

**STATEMENT OF SECRETARY OF DEFENSE ROBERT M. GATES**  
**SENATE APPROPRIATIONS COMMITTEE – DEFENSE**  
**WEDNESDAY, JUNE 16, 2010**

Mr. Chairman, members of the committee:

Thank you for the opportunity to appear before you to discuss the president's budget requests for fiscal year 2011. I first want to thank you for your support of the men and women of the U.S. military these many years. I know they will be uppermost in your thoughts as you deliberate on these budget requests. Our troops are part of an extraordinary generation of young Americans who have answered their country's call. They have fought this country's wars, protected our interests and allies around the globe, and they have demonstrated compassion and dedication in the face of tragedy and loss.

The budget requests being presented today include \$549 billion for the base budget— a 3.4 percent increase over last year, or 1.8 percent real growth after adjusting for inflation, reflecting this administration's commitment to modest, steady, and sustainable real growth in defense spending. The base budget request was accompanied and informed by the 2010 Quadrennial Defense Review, which establishes strategic priorities and identifies key areas for needed investment. The 2010 QDR and FY 2011 request build upon the substantial changes that the president made in the FY 2010 budget to allocate defense dollars more wisely and reform the department's processes.

The base budget request reflects these major institutional priorities:

- First, reaffirming and strengthening the nation's commitment to care for the all-volunteer force, our greatest strategic asset;
- Second, rebalancing America's defense posture by emphasizing both the capabilities needed to prevail in irregular conflicts, and the capabilities that likely will be needed in the future; and
- Third, continuing the department's commitment to reform how DoD does business, especially in the area of acquisitions.

Building on the reforms of last year's budget, the FY 2011 request takes additional steps aimed at programs that were excess or performing poorly. They include:

- Terminating the Navy EP(X) intelligence aircraft;
- Ending the Third Generation Infrared Surveillance program;
- Canceling the next generation CG(X) cruiser;
- Terminating the Net Enabled Command and Control program;
- Ending the Defense Integrated Military Human Resources System due to cost overruns and performance concerns;
- Completing the C-17 program and closing the production line, as multiple studies in recent years show that the Air Force already has more of these aircraft than it needs; and
- Ending the second engine for the F-35 Joint Strike Fighter, as whatever benefits might accrue are more than offset by excess costs, complexity, and associated risks.

Let me be very clear: I will continue to strongly recommend that the president veto any legislation that sustains the continuation of the C-17 or the F-35 extra engine. And given some recent commentary, it would be a serious mistake to believe the President would accept these unneeded programs simply because the authorization or appropriations legislation includes other provisions important to him and this administration.

These reforms all require political will and a willingness to make hard choices. We are already beginning the next step in this process of reform as we prepare for the fiscal 2012 budget. Last month I called on the Pentagon to take a hard, unsparing look at how the department is staffed, organized and operated. This initiative is not designed to reduce the defense topline. I believe the current topline is the minimum needed to sustain a military at war and to protect our interests in the years to come in an even more unstable and dangerous world. Rather, my goal is to significantly reduce our overhead costs in order to free up the resources needed to sustain our force structure, modernization, and future combat capabilities while living within our current topline.

To this end, the department has recently set a goal to find more than \$100 billion in overhead savings over the five fiscal years starting in FY 2012. No organization within the department, including my own office, will be excluded from these efforts. All of the savings will be applied to fund personnel in units, force structure, and investment in future capabilities. As a matter of principle and political reality, the Department of Defense cannot go to America's elected representatives and ask for budget increases each year unless we have done everything possible to make every dollar count.

Finally, in order to support ongoing operations, we are also requesting \$159 billion in FY 2011 to support Overseas Contingency Operations, primarily in Afghanistan and Iraq, plus \$33 billion for the remainder of this fiscal year to support the added financial costs of the president's new approach in Afghanistan. The commitments made and programs funded in the OCO and supplemental requests demonstrate this administration's determination to support our troops and commanders at the front so they can accomplish their critical missions and return home safely.

I discussed the Defense Department's portion of the FY 2010 supplemental request before this committee in March, and sought its approval by spring to prevent costly and counterproductive disruptions to the department's operations. I am becoming increasingly concerned about the lack of progress on the supplemental, and strongly urge Congress to complete its work on the request as quickly as possible. I appreciate the Senate's action on this request, but if the supplemental is not enacted by the July 4<sup>th</sup> Congressional recess, we will have to begin planning to curtail defense operations. Such planning is disruptive, especially in time of war, and I ask your help in avoiding this action.

### **Care for Our All-Volunteer Force**

The FY 2011 budget request includes \$138.5 billion for military pay and allowances, an increase of \$3.6 billion – or 2.6 percent – over last year. This includes an increase of 1.4 percent for military basic pay, which will keep military pay increases in line with those in the private sector. This amount funds bonuses and other incentives to meet recruiting and retention quality and quantity goals – especially for our most critical skills and experience levels. The military deserves generous pay because of the stress and danger these jobs entail. In recent years, the Congress has added 0.5 percent to the administration's requested military pay raise – an action that adds about \$500 million a year to our budget now and in future years, and reduces the funds available for training and equipping the force. In this time of strong recruiting and retention, I urge the Congress to approve the full requested amount for the FY 2011 military pay raise but not to add to the request.

### Wounded, Ill, and Injured

This budget supports the department's intense focus on care for our wounded, ill, and injured military members. As I've said before, aside from winning the wars themselves, this is my highest priority. Key initiatives include:

- Achieving a seamless transition to veteran status for members leaving the military and increased cooperation between the Departments of Defense and Veterans Affairs;
- Ensuring a high standard at facilities caring for wounded warriors, including first-rate hospitals and the Army's Warrior Transition Units;
- Enhancing case management of individuals transitioning to civilian life – especially those needing long-term care;
- Establishing a better Disability Evaluation System – to create a simpler, faster, more consistent process for determining which members may continue their military service and helping them become as independent and self-supporting as possible; and
- Working with the VA to create Virtual Lifetime Electronic Records to improve veteran care and services by improving the availability of administrative and health information.

The FY 2011 budget request includes \$2.2 billion for enduring programs for our wounded, ill, and injured. It also includes \$300 million to complete the Army's Warrior Transition complexes and new medical facilities in the Washington, D.C., capital region. The \$2.2 billion for these programs is \$100 million more than the FY 2010 enacted amount and is more than double the FY 2008 level of \$1 billion.

#### Military Health System

The FY 2011 budget includes \$50.7 billion for the Unified Medical Budget to support the Military Health System that serves 9.5 million eligible beneficiaries. Over the past decade, U.S. health-care costs have grown substantially, and defense health costs have been no exception, more than doubling between FY 2001 (\$19 billion) and FY 2010 (\$49 billion). These costs are expected to grow from 6 percent of the department's total budget in FY 2001 to more than 10 percent in FY 2015.

#### Military Family Support Programs

The department remains fully committed to providing assistance to our troops and their families in light of the unprecedented demands that have been placed on them. Our men and women in uniform and their families have our respect, our gratitude, and our full support. The budget reflects the department's policy of shifting money to the base budget for enduring programs so that they will not disappear as war funding declines. The FY 2011 base budget includes \$8.1 billion for a variety of family-support programs vital to the morale and well-being of our military members and their families – an increase of \$450 million over last year. The OCO request includes \$700 million for family support – bringing the total to \$8.8 billion.

#### Build and Sustain Facilities

The FY 2011 budget includes \$18.7 billion to fund critical military-construction and family-housing requirements, including substantial funding to recapitalize many department schools for children of service members.

The FY 2011 Base Realignment and Closure (BRAC) investment funding of \$2.4 billion is less than prior years because most of the funding needed to implement the 2005 round of BRAC decisions has already been appropriated for 24 major realignments, 24 base closures, and

765 lesser actions – all of which must be completed by September 15, 2011, in accordance with statute.

We have requested \$14.2 billion to modernize the department's facilities; to support the recently completed growth in the Army and Marine Corps; to support the relocation of 8,000 Marines from Okinawa to Guam; and to recapitalize medical facilities and schools for servicemembers' children.

### **Rebalancing the Force – the Wars We Are In**

Achieving our objectives in Afghanistan and Iraq has moved to the top of the institutional military's budgeting, policy, and program priorities. We now recognize that America's ability to deal with threats for years to come will largely depend on our performance in the current conflicts. The FY 2011 budget request took a number of additional steps aimed at filling persistent shortfalls that have plagued recent military efforts, especially in Afghanistan.

#### Rotary-Wing Aircraft

To increase these capabilities, this request includes more than \$9.6 billion for the acquisition of a variety of modern rotary-wing aircraft, including the creation of two Army combat aviation brigades by FY 2014. The goal is to train 1,500 new Army helicopter pilots per year by 2012.

#### Intelligence, Surveillance, and Reconnaissance (ISR)

The FY 2011 budget request continues efforts to increase ISR support for our fighting forces. The ISR Task Force was formed in April 2008 to generate critical operational ISR capacity – primarily in Afghanistan and Iraq. Since then, the department has worked to secure substantial funding to field and sustain ISR capabilities. In the FY 2011 budget, that includes:

- \$2.2 billion for procurement of Predator-class aircraft to increase the Combat Air Patrols (CAPs) available to deployed forces from 37 to 65 by 2013; and
- Doubling procurement of the MQ-9 Reaper over the next few years.

#### Electronic Warfare (EW)

The FY 2011 budget request supports the QDR's call for better EW capabilities for today's warfighters. The Navy procurement budget includes \$1.1 billion in FY 2011 and \$2.3 billion in FY 2012 for the addition of 36 EA-18G aircraft, with 12 procured in FY 2011 and 24 in FY 2012. These resources and capabilities will help fill an imminent EW shortfall that has been consistently highlighted by the combatant commanders as one of their highest priorities.

#### Special Operations Forces (SOF)

The FY 2011 budget requests \$6.3 billion for USSOCOM – nearly 6 percent higher than in FY 2010. The department plans to call for SOF funding to increase sharply over the next several years, including an increase of about 2,800 personnel in FY 2011.

### **Rebalancing the Force – Preparing for the Future**

The FY 2011 budget includes \$189 billion for total procurement, research, and development. This investment reflects the fact that the United States needs a broad portfolio of military capabilities with maximum versatility across the widest possible spectrum of conflict, including conventional conflict with the technologically advanced military forces of other

countries. To meet the potential threats to our military's ability to project power, deter aggression, and come to the aid of allies and partners in environments where access to our forces may be denied, this budget request includes substantial funds for conventional and strategic modernization.

#### Tactical Aircraft – JSF

The FY 2011 budget funds programs to develop and buy superior aircraft to guarantee continued air dominance over current and future battlefields, most importantly the F-35 Joint Strike Fighter (JSF). The FY 2011 base budget includes \$10.7 billion for continued development of the F-35, and for procurement of 42 aircraft. An additional JSF is purchased in the OCO budget.

I know the JSF program is of great interest and concern to this committee. In response to what I consider to be unacceptable delays and cost overruns over the past year, this department has taken a number of steps to substantially restructure this program.

First, the JSF program is now based on numbers – cost and schedule estimates – from the Joint Estimating Team (or JET), an independent body known for its rigorous and skeptical assessments.

Based on the new JET estimates, we reduced the number of aircraft being purchased concurrent with testing and development. While delaying full-scale production was not a welcome development – to put it mildly – it was important to avoid a situation where a problem discovered in testing would lead to expensive retrofits of aircraft, the most common reason for delays and cost overruns in these kinds of programs. Correspondingly, we have added more aircraft to the testing regime, which we believe will reduce the projected delay from 30 months to 13. These changes amount to a brutally realistic assessment of cost and schedule – one that I believe should stand the test of time and the legitimate scrutiny of the Congress and the American taxpayer.

Furthermore, with regard to accountability, I have replaced the JSF program manager and elevated that position to a three-star billet while withholding more than \$600 million in performance fees from the lead contractor. It is important to remember that the JSF's cost- and schedule-related issues – and I regard them as serious, to be sure – are problems primarily related to program administration and management, not the technology and capability of the aircraft. The Joint Strike Fighter will do everything the military services need it to do, and become the backbone of U.S. air combat for the next generation.

#### Mobility and Tanker Aircraft

The FY 2011 budget continues to support development of a new aerial refueling tanker. The KC-X, the first phase of KC-135 recapitalization, will procure 179 commercial derivative tanker aircraft to replace roughly one-third of the current aerial refueling tanker fleet at an estimated cost of \$35 billion. Contract award is expected in the summer of 2010 and procurement should begin in FY 2013. To support this long-range effort, \$864 million has been requested for research into the next-generation tanker.

The FY 2011 budget ends production of the C-17, supports shutdown activities for production of new aircraft, and continues the modification of existing C-17s. With the completion of the program, the United States will have 223 of these aircraft, more than enough to meet current and projected requirements.

## Shipbuilding

The FY 2011 budget reflects the department's formulation of a realistic, executable shipbuilding plan through the Future Years Defense Program (FYDP). Overall, the FY 2011 budget includes \$25.1 billion for FY 2011 procurement of new ships, equipment and research and development into future construction – including \$15.7 billion for Navy shipbuilding and conversion activities. It reinforces the ongoing transition to a naval force that can meet the needs of today's warfighters and reduce reliance on very costly and increasingly vulnerable large surface combatants in the future. The FY 2011 request and planned out-year funding would allow the department to:

- Build a new aircraft carrier every five years;
- Shift large-deck amphibious ship production to a five-year build cycle to maintain a long-term force structure of nine large-deck aviation ships to support amphibious operations;
- Stabilize near-term production quantities for the Littoral Combat Ship (LCS) and the Joint High Speed Vessel (JHSV) to support irregular warfare operations;
- Produce two attack submarines per year beginning in FY 2011 and continue development of a new strategic deterrent submarine; and
- Build three Mobile Landing Platform (MLP) ships – one ship per year in FY 2011, FY 2013, and FY 2015.

## Ground Forces Modernization

The FY 2011 budget advances restructuring of the Army's Future Combat Systems (FCS), principally through Brigade Combat Team (BCT) modernization. The FY 2011 request for BCTs is \$3.2 billion, mostly for research and development.

The FY 2011 budget also supports the development of a new ground-vehicle program to replace aging systems. The new program will take into account the hard battlefield lessons of recent years, especially with respect to threats posed by improvised explosive devices (IEDs), and will include a role for the MRAP and M-ATV vehicles that have been so important in Afghanistan and Iraq.

## Space & Cyber Capabilities

Just about all of our military forces – land, sea, and air – now depend on digital communications and the satellites and data networks that support them. The role of space and satellites has never been more crucial to military operations – from GPS-guided munitions and navigation to missile defense and communications. The FY 2011 budget continues to strengthen U.S. capabilities in space, with \$599 million allocated to procure Advanced Extremely High Frequency (AEHF) satellites instead of the Transformational Satellite, which was cancelled in the FY 2010 budget.

With cheap technology and minimal investment, adversaries operating in cyberspace can potentially inflict serious damage on our command and control, ISR, and precision strike capabilities. The FY 2011 budget continues to fund the recruiting and training of new experts in cyber warfare begun in FY 2010, and supports the stand up of a new U.S. Cyber Command.

## Ballistic Missile Defense

The Department of Defense continues to pursue missile-defense systems that can provide real capability as soon as possible while taking maximum advantage of new technologies. In accordance with the 2010 Ballistic Missile Defense Review, our goal is a missile-defense

program that balances capabilities and risks in order to deter aggression; project power and protect U.S. and allied interests; and respond to warfighter requirements.

This year's base budget request includes \$9.9 billion total for missile defense – almost \$700 million more than last year, mostly for the Missile Defense Agency.

This includes funding for:

- Enhanced missile defenses for deployed forces, allies, and partners to defend against regional threats – including THAAD battery ground components and interceptors, as well as the conversion of additional Aegis ships.
- The “Phased Adaptive Approach” for missile defense: a flexible, scalable system to respond to developing threats. This has particular applicability to Europe, where the new approach allows us to adapt our systems more rapidly as new threats develop and old ones recede. In the short-term, we will be able to provide immediate coverage and protection by deploying current and proven systems such as the Aegis and SM-3.
- A viable homeland defense against rogue threats – including ground-based interceptors at Fort Greeley, Alaska, and Vandenberg AFB, California.
- Expansion of the flight-test program to test capabilities against medium, intermediate, and long-range threats.
- Investments in break-through technologies to improve our ability to counter threats during the boost phase while focusing on the most promising new technologies.

### Nuclear Weapons

The Nuclear Posture Review (NPR) released in April outlined the policy framework for achieving the president's objectives to reduce nuclear weapons with a long-term goal of elimination; and maintain a safe, secure, and effective arsenal as long as these weapons exist. It also provides steps to strengthen deterrence while reducing the role of nuclear weapons. The president's budget requests for the Defense and Energy departments reflect several priorities established in our review:

- Funding to sustain a nuclear triad of ICBMs, SLBMs, and heavy bombers under the New START Treaty; and
- Increased National Nuclear Security Administration funding for infrastructure, warhead life extension, and science and technology.

Maintaining an adequate stockpile of safe, secure and reliable nuclear warheads requires a reinvigoration of our nuclear weapons complex, that is, our infrastructure and our science, technology and engineering base. To this end, the Department of Defense is transferring \$4.6 billion to the Department of Energy's National Nuclear Security Administration through fiscal year 2015. This transfer will assist in funding critical nuclear weapons life-extension programs and efforts to modernize the nuclear weapons infrastructure. The initial applications of this funding along with an additional \$1.1 billion being transferred for naval nuclear reactors are reflected in the Defense and Energy Departments' FY 2011 budget request, which I urge the Congress to approve. These investments and the Nuclear Posture Review strategy for warhead life extension represent a credible modernization plan to sustain the nuclear infrastructure and support our nation's deterrent.

### Building Partner Capacity

In a world where arguably the most likely and lethal threats will emanate from failed and fractured states, building the security capacity of partners has emerged as a key capability – one

that reduces the need for direct U.S. military intervention, with all of its attendant political, financial, and human costs. To provide more resources, predictability, and agility to this important mission, the department will seek an increase in Global Train and Equip authority in the FY 2011 budget to \$500 million – authority that includes coalition activities to support current operations.

### **Reforming How DOD Does Business**

President Obama is committed to ending unneeded and troubled programs and achieving a better balance between capabilities needed to succeed in current conflicts and capabilities needed to prepare for the conflicts we are most likely to see in the future.

The FY 2011 budget request builds on the reforms of last year by ending a number of unneeded or troubled programs:

- Next Generation Cruiser CG(X): Cancelled due to concerns about costs and utility in future combat scenarios. Any resulting capability gap will be filled by an enhanced Navy destroyer program.
- Navy Intelligence Aircraft EP(X): This Navy-planned EP-3 replacement was cancelled because of cost and its redundancy with other technologies and systems.
- Third Generation Infrared Surveillance (3GIRS): This sensor system was cancelled because there are better alternatives.
- The Defense Integrated Military Human Resources System (DIMHRS): DIMHRS has been in development for over 10 years and cost \$500 million – with little to show and limited prospects.
- Net Enabled Command and Control (NECC): This joint program has had cost overruns and performance shortfalls.

### JSF Alternate Engine

One of the tougher decisions we faced during this budget process was whether or not to formally add the alternate engine to the Joint Strike Fighter program. It has been the position of this department since 2007 that adding a second JSF engine was unnecessary and too costly.

Over the past year, as part of our thorough review of the overall JSF program, we took a fresh look to determine whether the second engine option had reached a point in funding and development that supported a different conclusion. We considered all aspects of this question and, in the end, concluded that the facts and analysis simply do not support the case for adding an alternate engine program. There are several rationales for this conclusion:

First, even after factoring in Congress' additional funding, the engine would still require a further investment of \$2.5 billion over the next five years.

Second, the additional costs are not offset by potential savings generated through competition. Even optimistic analytical models produce essentially a break-even scenario.

Third, the solution to understandable concern over the performance of the Pratt & Whitney program is *not* to spend yet more money to add a second engine. The answer is to get the first engine on track. Further, the alternate engine program is three to four years behind in development compared to the current program, and there is no guarantee that a second program would not face the same challenges as the current effort.

Fourth, split or shared buys of items, particularly from only two sources, do not historically produce competitive behavior since both vendors are assured some share of the purchase. Another reality is that the JSF is designed to support a wide diversity of military

customers, including the Navy, Marine Corps, and overseas buyers, many of whom are unable or unwilling to purchase from two engine manufacturers.

For all these reasons, we are firm in our view that the interests of the taxpayers, our military, our partner nations, and the integrity of the JSF program are best served by not pursuing a second engine.

I believe most proponents of this program are motivated by the genuine belief that a second engine is the right thing to do. And we have been engaging the Congress in this discussion and sharing with them our facts and analysis. However, we have reached a critical point in this debate where spending more money on a second engine for the JSF is unnecessary, wasteful, and simply diverts precious modernization funds from other more pressing priorities. Accordingly, should the Congress add more funds to continue this unneeded program, I will continue to strongly recommend that the president veto such legislation.

### C-17

The FY 2011 request completes the C-17 program and begins shutting down the production line. At present, we have 194 C-17s (plus 111 C-5s) in our strategic airlift fleet. By the end of this fiscal year, the department will have procured 223.

Three department studies completed over the past five years have concluded that the U.S. military has more than enough strategic airlift capacity, and that additional C-17s are not required. Some factors to consider:

- In 2004, the Air Force Fleet Viability board determined that the fleet of C-5As – the oldest variant – will remain viable until at least 2025. The Air Force and the manufacturer believe that the C-5 fleet will remain viable until 2040. And ongoing modernization and refurbishment efforts are intended to increase the reliability, availability, and maintainability of the C-5 fleet;
- Despite the demands of the current military campaigns, the existing C-17 fleet is not being “burned up.” With the exception of 2003 – when there were only 111 aircraft in the fleet that were being surged to begin the Iraq war – the annual use of the C-17 inventory has been within program limits; and
- While it is true that the C-17 can land places where the C-5 cannot, of the 200,000 landings made by C-17s since 1997, less than 4 percent were in places that were not accessible to the C-5.

In summary, for these and other reasons, the department has concluded that the current C-17 is more than sufficient to meet the military’s airlift needs. Should Congress add funds to continue this program, I will strongly recommend a presidential veto.

### Acquisitions

The department is implementing initiatives that will increase the numbers and capabilities of the acquisition workforce, improve funding stability, enhance the source-selection process, and improve contract execution. Our intent is to provide the warfighter with world-class capability while being good stewards of taxpayer dollars.

To operate effectively, the acquisition system must be supported by an appropriately-sized cadre of acquisition professionals with the right skills and training to perform their jobs. To address these personnel deficiencies, DoD will increase the number of acquisition personnel by 20,000 positions – from about 127,000 in FY 2010 to about 147,000 by FY 2015. We will be

making significant increases in training and retention programs in order to bolster the capability and size of the acquisition workforce.

### Civilian Workforce

The FY 2011 budget funds a pay raise of 1.4 percent for DoD civilians – the same as the military pay raise. The request includes funding to transition out of the National Security Personnel System (NSPS) – as directed by the FY 2010 National Defense Authorization Act.

About 225,000 DoD employees are covered by NSPS. These employees must convert to a successor statutory personnel system. The FY 2011 budget includes \$23 million to implement NSPS transition and \$239 million for estimated higher civilian pay for employees transitioning out of NSPS.

The request supports the DoD plan, announced last year, to grow its civilian workforce by in-sourcing – replacing contractors with DoD civilian employees. DoD is on track to reduce the number of support service contractors from the current 39 percent of our workforce to the pre-2001 level of 26 percent, and replace them with fulltime government employees. DoD will hire as many as 13,400 new civil servants in FY 2010, and another 6,000 in FY 2011, to replace contractors and up to 33,400 new civil servants in place of contractors over the next five years. This includes 2,500 acquisition personnel in FY 2010 and 10,000 through FY 2014.

### **FY 2010 Supplemental Request**

As the president stated, the goal of the United States in Afghanistan and Pakistan is to disrupt, dismantle, and defeat Al Qaeda and to prevent its resurgence in both countries. The international military effort to stabilize Afghanistan is necessary to achieve this overarching goal. Rolling back the Taliban is now necessary, even if not sufficient, to the ultimate defeat of Al Qaeda and its affiliates operating along the Afghanistan-Pakistan border. I believe the strategy announced by the president represents our best opportunity to achieve our objectives in a part of the world so critical to America's security.

The FY 2010 supplemental requests \$33.0 billion to support the president's buildup of U.S. troops in Afghanistan for the rest of this fiscal year and fund other related requirements, including \$1 billion for Iraqi security forces. The Department of Defense urges the Congress to approve this Supplemental by the July 4<sup>th</sup> congressional recess to prevent disruption of funding for our troops in the field.

The FY 2010 Supplemental includes \$19.0 billion to support an average troop level in Afghanistan of 84,000 U.S. troops – 16,000 higher than the 68,000 assumed in the enacted FY 2010 budget. Troop levels are expected to reach 98,000 by September 30, 2010. The additional troops will consist of:

- Two Army counterinsurgency Brigade Combat Teams (BCTs);
- An Army Training BCT;
- A USMC Regimental Combat Team (RCT); and
- Enablers such as Explosive Ordnance Disposal teams.

The supplemental also includes \$1.1 billion – on top of the \$11.3 billion already enacted – to field and sustain critically important lifesaving MRAPs and M-ATVs for troops already there and for the additional forces being deployed this fiscal year.

### **FY 2011 Overseas Contingency Operations**

To fund military operations in Afghanistan and Iraq in FY 2011, we are requesting

\$159.3 billion, comprised of these major categories:

- Operations (\$89.4 billion): Incremental pay for deployed troops, subsistence, cost of mobilizing Reserve Component personnel, and temporary wartime end-strength allowances.
- Force Protection (\$12.0 billion): Body armor, protection equipment, and armored vehicles to protect forces – including the rapid deployment and sustainment of MRAPs and M-ATVs.
- IED Defeat (\$3.3 billion): To develop, procure, and field measures to defeat improvised explosive devices threatening U.S. and coalition forces.
- Military Intelligence (\$7.0 billion): To enhance U.S. intelligence capabilities and operations including ISR.
- Afghan Security Forces (\$11.6 billion): To build and support military and police forces capable of conducting independent operations and providing for Afghanistan's long-term security.
- Iraqi Security Forces (\$2.0 billion): To continue building and sustaining Iraq's efforts to defend its people and protect its institutions as the U.S. removes troops by the end of 2011.
- Coalition Support (\$2.0 billion): Reimbursements and logistical sustainment for key cooperating nations supporting U.S. military operations.
- Commander's Emergency Response Program (CERP) (\$1.3 billion): To provide flexible funds for commanders in the field to finance urgent humanitarian and reconstruction needs.
- Reconstitution/Reset (\$21.3 billion): To fund the replenishment, replacement, and repair of equipment and munitions that have been consumed, destroyed, or damaged due to ongoing combat operations. This request includes funding to procure one Joint Strike Fighter aircraft to replace the combat loss of an F-15.
- Military Construction (\$1.2 billion): To expand the logistical backbone and operational foundation for our fighting forces.
- Temporary Military End Strength (\$2.6 billion): To support temporary end-strength increases in the Army and Navy for ongoing military operations.
- Non-DoD Classified Programs (\$5.6 billion): To fund non-DoD classified activities that support ongoing military operations – the president's counter-terrorism strategy in Afghanistan and Pakistan, and the drawdown of U.S. forces in Iraq.

### Iraq Force Levels

This request supports the president's goal of a responsible drawdown of U.S. forces and transfer to full Iraqi responsibility and control. Troop levels in Iraq are projected to decrease to 50,000 by August 31, 2010. Further reductions will occur in accordance with the U.S.-Iraq Security Agreement. The projected forces levels would be:

- Six Advisory and Assistance Brigades (AABs) by August 31, 2010.
- Six AABs for the first part of FY 2011, decreasing to approximately four AABs (approximately 35,000 personnel) in Iraq by the end of FY 2011.

### **Conclusion**

Mr. Chairman, my thanks to you and members of this committee for all that you have done to support our troops and their families. I believe the choices made and priorities set in

these budget requests reflect America's commitment to see that our forces have the tools they need to prevail in the wars we are in while making the investments necessary to prepare for threats on or beyond the horizon.

Thank you.

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