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Written Posture Statement to SASC, HASC and HAC-D

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In my fourth and final Posture Statement, I look forward to reporting to you on the state of the United States Armed Forces, our successes over the last year, our continuing challenges, and our priorities for the coming year. I also would like to thank you for your unwavering support of our armed forces and our servicemen and women.

Our Nation is entering the fourth year of sustained combat operations. Our successes in the past year are clearly due to the dedicated and courageous service of our Nation's Soldiers, Sailors, Airmen, Marines, Coastguardsmen, and civilians who are serving within our borders and around the globe. Their service as warriors, diplomats, peacekeepers and peacemakers has been exceptional. They are truly our Nation's most precious and important assets. Serving alongside our Coalition partners and allies, they have accomplished very demanding, and many times, very dangerous missions.

Building democracy and hope in areas long ruled by terror and oppression is a long, hard task. Our success in both Iraq and Afghanistan is a tribute to the hard work and sacrifice of our Coalition partners and our dedicated American servicemembers. The US Soldiers, Sailors, Airmen, Marines, Coastguardsmen and US government civilians who have been killed or wounded sacrificed to make the world safer and provide hope to millions. We grieve with their

families, and with the families of all the Coalition forces and civilians who made the ultimate sacrifice in these noble endeavors.

While overall results are positive, significant challenges affect our forces engaged in demanding combat operations. These operations create many readiness challenges, including Combat Service and Combat Service Support capability limitations, Reserve Component mobilization challenges, and manning a growing number of Combined and Joint Force headquarters. The past 3 years have been demanding, and while there are no “silver bullets” to make our problems go away, I will outline our way ahead to address our long-term challenges.

We remain resolved, dedicated, and committed to winning the Global War on Terrorism (GWOT), securing the peace in Iraq and Afghanistan, combating Weapons of Mass Destruction (WMD), enhancing joint warfighting capabilities and transforming the Armed Forces to meet the challenges of the 21st Century.

We are making steady progress in these areas. Our homeland is safer and we are committed to winning the Global War on Terrorism. Afghanistan has a democratically elected president and three quarters of al-Qaida’s leadership has been killed or captured. Just last month, the Iraqi people democratically elected a Transitional National Assembly, a crucial step toward a permanent government and their first legitimate election in generations. We continue to improve our world-class joint warfighting capability, and we are making good progress in transforming our Armed Forces.

Despite the current operational demands on our forces, we remain ready to support the President’s National Security Strategy to make the world not just safer, but better. We are fully prepared to support our strategy to assure our allies while we dissuade, deter and defeat any adversary. Our revised National Military Strategy links this strategic guidance to operational warfighting, defining three interrelated National Military Objectives—protect the United States, prevent conflict and surprise attack, and prevail against adversaries—along with supporting additional military tasks and missions. Success in meeting these objectives necessitates cooperating with multinational partners and integrating military capabilities across the Interagency to harness all elements of National power.

Executing our strategy requires a force fully prepared to simultaneously conduct campaigns to prevail against adversaries, protect the US from direct attack, and undertake activities to reduce the potential for future conflict. Success requires an array of capabilities, from combat capabilities to defeat the forces that threaten stability and security, to capabilities integrated with the Interagency for stability and security operations. We must continue to invest in activities such as International Military Education and Training and Theater Security Cooperation that serve to expand and strengthen alliances and coalitions. These alliances and activities contribute

to security and stability and foster international conditions that make conflict less likely.

We expect the coming year will be no less challenging than last year, as we fight the Global War on Terrorism, continue to excel in joint operations, and transform our Armed Forces. With the continued strong support of Congress and the dedicated service of the men and women of our Armed Forces, we will succeed.

Winning the Global War on Terrorism

The Global War on Terrorism will continue to be a long and difficult war affecting the entire global community. It will require our firm commitment and the cooperation of our allies and coalition partners as well as international organizations, domestic state governments, and the private sector.

The United States is fighting a new kind of war against a new kind of enemy. This enemy is motivated by extremist ideologies that threaten such principles as freedom, tolerance, and moderation. These ideologies have given rise to an enemy network of extremist organizations that deliberately target innocent civilians to spread fear. Extremists use terrorism to undermine political progress, economic prosperity, the security and stability of the international state system, and the future of civil society. We are fighting to bring freedom to societies that have suffered under terrorism and extremism and to protect all societies' right to participate in and benefit from the international community.

The US cannot defeat terrorism alone, and the world cannot defeat terrorism without US leadership. We must ally ourselves with others who reject extremism. Success in this war depends on close cooperation among agencies in our government and the integration of all instruments of national power, as well as the combined efforts of the international community.

The US government strategy for winning the Global War on Terrorism has three elements: protect the homeland, disrupt and attack terrorist networks, and counter ideological support for terrorism. We continued to make progress in the Global War on Terrorism during 2004. Democratic forms of government now represent people who were controlled by brutal dictatorships. Lawless territories have now been reclaimed. Terrorist networks have been disrupted and their safe havens have been denied. The US and its allies have captured or killed numerous terrorist leaders in Iraq and around the world. Freedom has replaced tyranny in parts of the world.

Despite this success, the US continues to face a variety of threats from extremist networks, criminal organizations, weapon proliferators, and rogue states that cooperate with extremists. To

combat these threats, we continue to refine the role of the Armed Forces in homeland defense by combining actions overseas and at home to protect the United States. Critical to this role are US Northern Command's (NORTHCOM) mission of homeland defense and DOD's contributions to consequence management. NORTHCOM can deploy rapid reaction forces to support time-sensitive missions such as defense of critical infrastructures or consequence management in support of the Department of Homeland Security or other lead federal agencies. NORTHCOM's Joint Task Force Civil Support coordinates closely with interagency partners and conducts numerous exercises to integrate command and control of DOD forces with federal and state agencies to mitigate chemical, biological, radiological, nuclear and high-yield explosive incidents. The National Guard now has thirty-two certified Weapons of Mass Destruction (WMD) Civil Support Teams. Twelve additional teams are undergoing certification and eleven more are planned for this year. I thank Congress for your continued support of these important WMD Civil Support Teams. Additionally, last October the National Guard reorganized their state headquarters into truly joint headquarters, allowing them to interact more efficiently with other military organizations.

The North American Air Defense Command (NORAD) is providing robust air defense of the continental US, Alaska, Puerto Rico, and the Virgin Islands through Operation NOBLE EAGLE. We are developing plans that build on the success of NORAD to improve maritime warning, maritime control, information operations, and enhanced planning. Although the effort expended on defending our country may be transparent to some, the operations and exercises being led by federal agencies, including the Department of Homeland Security, NORTHCOM and NORAD, are robust, successful, and extremely important. The Total Force is doing a superb job in defense of our country, and I thank Congress for its continued funding of homeland defense initiatives.

Forces overseas, led by our Combatant Commanders, are conducting offensive counterterrorism operations along with interagency and international partners to defeat these threats closest to their source. In addition to attacking and disrupting terrorist extremist networks, Combatant Commanders assist in building counterinsurgency, counterterrorism, internal defense and intelligence capabilities of partner nations. Strengthening partner capacity improves internal security, and ultimately contributes to regional stability and the creation of global environment inhospitable to terrorism. The Special Operations Command is designated as the combatant command responsible for planning and directing global operations against terrorist networks.

The offensive efforts of our Global War on Terrorism strategy are designed to deter, disrupt, and defeat terrorist operations, affecting terrorists' ability to effectively execute their attacks or sustain their ideology. DOD efforts include information operations that impede our enemy's ability to perform critical functions. Ultimately, continuous and successive attacks against the enemy cause their operations to fail.

These offensive actions overseas constitute the first line of homeland defense. In the land, air, space, maritime, and cyber domains, DOD will continue to coordinate closely with allies and partner nations and other US agencies to interdict terrorists and their resources before they enter the United States. The US goal is to disrupt their efforts to access targets, and defeat attacks against our homeland. This requires effective information sharing, persistent intelligence, surveillance, reconnaissance, more and better human intelligence, and improved interoperability between the Armed Forces and other US government agencies.

The third and most important element of this strategy to defeat terrorism includes de-legitimizing terrorism so that it is viewed around the world in the same light as the slave trade, piracy, or genocide. Terrorism needs to be viewed as an activity that no respectable society can condone or support and all must oppose. Key to this effort are actions to promote the free flow of information and ideas that give hope to those who seek freedom and democracy. DOD contributes to this important effort with security assistance, information operations, assisting humanitarian support efforts, and influencing others through our military-to-military contacts.

The Global War on Terrorism will be a long war, and while the military plays an important role, we cannot win this war alone. We need the continued support of the American people and the continued support of the entire US government. The US will have won the Global War on Terrorism when the US, along with the international community, creates a global environment uniformly opposed to terrorists and their supporters. We will have won when young people choose hope, security, economic opportunity and religious tolerance, over violence. We will have won when disenfranchised young people stop signing up for Jihad and start signing up to lead their communities and countries toward a more prosperous and peaceful future—a future based on a democratically-elected government and a free, open, and tolerant society.

Operation IRAQI FREEDOM (OIF)

The US is committed to helping the Iraqis build a secure and peaceful future with a representative government based upon the rule of law. The list of important accomplishments in Iraq in every sector—education, medical care, business, agriculture, energy, and government, to name a few—is long and growing. Most importantly, Iraq has reached several important milestones on the road to representative self-government: transfer of sovereignty, election of a National Council, and parliamentary elections. The key to success in Iraq is for Iraqis to become self-reliant. A timetable for leaving Iraq would be counterproductive, leading the terrorists to think they can wait us out. We are in Iraq to achieve a result, and when that result is achieved, our men and women will come home.

With the help of the Coalition, the Iraqi people are creating a country that is democratic, representative of its entire people, at peace with its neighbors, and able to defend itself. The Iraqi people continue to assume greater roles in providing for their own security. The recent Iraqi elections showed their courage and determination to support a free and democratic country, and represented a moral defeat for the insurgents. The Iraqi people have a renewed pride of ownership in their government, and their future. Voters paraded down the street holding up their fingers marked with blue ink from the polls. They carried their children to the polls as a clear symbol that they were courageously voting to improve the Iraq their children would inherit.

This very successful election is just one milestone on a very long road. Together with our Coalition partners, the international community, Interagency partners, and Non-Governmental Organizations, we are fully committed to helping the Iraqi people provide for their own security and supporting their dream of a free, democratic, and prosperous future. I thank Congress for its continued support of our budget submissions and supplemental requests to help fund our operations and sustain our readiness posture. Your support and the support of the American people are key and have been exceptional.

Many Americans have paid with their lives to ensure that terrorism and extremism are defeated in Iraq, but the morale of our servicemembers remains very high, and they are dedicated to helping achieve peace and stability. We currently have approximately 150,000 US servicemembers in Iraq. Commanders in the field will continue to evaluate our force structure and recommend changes as security conditions and Iraqi Security Forces capabilities warrant.

The insurgency in Iraq is primarily Sunni extremist-based and focused on getting Coalition forces out of Iraq and regaining illegitimate power in Iraq. Its leadership is predominantly former regime elements drawn from the Ba'ath Party, former security and intelligence services, and tribal and religious organizations. Other groups contribute to the instability, including militant Shia, Jihadists groups, foreign fighters, and extensive criminal networks and activity. They are generally well resourced with weapons, munitions, finances and recruits.

The greatest threat to stability in Iraq comes from the former regime elements and their supporters. In the near-term, however, a group of Sunni extremists comprising the al-Qaida Associated Movement adds to the security challenge. This al-Qaida Associated Movement is part of a global network of terrorists. Other elements of this movement were responsible for some of the deadliest terrorist attacks in 2004, including the 11 March train bombings in Madrid, and the 9 September bombing of the Australian Embassy in Jakarta, Indonesia. In Iraq, the al-Qaida group led by al-Zarqawi claimed responsibility for the tragic suicide bombing of the mess tent at Forward Operating Base Marez in Mosul.

We expect insurgents to persist in their attacks this year, particularly as the Coalition continues to

help the Iraqis rebuild their country and form their new government. The Coalition will stand firmly beside the Iraqi people to sustain momentum and progress in helping the Iraqi Security Forces defeat these insurgents and terrorists.

Reconstruction and economic stabilization efforts are expanding steadily In 14 of the 18 provinces in Iraq. In the other 4 provinces, the insurgents are sustaining a hostile environment that undermines reconstruction and economic stabilization. The use of Improvised Explosive Devices (IED), car bombs, and stand-off attacks continue at elevated levels.

The insurgents are tough enemies, but they offer no alternative positive vision for Iraq. Instead, they offer the old vision of Iraq: extremism, tyranny, violence and oppression. Insurgents are conducting an intimidation campaign to undermine popular support for the Iraqi Government, Iraqi Security Forces and emerging institutions. They use barbaric and cowardly attacks to target Iraqi government officials, their families and others who are trying to improve conditions in the country. We will continue to help the Iraqis hunt down extremists and their accomplices and capture or kill them.

Elements in neighboring countries are interfering with democratic efforts in Iraq. In Syria, displaced Iraqi Sunnis and Ba'athists are also influencing events in Iraq. These efforts include aiding and funding insurgents, extremists, and terrorists, to plan attacks inside Iraq and transit from Syria to Iraq. The Syrian military and government have made some attempts to halt this influence and the illegal flow of terrorists into Iraq, but they need to do much more.

Establishing Iraqi stability and security is a complex process but an important one, because it is the path to peace. There are several key components to this complex issue, including physical, social, economic, and political security. Coalition forces play a direct role in many of these key components, but we must address all of these components simultaneously. The US military cannot do it alone. This is an Interagency as well as an international effort. We must balance all components to avoid making the Coalition military presence a unifying element for insurgents. The objective must be to shift from providing security through Coalition counterinsurgency operations, to building Iraqi capacity to operate independently.

Currently, the Coalition is helping to provide physical security by protecting Iraq against both internal and external threats and training Iraqi military and police forces to provide their own physical security. Coalition military, NATO, and interagency cooperation has been very good. Currently, NATO and 29 countries are serving in Iraq. Based on the request of the Interim Iraq Government at the July 2004 Istanbul Summit, NATO representatives agreed to help train Iraqi Security Forces. This year, NATO will open a Training, Education, and Doctrine Center in Iraq to provide mid-grade to senior officer training courses, with plans to expand training to senior non-commissioned officers. NATO will employ a "train-the-trainer" approach to capitalize on

existing Iraqi capabilities and grow their cadre of trainers. NATO will also establish a Training and Equipment Coordination Group located in Brussels. The Iraqi-chaired Training and Equipment Coordination Committee in Baghdad will help coordinate donated equipment and training opportunities for Iraqi Security Forces outside of Iraq. In order to maximize our efforts, NATO countries and the international community must fully support and contribute forces to the mission.

The Iraqi Government has over 130,000 security forces trained and equipped at varying levels of combat readiness. The growing Iraqi Army now comprises over 70 combat battalions. Not all of these battalions are combat ready; readiness capability is a function of numbers, training, equipment, leadership and experience. We continue to work with the Iraqi government on raising, training, and equipping even more security forces. Just as importantly as increasing forces, the Coalition is helping improve the capability and readiness of the security forces. Iraqi division commanders have recently been appointed and are receiving training and mentoring. Coalition forces are working with them to build their headquarters and forces capable of independent operations. These leaders will be critical to conducting independent counter-insurgency efforts as they gather intelligence, shape plans, and direct operations.

Iraqi servicemembers have fought valiantly alongside their Coalition partners in combat, and have had to face the constant threat of insurgent attack. Over 1300 members of the Iraqi Security Forces have been killed in service to their country. Immediately on the heels of many effective combat operations, Iraqi and coalition partners have restored effective local governments that are responsive to the national government.

Training Iraqi police forces is a longer-term project, but good progress is being made, especially with the special police battalions. The Iraqis now have six public order battalions, a special police brigade, eight police commando battalions and five regional SWAT teams actively engaged in the fight against insurgents and terrorists on a day-to-day basis.

During the liberation of Fallujah, the Coalition that included Iraqi Security Forces made great progress in eliminating the insurgents' safe havens. Urban counter-insurgency operations are among the most difficult combat missions, but the Coalition courageously and successfully liberated the city, block by block and building by building. We continue to conduct effective offensive operations and help the Iraqi forces eliminate other safe havens.

The social aspect of security includes ensuring educational opportunities, adequate wages, health care, and other safety-net programs are available to ensure the population has basic human services. Economic security requires helping to promote the Iraqi economy and industrial base to create jobs and sources of income sufficient to support local and state government services, individuals and families. Although neither social nor economic security are primary US military

responsibilities, Coalition forces are actively involved in these efforts to bolster the legitimacy and effectiveness of local Iraqi governments. As much as possible, we are turning over responsibility for administering these projects to Iraqi leadership.

In June of 2004, there were 230 projects from the Iraq Relief and Reconstruction Fund on the ground "turning dirt." By January 2005, more than 1,500 projects were underway, accounting for more than \$3 billion in reconstruction funding and the progress continues. The US military, Interagency, Coalition and non-governmental organizations are helping the Iraqis build sewers, electrical and water distribution systems, health centers, roads, bridges, schools, and other infrastructure. I cannot overemphasize the importance of these activities to help the Iraqis rebuild their infrastructure, after decades of decay under Saddam Hussein's oppressive regime.

The Commander's Emergency Response Program (CERP) is a high-impact program that has been instrumental in our efforts to help secure peace and help stabilize Iraq and Afghanistan. Allowing commanders to respond immediately to urgent humanitarian relief and reconstruction requirements, this program proved to be an immediate success story. In FY05, the Consolidated Appropriations Act provided a total of \$500M of budget authority for CERP. Through the supplemental budget request, DOD has requested a total of \$854M for this program in FY05, \$718M for Iraq and \$136M for Afghanistan. I support the request for an increase in authorizations for CERP in FY05 and thank Congress for your continued support of the Commander's Emergency Response Program.

Political security means the Iraqis must be able to participate in the government processes without fear of intimidation. Last summer, Iraq began its transition to sovereignty. In August, military commanders shaped a plan that helped bring Iraq through the January elections and on to the constitutional elections in December 2005. The plan is on track. On January 30th, Iraqis elected a 275-person transitional national assembly, who will write a new Iraqi constitution. This was a very important step on the road to peace and security in Iraq.

The Coalition goal is for the Iraqis to have a safe and secure country. The political process is moving forward. The country needs to be rebuilt after thirty years of decay, and we need to continue to help build Iraqi military and security forces and encourage good governance. We are making excellent progress in so many areas in Iraq, even though this progress does not always get the attention it deserves. Daily reports alone cannot define our successes or failures. From a broad perspective, the Coalition has successfully reached the first of many important milestones. Less than two years ago, Coalition forces defeated a brutal dictator and his regime. We established a provisional authority to get Iraq back on its feet, and transferred sovereignty to an interim government. Now that the Iraqis have elected their national assembly, their next steps are to write a new constitution and elect a permanent government. The Iraqis have many challenges ahead and many more milestones to meet, and the Coalition forces are supporting their efforts to

ensure democracy and freedom will prevail.

Although the stresses on our Armed Forces remain considerable, I am confident that we will achieve the goals set forth by the President. Our Coalition forces are dedicated, and the Iraqis are dedicated, as they proved on January 30th. As long as America keeps its resolve, we will succeed. Resolute Congressional leadership will be as important to our success in the future as it has been to date.

Operation ENDURING FREEDOM (OEF)

2004 was a historic year for Afghanistan. The entire region is a much better place due to the commitment of the US, our Armed Forces and our Coalition partners. Currently in Afghanistan, 43 nations are working to protect and promote a democratic government, with NATO assuming an increasing role in stability and reconstruction efforts. We currently have approximately 20,000 US servicemembers in Afghanistan.

The October 9, 2004 presidential election in Afghanistan was a historic moment for that country. Over 8 million people, 40% of whom were women, braved threats of violence and overcame poor weather to cast their ballots. The elections were conducted under the protection of their own National Army and Police Forces with the assistance of the Coalition and the International Security Assistance Force. The election of President Hamid Karzai is providing new momentum for reform efforts such as the demobilization of private militias, increased governmental accountability, and counter-narcotics planning and operations. Taking advantage of his electoral mandate, Karzai assembled a cabinet of respected, well-educated and reform-minded ministers who reflect Afghanistan's diverse ethnic and political environment. National Assembly elections, currently scheduled for this spring, will provide additional leadership opportunities. The Presidential election represented a serious real and moral defeat to the insurgency. The Taliban's failure to disrupt the election further divided an already splintered insurgency. Nonetheless, some radical factions remain committed to the insurgency. Frustrated by their lack of success, these factions may seek to launch high profile attacks against the upcoming National Assembly elections, necessitating continued robust security.

Congress's firm commitment to Afghanistan is leading the international effort to fund and equip reconstruction in Afghanistan. In FY05, \$290 million of the authority enacted by Congress to train and equip security forces will be used to accelerate the growth of the Afghan National Army (ANA). Now numbering approximately 19,000 personnel—three times greater than last year—the Afghan National Army is a multi-ethnic, visible symbol of national pride, unity, and strength in Afghanistan. The goal is to fully man the ANA combat force with 43,000 servicemembers by late 2007, about 4 years earlier than originally planned. This is truly a success story. FY04 funding enabled the opening of 19 regional recruiting centers, which have been critical to attracting quality recruits to accelerate the growth of this force. In the next several years, the

Coalition and NATO will help build the commands and institutions the Afghans need to sustain and manage their military. The ANA is on the path to becoming a strong military force, and in its early stages has proven tough and well disciplined in the field.

The Provisional Reconstruction Team (PRT) program is a great success. As hubs for security sector reform initiatives, reconstruction, good governance programs and humanitarian efforts, these teams are key to stabilizing Afghanistan. There are now 19 operational PRTs, 8 more than I reported last year. The Coalition currently leads 14 of these teams and NATO leads 5. With an improvement in security and increased Afghan governance and security capacity, the PRTs will eventually be transformed into civilian-only assistance teams, with Afghan district and provincial governments taking over an increased number of their functions.

Last October, the United Nations approved a resolution extending NATO's International Security Assistance Force for another year. ISAF now controls five PRTs in the North, with Phase Two of NATO expansion into the west occurring in 2005. The intent is to continue NATO expansion by region, gradually replacing Coalition forces with NATO forces.

In spite of the successes to date, low-scale insurgent attacks continue, and more disturbingly, opium production reached record levels last year. Afghanistan is responsible for most of the world's opium supply, and 80 to 90 percent of the heroin on the streets of Europe. Eliminating the cultivation of poppies used to produce opium is Afghanistan's number one strategic challenge. Illicit drug activity in Afghanistan funds terrorism and interferes with good government and legitimate economic development.

Coalition soldiers are assisting in the counternarcotics effort in Afghanistan by reporting, confiscating or destroying drugs and drug equipment encountered in the course of normal operations, sharing intelligence, helping to train Afghan security forces, and, through our Provincial Reconstruction Teams, by providing assistance in communities migrating to legal crops and businesses. Ultimately, the Afghan government, aided by the international community, must address drug cultivation and trade with a broad-based campaign that includes creating viable economic alternatives for growers and manufacturers.

Achieving security in Afghanistan is very dependent on disarmament, demobilization and reintegration; cantoning heavy weapons; curbing warlordism; and defeating the narcotics industry. President Karzai's patience and persistence in dealing with factional leaders continues to achieve results. Over 31,000 former militia troops have been disarmed and demobilized, nearly 90% of the known heavy weapons were cantoned peacefully, and factional disputes continue to yield to central government resolution. The power of the warlords is methodically giving way to credible, effective national institutions.

Working closely with President Musharraf of Pakistan and President Karzai, we have been able to increase coordination among Coalition, Afghan and Pakistani forces along the border. The Pakistani government has taken the initiative to increase their military presence on the border, including manned outposts, regular patrols and security barriers. Pakistani military units also patrol in the Federally Administered Tribal Areas, once considered “no-go” areas. Pakistan’s support in securing key border points was instrumental in shaping a relatively secure environment during the Afghan presidential election. The Pakistani Army has significantly improved their counter-terrorism capabilities, thanks in part to equipment we are providing them, and has played a vital role in enhancing security in this region.

Other US Overseas Operations

Even as operations in Iraq and Afghanistan continue, the United States will face a number of other challenges and demands for military capabilities. Throughout the world, US forces provide stability, peacekeeping, humanitarian assistance, and hope; ultimately spreading democracy and progress and aiding in the Global War on Terrorism. US Armed Forces have conducted operations ranging from our support to South and South East Asia for the Tsunami disaster, to keeping the peace in Kosovo. Of the over 2.2 million servicemembers serving in the Total Force, over 364,000 are deployed today in 119 countries or at sea. Over 150,000 of these deployed servicemembers are Reserve or National Guard.

Our Armed Forces still have many enduring missions and challenges around the world as we fight the Global War on Terrorism. The Joint Task Force Horn of Africa at Camp Lemonier, Djibouti continues to conduct counter-terrorist and civil affairs operations in Eastern Africa. This contingent of 1,100 US forces provides critical security assistance in support of civil-military operations and supports international organizations working to enhance long-term stability in this region.

In April 2004, we successfully completed the Georgian Train and Equip Program, training over 2,700 Georgian troops to meet the rising threat of transnational terrorism in the Caucasus. DOD recently accepted a Georgian request for US support in training additional troops for the United Nations Protection Force and to sustain their current troop rotations in Iraq and Afghanistan. Additionally, in support of Operation ENDURING FREEDOM, a small contingent of US military personnel remains in the southern Philippines aiding their forces in training for counter-terrorism operations.

Expanded Maritime Interdiction Operations (EMIO) have been a very successful international effort over the past year to interdict terrorists and their resources by sea. All geographic Combatant Commanders are successfully pursuing this initiative with particular focus on the

Persian Gulf, Horn of Africa, the Mediterranean and throughout the Pacific Command. Beyond the goal of eliminating terrorist access to the maritime environment, EMIO has had other positive effects for the international community, including lower insurance premiums in the shipping industry, considerably less illegal immigration, and a reduction in piracy and narcotics smuggling.

The Korean peninsula continues to be a region of concern. North Korea's military is the world's fifth largest and remains capable of attacking South Korea with little further preparation. Our goals are for North Korea to dismantle their nuclear programs in a verifiable manner, eliminate their chemical and biological weapons programs, reduce their conventional threat posture, and halt their development and proliferation of ballistic missiles. North Korea announced its withdrawal from the Nuclear Non-proliferation Treaty (NPT) in January 2003, and made clear its intentions to pursue its nuclear weapons program. To deal with the threat presented by North Korea's nuclear program, the US has steadfastly pursued a multilateral diplomatic solution through the Six-Party talk process. There have been three rounds of the talks to date, the last occurring in June of 2004. North Korea has refused to return to the talks, citing US "hostile policy," despite our government's clear and unequivocal statements that the US has no intent to invade or attack North Korea.

North Korea is also one the world's leading suppliers of missiles and related production technologies, having exported to countries in the Middle East and North Africa as well as Pakistan. North Korea is expected to increase its nuclear weapons inventory by the end of the decade and continues to invest heavily in ballistic missiles and the infrastructure to support them. Taken together, North Korea's actions constitute a substantive threat to global security.

The US remains committed to maintaining peace and stability on the Korean Peninsula. We provide military deterrence and defensive capabilities in combination with our South Korean ally and through maintaining strong military and diplomatic ties with our regional partners. The US and Republic of Korea (ROK) alliance remains strong, and we are improving our overall combat effectiveness while eliminating dated infrastructure and reorganizing our footprint to lessen the burden on the people we are defending. We still need to resolve a number of issues, but there is no doubt that the alliance is enduring, as is the US commitment to the defense of the Republic of Korea. The Republic of Korea is currently the third-largest foreign contributor to operations in Iraq, providing over 3,600 troops. ROK soldiers are also conducting operations in Afghanistan.

Iran's apparent pursuit of nuclear weapons and the implications of their being a nuclear-equipped state sponsor of terrorism adds substantially to instability throughout the Middle East. While I hope that the efforts of the International Atomic Energy Agency and the European Union will deter and dissuade Iran from pursuing a nuclear weapons program, I have no long-term basis for optimism. So far, there have been few tangible signs that Iran will comply with any nuclear

related agreement. I am also concerned with the Iranian government's continued attempts to influence the political process in Iraq and marginalize US assistance in Iraq and throughout the region.

We must stay focused on the enormous global threat posed by the proliferation of Weapons of Mass Destruction (WMD). Although overall nuclear weapon numbers are declining in Russia and the United States because of treaty commitments, many Russian nuclear weapons are stored in areas whose security is not optimal. Furthermore, we project a slow increase in other states' inventories. We are particularly troubled about North Korea's and Iran's on-going nuclear weapons-related activities. The trend toward longer range, more capable missiles continues throughout the world. We believe that some chemical and biological warfare programs are becoming more sophisticated and self-reliant, and we fear that technological advances will enable the proliferation of new chemical and biological warfare capabilities.

Fighting the proliferation of WMD is a challenging worldwide problem and is one of my greatest concerns. Terrorists have stated their desire and intent to obtain WMD. While most of this proliferation in the past was state-sponsored, proliferation by companies and individuals is growing. The revelations about the AQ Khan international and illicit nuclear proliferation network show how complex international networks of independent suppliers with expertise and access to the needed technology, middlemen, and front companies can successfully circumvent domestic and international controls and proliferate WMD and missile technology. Within DOD, the SecDef has tasked the US Strategic Command to synchronize our efforts to counter WMD and ensure the force structure and the resources are in place to help all combatant commands defeat WMD.

Proliferation Security Initiative (PSI) operational activities are central to DOD efforts to counter proliferation of WMD. We will continue to work with key countries to develop expanding circles of counter proliferation cooperation. We have been very successful in the last year. Today, more than 60 nations have endorsed the principles of PSI, with a number of others expressing willingness to cooperate in PSI efforts. 20 nations form the PSI Operational Experts working group. We are conducting PSI exercises around the world to enhance international interdiction capabilities and to serve as a deterrent to curtail the proliferation of WMD and the means to deliver those weapons. In October 2003, our WMD counter proliferation efforts provided a key motivation for Libya's abandonment of its WMD programs and helped speed the dismantling of the AQ Khan nuclear proliferation network. The key to success in combating WMD proliferation remains committed international partnership.

Today, the NATO Alliance is the most important and capable security alliance in the world. NATO commitment across the globe, to include operations in Iraq and Afghanistan, has been very good. However, there is room for improvement. Lack of defense funding by NATO partner

countries places a strain on the Alliance and our collective defense capability. Despite the general agreement that nations would hold their defense budgets at no lower than 2% of their gross national product, unfortunately, today, 50% of the nations in the Alliance are below 2%. This inadequate spending threatens NATO's ability to transform and adequately meet the Alliance's commitments. Additionally, member governments place numerous caveats on the use of their forces, rendering these forces less effective. For example, during the unrest in Kosovo last March, governmental caveats kept some countries from responding to the crisis. Finally, NATO needs to create a decision-making process that supports time sensitive requests. NATO forces have been slow to respond to security challenges because the NATO bureaucracy was too slow to react. Even with these deficiencies that need to be addressed, NATO has proven indispensable in today's security environment, and has committed itself to improving its capability.

Operations in Kosovo, Bosnia and Herzegovina stand as the definitive examples of how NATO can bring peace and stability to war-torn regions. Additionally, the NATO Response Force (NRF) reached its initial operating capability last October. The NRF gives NATO a joint force tasked to quickly deploy and execute the full spectrum of NATO missions. The Alliance's most recent success occurred in December when NATO concluded its first successful peacekeeping mission in its history. The successful Stabilization Force Mission in Bosnia-Herzegovina was brought to completion after 9 years and, at its peak, consisted of over 60,000 Allied troops. In total, over 500,000 NATO soldiers from 43 nations and 90,000 US troops participated in operations that set the stage to establish judicial, economic, and governmental systems leading to self-governance in Bosnia and Herzegovina. NATO and the US will remain engaged in Bosnia, where NATO has established a new headquarters that will have the lead role in supporting Bosnian defense reform. NATO forces will continue to hunt for war criminals, and will prevent terrorists from taking advantage of Bosnia's fragile structures. This NATO force will work closely with the newly created European Union (EU) Force and will retain access to the full range of military authorities provided under the Dayton Accords. The EU mission will focus on Bosnia's current security challenges, such as organized crime. This spring, the North Atlantic Council will review the Kosovo mission and the forces required. Based on this review, we will work with our NATO Allies to respond to the evolving security environment.

Narco-terrorism presents a global threat to security, prosperity, and good governance. Through Counter Narco-Terrorism operations, the US is building coalitions, training and equipping forces, and enhancing the capabilities of allies in the Global War on Terrorism. Ongoing US-sponsored multilateral operations promote security, improve effective border control, deny safe havens and restrict the ability of the narco-terrorists to operate with relative impunity.

Counter Narco-Terrorism (CNT) successes in Colombia over the last year have been exceptional. We appreciate recent Congressional action to increase the troop cap for DOD personnel operating

in Colombia. This allows US Southern Command (SOUTHCOM) to maintain the flexibility to meet existing mission requirements while increasing information, logistic and training support to the Government of Colombia during the execution of Colombia's current Counter-Narco Terrorism campaign, Plan Patriota.

With approximately 18,000 members, the Revolutionary Armed Forces of Colombia (FARC) is the largest Narco-Terrorist (NT) group operating in Colombia, followed by the United Self-Defense Forces of Colombia (AUC) and the National Liberation Army (ELN). In the past year, through a combination of aggressive CNT operations and offers of amnesty, Colombian security forces engaged in Plan Patriota have killed or captured 10 senior ranking members of the FARC and have demobilized record numbers of Narco-Terrorism group members. The Colombian Government is engaged in a peace process with the AUC that has already resulted in the demobilization of over 4,000 combatants. As a measure of the improved quality of life in Colombia, in the last year, massacres committed by Narco-Terrorism groups against civilians have decreased 44%, kidnappings decreased 42%, and attacks against infrastructure have decreased 42%. Cocaine seizures have increased 43% while heroin seizures have increased 72%.

In response to December's devastating and tragic Tsunami, the US military responded immediately with humanitarian assistance to South and South East Asia. We quickly established a Combined Support Force headquarters in Thailand. During the height of the humanitarian effort, more than 25 US ships, 50 helicopters, numerous support aircraft and 15,000 US troops were involved in delivering and distributing relief. Over 3,000 relief sorties were flown. Sailors, Marines, Soldiers, Airmen and Coastguardsmen provided over 2900 tons of relief supplies including over 310,000 gallons of water. Working with local governments, NGOs and international organizations, servicemembers provided all facets of humanitarian assistance, including providing medical care, clearing debris, and repairing critical infrastructure. This operation was a tribute to the versatility, responsiveness and compassion of our joint forces.

The US government has recently developed an excellent combating terrorism planning mechanism through the NSC-led Regional Action Plans for Combating Terrorism (RAP-CTs). These RAP-CTs are the primary vehicle for the Interagency to coordinate and deconflict Global War on Terrorism activities on a regional basis. This process is an Interagency success story, and the DOD is fully engaged in these planning activities.

Our global operations show the remarkable versatility, flexibility, agility, and professionalism of our American Armed Forces and highlight our effectiveness in fighting the Global War on Terrorism. Very few nations can field a force capable of expertly conducting simultaneous combat, peacekeeping, and humanitarian operations around the world, while maintaining the flexibility to seamlessly transition from one mission to another.

Joint Warfighting

Our forces are the world's most capable, in large part because they are the best trained and equipped. They continually strive to be the best joint warfighters in the world, they work extremely hard and they are taking joint warfighting to the next level by working closely with our interagency partners. Our forces possess the requisite personnel, equipment, and resources to accomplish the military objectives outlined in the National Military Strategy. Our forces—whether forward deployed, operating in support of contingency operations, or employed in homeland defense—remain capable of executing assigned missions. But there are many challenges to meeting these commitments.

Our Nation's number one military asset remains the brave men and women serving in our Armed Forces. They have the training, spirit and agility to use modern technology to form the world's preeminent military force. They have the dedication, courage, and adaptability to combat dynamic global threats. The Administration, Congress and DOD have made raising our servicemembers' standard of living a top priority, and I thank Congress for your tremendous support to our troops and their families during my tenure as Chairman.

The President's budget includes a 3.1 percent increase in basic pay, which keeps military pay competitive. We must ensure the civilian-military pay gap does not widen and that we support our Armed Forces with pay befitting their experience level, skills, and service. Thanks again to your actions, the aggressive increases in Basic Allowance for Housing eliminated an 18.8 percent deficit over the past five years and allowed us to eliminate average out-of-pocket housing expenses this year. Danger area compensation and other combat-related initiatives passed into law have also had a positive impact, mitigating the challenges of retaining and compensating our servicemembers serving in combat. Benefit increases have helped close the pay gap, improve health care and housing, and significantly contributed to improving the quality of life of our forces. As fiscal challenges mount for the Nation, I stand ready to work closely with Congress and the Department's civilian leadership regarding future benefit increases. Close coordination will ensure that our limited resources are used effectively to sustain our all-volunteer force.

DOD and Congress are working together to increase benefits for the survivors of deceased servicemembers. While no benefits can replace the loss of a human life, I agree that improvements are needed. I am analyzing the proposals and support an increase in benefits.

Current stresses on the force are significant and will remain so for the near term. I am concerned with the wear and tear on our equipment, especially our vehicles. High operational and training tempo is putting up to 5 years worth of wear on equipment per year, placing a huge demand on

maintenance, supply, depot repair and production. In some units, combat-related damage is high, and there is substantial equipment damage caused by the harsh environment in Iraq and Afghanistan. Additionally, many units leave their equipment overseas when they return from deployment, requiring re-supply and reconstitution as they train for their next deployment.

We continue to analyze our policies and make changes to mitigate readiness challenges to include how forces are selected for deployment, reserve mobilization, training, equipment wear and reset, unit reconstitution, and improving Command, Control, Communication, and Computer System infrastructures. Congressional support, both in the annual budget and supplemental funding, has been essential for continued operations, Army modularization, and recapitalization. However, many of the programs we have put in place take time to develop. We are currently addressing the significant stress in critical specialties in Combat Support and Combat Service Support, as well as Low Density/High Demand assets. Unit reconstitution of both equipment and trained personnel is also a challenging process. Our DOD FY05 Supplemental request currently before the Congress is essential to all of these efforts, and I urge the Congress to act promptly and fully on this request.

We continue to rely heavily on our Reserve and Guard personnel. Our Reserve Components are serving critical roles in OIF and OEF, the Global War on Terrorism, and Homeland Defense, as well as serving around the world in other operations and activities. Citizen-soldiers in the Reserve Component are an important link to the American people. Morale in both the active and Reserve Component remains high, and their support by the American people has never been higher. As of January 2005, Guard and Reserve personnel comprised 33% of our Force in Iraq, 28% in Afghanistan, and 14% in Djibouti. We need to continue to review and update our processes to improve the efficiency and agility of our mobilizations. We are well aware of the strains on members, their families, and their employers, and we continuously seek better ways to support them.

While we have made strides in improving predictability and benefits for our Reserve Component servicemembers and continue to pursue rebalancing initiatives—especially in low density and high demand forces—significant additional steps are underway. The Reserve Component Cold War-era processes and policies that have guided training, readiness, administration, pay and health benefits, personnel accountability and mobilization must be reformed and streamlined if we are to have the deployable and sustainable Reserve Component force that our Nation needs. I look forward to working with the new Congressional Commission on Guard and Reserve matters to chart the future course for our very important Reserve Component.

In order to help compensate for the high-tempo force and materiel requirements associated with ongoing operations for the Total Force, we have revised many of our processes to improve readiness forecasting. We have identified Service and Combatant Command requirements,

determined the scope of required reset actions, improved on forecasting demands, and addressed industrial base shortfalls. We have developed many of these solutions with the help of the Joint Quarterly Readiness Review process, and the DOD is developing a web-based Defense Readiness Reporting System. These efforts are part of an ongoing effort to improve our readiness reporting and responsiveness throughout the Services, the DOD and the Joint Staff.

By using all of these tools, we have identified readiness challenges and will continue to refine our priorities to successfully carry out our missions. This year's budget submission and the supplemental request greatly mitigate some of these readiness challenges, but many will remain as we continue to engage in sustained combat operations.

Because today's security environment demands a global perspective, in June 2004, SecDef approved a new Global Force Management process and designated Joint Forces Command (JFCOM) as the primary Joint Force Provider. These changes will ensure the warfighters get the right forces from the right sources, focusing globally instead of regionally. In the future, JFCOM will coordinate all conventional force sourcing recommendations, excluding those assigned to Special Operations Command (SOCOM), Strategic Command (STRATCOM), and Transportation Command (TRANSCOM). This is a new mindset. Integral to this new methodology is the Global Force Management Board. This board is composed of General Officer/Flag Officer-level representatives from the Combatant Commands, Services, Joint Staff and OSD who review emerging force management issues and make risk management recommendations for approval by the SecDef.

The pace of operations around the globe since 9/11 has led to Operational Tempo (OPTEMPO) and Personnel Tempo (PERSTEMPO) that are hard to sustain indefinitely in many specialties. As a risk mitigator, we have temporarily increased our end strength in the Army and Marine Corps. Making these personnel increases permanent is very expensive. Before making our currently increased level of forces permanent, we need to assess current force management initiatives and our future global commitments. Initiatives like the Army's transformation to a modular-based organization help accomplish this. Having the right force to meet today's threats is critical. The Quadrennial Defense Review will aid in this assessment and help us make informed decisions about the appropriate size and composition of our force structure and manning to achieve our strategic objectives.

One of the readiness challenges facing our forces is adequately resourcing Combat Service and Combat Service Support billets. To help these stressed career fields, we are aggressively rebalancing our force structure and organizations. We will rebalance approximately 100,000 billets between and within the Active and Reserve components, primarily focused on high demand specialties, including civil affairs, military police, intelligence, and Special Forces. Additionally, over 20,000 military billets will become available to the Services to reduce stress as

these positions are converted to either contractor or government civilian by the end of FY05. Ongoing headquarters reorganization initiatives will also provide additional billets.

The DOD depends on the skills and expertise of its civilian workforce as a force multiplier. We simply could not perform our mission without the support, dedication, and sacrifice of our DOD civilian employees at home and overseas. To help simplify and improve the way it hires, assigns, compensates, and rewards its civilian employees, the DOD will implement the first phase of the National Security Personnel System this July. This system will improve the management of our civilian workforce, allowing for greater flexibility to support evolving missions.

As of February 1, 2005, enlisted recruiting within the active components remains strong. However, as we anticipated, Reserve Component recruiting is starting to be a challenge. Of the six Reserve Components, only the USMC Reserve made their recruiting goals through January. Each Service has mitigating plans to achieve end strength, but I anticipate that FY05 will be a very challenging year for both active and reserve component recruiting. The Army Reserve Components will be particularly challenged since more active Army soldiers are staying in the active force, and of those who get out, fewer are joining the Reserve Component. We are increasing the numbers of recruiters and restructuring enlistment bonuses to help mitigate these challenges.

The Army Reserve Component's end-strength is currently at 95% for the Army National Guard, and at 97% for the Army Reserve. We also need to look very closely at the experience level and demographics of the people who are leaving the Armed Forces. The leadership skills and combat skills that our servicemembers are gaining while fighting this Global War on Terror are priceless. It takes years to train quality leaders, and we need today's best officers and NCOs to become tomorrow's senior leaders.

The Army Stop Loss policy is vital to their efforts in the GWOT. This policy affects the Active Army forces in OIF and OEF, and Army National Guard and Reserve members assigned to units alerted or mobilized that are participating in OIF, OEF or Operation NOBLE EAGLE. Stop Loss currently affects Active and Reserve soldiers from 90 days before their mobilization or deployment date, through their deployment, plus a maximum of 90 days beyond their return from deployment. Stop Loss is essential to ensuring unit integrity during combat operations. As authorized under Title 10, the size of future troop rotations will in large measure determine the levels of Stop Loss needed in the future. Initiatives such as Force Stabilization, Modularity and the Army's active and reserve component rebalancing should alleviate some of the stress on the force.

Protecting our troops remains a top priority. The rapid production and distribution of Interceptor Body Armor to our forces in OIF and OEF was a tremendous success. 100% of US Government

civilians and US military members in Iraq, Kuwait, Afghanistan, and the Horn of Africa have had body armor since February of 2004. The Army has aggressively managed this critical item, accelerating production and fielding rates. The Army is now fielding Deltoid Auxiliary Protection armor and the Marine Corps is fielding Armor Protective Enhancement System to help protect shoulder and armpit regions that are not currently covered by Interceptor Body Armor. With your support, we will continue to work diligently to provide the best protective equipment for our troops.

Clearly as essential as providing body armor for our troops is providing armored vehicles to transport them. We are making rapid, substantial progress in ensuring that no soldier leaves an Iraqi forward operating base in vehicles without protection, whether in Humvees, trucks, or other vehicles. The evolving threat in the Central Command Area of Responsibility (CENTCOM AOR) has significantly increased the requirements for the Up Armored Humvee and armor protection for all vehicles.

There are three levels of armor protection for all tactical vehicles. A Level 1 vehicle is provided directly from the manufacturer with integrated armor protection against small arms, IEDs, and mines. A Level 2 vehicle is equipped with a factory built, add-on kit installed in theater, to provide similar protection. Level 3 vehicles have a DOD approved, locally fabricated armor kit. This level provides comparable protection to Level 2, excluding ballistic glass. All of these levels consist of materials and designs that meet detailed Army and Marine Corps specifications. Overall, there are over 35,000 military vehicles in Iraq and 81% have some level of armor protection. All vehicles outside the perimeter of forward operating bases in Iraq are required to have either Level 1, 2, or 3 armor protection.

In May 2003, the CENTCOM requirement for armored Humvees was just 235. Their requirement is now over 8,000. CENTCOM has over 6,300 Up Armored Humvees, and through accelerated production, the Services expect to meet the Up Armored Humvee requirement by this April. To better align existing assets to meet CENTCOM's requirements, DOD has redistributed Up Armored Humvees from other services and commands to the CENTCOM AOR. DOD has received additional funding from Congress to accelerate procurement of armored equipment. With Congress's support, the industrial base has increased production over 300 percent since May 2003. We continue to aggressively pursue every known source to increase our armament production capacity. The Army Research Laboratory is working to test and evaluate a dramatic influx of proposals in response to DOD's solicitations. Further, we now have Navy and Air Force military and civilian technical personnel who are fabricating and installing armor worldwide.

Even as we approach our goals for the number of armored vehicles in Iraq, we are refining the entire range of tactics, techniques, and procedures used to move needed personnel and supplies.

For example, we have doubled the number of direct air delivery hubs in Iraq and expanded intra-theater airlift to reduce the number of convoys traveling through high-risk zones. Because we cannot eliminate the risks entirely, we have an aggressive project to focus on rapidly developing systems to detect and counter the different Improvised Explosive Devices. Overall, these efforts have been successful and have unquestionably saved lives and limbs. This is a significant accomplishment. With the continued strong support of Congress, we will continue to provide the best protection possible for our personnel.

Combatant Commanders and Services continue to identify preferred munitions shortfalls as one of their areas of concern, including Laser Guided Bombs and Joint Direct Attack Munitions production. Supplemental funding has bolstered Joint Direct Attack Munitions 178% and Laser-Guided Bomb kits 148% in the past year, continuing to reduce the gap between requirements and available inventory. In the long-term, we need to continue to fund the development of weapons like the Small Diameter Bomb, Joint Air-to-Surface Standoff Missile, and Joint Standoff Weapon to build on our precision-delivery capabilities.

Last year, the DOD developed overarching policy and procedures for managing contractors during contingency operations. Once reviewed and approved by the Department, these documents will greatly aid in coordinating contractor operations.

The vision for Joint Professional Military Education (JPME) can be summed up as delivering the right education, to the right people, at the right time, focusing on improved joint warfighting. Cold War threats and force structure were the building blocks for Joint Officer Management policies codified in the 1986 Goldwater-Nichols legislation. The requirement for JPME trained forces throughout different levels of seniority has grown significantly since the law went into effect. Over the last 3 years we have expanded JPME across the ranks and components to include an expansion of JPME phase two opportunities, JPME opportunities for enlisted personnel, junior officers starting with precommissioning, Reserve Component officers, senior enlisted advisors, and for two-and three-star general and flag officers. Training for Combatant Commanders is in the planning stage.

As we redefine jointness with our changing roles and missions, Congress has played a vital role in adapting JPME to this new environment by tasking DOD in the National Defense Authorization Act for 2005 to develop a new strategic plan for joint officer management. We must develop leaders at all levels capable of effectively accomplishing our strategic and operational objectives. As an example, we are looking at the core competencies required for our Joint C4 Planners and defining what it takes to train, educate and certify them in their profession, similar to our certification and training standards to for our pilots.

Providing opportunities for foreign military personnel to train with US forces is essential to

maintaining strong military-to-military ties. Whether through classroom training or major exercises, training and education received by our allies helps build and maintain skilled coalition partners and peacekeepers and affords many future leaders the opportunity to live in our culture and understand our values. Many of the sharp mid-grade foreign officers who attended US military training and exercises in the past decades are leading their militaries and countries around the world today. Over the past five years, the IMET budget has nearly doubled, from \$50 million in FY00 to nearly \$90 million in FY05. It is in our best interest to keep this important IMET process on track, and I thank Congress for continued support and funding of this important program.

Because these training opportunities and military-to-military relationships forged among allies are so important, I am concerned with US government restrictions that limit these relationships. The first is the Visa restrictions that affect foreign military personnel visiting the US for training. The second is legislative restrictions. One example is the restriction placed on countries affected by the American Servicemembers' Protection Act (ASPA). ASPA's provisions ensure and enhance the protection of US personnel and officials, but an unintended consequence has been a reduction in training opportunities with countries not supporting the Act.

I fully support the continuation of the Anthrax vaccine program. There is still a significant potential for a military emergency involving US forces being attacked with Anthrax. In October 2004, the US District Court for Washington, DC issued a preliminary injunction against the Anthrax vaccine program. The DOD, Food and Drug Administration and Justice Department are attempting to clarify outstanding legal issues. I agree with the DOD position that this program must continue to ensure our servicemembers are protected from this threat.

Ongoing operations in Iraq and Afghanistan and the current global environment have made the Combatant Commander Initiative Fund (CCIF) a high demand asset for sourcing the combatant command's emergent warfighting needs. These funds allow the warfighting commanders to quickly mitigate financial challenges encountered during combat operations. Combatant Commanders use CCIF extensively and I support the full funding of this program to ensure we are responsive to the warfighter's short-fused needs.

The CJCS managed Joint Exercise Program (JEP) provides the transportation funding that supports the Combatant Commanders' Joint and multi-national training which influences the Global War on Terrorism, and supports our theater security cooperation plans worldwide. Since 9/11, high OPTEMPO and PERSTEMPO have forced the Combatant Commanders to reduce the Joint Exercise Program demand by 36 percent. In response to this dynamic environment, the Joint Staff has changed the program to make it strategy based and more responsive to the warfighters requirements. This year, JEP is conducting 117 exercises. 82 percent of these are

focused on Theater Security Cooperation, preparation for OIF and OEF, and special operations forces activities, all of which are directly applicable to fighting the Global War on Terrorism. It is essential that Congress fully fund the Combatant Commanders' Joint Exercise Program.

Our joint warfighting operations around the world have clearly shown that freedom of navigation, both on the sea and in the air, remains absolutely critical to military planning and operations and is vital to US national security interests. I strongly support US accession to the Law of the Sea Convention as the best means to protect our navigational freedoms from encroachment.

We have many challenges facing our Joint Warfighting team as we enter our fourth year of sustained combat operations. I am acutely aware of the effects of operational demands on our Total Force. The Army Reserve recently highlighted that under current policies governing mobilization, training, and manpower management, they cannot sustain their current OPTEMPO demands and then regenerate their forces. This is a tough problem, but we have many initiatives in place to mitigate this and other challenges affecting our overall readiness status in 2005. Our Total Force can continue to support the National Security Strategy and this current high operational tempo, but we must analyze, refine and reassess our efforts so we can transform the force for the challenges of the 21st Century.

Transforming the Force

I am proud of the transformational efforts and successes in the US military, but we must continue our efforts to meet the challenges facing our country today and in the future. We are a Nation at war, so one of our greatest challenges in the military is to transform while conducting joint warfighting in the Global War on Terror, protecting the US from direct attack, and reducing the potential for future conflict. We must continue to invest heavily in transformation, both intellectually and materially.

Transformation is not simply applying new technology to old ways of doing business. Transformation requires cultural change, new ways of thinking about problems, and changes in how we organize and train. I am proud of the innovation and initiative I see from our servicemen and women, both on headquarters staffs and in the field. The concept of Transformation is central to all our assessment and procurement processes. This year, we will work through three major processes—QDR, Base Realignment and Closure Commission (BRAC) and Integrated Global Presence and Basing Strategy—that have a long term, broad impact on our force posture.

The Office of the Secretary of Defense is leading the 2005 Quadrennial Defense Review process. The QDR will provide a comprehensive strategic plan that will set the standard for transforming the Armed Forces to ensure success against a wide range of national security challenges. This is

the third Quadrennial Defense Review, and it is unique in that we have been engaged in sustained combat operations for the last 4 years. The QDR is underway and is scheduled to be released in February 2006. By law, the CJCS will assess the results, and risks, and make recommendations on the roles and missions of the DOD.

I thank Congress for continued support of our Base Realignment and Closure process. Past BRAC efforts, in the aggregate, closed 97 installations and affected many others within the United States. Through FY01, these actions produced a net savings of \$17 billion dollars and an annual savings thereafter of about \$7 billion dollars. In March of 2004, the SecDef and I reported to Congress that the Department had substantial excess capacity. While we recognize BRAC is a challenging process, clear evidence of this excess capacity, coupled with a history of savings from past BRAC efforts, makes the argument for completing BRAC '05 all the more compelling. BRAC '05 provides an excellent opportunity to further transform the DOD by comparing our infrastructure with the defense strategy. BRAC is a valuable tool for maximizing our warfighting capability and eliminating excess capacity that diverts scarce resources away from more pressing defense needs.

One of our near-term transformational challenges is to better use the forces we have to provide needed capabilities to the Combatant Commander. The Integrated Global Presence and Basing Strategy (IGPBS) transforms the Cold War footprint into one focused on capabilities, employing CONUS-based rotational forces that are lean and agile. This strategy enables rapid power projection and expands global presence and theater security programs by combining quick deployment, CONUS-based forces, with strategically positioned overseas-based forces. This strategy reduces the requirement for overseas support infrastructure and forces. Fewer remote-duty tours and longer CONUS assignments will mitigate family stress. Complementing IGPBS is the Army's transformation to brigade-centric modular forces that will increase the number of brigades available to rotate overseas from 33 to at least 43 active brigades by 2010.

DOD has already made many changes to our global posture since the 2001 Quadrennial Defense Review. The Combatant Commanders have continued to adjust our footprint to make our forward-stationed forces more relevant to our current and future challenges. These posture initiatives are not only about adjusting numbers, but also about positioning the right capabilities forward to meet our needs and security commitments, while enhancing allies' and partners' transformation efforts in support of the Global War on Terrorism and regional security initiatives. For example, the SecDef has already approved several reductions within EUCOM and US Forces Korea. The DOD, with the help of the Interagency, is moving forward in discussions with allies and partners on other specific proposals. As these discussions mature we must address the facilities and infrastructure needed to enable these capabilities. Our requests for overseas military construction this year are consistent with these plans and support our Combatant Commanders' transformation initiatives. I encourage your support in funding these

critical projects.

We are reviewing many important weapon systems and DOD programs as we continue to transform. The Department's FY06 budget submission restructured or reduced some programs and force structure. We focused on supporting current operations, near-term readiness and critical transformational programs. Reductions targeted areas where we have capability overlap, or the near-term risk was deemed acceptable to fund higher priorities. We will examine all of these programs and issues during the Quadrennial Defense Review and through other assessment tools like the Joint Requirements Oversight Council. We will maintain sufficient combat capability to execute our National strategies as we transform the Armed Forces to counter increasingly dangerous, dynamic, and diverse threats.

We are transforming across the force. In 2004, we took some big steps and made some difficult decisions, and we are already seeing positive results. Examples include the Army's restructuring into modular formations, and the Navy's continuing transformation of its force to include the restructuring of deployment cycles. Despite the demands of current operations, we remain focused on a wide array of transformational weapon systems and programs.

Maintaining supremacy over our enemies in both combat aircraft and combat support aircraft is a top joint warfighting priority. The continued development and production of the F/A-22 Raptor, V-22 Osprey, C-17 Globemaster III, E-10 Battle Management, F/A-18 Super Hornet, Multi-mission Maritime Aircraft, and UAVs are critical to maintaining this air supremacy. While some of these programs have been restructured, they remain very important joint warfighting platforms that are required to meet our National Security and military strategies.

We need to continue to fully support the F-35 Joint Strike Fighter program. The F-35 is truly a joint aircraft, with three variants planned. This aircraft will be the mainstay of the next generation of the Air Force, Navy, Marine Corps and our allies' tactical aviation wings. The aircraft is in its 4th year of an 11-year development program, and will be a giant leap over the existing fighter and attack aircraft it is programmed to replace. The current design challenge is weight, which impacts performance requirements, particularly for the Short Takeoff and Vertical Landing variant. Design teams have worked diligently to solve the weight issue and the F-35 is on track to meet weight requirements at IOC. The DOD has moved the first planned production procurement to the right one year, to FY12 for the USMC variant and FY13 for the USAF/USN variant. DOD has also added extra money to development.

To remain a truly global force, we must modernize our aging aerial refueling fleet. In November 2004, the Joint Resources Oversight Council approved the Air Refueling Aircraft Initial Capabilities document that identified a shortfall in our air refueling capability and provided a modernization, recapitalization, and transformation plan for the Air Force aerial refueling fleet.

The Air Force is still studying alternatives. Based on the results of these studies, the DOD will develop a cost-effective strategy for sustaining this critical joint warfighting capability.

The DOD continues to make progress in providing missile defenses for our homeland, deployed forces, friends and allies. The DOD placed six ground-based interceptors in Alaska and two in California to provide a rudimentary capability to defend the US from ballistic missile attack. The system is undergoing operational shakedown concurrent with continued research, development and testing. Confidence in the system readiness will come from ongoing ground testing, flight-testing, modeling and simulation, war games and exercises. As we make progress in the program and refine our operational procedures, the SecDef will decide when to place the system in a higher state of readiness.

Our maritime forces are aggressively pursuing their transformation efforts. The Navy is moving toward a more flexible and adaptable new generation of ships including nuclear aircraft carriers (CVN-21), destroyers DD(X), cruisers CG(X), the Littoral Combat Ship (LCS), the VIRGINIA-class fast attack submarine, and the enhanced aviation amphibious assault ship (LHA (R)). The Marine Corps is working in consultation with the Navy concerning the future maritime prepositioning force (MPF(F)). The fleet of the future will likely be a numerically smaller force, but one with greater combat capabilities. The Navy is continuing to study the overall capability and size mix required for the Navy of the future.

Part of our transformation to a more lethal and agile force is our move toward Network Centric operations. Network Centric operations enable us to provide decisive combat power from a fully connected, networked and interoperable force. Central to this capability is the Global Information Grid (GIG). The GIG provides the backbone systems that provide global, end-to-end communications for DOD. The GIG will combine our future-force space and terrestrial C4 programs under one communications umbrella. Protecting the information on the GIG is also essential to warfighting operations, and our information assurance efforts continue to be a very high priority.

DOD Space capabilities are integral to the broad range of military operations we face today, and essential to meeting the challenges of the future. These capabilities provide decisive advantages for our Nation's military, intelligence, and foreign policy. They help warn of terrorist attacks and natural disasters. To meet these needs, Joint force commanders must have integrated Command and Control systems to dominate the battlefield.

Today, bandwidth demand exceeds our DOD space system capabilities, and our warfighting requirements continue to increase at a very high rate. More and more of our aging satellites are nearing the end of their expected life cycle. In response, DOD is developing new space communication systems such as the very important Advanced Extremely High Frequency

(AEHF) Satellite program and the Transformational Communications Satellites (TSAT)/MILSATCOM program. AEHF is a critical system that will significantly increase our secure communication capabilities over the current Milstar system, and provide a bridge to TSAT. TSAT will provide a leap in our communications capabilities and will greatly enhance communications on the move, and assured command and control of our conventional and nuclear forces. It will allow small, mobile units to connect to the GIG anywhere in the world and will help provide persistent and detailed intelligence to the warfighters.

The Joint Tactical Radio System (JTRS) is a transformational software- programmable radio that will provide seamless, real-time voice, data, video and networked communications for joint forces. More than a radio replacement program, JTRS provides the tactical warfighter with net-centric capabilities and connectivity to the GIG. This new radio system is a significant improvement in capability and interoperability for the joint warfighters, and plays a critical role in networking our 21st century force.

Internationally, we made progress last year negotiating with the European Union with regard to their Galileo global positioning satellite system. The US and the EU signed an agreement in June 2004 that stipulates Galileo signal structures will "cause no harm" to our future military use of GPS. Several international working groups established by that agreement will soon assess how future GPS and Galileo signal structures will interact.

Moving away from specific systems, there are several transformational concepts and programs. One of the most important goals of the Intelligence Reform efforts must be to ensure warfighters have unhindered access to intelligence to conduct their operations. We must be able to task national assets for intelligence to support the warfighter and enable users to pull and fuse information from all sources. As the roles and responsibilities of the intelligence organizations are refined, these changes must not weaken intelligence support to the warfighters. I strongly agree with the law's recommendation that either the Director of National Intelligence or the Principal Deputy Director be an active duty commissioned military officer.

The information-sharing environment will be a force multiplier for countering terrorism by integrating foreign and domestic information into a single network. Initiatives such as incorporating Intelligence Campaign plans into Operational plans will inform the intelligence community what the warfighters need and greatly improve joint warfighters' use of intelligence.

Many of the successes in the GWOT are a direct result of successful information sharing with our allies and coalition partners. Ongoing operations in Afghanistan, Iraq, the Philippines, and Africa demonstrate both the importance and the shortfalls that exist in the timely sharing of intelligence. To be truly global in our fight on terrorism, we must continue to improve coalition command and control capabilities. To accomplish this, we have established a centralized

multinational executive agent and a Joint Program Office to improve secure information sharing. Our goal is to incorporate multinational information sharing systems as an integral part of the Global Information Grid. Congressional support is needed as we continue to enhance our ability to network with our allies and global coalition partners.

As I deal with the Interagency on a daily basis on national security issues, I firmly believe we need to become more efficient and effective in integrating the efforts of various government agencies. I was pleased to observe and advise on the successful creation of the Department of Homeland Security and the recent Intelligence reforms. These two reforms should be just the beginning of our reform effort in the Interagency. Unifying the Interagency will be incredibly important to our country as we fight the GWOT and face the changing threats of the 21st Century.

In April 2004, the NSC Principals' Committee directed the establishment of Office of the Coordinator for Reconstruction and Stabilization at the State Department. This office will lead, coordinate, and institutionalize US Government efforts to prepare for post-conflict situations and help stabilize and reconstruct societies in transition from conflict to peace. This is an important step because the Interagency has been challenged to meet the demands of helping post-conflict nations achieve peace, democracy, and a sustainable market economy. In the future, provided this office is given appropriate resources, it will synchronize military and civilian efforts and ensure an integrated national approach is applied to post-combat peacekeeping, reconstruction and stability operations.

Last year I reported that we had shifted the focus of our Joint Warrior Interoperability Demonstration—now named Coalition Warrior Interoperability Demonstration—to Homeland Defense and Homeland Security requirements. The purpose of these demonstrations and warfighter assessments is to enable government and industry to join together in their use of Information Technology assets to solve Homeland Defense IT challenges. The goal is to field off-the-shelf products to meet Combatant Commander and Coalition Commander requirements in 12-18 months, greatly minimizing the normal acquisition timeline. I am happy to report that NORTHCOM, the Federal Emergency Management Agency, the US Coast Guard, and the National Guard Bureau, along with the Services and more than 20 countries, will participate in these programs this year.

Joint Experimentation is central to transformation. Led by Joint Forces Command and involving Services, Combatant Commands, Government Agencies, and Multi-national partners, joint experimentation seeks to refine joint concepts and, ultimately, future joint force capabilities. Recent productive examples include UNIFIED QUEST 2004 and UNIFIED ENGAGEMENT 2004. In UNIFIED QUEST, the Army and JFCOM examined and assessed major combat operations and the very important transition to post-conflict. UNIFIED ENGAGEMENT was a joint, interagency, and multinational wargame that explored ways to sustain persistent dominance

in the battlespace of the future. As we revise our joint concepts, we are incorporating results from these and many other experiments and wargames. These experiments and wargames have provided potential solutions to problems of joint force projection, multi-national and interagency operations, and decision making in a collaborative environment.

We must be able to rapidly deliver combat forces to the Joint Force Commanders and sustain them in combat operations. The Joint Staff is working with JFCOM and TRANSCOM to integrate our Deployment and Distribution Process and to develop a Joint Theater Logistics capability (JTL). Operations IRAQI FREEDOM and ENDURING FREEDOM highlighted our need for JTL and logistics integration. These programs will provide a more responsive force projection and sustainment capability to the warfighter.

Another improvement to our logistics management processes is using state-of-the-art technologies like Radio Frequency Identification (RFID) technology. DOD used RFID during OIF as a supply-chain management tool to track supplies from the warehouse to the warrior. Other new technologies are helping us capture data at its source, modernize and transform our logistics systems, and improve the accuracy of data in our common operational picture, ultimately deploying resources to the warfighter more quickly.

In November 2004, we finalized an instruction on joint doctrine development to move valid lessons learned more rapidly into doctrine. When joint doctrine needs to change, there are now mechanisms in place to change doctrine outside the normal revision process. One example of this expedited review is the JROC validation of OIF and OEF lessons learned. When the JROC validates recommended doctrinal changes, layers of bureaucracy are removed, and the warfighters receive updated doctrine more quickly.

The Joint National Training Capability is an important Joint Forces Command-led program that will eventually encompass all joint training. This system became operational in 2004 and is beginning to link all training ranges, sites, nodes, and real and virtual events into a single network, allowing world-wide participation in training activities and integration of all joint training programs. For individual training, the Joint Knowledge Development and Distribution Capability also became operational in 2004. Managed and led by the Joint Staff, this project develops and shares up-to-date, critical joint military knowledge for education and training.

DOD is in the midst of completing a Strategic Capabilities Assessment to review the progress in fielding the New Triad, which includes non-nuclear and nuclear strike capabilities, defenses, and responsive infrastructure. This assessment will help recommend the number and types of forces needed to meet the President's goal of reducing our reliance on nuclear weapons. We have begun to make significant reductions on our way to 1700 to 2200 operationally deployed strategic nuclear warheads by 2012. This reduction is possible only if Congress supports the other parts of the New Triad, our defenses and responsive infrastructure. STRATCOM has revised our

strategic deterrence and response plan that became effective in the fall of 2004. This revised, detailed plan provides more flexible options to assure allies, and dissuade, deter, and if necessary, defeat adversaries in a wider range of contingencies.

The transformational decisions we make today will have a lasting impact on our Nation's defense capabilities and strategic and tactical warfighting capabilities well into the 21st Century. These decisions will also have a lasting impact on our allies and coalition partners, who use our capabilities to improve many of their capabilities and technologies. Transformational decisions are difficult. We must make thoughtful, informed choices about systems and program that may be "new and improved" but not significantly transformational to keep up with our dynamic security environment. The Joint Chiefs understand this fully, and are leading our armed forces to transform.

Conclusion

We are a Nation at war. The demands placed on our Armed Forces this past year have been extensive, but our servicemen and women continued to perform superbly under conditions of significant stress and in the face of myriad challenges. I am tremendously proud of the men and women of the US Armed Forces for their continued hard work and sacrifice and that of their families.

This is a pivotal moment in our Nation's history and in world history. We must stay committed if we are to win the Global War on Terrorism and defend the US and our national interests. Our way of life remains at stake, so failure is not an option. Our military is unwavering in our focus, resolve and dedication to peace and freedom. With Congress's continued strong support, our military will continue to effectively combat terrorism, counter the proliferation of WMD, help Iraq and Afghanistan build a stable and secure future, improve our joint warfighting capabilities, and transform our Force to meet future threats. I greatly appreciate your efforts and your focus to help the military meet its objectives and make the world a better and safer place for our citizens and the generations to follow.