

Statement of Deputy Secretary of Defense Gordon England

FY 2007 Budget

Before the Senate Budget Committee

March 2, 2006

Mr. Chairman, Members of the Committee,

Good morning.

Thank you for the invitation to meet with you to discuss the Department of Defense's 2007 budget request. This is the first time I've met with this Committee, so I'm particularly pleased to have this opportunity, and I look forward to a constructive exchange.

With me today are with two of my close colleagues, Comptroller Tina Jonas and the Vice Chairman of the Joint Chiefs of Staff, Admiral Ed Giambastiani. The three of us have been deeply involved in the process of setting the Department's priorities for this budget request. Hopefully, we can fully inform you about the defense budget and answer your questions.

As you know, this is a critical time for America. We're a nation at war. This war is a daily reality for our men and women in uniform, who are stationed around the world or serving here at home, defending freedom and liberty along with our friends and allies.

America is fighting against dispersed networks of terrorist extremists. They know they can't succeed with conventional methods, so they use asymmetric means to challenge us and our allies. Their goal is to break our resolve and shatter our way of life. This struggle is not likely to end any time soon. The Cold War lasted for 40 years.

One of al-Qaeda's ringleaders, Ayman al-Zawahiri, said in 2001, "The need is to inflict the maximum casualties against the opponent...for this is the language understood by the west, no matter how much time and effort such operations take." This enemy is adaptable and relentless, and will continue the attack wherever he finds the opportunity. Though we didn't choose this fight, we don't have the option of walking away.

Victory in this Long War requires that our military continue to adopt unconventional, irregular, and indirect approaches to eliminate the enemy's ability to strike.

But the Long War is only part of the nation's security challenge.

Hostile states or non-state actors could acquire and use weapons of mass destruction, to devastating effect. Guarding against this threat, and preparing for the possible consequences of a WMD event, require new technologies and skills, as well as enhanced counter-proliferation efforts.

The nation also faces the possibility that a major or emerging power could choose a hostile course. China is the country with the greatest potential to compete with us militarily, and they are also on the rise as a scientific, technological and economic competitor.

Meeting these potential challenges requires fostering cooperation with China and other emerging powers, while hedging against possible surprise by maintaining our military superiority. Traditional, state-based threats are still a concern. They have been kept at bay precisely because our Nation has been so well prepared.

Of course, all of these challenges have a bearing on the security of our homeland. Detecting, deterring, and defeating threats far from our shores is the best and, likely, the

only way, to keep America safe. But the Department of Defense is also prepared to defend America closer to home, and the Department continues to provide support to other agencies of the US Government for homeland security missions.

In short, our Nation faces far more diverse challenges, and far greater uncertainty about the future global security environment, than ever before. The only sure way to protect the American people is to make sure that the President has at his disposal as wide a range of options as possible.

The Department's portion of the President's 2007 budget request reflects the nation's priorities and the Department's best responses to the security context I've just described. It provides essential resources to defend the American people, our homeland, and our way of life. This budget request lets our commanders prepare to meet both traditional and asymmetric threats. It maintains conventional military superiority while enhancing irregular warfare capabilities. It positions the Department to work closely with partner nations and to help them develop needed capabilities to address the global threats we face together. This budget reflects the Nation's firm commitment to provide the proper quality of life for our service members and their families. Soldiers, sailors, airmen, and Marines who serve so selflessly are the heart and soul of our warfighting capacity and capability, and we owe it to them to take care of them and their families.

This budget request is the product of a year's hard work by our senior civilian and military leaders. It reflects the basic tenets of the long-term strategic vision in the 2006 Quadrennial Defense Review, which was submitted to Congress a few weeks ago. The full effects of the QDR will appear in future budget cycles, but this budget request does include some "leading edge" investments, that support the QDR's vision for the future.

I urge this Committee to fully support the President's national defense request, including the \$50 billion allowance for FY 2007 war costs. The Department of Defense is asking

you for 439.3 billion dollars this year. This is nearly a 7% increase over the budget that was enacted for 2006. Now, this may seem like a lot of money – and it is. But America is spending a much smaller percentage of GDP on defense now than it did in the past. This year's request is projected to be about 3.7% of GDP, but it was up to around 4.6% in 1991 during the Gulf War; 8.9% in 1968 during Vietnam; and 11.7% in 1953 at the height of our involvement in Korea. You have my personal commitment that with the budget you entrust us with, the Department will be diligent in ensuring that the funds are wisely spent.

The initiatives that are reflected in the '07 budget are part of a longer-term continuum of change and adaptation. The President charged the Department of Defense, in the wake of 9/11, to make the changes necessary to adapt to a more dynamic and less certain world. During the beginning of the long war these past five years, our military has been continually learning and adapting, and this budget request is an important milestone in that process of ongoing transformation.

You may wonder how the Department of Defense plans to meet a much broader array of challenges without doubling or even tripling the size of our force. The answer is that we have worked very hard to improve the flexibility of the force, by reorienting existing capabilities, eliminating unnecessary redundancy and improving our expeditionary capabilities to allow us to revise our global force posture. An important initiative has been helping partners and allies improve their own capacities and capabilities so they can better share the burden. The Department has also spent a substantial amount of time making organizations, structures and processes more efficient to better realize our strategic vision and to support our warfighters. Finally, a critical initiative for which we need explicit Budget Committee support is our proposed change to TRICARE fees – essential to sustaining our outstanding military health care program.

At his Inauguration in 1961, President Kennedy told the nation, “In the long history of the world, only a few generations have been granted the role of defending freedom in its hour of maximum danger.” In his own short life, he helped to lead one such generation. Our generation has been handed that mantle of responsibility.

We owe it to our men and women in uniform, to provide them with the resources and support they need, to get the job done. And we owe it to our nation, to correctly assess the security challenges we face and to prepare appropriately to meet them. The proposed budget responds to these needs.

Meeting these goals will also require a strong, bipartisan consensus on national security, of the kind that defeated the communist threat. It will require unity of effort, and the sustained will of the American Congress and the American people. With that united will, and the hard work and sacrifices of our men and women in uniform, the Department of Defense will be able to provide the security so inseparable from the freedom we all enjoy.

Thank you for your commitment to this most profound endeavor.