every member of this committee. When I raised this issue with you last year, and the fact that DOD has been opposed to this legislation, you told me at that time that you were unaware of DOD's opposition. You committed that your staff would work with me as the National Defense Authorization Act was approaching; so that perhaps we could come up with compromise legislation.

Your staff met with me and these are basically their responses. They said first, it doesn't really happen. I gave them a number of news accounts explaining that of course it does happen. Secondly, they said that custody historically is a matter of federal law. I provided them with a copy of the 65 pages in the federal code that relate to Indian tribes and the instructions to state courts on how to deal with custody with respect to Indian tribes -- 65 pages.

They said then it was states rights. You do not have one state that is objecting to our legislation. And of course, I pointed out that the Servicemembers Civil Relief Act is in itself each element a violation of state rights because it relates to state court matters. Your staff offered no text changes. And when I inquired as to whether there were any dire consequences to the troops, to kids or if it was unfair to the ex-spouses, no information was provided to us of any dire consequences to anyone if this legislation would pass.

Now, again, sir, we have a national military. For that we need a national standard. Our legislation only applies limitedly to the issue of custody based upon the service deployment and the threat of deployment. Now, sir, I wrote you on July 22nd and August 26th asking to meet with you about this, to talk about your opposition. Now, you responded on September 25 with one of the items saying: First, I plan to personally contact the governors of each of the states that have yet to pass legislation addressing the special consideration of child custody.

Well, my first question for you today sir, is I would believe that you are a very busy man. But certainly a secretary that has time to contact every governor in this matter, ought to have 30 minutes to sit down for you and I to have a conversation about this. So my first question is will you meet with me to discuss the issue of the threat to the child custody of our service members?

SEC. GATES: Sure, I'll meet with you.

REP. TURNER: Thank you, I appreciate that. I think it would be beneficial. I do think that the current opposition at DOD is misplaced.

Secondly, I'm the ranking member of the Strategic Forces Subcommittee. And I have a question concerning NATO's strategic concept. Later this spring, former Secretary of State Madeleine Albright will provide recommendations for a NATO strategic concept to the NATO secretary-general. And next fall, the secretary-general will provide his recommendations to NATO member states for consideration at the Lisbon summit.

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

SEC. GATES: I believe they do.

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

SEC. GATES: Yes.

REP. TURNER: Thank you, Mr. Secretary.

REP. SKELTON: Thank the gentleman.

The gentleman from Pennsylvania, Mr. Murphy.

REP. PATRICK J. MURPHY (D-PA): Thanks, Mr. Chairman.

Mr. Secretary and Mr. Chairman, thank you so much for your testimony today; and your testimony yesterday regarding repealing don't ask, don't tell. I'm sure you heard the news just hours ago that the former chairman of the Joint Chiefs of Staff Colin Powell also echoed and supported your decision. Mr. Secretary, you said yesterday it's not a question of if, it's a matter of how we repeal don't ask, don't tell.

And you know, I'm skeptical that the implementation review needs to take one year. When we passed in the Congress don't ask, don't tell back in 1993, it took 90 days for it to be implemented. And I just want to make sure that you know review can't be an excuse for delay. I also understand it's a two-track process basically. It's us in the Congress doing our job to overturn the law that we passed almost 17 years ago. And secondly, the other track is this fact that the experts, that the military leadership needs to figure out a way to implement this non-discriminatory policy.

If we do it via the vehicle that we talk about, the National Defense Authorization Act, I've only been in Congress for three years but I understand every fiscal year when we pass it, it usually takes about eight months. So like in fiscal year '09 we passed it in October 14, 2008, Fiscal Year 2010. We passed it last October 28th of 2009, and we'll probably pass this fiscal year's budget -- or I'm sorry, the 2011 budget this October in 2010.

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

SEC. GATES: Well, what I said yesterday was that I expected our work to be done before the end of the calendar year. The reality is there are a lot of assertions associated with this about what people believe and what they don't believe; and what attitudes are and what they aren't. And as the chairman said yesterday, we just don't know the facts.

And so, it's -- for us, it's a dual purpose review. One is to get the -- to have a dialogue with our people in uniform and their families about this change; identify problems and issues associated with its implementation, and figure out ways to mitigate those concerns. These kinds of major changes frankly if done too quickly have counterproductive consequences.

And we need -- the Department of Defense is the biggest, most complex organization in the world. Our military culture is one of our greatest strengths, but it's also a strong culture. And so we need to work with people. We need to get their input into how to go about this.

And I just think -- this is not an excuse for delay; this is in fact a way to do this right and a way that it works -- and that we mitigate or minimize negative consequences. I think rushing into it, mandating it by fiat with a very short timeline would be a serious mistake.

ADM. MULLEN: The only thing I would add is one of my -- I talked about it earlier today and yesterday about the issue of military effectiveness and readiness. And that's a huge concern. I would hope that there would be responsible leadership on both sides of this issue and that we not do what we actually -- from my perspective -- having been in the fleet, did in -- in the earlier debate, which was put the military in the middle of this.

Because we can't afford that now because of the stress, two wars, and all of those things that have been laid out. That doesn't mean it can't be accommodated if it's done in a reasonable fashion. And the other thing, from my perspective, this is a responsibility for -- should it change that for the military to lead. And so there is an impact view of this review. There is an implementation part of this and they're linked.

And so, young officers in positions like you held formerly have to figure out how to lead this in the future as well. I think saying it will take a discrete timeline is probably not known right now in terms of it will take a month or two for somebody to figure that out. So we haven't done this kind of review before. We don't know the impact on the force; and that's what we've got to -- that's really what we have to do over the course of this year.

REP. MURPHY: Thank you, Mr. Chairman. Thank you, Mr. Secretary.

And I think that us in the Congress we want to make sure that we're partnering with you to implement this the right way. So that we're taking care of our war fighters; and we also obviously believe in the principles that our country stands for. And I do appreciate your testimony yesterday and again today. And we look forward to partnering with you to make sure we do this exactly in a diligent fashion. Thank you very much.

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

REP. SKELTON: I thank the gentleman.

The gentleman from Minnesota, Mr. Kline.

REP. JOHN KLINE (R-MN): Thank you, Mr. Chairman. Thank you, gentlemen, for being here.

I have just two highly unrelated questions. But I think that they both strike to an important point. And frankly, that's in responsiveness on the part of the department.

One, Mr. Secretary, we've been talking to your staff about the issue of Post-Deployment Mobilization Respite Absence. I don't know who thinks these things up for names. But PDMRA is an important program put in place back in January 2007 to address those units who were mobilized for periods beyond what they were supposed to be. For example, the Minnesota National Guard was mobilized and sent to Iraq. They were there for 16 months, a total of a 22-month mobilization period.

Nationally, there's over 23,000 National Guard members, over 10 percent of them from Minnesota, who qualify for this PDMRA payment. In some cases it's thousands of dollars. Nobody has received a dime, not a single dime. And so the question is when can these soldiers expect to receive these PDMRA payments?

SEC. GATES: I'm going to need to take that one for the record.

REP. KLINE: Okay -- I -- please do, and please get back to us quickly.

I will tell you that this is a gigantic issue in Minnesota because we have such a large Guard; they've been deployed multiple times. Some of them -- they're just now coming back, the Red Bulls, from Iraq; right now in the process. And some of them are expecting to be deployed again in 2011. And they've been told now for years that they have this money coming to them and nothing's there.

ADM. MULLEN: And I would add -- actually I don't know about the payment piece, but I was just with them and they have been spectacular. And what they have done in Basra, they've really become the model for this advise-and-assist brigade. And General Nash and his troops are, as you know, incredibly proud of what they've done and they really have been magnificent.

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

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

SEC. GATES: My impression is that a new charter has been drafted but is in interagency coordination, but let me check on the status of it and we'll get back to you. I would like to have an answer to you on both of these questions by early next week.

REP. KLINE: I would really appreciate that. And you know, Mr. Secretary, and Admiral, and you know how this works. You've got some hard-charging major there who's drafted this thing, and I'll tell you, the charter has been drafted repeatedly over these many years where we haven't had one. And it gets into a staffing sequence and we all know what that means, is it gets moved up and across and back down and everything.

And you can staff one of these things until after I'm long retired, and frankly, both of you are long retired, and somebody, maybe my son or something like that, or like Duncan D. will be in here, somebody's son will be asking, have we finished staffing the NRO charter? So please, I would appreciate that, if we can get it next week.

Thank you. I yield back, Mr. Chairman.

SEC. GATES: Mr. Kline, nobody's more familiar with that problem than I am.

REP. KLINE: Mr. Secretary, I actually knew that -- (chuckles) -- and I knew you would respond, but it is -- it is critical that we get this done. It's so important. Thank you.

REP. SKELTON: Thank the gentleman. Ms. Shea-Porter, the gentlelady from New Hampshire.

REP. CAROL SHEA-PORTER (D-NH): Thank you. And thank you both for being here. I continue to be concerned about the open air pits which have been linked to chronic disease and illnesses among service members. Last year, my amendment to the NDAA prohibited open burn pits,

but you were allowed, Mr. Secretary, if you saw it -- to get an exemption if you saw no other alternatives. Could you please tell me where we are on those right now?

SEC. GATES: My recollection is -- and I'll have to get you a more up-to-date report. My recollection is that a number of the burn pits have in fact been shut down, and they have put new regulations in place in terms of using them. But in terms of where we are in shutting them all down, I'm just not certain. I don't know, Chairman, if you know. We'll get an update for you. But I know that some have been -- some of the larger ones have been shut down.

REP. SHEA-PORTER: Thank you, and I appreciate that. I also wanted to ask you about the Community Defense Initiative. General McChrystal was involved in that, and I support that. He said that, you know, it would be good way to get the Afghans involved in their defense, and I think it would provide a lighter footprint for us.

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

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

SEC. GATES: I think that, you know, my view is that the ultimate solution in Afghanistan is a variety of security elements -- local tribesmen, local community defense groups, police, the army, and so on. And particularly at the provincial and subprovincial level, re-empowering the tribal elders, and so on. The worry that everybody shares, and the source of caution, is the last thing we want to do is recreate or re-empower warlords. And so if there is a reservation on the ground, it is the worry that in one place or another that the risk of doing that is high.

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

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

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

SEC. GATES: I think it's important.

REP. SHEA-PORTER: Important enough to --

SEC. GATES: And I think this needs to be a part of our toolkit, but I also am prepared to acknowledge that it's really up to the ambassador and General McChrystal and their colleagues to decide where this works and where it won't.

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

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

REP. SHEA-PORTER: Well, there does seem to be a pretty big difference right now between the military and between the ambassador, so I would appreciate it if you could get back to me on that as well.

Thank you, and I yield back.

REP. SKELTON: The gentlelady yields back. Mr. Rogers from Alabama.

REP. MIKE ROGERS (R-AL): Thank you, Mr. Chairman, and I'd like to say I have never been more proud of the chairman of this committee than I was in December of last year, when Deputy Secretary Lynn spoke to us about Guantanamo Bay, and the chairman opened up the hearing by telling him, "This committee and this Congress is not going to give you a penny to buy a prison in Illinois to bring detainees to this country." And I can tell you, he was speaking for all of us when he said that.

So that \$150 million that you got in your budget, as far as I'm concerned you can go ahead and strike it. I want you to know that I think this is asinine to talk about bringing a hundred detainees to this country and spending \$500 million to do it, when we're in a time of these incredible deficits, 10 percent unemployment. It's just reckless spending that we can't afford. So I hope you'll take that lead from the chairman of this committee and go ahead and strike that amount.

I did want to speak a little bit. You told Mr. McKeon that you felt the arrest of the Christmas Day bomber, and turning him over to the private criminal authorities -- not private -- the criminal authorities -- you believe that is -- the judgment as to whether or not that was a good decision to secretary -- Attorney General Holder. Is that correct?

SEC. GATES: Yes, sir.

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

SEC. GATES: Well, as I said earlier, I think that there have been some lessons learned. I know we got a lot of information during that period. I believe that going forward, we now have the protocols in place and the kind of multi-agency interrogation experience and interrogation team that also knows that if there is a national security threat, they can delay Mirandizing somebody. I think we've now got the protocols in place that going forward we'll be able to fully exploit anybody who gets caught like that.

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

SEC. GATES: No, sir.

REP. ROGERS: Thank you. I wanted to ask you about the 1230 Report measuring the progress in Afghanistan that was due last September. When will we see that?

SEC. GATES: I'll just have to check. I'm not sure.

REP. ROGERS: Great. And also with regard to metrics, when will we receive an update on how we're doing on benchmarks and goals in Afghanistan?

SEC. GATES: We got this question in the Senate yesterday, and frankly, I thought that they had been shared with the committees. They had been worked in the inter-agency, and so I'll need to find out what happened to that because, frankly, I thought they were already up here.

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

ADM. MULLEN: General McChrystal, having worked his way, as we all did, through the strategy and the overall approach, is satisfied with the resources that have been made available to him. And he's a NATO commander, so it's not just U.S. --

REP. ROGERS: Right. I understand that.

ADM. MULLEN: As I am -- there are 43-plus countries contributing over there, which is significant in terms of commitment. And we're hopeful that there are an additional seven to 10,000 troops to come from NATO. We're working that pretty hard as well. So General McChrystal thinks he has the resources he needs to match the strategy that he is executing.

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

REP. ROGERS: Well, and that --

ADM. MULLEN: And that's okay. Now, we've matched that up.

SEC. GATES: I would just also add that, in his decisions, the president gave me the authority to add up to within a range of about 10 percent if I identified critically need enablers -- counter-IED, ISR and so on. So I do have some flexibility.

REP. ROGERS: Excellent. Thank you very much.

Thank you, Mr. Chairman. I yield back.

REP. SKELTON: Mr. Courtney?

REP. JOE COURTNEY (D-CT): Thank you, Mr. Chairman.

And thank the witnesses for their endurance here today. I wanted to focus on the shipbuilding plan for a minute. This year's budget and the shipbuilding plan follows on last year's start-up investment and the follow-on class to the Ohio -- the SSBN program. There's, roughly, about 700 million (dollars) in this year's budget. Last year, there was close to 500 million (dollars) that was approved by the Congress.

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

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

ADM. MULLEN: Actually, I think you've summed it up. There isn't a lot of room. We put the money in last year in this recognizing the kind of long lead that it takes to develop this kind of new capability. And then we have an expectation that it will replace those submarines that are out there now just in time -- though it's years away, but it's very long lead to initiate this investment, the development piece of it, and then to replace those submarines.

Even in the face of -- and we are going through START negotiations with the Russians -- you know, even in the face of that, this part of the triad -- the submarine part of the triad -- everybody believes is an incredibly important and critical part of that triad. So the investment is right.

SEC. GATES: Mr. Courtney, I'd also add that we also have in this budget a little over a billion dollars for the National Nuclear Security Agency to begin work on a new Navy nuclear reactor.

REP. COURTNEY: So -- and, again, the plan really matches up with what the admiral just said. What it also shows, though, is that, over the mid-range, that it really -- that once the SSBN program really hits its stride, it's going to take up a lot of space in terms of the shipbuilding budget.

We had a hearing at our subcommittee a couple of weeks ago where there were some experts who were actually suggesting that because it is such an essential part of our nuclear deterrents that, really -- and it will take up so much space in the shipbuilding program -- that consideration ought to be given to sort of funding it in a separate account, similar to the way missile defense has presently got its own place in the federal budget because, again, there's just going to be another zero-sum game in terms of a lot of other shipbuilding programs once, as I said, the SSBN hits its full construction phase.

I wonder if you have any comments about that sort of suggestion as a way of protecting --

ADM. MULLEN: Not a new idea. Everybody would like to have their own isolated account that gets fully funded every year. And this is a strategic asset, so I don't say that lightly. It's not the first time that has come up. And it is an extraordinary percentage of the shipbuilding budget. And it is just funding one line.

So I think, over time, there clearly will be competition for those dollars. So isolating them, as per suggested, certainly is one solution. But it goes back to an earlier discussion about the overall investment in that account, particularly as we now are at two submarines a year for Virginia and then, as this -- which we will do for the foreseeable future. And as we look at the SSBN bill, that's going to be -- I don't know what the percentage is -- but half of the SCN budget or something like that which calls for -- again, I think that's got to grow over time in a pretty tough environment.

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

REP. COURTNEY: And another, I think, important change that we have to pursue here is about being smarter in terms of the way we buy the systems. The weapons procurement reform bill that we passed last year, it seemed that, you know, we were trying to move towards, you know, a design-and-then-build process when we're not sort of mixing up the two at the same time, which is wasteful. And I would just say that the SSBN investment that this budget has in terms of making sure that we, as you said, get this thing done right so that when the time comes to start building, that

we can maybe even bring some of the costs of the vessels down once we hit that stage of the process.

ADM. MULLEN: My only comment on that would be that I would take what, in particular, Virginia Class Submarine program has done. They're actually at two a year, quite frankly, in great part because they were so disciplined and were able to create savings in that program. We've got to do that in the submarine -- in the SSBN program and other major programs as well.

REP. SKELTON: Thank the gentleman.

The gentleman from Pennsylvania, Mr. Sestak -- excuse me. Mr. Wittman, then Mr. Sestak.

REP. ROB WITTMAN (R-VA): Thank you, Mr. Chairman.

And thank you, gentlemen. Thank you so much for joining us today, and thank you for your service to our nation.

Mr. Secretary, as you know, I've been working with my Virginia colleagues to ensure that key strategic decisions are answered and that we're really spending our resources properly, specifically with regard to moving a carrier to Mayport. And we've asked repeated from your department about issues and information related to cost and strategic necessity. And we appreciate you giving us that information back.

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

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

SEC. GATES: Well, first of all, I don't remember those exact words, but I have known for some period of time, since we were early into the budget process, the priority that the Navy attaches to the strategic dispersion and the continued priority that they attach to having a carrier at Mayport. And I pressed them very hard in the meetings.

You know, you have limited resources. Is this how you want to spend your money? Do you think this is more important than other things, other Navy needs? And both the secretary of the Navy and the CNO said yes.

So I have no reason to doubt that I gave Senator Nelson that kind of assurance based on the Navy's own assessment of their priorities. I was unaware that the draft of the QDR on that issue had changed between an earlier draft in December and the final draft.

REP. WITTMAN: Admiral Mullen, you had spoken earlier about the strategic dispersal plan -- and, Mr. Secretary, you had spoken earlier about realism with risk and resources. And I think that's absolutely applicable in their particular situation.

When you talk about strategic dispersal plans, there are only two areas that I have heard strategic dispersal talked about is in the Congressional Research Service report and then in the EIS. Can you tell me is there a specific quantification of risk in either of those two documents?

ADM. MULLEN: I just -- actually, I don't know. I'll just repeat what I said earlier. I think the stakes are so exceptionally high because of the criticality of these capital shifts and that, if we -- and that, in getting it wrong, it costs us an extraordinary amount.

I also, certainly, understand the investment issue. I mean, at the same time, it's oftentimes, from my perspective, too easy to just play off one investment versus another. This is a total capability, total portfolio, and it's part of the strategic view of where we have to -- where I believe we have to place our assets.

And for lots of reasons, I think that that dispersion is important -- has been so in the past on West Coast -- even on the East Coast. Kennedy was down there, as you know, non-nuclear. And it is now as well.

REP. WITTMAN: Another question. If we truly are going to represent realism with risk and resources, shouldn't we have some tangible quantification of the risks associated with carriers being based where they are there in Norfolk? And then looking at that particular risk and then the costs associated with moving those carriers down there. If we do want to represent that realism, it seems like, to me, we ought to have that grounding in an objective measure of risk.

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

And I am one that has rarely thought that we should put all our eggs in one basket. And that's a risk factor for me.

So I'll go back and see if there's a way to do that. I'm not extremely positive that I can give you number specifically.

REP. COURTNEY: Thank you, Mr. Chairman. I yield back.

REP. SKELTON: I thank the gentleman.

Mr. Langevin.

REP. JAMES LANGEVIN (D-RI): Thank you, Mr. Chairman.

Gentlemen, thank you for your testimony and your presence here, your service to our nation.

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

And number two: In 2007, Joint Capabilities Mix Study II, approved by DOD's Joint Requirements Oversight Council, concluded that combatant commanders required at least twice as many SM-3 and THAAD interceptors as were planned at the time. And my question is, does the president's budget procurement of new SM-3 and THAAD interceptors to meet predicted inventory levels to support this new approach?

SEC. GATES: To answer the second part of your question first: The answer is yes. There is a substantial plus-up in the budget of both THAAD missiles and batteries and the purchase of SM-3

missiles. And the development of a land-based SM-3 that could be deployed to Europe and elsewhere.

So just specifically, it adds a battery of ground components; it adds 67 THAAD interceptors; it delivers the THAAD batteries number two and three and 32 interceptors for those. So this is an area where we have, I think, significantly plussed-up the budget.

And as I commented earlier, at the same time, we have a billion three in this budget to continue the further development of the ground-based interceptors as well, including both the two stage and three stage and finishing the second missile field at Fort Greeley.

I'm sorry, the first part of the question?

REP. LANGEVIN: The first question was the president's new phased, adaptive approach to missile defense has significant force structure implications and have these yet been quantified?

SEC. GATES: I don't know that they've been quantified.

ADM. MULLEN: Clearly, in the initial phase of this is -- a lot of it's sea-based and depending on where these go. And it's threat based, regional focus approach, which I quite -- I applaud, because I think that has been a very -- has been a very reasonable approach, as do I think the decision to put SM-3s -- to land-base them, because I think that has lots of possibilities.

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

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

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

REP. LANGEVIN: Thank you.

Let me turn quickly now, if I could, to the issue of cybersecurity -- something that I have been very involved with and follow very closely. And in addition to my work here, I also sit on the House Intelligence Committee. We just had Director Blair with us this morning. And one of the first things that he identified in his annual threat assessment was the fact that cybersecurity is probably one of the number one threats facing the nation right now.

Let me ask you: What systems should the government view as within the national security framework? And what's the status of the establishment of the sub-unified command under Strategic Command? And do you have updated organizational structures from the services and Defense agencies to respond to cyber command?

SEC. GATES: Yeah. Both the Navy and the Air Force have stood up their own versions of a cyber command. The Army is in the process of doing that. We are ready to proceed with the estab-

lishment of the four-star cyber command -- the sub-unified command under STRATCOM. We are awaiting the confirmation of its first director by the Senate.

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

REP. LANGEVIN: Thank you. I yield back.

REP. SKELTON: I thank the gentleman.

Mr. Hunter.

REP. DUNCAN HUNTER (R-CA): Thank you, Mr. Chairman.

And gentlemen, thanks for being here.

Admiral Mullen, thank you, sir. My little brother's on his, I think, six months out of one year in -- (inaudible) -- right now for a STRYKER brigade and he appreciates everything that you do. And so does his wife and two little girls and his unborn son here that they've had while he's been in the Army. I appreciate everything that you do.

And Mr. Secretary, thank you, sir, for everything that you do.

The thing that concerns me -- and I'm only going to touch on this to preface this statement -- is that the Senate Armed Services Committee has now had a full-hour hearing, full committee, on don't ask, don't tell. In this committee here or in that Senate committee, we have yet to have a full committee on IEDs -- the number one cause of death and casualties over in Iraq and Afghanistan. Last year we had 322 killed because of roadside bombs; 1,818 maimed and wounded. This year just in January 32 KIA and 137 wounded.

I understand that there's a lot of budget issues; there's a lot of social issues that you have to work through, but I would like to make it so that our priority isn't the social issues in the military. The budget issues are important, but I think when you have 18 and 19 years old and my little brother and my friends and family -- and many of us have the exact same out there fighting -- I think our priorities should be with winning.

JIEDDO -- the Joint IED Defeat Organization -- has gotten over \$17.2 billion since its inception. It's got a staff of 4,800 people. And what I would like to know, Mr. Secretary and Admiral, is do you think that they are living up to the standards that we set for them when they were created? And do you think that they're doing what they should be doing?

And I commend you, Mr. Secretary, you had the ISR Task Force, Counter IED Task Force. I met with Dr. Carter, General Paxton. They've been very helpful and I know that this is one of your number- one priorities.

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

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

SEC. GATES: I think JIEDDO is doing what they've been asked to do and I think they're doing a good job of it. But JIEDDO is not the answer to the problem alone.

And as you've suggested, ISR capabilities are very important. We have basically maxed out the production capability. We are pushing everything we can into that area. I met with Dr. Carter and General Paxton last week. There are a portfolio of capabilities that I told them to proceed with buying -- including significantly increased number of aerostats that can provide persistent coverage. A variety of similar -- a variety of other sensors that can be used to have persistent coverage in the vicinity of our forward-operating bases and so on. And I have told them not to worry about the money and not to worry about the numbers, but to just get them out there as fast as possible. And they are proceeding to do that.

There are a lot of other aspects of this. One is the -- unlike Iraq, the primary substance for IEDs in Afghanistan is ammonium nitrate. It's illegal in Afghanistan and so we are now forming task forces -- General McChrystal is forming task forces to try and break the smuggling networks for ammonium nitrate. One of our MRAPs that was blown in half -- it was 1,500 pounds of this stuff. And so that's another threat.

We need to get more labs into Afghanistan. We had a lot of labs to deal with the IED forensics in Iraq and we've not been quick enough to get those labs up and running in Afghanistan.

So the purpose of appointing Dr. Carter and General Paxton to look at this is that there are a number of different elements of the Pentagon who are working the IED effort. And I think each of them in their own way is doing a good job. The trouble is I don't think that effort has been sufficiently integrated across all of these different lines of effort. And one of the things that I have asked them to do is when their task force stands down, what do we do to make sure there is somebody applying a blowtorch to this issue in the E ring to make sure that these different parts are talking to each other and that the equipment is flowing to General McChrystal as quickly as possible.

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

REP. HUNTER: Thank you, Mr. Secretary.

Thank you, Mr. Chairman.

REP. SKELTON: I thank the gentleman.

Mr. Sestak.

REP. JOE SESTAK (D-PA): Thank you, Mr. Chairman.

Mr. Secretary, on "Don't ask, don't tell," thank you for the effort you and the admiral have done. I have a question, and I very -- I liked your explanation of how to change an institution as far as a massive change comes about. At the same time, I thought the chairman said very well the other day this is a matter of integrity. You're asking someone to live a lie, as well as an institution is abiding that, or words to that effect.

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

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

SEC. GATES: Well, first of all, Congress passed a stop-loss law a decade before it passed "Don't ask, don't tell." And it's the view of the general counsel at the Department of Defense that the president would not have the authority to do that, to do an executive order.

REP. SESTAK: Under stop loss.

SEC. GATES: Under stop loss.

REP. SESTAK: If you did --

SEC. GATES: I said we would deliver -- I said we would complete this review before the end of the calendar year. I don't know how long it's going to take. All I know is I want it to be thorough and I want to have the opportunity to have the kind of dialogue with our men and women in uniform and their families to assess the facts in this situation. We are going to redo the RAND study of 1993 with a much-expanded charter, as Mr. McKeon has asked for. And I think it is -- we are not delaying this, but it is important to do it right. And I --

REP. SESTAK: I wasn't trying to insinuate that anyone was delaying it; just we tend to have a military that's very ready to do things, and it just seemed to be -- and I really thought you spoke well of it is a matter of integrity.

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

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

SEC. GATES: Let me respond, and then quickly the chairman.

I think what we have testified to, including General Pace, was that we could not get the Army units required for South Korea into South Korea on the time line required by the plan. That's not to say they wouldn't get there. It's just that they wouldn't get there as quickly because of the commitments that we have in Iraq and Afghanistan. And so certainly initially we would be especially dependent on the Navy and the Air Force.

ADM. MULLEN: And I would only add that, as you look at the time line that you just described -- end of '11, Army's out of -- we're out of Iraq -- it's the beginning of reset, really, for the Army in terms of equipment and actually training. And there's a full-spectrum training. Both the Army and Marine Corps just have not --

REP. SESTAK: Haven't been doing.

ADM. MULLEN: -- have not been doing that. So --

REP. SESTAK: It's fair to say a number of years.

ADM. MULLEN: Ideally, probably a year or two before we're well into that, to be able to do it on something that -- on a time line we choose. We don't always get that choice.

REP. SESTAK: One last question. Actually, it's two, but I've run out of time. The Pakistan -- you mentioned the benchmarks that you had thought had come (over ?), and I think we got a draft of them, actually, in September. I honestly feel the increase in troops has almost more to do with Pakistan, and it's really the linchpin of success for us over there, more so than Afghanistan, in whether al Qaeda is eradicated by them with our assistance.

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

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

REP. SESTAK: Thank you.

REP. : The gentleman's time has expired.

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

REP. TRENT FRANKS (R-AZ): Well, thank you, Mr. Chairman.

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

Admiral Mullen, if it's all right, I'll address you first, sir. You indicated in your submitted testimony on page 14 that you're growing concerned about the defense-industrial base, particularly in ship-building and space. And, of course, I share those concerns. I'm concerned that the ship requirements haven't changed since 2006. And while there's been significant growth in the demand and emphasis for Aegis ships to support BMD missions, in fact, the QDR doesn't reflect an increase in Navy ships to reflect the increased mission requirements.

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

And I'm just wondering, in terms of investing in our architecture that supports BMD, are you concerned that we're overburdening the Aegis ships with the addition of BMD missions without providing any additional resources or infrastructure to support the growing mission? And with the addition of BMD missions added to Aegis ships, how many more ships do you think might be needed?

ADM. MULLEN: As I said, I think I said earlier that I think it's important we upgrade the ships that we have. I think we have 84 Aegis ships -- I may get that wrong by a number or two -- but making as many of them missile-defense-capable as possible, at the level that we're upgrading. The 23 going to three more is a key piece. And that's the fleet that we have right now. I think it's to be determined how big the fleet should be with respect to additional ships that meet this requirement, which I talked about earlier.

And I am, as I said earlier, long term, concerned about the industrial base -- have been concerned about the industrial base in ship-building and in space, and that we need to certainly incorporate that into our thinking as to how we invest, because without a decent industrial base, we can't move forward on the systems that we need.

I think we'll know a lot more about the missile-defense piece in particular, and we've invested some eight and a half billion dollars in a year in MDA this year; bought the standard missiles, bought the THAAD missiles and batteries. So there's been a significant investment. I look to a future where that would continue.

REP. FRANKS: Well, I was somewhat pleasantly surprised that there was an increase in the missile-defense budget. I'm glad to see that.

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

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

SEC. GATES: Let me just open and then ask the chairman to respond.

First of all, the agreement -- there is not a concluded agreement yet. There are still several areas not yet agreed. So the agreement is still -- has not been finished.

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

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

REP. FRANKS: Good enough. Thank you, sir.

ADM. MULLEN: I would only ask -- or I would only add that in the negotiations in which I have participated and worked very closely with the secretary and the chiefs, and STRATCOM, General Chilton, to look to how we would conclude this -- and overall, the entire architecture is taken into consideration. Again, we're not entirely through this, but we recognize the significance and the importance of the triad in needing to sustain that.

REP. FRANKS: Well, Mr. Chairman, I guess I'll just throw one more question. Russia now relies on its overwhelming inventory of tactical nuclear weapons. The strategic commission estimates Russia has approximately 3,800 tactical nuclear weapons, while the U.S. has probably less than 500.

While the U.S. reduces both its strategic and tactical nuclear forces, it seems that Russia continues to have the carte blanche to increase its inventory of tactical nuclear weapons. How does the administration and the Pentagon plan to address this issue? And I'll address it to you, Mr. Secretary, and then you can pass it to Admiral Mullen if you choose.

ADM. MULLEN: Certainly I'm very aware of that concern. The negotiations that we are in right now (as START follow-on ?), they're the strategic weapons, and I assure you that that concern has been raised.

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

REP. SKELTON: The gentleman's time has expired.

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

REP. FRANKS: Thank you, Mr. Chairman.

REP. SKELTON: The gentleman from Virginia, Mr. Nye. Five minutes.

REP. GLENN NYE (D-VA): Thank you, Mr. Chairman. Mr. Secretary and Admiral, thank you for being here. Appreciate your dedication to our country's national security. The QDR is a 20-year, long-term forward-looking planning document. Following up on Mr. Whitman's questions regarding the home-porting question, and I agree with Mr. Whitman's assessment that it appears that the QDR, the one single sentence in the QDR that has to do with home-porting East Coast carriers was added in a very, very late draft.

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

SEC. GATES: No, I didn't ask them to specify. I just said compared to your other priorities, where does this fit?

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

ADM. MULLEN: There's \$239 million of MILCON in the fit-up, and I believe planning money, \$2 million in fiscal 2011, and there would be MILCON and beyond fiscal 2015 as well, as well as some other costs, PCS, et cetera, but there is money in the fit-up.

REP. NYE: But can you clarify why there's no money for MILCON in the 2011 budget?

ADM. MULLEN: I believe there's \$2 million for planning and design funding, is the figures I've gotten.

SPEAKER: My take on that is that's been a part of this overall decision, if you will, in terms of when this would be done, what budget it would be done, et cetera. Navy's been working for this for years, and that the money now is allocated against the plan to do this. The only other thing I would add about the change from the draft document to the final document, to the best of my knowledge -- I've kind of walked my way from north to south -- there's only one other port on the East Coast of this country that could accommodate another carrier.

So I don't necessarily see that the change in the document is that significant because Mayport has been it and is it, and it just identifies it.

SEC. GATES: And I would just point out, you're going to have, I think, Undersecretary Flournoy and company up here to brief on the QDR. My guess is that the change took place because in the final weeks of the QDR is when it was being coordinated with the services and the combatant commanders. We wanted their input very much, and so that may have reflected service input in the coordination process.

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

SEC. GATES: Well, you've got to plan it before you can build it.

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

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

REP. NYE: Okay. And again, that is, I think -- an analytical study is something that we've been asking for for some time, to help us judge. As a Congress we've got to make some decisions about how we're going to spend defense dollars in conjunction with your recommendations. But we're talking about approximately \$1 billion of investment, and that's a lot of money, especially considering the situation that our country faces right now.

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

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

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

REP. SKELTON: Thank you. Mr. Coffman for five minutes.

REP. MIKE COFFMAN (R-CO): Thank you, Mr. Chairman. And Secretary Gates and Admiral Mullen, thank you so much for your service to this country.

My first question is related to the QDR, and that is, the future of the United States Marine Corps and whether or not we will have forced entry capability in terms of amphibious warfare, and if so, we're going to retain that capability, then what about the expeditionary fighting vehicle? So can you all just comment on that concern?

ADM. MULLEN: When you say future of the Marine Corps, I think of an awful lot of things. Certainly where the Marine Corps is right now, and General Conway says this as well, it's far too heavy from where the Marine Corps both started and wants to be in the future. Most of us believe that it has to have some kind of forcible entry capability. That usually gets into how much amphibious lift do you have, and I believe we have it about right. And the other piece is the EFV.

I mean, I've been alongside EFV for a number of years. It's a program that has also exploded in costs. We've asked it to do a lot. The requirements have grown, and it has certainly come under visibility many times in terms of whether we should keep it as we make this trade. Certainly having some kind of capability of maneuvering to shore as the EFV does I think in the future is important.

What's the vehicle? EFV is it right now, and it's in the program. But I also think there are limits about how much money we can spend there. General Conway wants to get to a point, post- Afghanistan, if you will, where the Marine Corps is a lot lighter. It has gotten a lot heavier. So there's a lot of work to do about what the future of the Marine Corps looks like, specifically not just tied to one vehicle or one shipyard.

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

A concern of mine in terms of PTSD, and that is, going to a different subject -- and that is it seems to me that with the proper treatment I think a lot of it is reversible, but yet we seem to be discharging a fairly significant number of military personnel with PTSD with no -- and this goes on, I guess, beyond the Department of Defense, in terms of the Veterans Administration, with no real capability, or no ability for treatment, that it's not being funded.

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

SEC. GATES: We both probably should take a crack at this. First of all, VA has put a lot of money into this and they have hired a lot of mental health care providers, and I give VA a lot of credit. They've made enormous progress, I would say, in the last 18 months or so. And General Shinseki, Secretary Shinseki has really attached a very high priority to this, as did his predecessor.

We have I think roughly \$1 billion in the budget specifically allocated to PTSD and traumatic brain injury. I think we all take this very seriously. We still -- I would say that the two problems we face are not enough mental health care providers, and it's not for lack of trying to hire them. We are out there scouring the country. We have a national shortage, if you will, and we're looking at ways to improve that.

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

ADM. MULLEN: Huge problem. We're on our way, but we've got a long way to go. And it actually extends -- we've seen it extend to families, quite frankly. And the stigma issue, I sat with a soldier the other day who was wounded, 2005, I think, 2006, who just finally raised his hand. He's

still active duty, and he finally raised his hand and said, "I need help." It took him that long to do that, and that's the stigma issue. And we'd like to figure out a way where that can be addressed a whole lot earlier.

The fact of the matter is, the sooner you address it, the less likely the longer-term impacts are out there to occur.

So that's been the real problem. But the stigma issue continues to be one that's a hurdle we have not gotten close to getting over.

REP. SKELTON: Mr. Hunter, for five minutes.

REP. HUNTER: Thank you, Mr. Chairman. And thank you, Secretary Gates and Admiral Mullen, Under Secretary Hale. I really appreciate your service and your willingness to make some really tough choices this year.

As you know, our military involvement in places like Iraq and Afghanistan has placed a premium on close air support mission. And I wanted to ask, in recognition of this, it states in the QDR that "the Air Force will field light mobility and light attack aircraft in general purpose force units in order to increase their ability to work effectively with the wider range of partner air forces." Can either of you talk a little bit about the need for this sort of aircraft and what you foresee as the future of light attack armor reconnaissance in the U.S. military.

ADM. MULLEN: I think, if we're talking about the same thing here, we really are talking about aircraft which better match up with some of our coalition partners, specifically. It's interesting, I had a conversation the other day. This QDR gets reviewed by an awful lot of countries. It's not just here inside the Department or on Capitol Hill but other countries look to the United States about where it's going, and there are discussions, and I won't name the country, but a discussion in that country about how it moves ahead and how can it complement what we're doing, as opposed to compete with us or match us sort of capability to capability.

And this is an ally. This is not an enemy or a potential enemy, so I think it's more focused on trying to match up with other countries with less-capable, so to speak, but still capable enough kinds of aircraft, which is where this particular aircraft I think you're talking about is going. I think, if I have that right.

SEC. GATES: Yeah, and I think this is really more about training them on them and then helping them buy them for their own forces because they're easier to maintain, simpler to fly, and just not as complex as the aircraft we fly.

REP. HUNTER: Got you.

Secretary Gates, I think last year you announced that the DOD was canceling the CRX program, the Air Force CRX and that the Department would, I think your quote was look at whether there is a requirement for a specialized search and rescue aircraft along the lines of what the Air Force had in mind and whether it would be a joint capability or not. Can you talk a little bit about what determinations have been made at this point and where we're going with that capability in the future?

SEC. GATES: I'll have to get you an answer for the record, but my impression -- and maybe the chairman or Mr. Hale can correct me, but my impression is that the Air Force has opted to buy some additional helicopters for their own search and rescue.

ADM. MULLEN: Well, there has been some additional investment, and 60 specifically for search and rescue. And then I think the question for the record is the plan was to look at this longer term to see where we would go from a joint perspective, and we're not there yet.

REP. HUNTER: Okay. Mr. Chairman, I'll yield back the balance of my time.

REP. SKELTON: The gentleman yields back. Mr. Platts from Pennsylvania.

REP. TODD RUSSELL PLATTS (R-PA): Thank you, Mr. Chairman.

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

A couple quick comments. First, I want to associate myself with the comments of Mr. Rogers from Alabama on the issue of Gitmo. Given the financial strains facing our country, the thought of spending \$400, \$500 million on establishing a new prison when we have one that the military is operating with great efficiency and security just seems pretty illogical to me, and back home I always - the common sense test doesn't get passed with that proposal, so I hope that money will be available to some of the other needs that you've outlined in your budget.

I just returned last night from a Pakistan/Afghanistan CODEL. Lynch -- Congressman Lynch led a great bipartisan team. Very insightful. I come back, as always -- this is my sixth trip to Afghanistan -- inspired by what our men and women in uniform are doing. We got down to FOB Spin Bulldack (ph), and a 19-year-old Army soldier driving the striker that I was in, as we got out to Shaman Gate to see the logistics channel there of all the materials, you can't be anything but inspired and so grateful for these heroic Americans. A couple observations.

One is, I came back with great confidence in our team we have there. Our time with Ambassador Eikenberry, his insights, having been a commander on the ground there and now on the diplomatic side, just exceptional and we didn't get to see General McChrystal, who wasn't in theatre, but General Bill Caldwell, and if there's something that became crystal clear of our success in Afghanistan, it's the efforts of General Caldwell and the training of the Afghanistan security forces. And I'm delighted we have somebody of his great caliber in that role. I think that's one of the linchpins to the success that we're going to achieve is what he's doing.

The one thing I wanted to mention is acquisition reform is a big part of what you've talked about in both of your testimonies and how we need to do a lot better. And I often think that sometimes on the ground we learn what works and then translate it to a bigger picture, and Major General McDonald, who we met with, I wouldn't use his title and the military's famous for their acronyms, but the ICJLPSB, Interagency Combined Joint Logistics Procurement Support Board, but when we met with them and all that sit in this organization, they've put together for acquisitions and how they are truly troubleshooting and getting what the military needs on the ground and for the best price for American taxpayers, all of us came away extremely impressed and that's the short diagram of what they're doing.

I would just say that back home here at the Pentagon, we may want to talk to General McDonald and the success he's having in the field coordinating acquisition and apply it to the bigger picture throughout DOD.

A specific request that we promised to pass on when we returned: our ambassador to Romania -- we stopped in Bucharest on the way and very enlightening, how supportive they are to our military

efforts, including in Afghanistan and broader issues in the European Theatre. The specific issue that we promised to pass on was the issue of the Romanian forces who are patrolling Highway 1 in Afghanistan and a standing request that's working its way through the channels on some of the initial AMRAPs that for what they're doing, the highway. Not the ATV versions and the newer versions for Afghanistan but some that we're pulling out of Iraq.

They're looking for a dozen, 15 or so, and as we came to understand and appreciate their commitment to this joint effort, it's something we promised to pass on to the leadership when we returned home from that trip. Appreciate the efforts in trying to work with our Romanian partners and their needs.

SEC. GATES: When this hearing is over, I leave for Istanbul for a NATO defense ministers' meeting and one of the initiatives that I'm going to announce there is we have taken a look at what more we can do share what we've learned and our counter IED capabilities with our partners in Afghanistan, and I will be telling the other 27 defense ministers that this is important for us and within the framework, obviously, of the law, there is more we can do to help them and we will.

REP. PLATTS: Wonderful, Mr. Secretary.

MR. MULLEN: And the only other thing I would add is I was with my Romanian counterpart last week in Brussels, and we've talked about the AMRAP issue many times. We're doing as much as we can to get them what they need. It's significant that they now want to actually buy them and at the same time our priorities have been to get them to our forces first and then their --

REP. PLATTS: Understood.

MR. MULLEN: -- because they really need them, and I think we'll get there.

REP. PLATTS: The ambassador had just returned from presenting a bronze star for us to two soldiers, Romanian soldiers that had given their lives, to the widows of the soldiers who had given their lives, so thank you, Mr. Chairman. Again, thanks for your leadership for our nation.

REP. SKELTON: Thank the gentleman. Before I call on the gentle lady from Guam, I don't believe it's been touched on yet. Let's talk about the DDG 1000 program if we may. It was truncated last year, if you will recall, at three vessels, and we received notice yesterday that due to the termination, the remaining four vessels of the DDG 1000 will suffer a cost growth and they'll all have to be either terminated or recertified.

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

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

REP. SKELTON: Admiral, do you know anything about it?

MR. MULLEN: Well, to some degree -- I shouldn't do this, but I think what you're looking at are termination costs that are given at the termination of the program, and whether you build three or a hundred of something, at the end of the program, you have to pay this and so it sounds like it's coming in from that perspective. I honestly don't know.

I know that the CNO is looking at possibly the DDG 51 hull for the future.

This program also has the cruiser cancellation, the issue being, what's the ship that's going to bear the radar for the future, a big piece of which will be missile defense. That's about all I know right now.

SEC. GATES: Mr. Chairman, I've just been reminded that the issue that has come up is, and that has raised concerns, is that the program is going to breach Nunn- McCurdy. But it is going to breach, not because of performance issues, but because of the reduction in the buy. And as far as I know, our plan is to continue to go forward with it.

REP. SKELTON: Okay. Thank you. I asked the question because I'm sure that will come up in at least one of our subcommittees.

The gentle lady from Guam, Ms. Bordallo.

DEL. MADELEINE Z. BORDALLO (D-GUAM): Thank you very much, Mr. Chairman.

Secretary Gates and Admiral Mullen, thank you for your testimony today. I would like to begin, of course, with the Guam military build-up. I arrived yesterday afternoon, after spending days on Guam. In fact, I held five town meetings to allow my constituents an opportunity to discuss and share their concerns about the Draft EIS. While I believe that many remain supportive of the overall goals of the military build-up, they are extremely concerned about certain aspects of it and its impact on Guam's culture and environment.

I'm working with all of the local leaders to form a consensus on the way forward with the Draft EIS and make sure that there is one message from the people of Guam. Now, I believe that this consensus will force DOD to look very closely at some of the assumptions in the Draft EIS. As I have stated, and as Chairman Skelton has reiterated time and time again, we must get this build-up done right. However, the current Draft EIS does not accomplish that goal in totality.

I need to make it clear that I will oppose any effort by the DOD to utilize the power of eminent domain to acquire private or government of Guam land. In fact, I would encourage the department to look harder at keeping the military within its existing footprint on Guam. I also encourage the department to look at other alternatives for the transit carrier berthing in Apra Harbor to further mitigate coral and critical habitat loss. And I understand the department's position on the Futenma Replacement Facility has evolved, and the U.S. is willing to wait until May for a final decision from the new government in Japan.

I also understand that if alternatives are proposed for the FRF, that the U.S. would be willing to make changes to the Guam International Agreement to accommodate the Government of Japan's counter proposal. So first, my question is, what has led to this evolution in strategy regarding the government of Guam? And also, are you willing to seriously consider counter proposals that I and other government of Guam officials will propose in our official comments on the Draft EIS and act on them? If we are willing to give Japan extra time, I hope that we can give Guam the same courtesy.

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

SEC. GATES: Well, I think, I met with the governor a year or so ago and told him that I thought it was important for us to have transparency and also for us to take into account the views

of the people of Guam, and so I stand by those comments. I would just say that while, with respect to Futenma, that we are willing to be patient.

We have a new government in Tokyo. The security alliance with Japan, we just observed the 50th anniversary a couple of weeks ago. So, the alliance is important to us, but we negotiated a long time on this, and we have no counter proposals from Japan, and so we are willing to give this some time to see how things play out in Tokyo. I don't know if you want to --

DEL. BORDALLO: Good. Thank you.

ADM. MULLEN: The only thing, ma'am, I think you know this probably as well as or better than anybody else, how critical Guam is to us, and the relationship with those who live there, unbelievably strong supporters. Not just local citizens but so many who serve in our military.

And Guam plays now and will continue to play a pivotal role in this strategic lash-up in that part of the world. And I would just emphasize or add to what the Secretary said in terms of transparency and understanding, and as we move through these, these are major moves we want to get right, because they're going to be out there for a long time.

DEL. BORDALLO: Thank you. And one other question. It's on a separate matter. It's for either Secretary Gates or Admiral Mullen. As you may be aware, Congressman Fleming and I have established the Long Range Strike Caucus to focus on the long range strike capabilities. And I note with concern, Secretary Gates, in your statement yesterday before the Senate, that the IOC for this platform will be delayed nearly a decade.

The bomber is valuable for strike missions, and I would like to know from you, what is the timeline for completing this study, and what factors and assumptions are being considered as this study is being conducted? I just have that feeling that this initiative is going to fall victim to the typical Washington syndrome of too many studies and too little action.

SEC. GATES: Well, what the, both the QDR and the budget provide for is a family of long range strike initiatives, and the things that we are looking at, there are some pretty substantial questions. Should it be standoff or attack? Should it be manned or remotely piloted? So there are some fairly fundamental issues. We have money in the budget, as we mentioned earlier, for both B-2 and B-52 modernization, and so, we're looking at something that will be in our inventory until 2060 or 2070 and so, and based on the life of the B- 52, it may be there until 2100.

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

REP. SKELTON: (Sounds gavel.)

DEL. BORDALLO: Thank you, Mr. Chairman.

REP. SKELTON: Thank you.

Mr. Conaway.

REP. K. MICHAEL CONAWAY (R-TX): Thank you, Mr. Chairman.

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

Mr. Secretary, the Department of Defense is unauditible. Now, that may sound like a strange question or comment to make. I can't imagine you were briefed on this idea coming in, but it's got to be at least as important as Don't Ask, Don't Tell. There's \$636 billion dollars that we spend every year, and we don't know that we spend it correctly. The only way that's going to happen, and there's a law on the books right now that says by 2017, the Department of Defense and all of its variety of agencies have to be clean audits.

But that doesn't happen unless we get told from the top, unless the top guy, you, look at Mr. Hale and say, "Mr. Hale, we've really got to add this to all the other things that you've got going on that are important." But you can't make, I can't make good decisions on bad data. And the data that you're getting is coming from a myriad of systems and programs that have been cobbled together over 50 years. I've worked, had conversations with the folks over at the Office of Business Transformation. They've got the responsibility to get it done and the authority to simply cajole everybody in your system to get it done.

And so, the broad comment is, and I don't expect any answers other than that you see this as an important issue. I tried to get the time frame shortened from 2017 to 2013, and it blew up the other side of this building. The Senate came unwrapped over that reason, for some reason. But this is important and decisions are, better decisions are made with better data, and the data you're getting right now is, as I said, unauditible.

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

SEC. GATES: As the former chairman of a number of corporate audit committees, I feel pretty strongly about this, and the fact is that for certainly the last several years, there has been a program under way to be able to produce clean audits. My impression has been that there has been steady progress and that there are a growing number of units that are able to do that. But let me ask Mr. Hale to give you a 30-second update on where that process stands.

MR. HALE: Well, can I start by saying that one of the key things, which is, are we spending the money the way Congress tells us, have been auditable and are auditable. It's called appropriations received, the IG reviewed it several years ago. So, I think you can be assured that we are spending the money in the manner in which we are directed by law.

What we can't do is the transaction base and various other requirements that are needed if you're going to pass a private sector audit test. What I did when I came into this job is realized, frankly, we were spending a lot of time and money trying to clean up data and audit it in areas where the data wasn't very useful to management.

So we've refocused it on the budgetary information, which we use every day to manage the Department of Defense. And you're right the Marine Corps has asserted audit readiness for its so-called statement of budgetary resources for fiscal '10. And they'll be a major test. The Army Corps of Engineers has a clean audit on all of its statements. And we're working with the other military departments. But the systems rolled and it will take awhile to get this.

REP. CONAWAY: Exactly, but tone comes from the top and emphasis comes from the top and from Congress. And I'm the one guy who serves on Intel and the Armed Services Committee, the CCPA. And so, this is going to be a continuing --

MR. HALE: It is on our 10 -- we've got a list with OMB of our 10 top priorities for business improvement; it is on it.

REP. CONAWAY: Okay. A couple of nits and nats. The written testimony says that we're going to buy an F-35, a Joint Strike Fighter with OCO money, overseas contingency operations money.

SEC. GATES: Yes, there is --

REP. CONAWAY: Is there going to -- is --

SEC. GATES: There is only one F-35 to replace an F-15 that we lost.

REP. CONAWAY: So the F-35 is going to go into the fight?

SEC. GATES: Well, what we have done actually for the last several years is when we have lost an aircraft, for example, and when the line for that particular aircraft is closed; we then move to the next most modern aircraft.

REP. CONAWAY: Okay. We've got 111 C-5s?

SEC. GATES: Yes.

REP. CONAWAY: The testimony the previous couple of years is that 50 of them or some odd, 50 of them can't get off the ground, never will get off the ground again. Not getting into the C-17 fight. I don't have any C-5s in my district; there aren't any C-17s in my district.

But it seems to me that -- letting us know what it cost us year in and year out to maintain the tale numbers on the C-5s that -- and the 111 -- that those resources that could go somewhere else. And I know we've got champions on my side of the aisle and the other side of the aisle to keep all 111 C-5s on the books. But it seems to me that we ought to at least know the wasted resources that that cost us to maintain that. So --

SEC. GATES: We will provide you with that information. But I will tell you as I told you last year and the year before, and as the Admiral just described a few minutes earlier in this hearing, the Air Force cannot recapitalize unless it retires some older aircraft. We have sought from the Congress the authority to retire some C-5s, and have not received that authority. And we would really like to get it.

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

I yield back, Mr. Chairman.

REP. SKELTON: Thank the gentleman.

Ms. Giffords.

REP. GABRIELLE GIFFORDS (D-AZ): Thank you Mr. Chairman, Secretary Gates, Admiral Mullen and Secretary Hale. Thank you so much for your service.

I've got a couple of questions. Following up on an aircraft, I know after long last, we now have some numbers from the department that indicate that we're going to lower the requirement for manned fighter aircraft by 206 airplanes. And overall, I believe this represents a reduction of 536 aircraft from two years ago. I'm talking about strike fighters of course.

So we're looking at maybe a shortfall between 217 and 224; and that these retirements are not offset by the joint strike fighter. So I'm concerned. Congressman LoBiondo and I have worked on this for a couple of years. And obviously there is a lot of pressure on the budget, but I was just hoping to get your perspective on this gap that we're facing.

SEC. GATES: Sure. Between -- we have roughly 2,240 - 45 combat aircraft now. That number is projected to drop to 1,864 in 2020; that's a drop of 377. On the other hand, unmanned aircraft such as the Reaper will increase from 204 now to 543. So if you count all the aircraft and the un-remotely piloted aircraft, you actually end up with a difference between 2,440 now and 2,400, 2,407 in 2020.

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

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

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

I want to shift gears to an area that I know both of you are working on; and that is the dependence that we have on foreign countries for our energy. And of course, the world's largest user of energy is actually the Air Force. In the United States, the largest user of energy is the Department of Defense. And the department has taken tremendous steps to reduce the amount of energy being used by the Department of Defense.

I'm curious about comments on your short-term and your long-term energy reduction goals. Also, whether or not the energy-saving performance contracts are proving to be worthwhile. And what Congress can do to help streamline some of these projects. My frustration is we spend over \$400 billion every year to buy energy from mostly hostile foreign nations. And it puts us from a national defense standpoint really in a very precarious situation.

And this Congress I believe is very committed to making sure that we can make America's energy in America, and you all are on the front lines of that. So I was hoping to get some comments on this question.

SEC. GATES: I think to give you an adequate answer we'd probably better do that for the record.

REP. GIFFORDS: Okay.

Admiral Mullen.

ADM. MULLEN: Well, I would -- I would agree with that. For an in-depth answer, I know the Air Force has led the department. I know Secretary Mabus in the Navy has made this a priority for the Navy. The Navy was behind in -- invested but behind with respect to that. And it is a priority in the department; and certainly I share -- we all share the concerns that you expressed in terms of where we get it, not just now but in the future.

REP. GIFFORDS: Well, it is interesting you look at for example Mellis Air Force Base and how much of their energy is now coming from solar. Luke Air Force Base is on target to actually a larger installation. Davis-Monthan Air Force Base probably double that. So it's interesting from a facilities standpoint the progress that's been made. But from the operational standpoint, when you look at biofuel and the ability to not have these long -- there's a frightening snapshot photograph. It's the caravan for you know the oil re-supplier for you know the petroleum resupply that you know kills hundreds of our soldiers every year.

And you all are the forefront of that. And I see some of that reflected in the budget. We worked here in the House to nominate -- to put together a director of operational energy; and we're hoping the Senate confirms that to be able to help free up your work. So thank you and I look forward to working with you on that.

REP. SKELTON: Thank the gentle lady.

Ms. McMorris Rodgers

REP. CAHTY MCMORRIS RODGERS (R-WA): Thank you Mr. Chairman and thank you Secretary Gates and Admiral Mullen for being here. I know that it's been a long day for you. But I just thank you for the generosity of your time in answering our questions.

As you know, I represent Fairchild Air Force Base. And the tanker and the replacement of the tankers has been on the forefront of my priority list since I arrived in Congress. And for one reason or another, we've seen a number of delays in the process.

The Casey-135 represents a central piece of war plans to support the United States and its allies around the world. And now, Northrop Grumman's chief operating officer has threatened to not bid unless significant changes are made to the tanker requirements. And I think I join with others in just sharing a concern about the potential of further delaying the tanker competition and stretching the limits of these 50-year-old aircraft.

I want to see a new tanker parked on the ramps of Fairchild Air Force Base sooner rather than later. So I want to just ask, how are you going to respond to this kind of pressure and change the war fighter's tanker requirements to meet the demands of the competitors?

SEC. GATES: The -- we've received a lot of comments, including from here on Capitol Hill on the RFP. I think that the final RFP will be issued in a fairly short period of time. And our hope is -- I think a selection in the summer. Yeah, a selection in the summer.

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

REP. MCMORRIS RODGERS: Good, good to hear.

And Admiral Mullen, I just want to applaud you for your support of military families. And I know the administration is really taking a new -- provided a new emphasis on supporting our military families, and the Department of Defense likewise. We are seeing the impact of multiple deployments on our military families. And I'm hearing from families across the country about mental-health issues.

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

ADM. MULLEN: Again, this has been a priority for this department for several years. We have more than tripled the number of mental-health-care providers in recent years, but we're still far short of what we need. I talked earlier about the whole issue of -- we've got to address internally to the military and families.

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

Where I am on this is we've got to start producing a higher-capacity output to address this issue, and it's a very, very complex issue. And I'd also like to thank you and Mr. Bishop for standing up the Military Family Caucus. That's a big deal. And it will focus issues, and do so in a way that is fed by your concerns and your reaching out to families to get information about what's going on and allow us all to continue to press forward to make it better for them, because they are so important.

MR. HALE: Can I add briefly?

REP. MCMORRIS RODGERS: Please.

MR. HALE: I think an exciting experiment -- the Army is trying to screen members who are coming back from Iraq and Afghanistan for mental-health disorders over either the Internet or video teleconference to make greater use of health professionals.

REP. MCMORRIS RODGERS: Well, good.

MR. HALE: They tried it in an experiment at Tripler. It worked out quite well. A lot of the younger soldiers really liked it because they're so used to working over the Internet. And it would allow greater use or better utilization of health professionals. So I think they plan to expand it. It's a good idea; forward-thinking.

REP. MCMORRIS RODGERS: Great. Thanks.

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

And with that, I'll yield back.

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

REP. MCMORRIS RODGERS: Well, and I think there's some exciting technology with the -- you know, we've done the virtual recruiters. Maybe we can do virtual counselors and, you know, protect the soldier themselves.

Okay, thank you, Mr. Chairman.

REP. SKELTON: I thank the gentlelady.

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

Mr. Taylor.

REP. TAYLOR: Thank you, Admiral and Secretary Gates, for sticking around so long.

I did not give you any opportunity, I regret to say, to respond to my concerns about the use of rules of engagement that were raised on my visit to Afghanistan. And Mr. Secretary, I have noticed, since the publication of the book "Lone Survivor," this is something that comes up fairly often as I meet with the moms and dads and loved ones of troops deployed. And it's a very serious question.

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

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

SEC. GATES: Well, both of us will take a crack at this.

I'm obviously aware of this concern on the part of some of our soldiers. I heard this directly from a young soldier at Walter Reed a couple of years -- a couple of weeks ago, who told me that he thought the reason he'd been injured was because of the rules of engagement.

It seems to me that this is an area where I believe that the commander on the ground has to have the discretion in terms of the rules of engagement for the troops and how the rules of engagement fit with the strategy he is trying to pursue.

The tactics that have been used by us are changing all the time. There's been a significant reduction in the use of dogs because they're so offensive to the Afghans. There's been a significant reduction in night raids.

And frankly, there is -- you know, we had a situation. I'll give you an example of where you can make a mistake, and it actually was with, I think, one of the Predators. And they saw a group of people digging a hole in a road, and they were going to target the Predator on them because they were convinced they were doing an IED. And the guy running the Predator stopped it at the last minute. People were on the ground, and it was a bunch of kids, and they were just fooling around. They weren't planting bombs. Hitting those kids would have been a huge setback for us in that area.

So I basically -- I understand their concern. I've heard from parents as well about it and their worry. I understand it. But I think that in terms of the overall health of our force and keeping our

kids safe, that being successful in this campaign is really the priority. And we're obviously going to do everything we can in the course of that to protect our kids. But we also have to figure out what the best strategy for success is.

ADM. MULLEN: I would only add that I think your comment and the comment that was made to you by the soldier you met with about the police is an accurate comment, and we're all concerned about that. And that's the Afghan police are the long pole in the tent, because in many places they're corrupt. And where (we're ?) willing to follow a soldier -- sorry -- an Afghan soldier in, not so. And we're working our way through that. And I think everybody in the chain of command recognizes that.

My experience along these lines, back to who wrote it, at least I think I would attribute the initial directive that General McChrystal put in place to reduce civilian casualties, which is what this is a lot about, Washington was involved in that. Subsequent to that, I'm not aware that we participate at all in the (house piece ?); you know, his directive with respect to night raids. That really is his business, and he feels very strongly. And I would only re-emphasize what the secretary said about it's important that he do that.

The other thing in my conversations with soldiers out there, it is -- it has been -- those who were in Iraq -- and I think I heard you say that as well -- who had tours in Iraq that come to Afghanistan for the first time, and they see the rules of engagement being so much different. We worked our way through that in Iraq over time and found we could do that as we were learning.

In this insurgency, we know what we need to do, and I think we need to do it earlier. We didn't know that at that time in Iraq. We had to work our way through it. They have expressed those same concerns about the convoys, and at the same time -- and there are risks associated with that.

I believe that General McChrystal in particular believes, and we all do, that we're going to get through this more quickly, and in the end suffer fewer casualties. And the risk may be up on the front end.

What this is all about is how we treat the Afghan people, how we treat where they live, and how we impact them in terms of this overall campaign. That's the center of gravity. And we are protecting -- I mean, a priority for us is certainly to make sure we take care of our people who are fighting.

REP. TAYLOR: Mr. Chairman, a quick question for the record, if you don't mind.

REP. SKELTON: Go ahead.

REP. TAYLOR: I would be very interested in how many troopers have faced either judicial or non-judicial punishment in Afghanistan for violating the rules of engagement and give us some sort of a benchmark of the size of this problem.

Thank you very much, gentlemen.

REP. SKELTON: Thank you.

Mr. McKeon.

REP. MCKEON: Again, I join the others in thanking you for the time that you've given us here today, gentlemen.

In my opening remarks, I talked about \$350 million in the budget for either supporting detainee operations in Guantanamo Bay or any other location. I think you used the term \$150 million. Was that on some other --

SEC. GATES: That was just for the prison in Illinois. The \$350 (million) is all detainee operations --

REP. MCKEON: Okay.

SEC. GATES: -- including Guantanamo.

MR. HALE: The \$150 (million), as the secretary said, for MILCON. There would also be, if we opened the Thompson facility, some startup costs, another perhaps \$150 (million) for IT security upgrades. It will be a very high-security facility if it's opened. So the total would be around \$300 (million). And then there's a couple of hundred (million dollars), as you pointed out, to buy the facility in the Department of Justice budget.

REP. MCKEON: Great. We're all on the same page, then, on that.

Mr. Secretary, it's the administration's -- is it the administration's policy to prevent Iran from obtaining nuclear weapons?

SEC. GATES: Yes.

REP. MCKEON: What steps is the department taking to meet this objective?

SEC. GATES: Well, I think that, first of all, to give you any kind of a comprehensive answer to that question, we probably should do it on the record -- in a classified session or with a classified response. But I think we are looking at a full range of options.

REP. MCKEON: In the State of the Union, the president stated that if Iran pursues a nuclear-weapons capability, there would be growing consequences. Can you explain what these growing consequences are? Would that also have to be --

SEC. GATES: Well, I think, in the near term, it's more likely to be severe sanctions imposed, partly by the U.N. Security Council and partly by the U.S. and like-minded countries.

REP. MCKEON: Finally, I understand that the Iran Military Power Report, Section 1245, from last year's -- or this year's -- yeah, last year's NDAA has missed its deadline and will be delivered late to the Congress. Can you please ensure that we get this report as soon as possible?

ADM. MULLEN: Sure.

REP. MCKEON: These other questions we'll just submit for the record. You've been here a long time.

Thank you very much for all you're doing.

SEC. GATES: Thank you.

REP. SKELTON: Let me thank each of you for your appearance today, for your outstanding service to your country. You know, we talk about families, but I'm not sure anyone has said thank you for your families.

Secretary Gates, your charming wife Becky is the sponsor of the USS Missouri and makes us all proud, the fact that she is.

Admiral Mullen, your lovely wife Deb has done so much with you and for you. And I'm not supposed to introduce her today, so I won't. But it is awfully nice to have her with us to share this moment. Thank you so much.

And Secretary Hale, we didn't give you too much of a workout today, but we'll save you for the next time.

Thank you, and we're adjourned.

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