

**STATEMENT OF SECRETARY OF DEFENSE DONALD RUMSFELD
FY 2007 DEFENSE BUDGET
SENATE APPROPRIATIONS COMMITTEE -- DEFENSE SUBCOMMITTEE
WEDNESDAY -- MAY 17, 2006, 10:00 A.M.**

Mr. Chairman, Members of the Committee.

With me today is General Peter Pace, the Chairman of the Joint Chiefs of Staff. We appreciate the opportunity to meet with you in support of the President's budget request for the Department of Defense.

Yesterday, I met with quite a different gathering -- the graduating class of the Virginia Military Institute. Many of those young men and women are putting on our nation's uniform, and will see service overseas in the months and years ahead. They will join nearly 200,000 other talented young people who are slated to join the U.S. military this year -- young men and women who could be doing something different, something easier, not to mention safer, and for better pay -- but who have chosen instead to raise their hands and step forward to defend their country.

The U.S. military that many of those graduates are entering today is profoundly different than the force that existed when they applied to college five years ago. And while our Armed Forces are in the process of transforming, it might be useful to highlight some of the most substantive and significant shifts that have taken place.

Global Posture

First, consider changes to our global posture.

When I returned to this post in 2001, the U.S. military, though smaller, was arranged and operated much the same as it was when I was Secretary of Defense some 30 years before. In addition, U.S. forces were located around the globe in roughly the same places they were some 50 years ago -- when Soviet armored divisions were poised to cross the Fulda Gap and South Korea was an impoverished nation devastated by war.

In a major overhaul of our country's global posture, thousands of U.S. troops and their families are returning to home bases in the United States -- the first of 170,000 service members and dependents who will be affected over the next decade. Heavy Army units that had previously been garrisoned in fixed positions to defend against particular adversaries -- some of whom no longer exist -- are being relocated and reconfigured to be able to move rapidly wherever needed.

We have also undertaken a major revision of the military's force posture here at home, with the largest round of domestic base closings and adjustments in our history -- reforms that will save American taxpayers billions of dollars in future decades.

U.S. Army

Consider the dramatic changes to the U.S. Army.

Just three years ago, the Army consisted of 48 deployable combat brigades organized within divisions -- their basic "building block" since World War I. In the past, sending one brigade overseas would require stripping out key headquarters and support elements from the rest of its parent division, essentially ending or reducing that division's ability to respond to other contingencies.

Under the leadership of Secretary Fran Harvey and General Pete Schoomaker, the service is well along in reorganizing into a more expeditionary force of 70 "modular" Brigade Combat Teams across the Army's Active Component and National Guard. These more agile, lethal, and more autonomous units can deploy and fight quickly -- but with enough of their own firepower, armor, logistics, and administrative assets to protect and sustain themselves over time.

Furthermore, as a result of reorganizing and rebalancing skills and positions across the force, tens of thousands of soldiers have been shifted from the "Institutional Army" -- the "tail," which trains, supports, and administers the force -- to the "Operational Army" that portion of the service organized, trained, and equipped to deploy and fight.

The effect of these significant initiatives -- combined with investments in new weapons and technologies like the Future Combat Systems -- is that a relatively modest increase in the overall size of the Army is leading to a truly significant increase in the deployable "boots on the ground," or "the teeth" -- the combat power on call for our nation's defense.

Consider that five years ago, the Army Reserve and National Guard were configured as a strategic reserve, to be called on once in a generation, in the event of a major conflict on the scale of World War II. They were chronically undermanned, under equipped, and under funded. For example, of the 34 Army National Guard combat brigades on paper, only 15 were called "enhanced," and supposedly ready for deployment. But even those brigades, year after year, were partially hollow and under equipped, and had to be augmented with people and equipment from other units before being ready to deploy.

Looking forward, instead of having only 15 so-called "enhanced" combat brigades, the Army Guard -- aided by \$21 billion in new funding that will replenish equipment and accelerate modernization -- will have 28 Brigade Combat Teams that will be fully manned and fully equipped, like their Active Duty counterparts.

Today, the Army National Guard and the Army Reserve is becoming an “operational reserve,” capable of taking on a range of missions at home and abroad. We have seen this in Iraq, in Afghanistan, and in the Guard’s impressive response to Hurricane Katrina.

National Guard On The Border

We will see it again with the President’s initiative to increase the supporting role the Guard is already playing to secure our nation's borders. The Department of Homeland security is in the lead role, but Guard units may provide assistance such as mobile communications, transportation and logistics training, and construction. Military forces will NOT be involved in the apprehension or detention of illegal immigrants. The up to 6,000 Guardsmen and women proposed for this effort represent less than two percent of the total National Guard force of some 400,000, and for the most part they will be deployed during their active duty for training. As such this will not adversely effect America’s ability to conduct the War on Terror or respond to other domestic emergencies.

Weapons Systems

Weapons systems such as the Crusader artillery system and the Comanche helicopter, conceived during and designed for the Cold War, have either been cancelled or reduced. In other cases, we have made new and innovative use of older platforms, such as the SSGN -- a 20-year old Trident nuclear ballistic missile submarine that has been converted to carry Navy SEALs and capable of launching conventional cruise missiles.

Further:

- In 2001 when I came back to the Department, the military had 132 unmanned aerial vehicles of all types and sizes. Today it has more than 3,000; and
- In 2001, prior to 9/11, the Army had less than 500 up-armored Humvees. Today, it has more than 12,000.

Managing The Force

Some 20,000 positions that previously had been performed by uniformed military personnel are today being performed by civilians, thereby freeing up 20,000 U.S. servicemen and women for truly military tasks and assignments. And, thousands of additional positions are slated to be converted from military billets to civilian billets over the next five fiscal years.

About ten thousand civilian employees are for the first time being managed under the new National Security Personnel System that allows for greater flexibility in hiring, promotion, and assignment.

Ballistic Missile Defense

When President Bush took office, the United States had no defense against long-range strategic nuclear ballistic missiles. An initial capability has now been deployed that will increase over time.

New Organizations

In light of the new global threats, the Department has set up new organizations, commands, and leadership positions, including:

- An Undersecretary of Defense for Intelligence, and an Assistant Secretary of Defense for Homeland Defense;
- A new Northern Command to help to defend our country -- which showed its value in the military's response to Hurricane Katrina; and
- A Strategic Command that now oversees, among other things, defenses against ballistic missiles, and various other unconventional capabilities.

Navy

A few years ago, three out of every four ships in the U.S. Navy were not deployable at any given time because of long maintenance and training cycles -- the product of a peacetime culture and mindset.

By applying advanced research and development, innovative maintenance and training, and a variety of cost savings initiatives, Navy leadership has changed the way our fleet operates and deploys.

Today, the percentage of the fleet routinely at sea has increased by more than 50 percent. The Navy then was able to deploy only three Carrier Strike Groups and surge two within 30 days. Today it can surge six, with the ability to surge one additional Carrier Strike Group within 90 days.

Special Operations

A word about special operations forces.

In the past, these forces were largely limited to augmenting conventional operations and training foreign militaries.

Today, the Special Operations Command, or SOCOM, is also a supported command, and has recently added a Marine Corps element.

Since 2002, SOCOM has grown by six thousands troops and its budget has nearly doubled. They have come a long way from the time when, as General Pete Schoomaker once put it, the special operations forces were like a sports car that was never driven for fear of denting the fender.

Leadership Approaches

In the past, certain positions were reserved for those from certain services who had followed a certain career path. Given the new challenges our forces face, we now have, for the first time:

- A Marine as a Chairman of the Joint Chiefs;
- A Marine leading NATO and Strategic Command; and
- A Navy Admiral leading Northern Command and NORAD.

In addition, the President picked a former Special Forces officer out of retirement to become Army Chief of Staff.

Not only are these flag and general officers doing a fine job at fulfilling the traditional duties of these positions, they have brought a fresh joint perspective and approach to the Commands they now lead.

War Planning

We have overhauled the way we plan for contingencies and the way we deploy forces. In the past, an enormous amount of effort and many months went into assembling detailed contingency plans that would then sit on the shelf while the world and the conditions in it continued to evolve and change. And the Department's deployment process was governed by an inflexible Cold War process that was designed for total peace or total war -- a "lever-on, lever off" system -- and nothing in between.

A case in point. As General Franks and his team at Central Command went to work to provide the President with a proposal for liberating Iraq, he felt that a modified approach was needed. His plan and deployment process were designed to do several things:

- Preserve options and flexibility for the President as the United States and our allies pursued a diplomatic solution;
- Try to ensure that Saddam Hussein did not provoke a wider war by attacking Israel, as he had done in 1991 with Scud missiles; and
- Wish to prevent Hussein from torching Iraqi's oil wells, and creating an environmental catastrophe similar to what he left behind in Kuwait.

And there were other factors to consider:

- The Iraqi military was weaker than it had been during the First Gulf War, while the U.S. military, though smaller, was significantly more capable in emphasizing a number of technology advances;
- A prolonged war could inflame the publics of the region -- there was no Al Jazeera in 1991 -- and potentially destabilize key allies and partners; and
- Garrisoning Iraq with many hundreds of thousands of American troops -- which would have entailed moving a large part of the active U.S. Army to the Middle East -- could provoke resentment on the part of ordinary Iraqis at such a visible and intrusive foreign presence.

The plan General Franks and his CENTCOM team developed, with consultation and input from the Department's senior leadership -- including the Joint Chiefs of Staff on numerous occasions -- was designed to:

- Maintain an element of surprise;
- Move with speed and agility;
- Depose Saddam Hussein as quickly as possible before he could do more damage to the Iraqi people and to the region; and
- Maintain force levels high enough to provide a level of protection and security, but without such a heavy intrusive presence that might feed an insurgency and impede Iraqis from transitioning to governing and defending themselves -- which they are now gradually doing.

The Department has worked aggressively to overhaul the planning process for the Combatant Commands so that contingency plans are being kept up to date to reflect more current assessments.

Resistance To Change

The military has undertaken the historical changes I've mentioned while fighting wars in Iraq and Afghanistan, and across the globe in the long struggle against violent extremism.

All of the many changes -- to personnel, to the way the military plans and fights, to structure and organization, and to training and doctrine -- have involved challenging assumptions and habits. At various points along the way proposed changes have understandably met some resistance within the department, the military, the press, the government, the Congress, and the industrial complex.

Change is difficult in any large organization, particularly one like the U.S. military that has been so successful over the years at doing what it does best -- which has been to fight other large Armies, Navies and Air Forces in battles along the lines of the First Gulf War. But increasingly the challenge today is more than only large armies -- it is irregular or

asymmetric threats. There is truth to the saying that "if you do something, some people are not going to like it." And they will be heard from, let there be no doubt.

The Long War

But if there was any doubt about the necessity or urgency of these changes when President Bush first took office in January 2001, it should have been dispelled 9 months later when -- despite the expenditure of more than two trillion dollars on defense and intelligence over the previous decade -- it took only 19 men, armed with box cutters and tourist visas, to kill nearly 3,000 of our fellow citizens and bring our nation to a virtual standstill.

And today, that enemy, though under constant pressure and on the defensive, still conspires to bring its cult of murder and suicide to our cities -- and to those of our allies as well.

This "long war" -- this struggle against violent extremists -- is a central security issue of our time. The campaigns in Iraq, Afghanistan and other theaters in the Global War on Terror have added new impetus and urgency to the efforts to transform underway in this Department.

Our enemies challenge free societies through non-traditional, asymmetric means, using terror as their weapon of choice. Their goal is to break America's resolve -- the will of our free people -- through the aggressive use of propaganda and carefully plotted attacks to garner headlines and instill fear.

They are willing to employ every means -- every lie, every atrocity and every available technology -- to achieve their aims. They have become experts at manipulating the global media to both inspire and intimidate.

Shifting Our Emphasis

The unprecedented and complex tasks before us in what could be a decades-long campaign against violent extremism has prompted a series of shifts in the military's approach to its traditional missions, tactics, techniques, and procedures.

One of the most important shifts underway is the role and importance of intelligence. The U.S. military has long excelled at engaging targets once they have been identified. We have begun a major effort to ascertain where the enemy is going next, rather than where the enemy was -- to be much better able to "find" and "fix," as well as what we have always been able to do -- namely to "finish." This means significantly upgrading and refocusing U.S. intelligence capabilities -- both human and technological -- and more effectively linking intelligence to operations in real time in the field. This is an enormous challenge for the dedicated men and women in the U.S. intelligence community. And it will take some time to achieve.

The U.S. military is the largest consumer of intelligence. In the past, that term usually referred to tactical battlefield information, such as the size, location, and disposition of enemy forces, and the like. In the 21st Century, however, intelligence information can no longer be put into neat little categories. A single piece of information can simultaneously be of tactical intelligence value to the local military commander on the ground, but also of potential strategic intelligence value to our government.

A word on the Department of Defense's role in the overall intelligence community: since September 11, and indeed since President Bush first took office, thoughtful people across this government have been trying to find the right formulas, the right structures, and the right arrangements so that we can provide the very best intelligence to protect the American people.

Everything we are doing to upgrade and adjust the intelligence capabilities within the Department of Defense has been worked out and coordinated with the other appropriate agencies of the government -- the Director of National Intelligence, the CIA, the State Department, the FBI, and on down the line. It is a constructive and open process, and indeed a continuous process -- despite some of the breathless fictitious accounts of bureaucratic rivalry and intrigue that are repeatedly published in the press.

In addition, not just the military, but our government, needs to shift from reacting to crises -- as has been the case for much of our country's history -- to preventive action to keep problems from becoming crises, and crises from becoming conflicts. We are also shifting from the natural American impulse to try to do everything ourselves to helping partners and allies develop their capacity to better control their territory and to better defend themselves and us against these new challenges. This is particularly important in a Global War on Terror where many of our nation's most dangerous enemies function within the borders of countries that we are *not* at war with.

These new priorities have prompted the military to undertake some non-traditional missions in non-traditional places. For example, a joint task force headquartered in Djibouti conducts civil affairs, training, and security operations with Ethiopia, Eritrea, Kenya, Uganda, and Yemen. The weapons in this unconventional conflict are schools, clinics, and shovels. As one serviceman said, "We're fighting a war down there and [we] haven't fired a shot."

These shifts are so important because of the nature of the conflict we are in. The enemy would like to define this war as a conflict between Islam and the West -- but it is not. It is, in fact, a struggle *within* the Muslim world -- between the overwhelming majority of Muslims and that small number of violent extremists. The vast majority of Muslims do not share the violent ideology of al-Qaeda. They have children and families they care about. They hope for a better future for themselves and for their countries. They do not want the extremists to win. And many are courageously opposing them at every opportunity.

Iraq

We see this dynamic at work in Iraq, soon to be governed for the first time by a permanent government of national unity, elected under their new Iraqi constitution. Iraq has entered a hopeful new phase in what has been a long and difficult journey -- from being ruled by one of the most brutal tyrannies of the 20th Century, to having a representative government and a free political system.

Secretary Rice and I met with Prime Minister-designate Maliki and Iraq's other newly elected leaders last month. They seem to be serious people who recognize that they have a window of opportunity to make headway on the serious challenges their nation faces.

The security situation in Iraq remains a serious challenge. But every day, every week, and every month, Iraqi forces grow in size, confidence, and capability, and are taking over more and more responsibility for larger swaths of their own country. U.S. military and Coalition forces continue to play an important role, but their mission has shifted fundamentally over the past year -- from conducting military operations to assisting Iraqi forces as they take the fight to the criminals and the terrorists who threaten their sovereign nation.

More than a quarter million trained and equipped Iraqi Security Forces are now in the fight on behalf of the Iraqi people.

The size and disposition of U.S. forces in Iraq are continuously being assessed by General Casey and his commanders on the ground. Decisions about Coalition troop levels will be based on their recommendations, as has been the case since the earliest planning phase of Operation Iraqi Freedom.

Since being liberated three years ago, Iraq has been governed by a series of temporary arrangements -- a governing council under the Coalition Provisional Authority, an appointed sovereign government, and then an elected interim government. Though these were necessary arrangements, they were nonetheless temporary, and thus, understandably, engendered a certain amount of uncertainty about the future. The establishment of a new permanent government, under a Constitution the Iraqis wrote, and which was overwhelmingly ratified by the Iraqi people, is a significant step forward -- it is truly historic.

Iraq is today the central front in the War on Terror. Our enemies know this, even if some commentators in the West seem not to. Osama Bin Laden, referring to the United States, recently said: "Their defeat in Iraq will mean defeat in all their wars." Ayman al-Zawahiri, his deputy, said: "The arena of jihad in Iraq is now the most important arena of jihad in this age." And let there be no doubt, while the priorities of the extremists are focused on Iraq, their ambitions do not end there, especially if the free world were to lose its will just as the Iraqi people have begun to chart a hopeful new course.

Supplemental Request

These developments make it all the more important that the Congress approve the President's full Supplemental Request for operations in the Global War on Terror.

In addition to paying for ongoing deployments and operations by U.S. forces in the Afghanistan and Iraq theaters, this supplemental request includes funds to:

- Train and equip Afghan and Iraqi security forces -- a critically important initiative;
- Counter the threats posed by Improved Explosive Devices;
- Continue the needed transformation of the U.S. Army into more capable modular Brigade Combat Teams and support brigades; and
- Repair and replace damaged or destroyed equipment.

Delay in passing this Supplemental puts the military services critical accounts -- in particular operations, maintenance, and training accounts -- at risk as the services are forced to try to reprogram funds from other parts of their budgets. The Army and Marine Corps are already being forced to defer contract obligations and supply requisitions due to impending budget shortfalls.

In addition, cuts and delays in providing funds for Iraqi Security Forces will undermine what has been truly significant progress in turning over greater responsibility and territory to Iraq's Army and Police forces. Keep in mind that these kinds of cuts most certainly will increase the burden on the U.S. taxpayer. After all, it costs some ten times as much to recruit, train, and deploy an American service member versus an Iraqi soldier, and more than twice as much to sustain a U.S. soldier in theater. Any slowdown in training and equipping the Iraqi Security Forces has the added harmful effect of postponing the day that our men and women in uniform can return home.

Finally, the addition by Congress of non-requested, non-emergency related items in the supplemental legislation will have the effect of forcing trade-offs concerning support for our troops in the field.

At \$439.3 billion, the President's Department of Defense budget request for Fiscal Year 2007 represents a 7 percent increase from what was enacted last year. This is a great deal of money, though at about 3 and a half percent of GDP, it represents a considerably smaller fraction of America's gross domestic product than when I came to Congress during the Kennedy Administration.

I understand that on the House side some significant reductions have been made in the President's budget submission. It is important that the President's defense request be fully funded.

Mental Health

Before closing, I would like to draw your attention to an issue that has been the source of some coverage and commentary in recent days -- much of it inaccurate -- and that is the Department's programs for screening and treating mental illness amongst service members. For starters, no military in history has done more to identify, evaluate, prevent, and treat mental and other health needs and concerns of its troops and their families. We have screened more than 1 million service members before, during, and after deployments.

The Department has put in place a number of programs and processes to address this issue. They include:

- Placing combat stress and mental health teams in theater;
- Setting up world-wide support systems for soldiers and their families; and
- Implementing a new program to assess and meet with every service member three to six months after they return home from an overseas deployment.

The conclusion in the draft GAO report that only 22 percent of returning service personnel identified as at risk for Post-Traumatic Stress Disorder are referred for mental health support is misleading. The 22 percent figure does not account for numerous other service members who were identified and referred to their primary care physician or other professional counseling. This is exactly what we designed the surveys to do -- help us identify issues and provide the proper level of care for our people.

Conclusion

Mr. Chairman, I started out this testimony by talking about one group of young people who are donning our nation's uniform for the first time.

I will end by referring to another group of young people I recently encountered who have been serving and sacrificing for our country now for a good many months and years.

Two weeks ago I stopped by the USO station at Atlanta's Hartsfield Airport to visit with several dozen Army soldiers -- Active, Reserve and National Guard. They were about to return to Iraq after their mid-tour break. I shook hands and I was able to personally thank them for their superb and courageous service to our country. And then the troops slung their duffle bags on their shoulders and quietly filed down the escalator en route to the charter flight that would take them back to Iraq. As they entered the main airport area below, various travelers in the waiting area started to take notice, and they began to stand up and clap -- first in ones and twos, until just about everyone in that airport was applauding. Quite a different reception than that which many U.S. soldiers received just over a generation ago.

I am told this type of scene is being replayed often in airports all across the nation.

This is a reflection not only of the high regard in which our troops are held, but of the fundamental decency and strength of the people of the nation they serve. It reflects the appreciation and support for their service that has been manifested in this Committee and by the Congress.

I thank you for your support. In this complex and difficult struggle the troops have done everything asked of them -- and done so with courage. We owe it to them -- and to the country they have sworn to protect -- to provide the resources and the capabilities that will not only win today's wars, but also best to assure peace in the decades ahead.

Thank you.

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