

**NOMINATION OF GEN MARTIN E. DEMPSEY,
USA, FOR REAPPOINTMENT TO THE GRADE
OF GENERAL AND TO BE CHAIRMAN OF
THE JOINT CHIEFS OF STAFF**

TUESDAY, JULY 26, 2011

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 9:34 a.m. in room SD-106, Dirksen Senate Office Building, Senator Carl Levin (chairman), presiding.

Committee members present: Senators Levin, Lieberman, Reed, Akaka, Webb, Udall, Hagan, Begich, Manchin, Shaheen, Gillibrand, Blumenthal, McCain, Sessions, Chambliss, Wicker, Brown, Portman, Ayotte, Collins, and Graham.

Committee staff members present: Richard D. DeBobes, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Jessica L. Kingston, research assistant; Gerald J. Leeling, counsel; Peter K. Levine, general counsel; William G.P. Monahan, counsel; Michael J. Noblet, professional staff member; Russell L. Shaffer, counsel; William K. Sutey, professional staff member.

Minority staff members present: David M. Morriss, minority staff director; Adam J. Barker, professional staff member; Paul C. Hutton IV, professional staff member; Daniel A. Lerner, professional staff member; Lucian Niemeyer, professional staff member; Michael J. Sistik, research assistant; Diana G. Tabler, professional staff member; and Richard F. Walsh, minority counsel.

Staff assistants present: Jennifer R. Knowles and Christine G. Lang.

Committee members' assistants present: Christopher Griffin, assistant to Senator Lieberman; Carolyn Chuhta, assistant to Senator Reed; Nick Ikeda, assistant to Senator Akaka; Ann Premer, assistant to Senator Nelson; Gordon I. Peterson, assistant to Senator Webb; Casey Howard, assistant to Senator Udall; Lindsay Kavanaugh, assistant to Senator Begich; Joanne McLaughlin, assistant to Senator Manchin; Chad Kreikemeier, assistant to Senator Shaheen; Elena Broitman, assistant to Senator Gillibrand; and Ethan Saxon, assistant to Senator Blumenthal; Anthony J. Lazarski, assistant to Senator Inhofe; Lenwood Landrum, assistant to Senator Sessions; Clyde Taylor IV, assistant to Senator Chambliss; Joseph Lai, assistant to Senator Wicker; Charles Prosch, assistant to Senator Brown; Brent Bombach, assistant to

Senator Portman; Brad Bowman, assistant to Senator Ayotte; Ryan Kaldahl, assistant to Senator Collins; and Sergio Sarkany, assistant to Senator Graham.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. The committee meets this morning to consider the nomination of General Martin Dempsey to be Chairman of the Joint Chiefs of Staff. It was not long ago that General Dempsey came before us for his nomination hearing to become Chief of Staff of the Army. We welcome him back, with thanks again for his 36 years of dedicated service to our Nation and his willingness to serve as Chairman of the Joint Chiefs of Staff.

As we know from those decades of service, General Dempsey is an exceptionally well qualified American soldier and leader. As we were reminded at his last hearing, he is also a proud husband, father, and grandfather. General Dempsey, we remain grateful for the sacrifices that you and your family have made over the years, for the devotion of your beloved wife Deedee, and the military service of your daughters and your son. As is our tradition, at the beginning of your testimony we would welcome your introducing to us any family members and friends who may be with you this morning.

General Dempsey will replace Admiral Mike Mullen as Chairman of the Joint Chiefs of Staff, the most senior military adviser in the Department of Defense. Admiral Mullen's service over the last 4 years during the daunting challenges of the wars in Iraq and Afghanistan has been truly remarkable and the Nation owes him our deepest gratitude.

It is appropriate at today's hearing also to note the passing last week of former Chairman of the Joint Chiefs of Staff retired Army General John Shalikashvili. General Shalikashvili's personal story is well known, rising from post-World War II immigrant youth to Chairman of the Joint Chiefs. His example of patriotism, leadership, and selfless service to the Nation and our armed forces inspired the generation that leads our military today. For those of us who knew him, we treasured his professionalism, his candor, and his deep love for America and our men and women in uniform.

General Dempsey's confirmation will help complete the transition to President Obama's new national security team, which has seen significant changes in the last few months. The next Chairman of the Joint Chiefs of Staff will face complex and demanding challenges as operations in Afghanistan and Iraq continue at the same time the fiscal realities that confront the Nation will put tremendous pressures on the Defense Department's budget.

Those fiscal realities require us, when considering defense planning and programs, to take into consideration historic budgetary constraints. Admiral Mullen has said that: "Our national debt is our biggest national security problem." And most everyone agrees that the Defense Department cannot be immune from efforts to bring our fiscal house in order.

We have been told that the Department is conducting a comprehensive program review and that the details are not yet known, but it is likely that this review will include significant additional

suggested reductions in the 2012 budget request, cuts that are even more than the \$6 billion reduction to the Department's request that this committee recently reported in our fiscal year 2012 authorization bill.

The Department will have to make tough funding choices and we will need our military's best advice on how to reduce spending that realistically manages risk in ways that adequately addresses our top national security challenges. We will be interested in hearing General Dempsey's thoughts on defense spending and in particular whatever he can tell us about the comprehensive national security review that I referred to.

The next Chairman of the Joint Chiefs will also have to manage the transition of security responsibility and the drawdown of U.S. forces in both Iraq and Afghanistan. In Iraq, the coming months will be crucial, leading up to the December 2011 deadline for the withdrawal of our remaining 49,000 U.S. troops. Even though there are still concerns in Iraq over their security forces' capacity to assume full responsibility for Iraq's security, Iraq's political leaders have yet to request that the United States consider retaining a U.S. troop presence there beyond the end of the year deadline set by President Bush for complete military withdrawal. We will be interested to hear what General Dempsey's recommendations would be if the government of Iraq makes a timely request for a continuing U.S. troop presence beyond 2011.

In Afghanistan, the President has set a course for transitioning increased security responsibility to the Afghans and drawing down U.S. forces, beginning with the withdrawal of 10,000 U.S. troops by the end of this year and bringing the balance of 33,000 U.S. surge forces home by next summer. I applaud the President for sticking to the July 2011 date that he set in his West Point speech 1-1/2 years ago for the beginning of the drawdown. Doing so offers the best chance of success for the counterinsurgency campaign in Afghanistan. That is, getting Afghan security forces in the position to take principal charge of that nation's security.

The sense of urgency that this timetable created at the highest levels of the Afghan government contributed to a surge of some 100,000 additional Afghan security forces in just the last year and a half. Over the next 15 months, the Afghan security forces will be increasingly in the lead in operations, while another 70,000 Afghan soldiers and police will be added to their ranks.

At the same time, General John Allen, the commander of coalition forces in Afghanistan, stated that the campaign plan calls for more and more Afghan security forces to be partnered in operations with fewer coalition forces. The growth in the capabilities of the Afghan security forces, both in quantity and professionalism, has already made possible the first phase of transition to an Afghan lead for security in a number of provinces and areas around Afghanistan.

A significant challenge to achieving our goals in Afghanistan remains Pakistan's failure to act against militant extremists like the Haqqani network in North Waziristan, the Afghan Taliban around Quetta, and other militant extremists. We will be interested in hearing General Dempsey's thoughts on how to get the Pakistan

military to go after terrorist groups finding sanctuary in Pakistan's Tribal Regions.

Al Qaeda in the Arabian Peninsula in Yemen and al Qaeda elements of Al-Shabab in Somalia continue to take advantage of failing and failed states to train their operatives and to plan attacks against the United States and our interests. It is critical that we continue to apply significant pressure to these terrorist organizations and to work with governments and international organizations in the region to address the long-term problems.

Iran remains probably the greatest risk to world peace and to regional stability. We share the concerns of many nations about Iran's continued support of terrorist activities beyond its borders, development of its missile programs, and refusal to cooperate with the International Atomic Energy Commission with respect to its nuclear program. While we have seen evidence that the international sanctions have put stress on Iran, more remains to be done to pressure Iran to give up its nuclear weapons ambitions.

In Libya, our Armed Forces continue to provide unique enabling capabilities to our NATO and regional partners as they carry out the United Nations mandate to protect Libyan civilians from a dictator bent on killing his own people and destroying a country simply to preserve his grip on power.

In the dynamic Asia Pacific region, we are committed to working with our many allies and partners to maintain peace and stability and to align our forces in a way that is both strategically sound and fiscally responsible. This is not only true in Northeast Asia, where the United States is realigning its forces in Korea and Japan, but it is also true in South and Southeast Asia.

General Dempsey's leadership will be critical in determining how the Defense Department and indeed the Nation addresses the many and growing threats to our cyber security. All of our military communications, weapons systems, support, intelligence, and virtually everything else that the Department of Defense does relies on cyber networks. Making sure that we have the policies, practices, and technologies to reliably support military operations is a matter of increasing urgency. A recent critical GAO report emphasized the urgency of having a clear and coordinated cyber policy put in place.

General Dempsey no doubt will also be called upon to help develop national cyber security policies, such as when does a cyber attack on activities or entities in the United States require or justify a U.S. offensive response, cyber or otherwise. We'll be interested in hearing General Dempsey's views on that.

Repeated deployments of our military over the last decade has resulted in many of our service men and women being away from their families and homes for many tours, stressing our service members and their families. Reducing the demand for deployed forces is essential to increasing time at home station, increasing unit readiness, and reducing our strategic risk in the event of an unforeseen contingency. We look forward to hearing General Dempsey's views on how best to manage both the demand for rotational forces and how we meet that demand while restoring our strategic depth, that is the readiness of our non-deployed forces.

The Nation could not be more proud of their families. We are grateful for General Dempsey's leadership and his willingness to assume greater responsibility for the readiness, employment, and care of all of our forces and the families that support them.

Senator McCain.

STATEMENT OF SENATOR JOHN MCCAIN

Senator MCCAIN. Thank you, Mr. Chairman. I want to welcome, add my welcome to General Dempsey and his family, his wife, and congratulate him on this nomination.

I first want to express my condolences to the family of General John Shalikashvili, who passed away last Saturday. General Shali was born in Poland of Georgian parents in 1936, fled from the advancing Soviets near the end of World War II, came to the United States as a teenager, and rose in the ranks to become Chairman of the Joint Chiefs of Staff from 1993 to 1997. He was a great American patriot and Army leader.

General Dempsey, just 3 months ago on April 11th you became the Chief of Staff of the Army. You're now poised to become the Chairman of the Joint Chiefs of Staff. Your impressive history of assignments I believe has prepared you well to become the principal military adviser to the President and the leader of the Joint Chiefs. Without question, your combat experience and career military leadership, your service as acting commander of U.S. Central Command, and your thorough understanding of our transforming force stressed by a decade of combat will serve you well as strategic decisions regarding Iraq and Afghanistan must be made and we face hard calls about our priorities in the future.

We're conducting this hearing at a time when Americans are deeply frustrated over the enormous debt we've accumulated and the effects of runaway entitlement spending on our economy and on our future. It's in this very difficult fiscal environment, there's no doubt that the defense budget will be constrained in the years ahead as we seek to solve our debt crisis.

Clearly, the Department of Defense cannot afford to waste taxpayers' resources on Pentagon programs that are over cost, behind schedule, or fail to provide an increase in warfighting capability to our troops. However, I hope the President and the Secretary of Defense, with your assistance and advice and counsel, will realize that defense expenditures following the attacks of September 11th, which were preceded by nearly a decade of drastic reductions in military personnel, equipment, and readiness, are not the cause of the economic dilemma we find ourselves in today.

Congress and the President must address the issue of unsustainable deficit spending and unprecedented debt and non-defense spending and entitlements which will impact the future of our military during your term. Since this year began, the President has already asked the Defense Department to cut more than \$178 billion by finding efficiencies and taking top-line reductions in proposed defense spending over the next 5 years. But even the current direction by the President to cut an additional \$400 billion in defense spending by 2023 has been eclipsed by some debt reduction proposals that include \$800 billion to a trillion dollars in cuts in defense spending over the next 10 years.

I'd be the first to suggest that the Defense Department budget could be responsibly reduced and reasonable people can disagree over how deep those cuts should be. But what concerns me most about our current debate is that the defense cuts being discussed have little or no strategic or military rationale to support them. They are simply numbers on a page. Our national defense planning and spending must be driven by considered strategy, not arbitrary arithmetic.

The defense cuts currently proposed reflect minimal, if any, understanding of how they will be applied or what impacts they will have on our defense capabilities or our national security. While Secretary Panetta has made it clear that a comprehensive review will precede any decision of further defense cuts, the Congress currently has no specific indication of how the current proposals would impact the size of our military forces, what changes they would require to our compensation system, what equipment and weapons would have to be cancelled as a result, or what additional risks to the readiness and modernization of our forces and their equipment we would have to accept.

If Congress is to make informed decisions about our National defense spending, we need information like this. I hope, Mr. Chairman, that we can begin holding hearings on this important subject.

I also hope that you will carefully monitor Department contracting and expenditures. Your frankness and candor on how money is spent by the Department will be much needed by the Congress as we assess how to direct Pentagon spending.

General Dempsey, obviously I'm competent you will be confirmed. I hope you and Secretary Panetta will avoid misguided and excessive reductions in defense spending that cut into the muscle of our military capabilities. Defense spending is not what is sinking this country into fiscal crisis, and if the Congress and the President act on that flawed assumption they will create a situation that is truly unaffordable—the hollowing out of U.S. military power and the loss of faith of our military members and their families.

I trust that you will have the ability and confidence to advise the President and Congress on your views regarding the health of our military and the ability of our forces to meet our cooperative security commitments with our allies around the world. We will need an honest and forthright military assessment of the impacts of funding decisions.

I look forward to your opinions today and on these matters and your vision of the way forward. Again, my congratulations.

Mr. CHAIRMAN.

Chairman LEVIN. Thank you very much, Senator McCain.

General DEMPSEY..

STATEMENT OF GEN MARTIN E. DEMPSEY, USA, NOMINATED FOR REAPPOINTMENT TO THE GRADE OF GENERAL AND TO BE CHAIRMAN OF THE JOINT CHIEFS OF STAFF

General DEMPSEY. Chairman Levin, Senator McCain, distinguished members of the Senate Armed Services Committee: I'm honored by the opportunity to appear before you today in support of my nomination as Chairman of the Joint Chiefs of Staff. I want to thank the President and both Secretaries, that is Gates and Pa-

netta, for their confidence in me. I also want to compliment Admiral Mike Mullen for his remarkable service over more than 4 decades as he nears the end of a distinguished career. I would as well like to add my condolences to the family of General John Shalikashvili. He was truly an accomplished soldier and a great American.

As always when something important is happening in my life, I am joined this morning by my wife Dini. I met Dini 41 years ago and she's been my wife for just over 35 of those years. I have asked a lot of her and she's always given more than I've asked. We have three wonderful children, three near-perfect grandchildren, and three more on the way.

We're also blessed to have several brigades' worth of young men and women in uniform and their families with whom we've served and who we consider our extended family, and it's on their shoulders that I have been lifted up today to be considered for this position.

But it won't surprise you to know that the glue that holds all of that together is Dini, and I can't thank her enough for her love and support and for her dedication to our military, its families, and our Nation.

I appeared before this committee just a few short months ago and as far as I can tell my tenure as 37th Chief of Staff of the Army hasn't changed me very much. However, now that I'm nominated as Chairman, the images that drive me are beginning to change. I'll share just one of those images.

In 2008, as the acting commander of U.S. Central Command, I visited the aircraft carrier USS *Abraham Lincoln* in the Indian Ocean and observed flight operations there that were being conducted in support of ground operations in Afghanistan. As I watched these brave young men and women departing on their missions, I saw looming in the background on the superstructure of the aircraft carrier the imposing profile of Abraham Lincoln, and inscribed above that image were the words "Shall Not Perish," taken, of course, from Lincoln's Gettysburg Address. It occurred to me then, as it reminds me now, that those who volunteer to serve our country in uniform understand what's at stake when we send them into harm's way.

I relate this story simply to assure you that I know what this nomination means and I will do my best to live up to the responsibility. If confirmed, I will work with the Joint Chiefs to ensure that this Nation has the military it needs.

It's clear we have work to finish in the current conflicts and it should be just as clear that we have work to do in preparing for an uncertain future. Our work must result in a joint force that is responsive, decisive, versatile, interdependent, and affordable. And we must keep faith with service men and women, their families, and our veterans.

We're all very proud of the military forces of the United States and this committee has been instrumental in making it the finest force ever assembled anywhere at any time. We are also aware that a new fiscal reality confronts us.

In 1973, as Chief of Staff of the Army, General Creighton Abrams led us out of the Vietnam conflict and he said that it was

the enduring role of the Army to ensure that America remains immune from coercion. That benchmark remains as true today as it was 38 years ago, and it applies, of course, not only to our Army, but to all our services.

I look forward to working with the Joint Chiefs, with our civilian leaders, and with the members of this committee to adapt the United States military to a new fiscal reality while ensuring, as my primary responsibility, that America remains immune from coercion. Should you confirm me as Chairman, you have my solemn commitment to those tasks.

Thank you and I look forward to your questions.

[The prepared statement of General Dempsey follows:]

Chairman LEVIN. Well, thank you very much, General Dempsey. And again, thanks to Dini.

General, the committee has a series of standard questions that we ask all of our nominees and I'll ask them of you. Have you adhered to applicable laws and regulations governing conflicts of interest?

General DEMPSEY. I do, sir.

Chairman LEVIN. Do you agree, when asked, to give your personal views, even if those views differ from the administration in power?

General DEMPSEY. I will.

Chairman LEVIN. Have you assumed any duties or undertaken any actions which would appear to presume the outcome of the confirmation process?

General DEMPSEY. I have not.

Chairman LEVIN. Will you ensure your staff complies with deadlines established for requested communications, including questions for the record in hearings?

General DEMPSEY. I will.

Chairman LEVIN. Will you cooperate in providing witnesses and briefers in response to Congressional requests?

General DEMPSEY. I will.

Chairman LEVIN. Will those witnesses be protected from reprisal for their testimony or briefings?

General DEMPSEY. They will, sir.

Chairman LEVIN. Do you agree, if confirmed, to appear and testify upon request before this committee?

General DEMPSEY. I do.

Chairman LEVIN. Do you agree to provide documents, including copies of electronic forms of communication, in a timely manner when requested by a duly constituted committee or to consult with the committee regarding the basis for any good faith delay or denial in providing such documents?

General DEMPSEY. I do.

Chairman LEVIN. Let us have a 7-minute first round here. I understand there's a vote at around 12:15.

General, first relative to Afghanistan. On June 22, President Obama announced his decision that the United States would draw down its forces in Afghanistan by 10,000 by the end of this year and the remaining 23,000 U.S. surge forces by the end of the summer in 2012, for a total drawdown of 33,000. Do you agree with the President's decision on these reductions?

General DEMPSEY. I do, Senator. I've been in contact with both General Petraeus and now General Allen and, based on their military judgments and the options they've presented, I do agree with the decision taken.

Chairman LEVIN. How important is it to the success of the counterinsurgency campaign in Afghanistan that we maintain the momentum for transitioning more and more responsibility to the Air Force security forces for their country's security?

General DEMPSEY. Well, as it was in Iraq and is now in Afghanistan, it is the transition at the end of the day that will determine our successful outcome. Of course, it does take a great deal of thought, a great deal of deliberation and collaboration, to understand the capabilities as they are accrued by security forces of those nations where we task ourselves to build those security forces.

Chairman LEVIN. A recent Defense Department report called the extremist Haqqani network "the most significant threat in eastern Afghanistan." Yet, the Haqqanis continue to find safe haven across the border in Pakistan and the Pakistan army has so far refused to conduct major operations to eliminate the Haqqani sanctuary in the tribal area of North Waziristan.

Will you press the Government of Pakistan to take the fight to the Haqqani network in North Waziristan?

General DEMPSEY. I will, Senator. As the acting commander of CENTCOM, in those days we talked about four particular networks that existed along the Air Force-Pakh border, and we encouraged our Pakistani counterparts to press them. They have pressed some of those groups, but not all. It's not always been clear to us exactly why they press some, but not all. But I will continue to work with Pakistan to reduce the safe haven on the Pakh border.

Chairman LEVIN. In answers to your prehearing questions, you state that in working with Pakistan on security cooperation we should not push programs the Pakistanis do not want, because doing so dilutes the value of U.S. cooperation, and you call for a frank and respectful dialogue in order for our security cooperation to be successful.

Can you give us your assessment on the DOD programs of assistance to Pakistan, in particular the coalition support funds and the Pakistan counterinsurgency fund, and to tell us whether or not those are programs that the Pakistanis want or whether or not we've been pushing them on Pakistan, which has reduced Pakistan's buy-in to those assistance programs?

General DEMPSEY. I'd reflect back on my tour as the acting commander of CENTCOM in answering this question. I'm not current on the state of the coalition support funds and the programs you described as they've evolved. But I will tell you it's always been a matter of discussion between us and our Pakistan counterparts about what threats are most serious to them and to us. As you know, they persist in the idea that India poses an existential threat to their existence, while the terrorists that operate with some impunity in the Northwest Frontier Province and in the FATA are less threat to them, and therefore they allocate their resources accordingly and they embrace different engagement activities with us differently.

We have been over the course of time working to convince them that the terrorist threat, the extremist threat, to their west is as great a threat and probably a greater threat to them than any threat that India might pose. But it's on that basis, it's on that intellectual disagreement about what is most threatening to them, that these programs are viewed. So we would tend to view programs to improve counterinsurgency capability in their general purpose forces, policing and security role for their Frontier Corps, we would tend to view those as more important than the higher end processes and programs. It's just one of those things we have to continue to work through.

Chairman LEVIN. Thank you.

There's been a great deal of discussion about standards of interrogation and detainee treatment, and some of the language in our authorization bill relates to that subject. First, do you support the standards for interrogation and detainee treatment which are specified in the Army Field Manual on Interrogations?

General DEMPSEY. I do, Senator.

Chairman LEVIN. Would you tell us why?

General DEMPSEY. Well, I had a hand in preparing them and so I have a certain sense of ownership for them. But I do think that they articulate the nexus of the importance of gaining intelligence with the importance of preserving our values as a Nation and as an Army.

Chairman LEVIN. Would you agree that the standards for detainee treatment should be based on the principle of reciprocity, in other words that the manner in which we treat detainees that are under our control may have a direct impact on how U.S. troops are treated should they be captured in future conflicts?

General DEMPSEY. I do believe that reciprocity should absolutely be one of the principles on which our approach to detainee operations should be based.

Chairman LEVIN. A number of us, many, probably all of us on this committee, are increasingly concerned about cyber attacks. It's a subject of, obviously, great, increasing concern for our country. One of the questions is whether or not when we are a victim of cyber attack, as to how we should respond. Of course, I guess the real question is whether or not we can identify the attacker as being a state actor and whether or not an attack is intentional or not. It could be an act of espionage which we engage in ourselves. We engage in espionage and other countries engage in espionage, and those acts apparently are not considered to be acts of war.

On the other hand, if something intentionally damages, destroys, a facility or an entity in another country, that it would seem to me at least to be an act of war or an aggressive act which requires a response.

Can you give us your thinking about the whole growing emerging issue of cyber attacks and how should the Defense Department participate in determining what the response is to those attacks?

General DEMPSEY. I can, Senator, but I'll confess at the start that my thinking on this is nascent at best. But I have been—it has been suggested to me that, if confirmed, the issue of cyber and cyber warfare, the cyber domain, will probably be one of a handful of issues that define my tenure as Chairman. So I'm taking a

greater interest in it. But I have some thoughts on it right now as well.

The decision about whether something is an act of war or whether we would respond to it is, of course, a political decision, and it's the role of the Department and, if confirmed, with my advice as Chairman, on how to respond to it. So at this point my greater interest is in determining what capabilities we must provide the Nation to be prepared to respond should we be attacked and should the determination be made that it was a hostile act or an act of war.

You've described the challenge very articulately. It's very hard to trace fingerprints and threads back through the cyber domain because of the ability to use servers at remote locations. It's a place, it's a domain, where anonymity is more an issue than it might be in the domains of space, air, land, or sea.

That said, we have done a lot of work. You know that the President published a policy in May of '11. That was followed up just a week ago, actually, by a Department of Defense declaration by DEPSECDEF Lynn, and at this point I'm in the process of studying that. I've got a series of meetings scheduled, if confirmed, between the time I'm confirmed and when I take the job, with those who are delivering that capability today to better understand it.

Chairman LEVIN. Thank you very much.

Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

Again, congratulations, General. Just to follow up on what Chairman Levin said, you want to assess the capabilities, but you've got to develop a strategy and a policy before. That comes before the capabilities, in all due respect.

Look, this is a serious issue. Congress has not done its job, but certainly DOD has not done its job, and to just say we're going to assess our capabilities—we've got to develop a strategy. This is a serious, serious issue that gets—hardly we pick up the newspaper every week or so that somebody hasn't been hacked into, not always military, but industrial, which obviously are key to our Nation's economic and military success.

So I suggest you start working on a policy, and I also suggest we here in the Congress start working on legislation which would implement that policy.

I hate to keep going back to this issue of the withdrawal from Afghanistan. Now, the President announced the drawdown, as you know, and you said you supported it. Was it recommended by any military leader, the President's schedule for the drawdown?

General DEMPSEY. Well, Senator, my understanding is that General Petraeus proposed three options. I haven't talked to him about how he felt about those options, but no military man would propose an option he considered to be infeasible. And that the President chose one of those three options. So I can only say—

Senator MCCAIN. General Petraeus did not give him this option of the withdrawal, accelerated withdrawal so that they didn't have two fighting seasons, General. I'm sure you know that.

General DEMPSEY. No, I do not know that, Senator.

Senator MCCAIN. You do not know that?

General DEMPSEY. I do not.

Senator MCCAIN. Well, General, I'll send you the testimony of General Petraeus before this committee, and I'm disappointed that you didn't—that you didn't know that, because it was not recommended by any military leader, nor would it be. In fact, General Petraeus and others have testified that it increased the risk. Do you share that view?

General DEMPSEY. I think it did increase the risk, yes.

Senator MCCAIN. Thank you. An unnecessary risk in my view.

I want to talk about budget cuts. You just left as Chief of Staff of the Army and you understand that—I understand the President has called for \$800 billion in budget cuts; is that correct?

General DEMPSEY. The current number we're targeting is \$400 billion, Senator, over 12 years.

Senator MCCAIN. And have you developed any plans as to how to implement that?

General DEMPSEY. We are working on that even as we speak. We've got a task from the Department to look at what the impact of that budget cut would be.

Senator MCCAIN. When could we expect to have that assessment, since the appropriations process moves on here?

General DEMPSEY. Well, Senator, we've got a task to try to keep—back to your point about strategy, we've got a task to try to keep strategy running parallel with resource decisions, and the comprehensive strategy that the chairman mentioned is due for completion some time in late September, early October.

Senator MCCAIN. So we have announced cuts without the commensurate strategy to go along with it. Not comforting.

General DEMPSEY. Well, Senator, what I would describe is we've announced a target and we're trying to determine what the impact would be to meet that target, and we are looking at that.

Senator MCCAIN. Wouldn't—in most cases that I've seen, the strategy has been developed and then the budget for it is arrived at, not the other way around.

General DEMPSEY. Well, sir, because—I can speak as Chief of Staff of the Army. Because the cuts are articulated over 10 or 12 years, it'll affect four program operating memorandums. So decisions taken in '13-'17 would not be binding on the following three targets, but would certainly affect that program operating memorandum.

Senator MCCAIN. But we are talking about \$80 billion developed for next year; is that correct?

General DEMPSEY. Potentially, sir.

Senator MCCAIN. Potentially?

General DEMPSEY. Again, sir—

Senator MCCAIN. Isn't that what the President has called for?

General DEMPSEY. He has, sir, and we are—but we have not provided the analysis back to the Secretary of Defense on what the impact would be as yet.

Senator MCCAIN. Which brings me again full circle. We have announced cuts without a commensurate assessment of the impact of those cuts. And in your view, what would an 800 to a trillion dollar cut in defense spending over the next 10 years do to our readiness, General?

General DEMPSEY. Senator, I haven't been asked to look at that number, but we have looked and we are looking at \$400 billion. I would react in this way. Based on the difficulty of achieving the \$400 billion cut, I believe \$800 billion would be extraordinarily difficult and very high risk.

Senator MCCAIN. Back to our—I forgot to mention at the beginning of our conversation an article yesterday: “U.S. drawdown, internal crises, fuel fears for Afghanistan. The start of the U.S. troop drawdown, overlapping security, political, and economic crises are fueling fears that Afghanistan could sink into wholesale turmoil and even civil war as the U.S.-led international combat mission winds up at the end of 2014.”

Are you concerned about that?

General DEMPSEY. Yes, sir, I am.

Senator MCCAIN. On the supply routes for Afghanistan, as you know, our relations with Pakistan have hit in the view of most observers an all-time low. Have you assessed and looked at in your previous role the impact on our ability to supply the forces in Afghanistan if the Pakistanis cut off those supply routes across Pakistan?

General DEMPSEY. Yes, Senator, we have.

Senator MCCAIN. What's been your conclusion?

General DEMPSEY. Well, the conclusion is that we would have to rely more on what we describe as the Northern Supply Route, which does exist, and that it would be more expensive.

Senator MCCAIN. Would there be a period of time between the time that—suppose tomorrow Pakistan cut it off. What would be the period of time between then and when you would be able to maintain the same level of supply through the northern routes or air resupply?

General DEMPSEY. It would be a classified issue of how many days of supply we maintain inside the country. But beyond that, we believe that if that Southern Supply Route were cut off that we could react.

Senator MCCAIN. You could react. There would be a delay?

General DEMPSEY. Yes, sir, but in a way that would not jeopardize the mission.

Senator MCCAIN. Would not jeopardize the mission.

A group chartered by the Secretary of the Army to look into how the Army procures major weapons systems found that every year since 1996 the Army has spent more than \$1 billion annually on programs that were ultimately cancelled. Since 2004, \$3.3 billion to \$3.8 billion per year of Army developmental testing, evaluation, funding has been lost to cancelled programs, including the now-cancelled Future Combat System program.

As we know, the cost of the F-35 has lurched completely out of control. The few short months after the awarding of the contract to Boeing for the new tanker, it is now another additional billion dollars in cost, and the list goes on and on. What's the level of your concern and what do you think we ought to be doing about it?

General DEMPSEY. Well, Senator, as we discussed when I was here a few months ago, I would never sit here and try to justify—it would be impossible to sit here and justify the current process, given that it has not delivered the capabilities we've required with-

in the resources available to do so. So I think that we're in a point where we absolutely have to seek acquisition reform. I know that the Under Secretary of Defense for Acquisition is seeking that. I know about the—we were helped by the Weapons System Acquisition Reform Act. You know that the Department, based on that, is seeking the Better Buying Power Initiative. We're working toward it.

As you know, right now there's probably a reason to consider a different role for the service chiefs in acquisition. Right now it's kind of bifurcated. Service chiefs do requirements, acquisition does material solution. That hasn't worked and I think it has to be revisited.

So I completely agree with your assessment of our current state. Nevertheless, we need capabilities. It will be my role, if confirmed, to argue for that fifth generation fighter, but a fifth generation fighter that the Nation can afford. Therefore, the way to that is through acquisition reform.

Senator MCCAIN. I thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCain.

Senator MCCAIN. Thank you, General.

Chairman LEVIN. Senator Reed.

Senator REED. Well, thank you very much, Mr. Chairman.

Thank you, General Dempsey, for your service to the Army and to the Nation. I have every confidence you're going to be a superb Chairman of the Joint Chiefs of Staff, and I'm going to recognize Dini and your family. I think I properly pointed out to the chairman that, although you were high school sweethearts, you married after West Point. I just want to make sure of that because it's problematic otherwise.

I also want to salute Admiral Mullen for his extraordinary service and join my colleagues in recognizing the extraordinary service of General John Shalikashvili. General Shalikashvili proudly said he was a citizen of only one country, the United States of America, despite where he was born and where he traveled. And he was the consummate citizen soldier, and to his family my deepest sympathies.

The issue that is before us, and it's been alluded to and talked about in your previous hearing for Chief of Staff of the Army, is the budget. With the sake of risking oversimplification, there's at least three major categories that you have to sort of deal with: force structure, including pay and allowances, in this context the Reserve Forces and the retired forces and the National Guard, but particularly retirees; equipment, procurement, how much it costs, what do you need, can you suspend acquisitions; and finally, the issue of operations and training, where we're going to go in an operational sense and how are we going to train.

With that as a very, very broad context, can you comment upon the approach you're going to take with respect to these issues and the budget you face?

General DEMPSEY. Yes, Senator. I think the important point to make in the question of how to absorb reductions or debt total obligating authority is really to reinforce that it must touch each of the things you mentioned. We will not be able to change the size and the capability of the force—and I'll speak for the Army because I'm

immersed in it now—unless we do so by touching each of those areas you talked about.

So for example, if we try to artificially preserve manpower we will suffer the consequences in modernization and in operations, maintenance, and training. Conversely, if we go after just manpower, it won't make any sense to have the kind of resources in operations, maintenance, and training.

So this really requires us to maintain balance as we make any changes that become necessary by virtue of budget support. I'll also say that includes pay, compensation, retirement, and health care, because it's important that we place everything on the table, assess the impact, and then request the time to do it in a deliberate fashion, so that we can maintain balance at whatever level we end up at.

Senator REED. When you address the issue of pay and allowances, retirement compensation, health care, there are two factors. One is the relationship between funding those programs and funding troops in the field, equipment in the field, etcetera. Do you propose to make that very explicit, particularly to the retirement community, that with the top line there's no longer the possibility of simply adding more money, that there has to be tradeoffs between operations, training, troops in the field, their safety, and some of the benefits that have accrued to retirees?

General DEMPSEY. Well, I think what I would say—yes. But what I—if I could, I'll just elaborate—

Senator REED. Yes, sir.

General DEMPSEY.—for a moment. I think it's very important that we maintain an open dialogue with all parts of this total force, active, guard, Reserve, families, retirees, to help them understand the challenge. The challenge is simply this, and again I'm speaking just for the Army. Right now our manpower costs consume approximately 42 percent of our budget. Left unabated, that is to say left unaddressed, that will rise to approximately 47 or 48 percent by 2017. That is not sustainable.

So the question then comes back, what should we do about it and how can we do so in a way that maintains the trust we've established with our force over time. I'll say one other thing. What makes this budget discussion different—I'm a student of history, as you know, and I've studied the post-Vietnam period, I've studied the post-Desert Storm, Desert Shield period. What makes this period different is we're doing all this while we're still actively engaged in conflict and we have young men and women in harm's way. That adds a degree of complexity and a degree of uncertainty that I think we can't discount.

Senator REED. A final point with respect to this whole issue of how do you rebalance the personnel costs, etcetera. I presume your view would be to lead from the top, that senior officers and senior personnel would be the first ones to stand up and say: Well, if it's going to have to happen, it'll happen with us. Is that fair?

General DEMPSEY. Well, did you have to ask me that question in front of my wife, Senator? [Laughter.]

But the short answer is: Absolutely. I think it's leading from the top individually, but I also think it's leading from the top at examining our structure, which tends to be rather top-heavy and in fact

historically, again if you look through conflicts, headquarters grow in ways that have to be reconsidered and reformed after conflict.

Senator REED. Let me slightly change the subject, but I think it relates to what we've been saying, that we are on our way out of Afghanistan, as we are in Iraq. Going forward, you have to be prepared to successfully hand over significant activities to Department of State, to AID, etcetera. So your success in transition is a function of the resources they must receive. My perception being here is that when the defense budget is reduced, the State Department budget is decimated.

Do you, one, have those concerns; and two, consciously, if we are going to maintain a credible security force beyond 1 or 2 years, we're going to have to internationally provide resources to Afghani national forces. Is that going to be one of your priorities? My only historic hook here is that Najibullah, the last Soviet-era leader, survived 2-plus years after the Soviets withdrew, but when the resources—and not just for the military, but for everything—dried up, his days were literally numbered.

Senator MCCAIN. Yes, sir. We certainly don't want to be guilty of reprising the epilogue of Charlie Wilson's War. I take your point completely. My job will be, given the strategic objectives in Afghanistan, to determine how best to meet them. If and when U.S. force structure reduces, what is it that compensates for that. Is it other agencies of government?

As you know, the measure of national power is not—is the aggregate of economic strength, diplomatic strength, and military strength. All three of those have to participate in these outcomes and all three of these have to be considered as we look at these reductions to make sure we stay in balance in that way as well.

Senator REED. Thank you for your service and thank you for your family's service. Thank you.

Chairman LEVIN. Thank you very much, Senator Reed.

Senator SESSIONS. Senator Sessions.

Senator SESSIONS. Thank you, Mr. Chairman.

Thank you, General Dempsey, for your leadership and your commitment, your willingness to serve in harm's way. I notice just looking at your bio—I looked at it because I remember seeing you in Iraq and coming back and you were still there. And I notice you were there the first tour 16 months, came home to Germany and were deployed there for 10 months, and back for 21 months. That's the kind of deployment that a number of our military people have made serving their country in dangerous areas of the globe. I just want to personally thank you for your commitment, and I think it reflects the kind of commitment many other enlisted people, many other of our leaders in the military, have exhibited.

Ms. Dempsey, it's good to see you, and thank you for being a good partner in those difficult years.

I just want to follow up on Senator McCain's comments about the budget. We've had a lot of people believe that the deficit is caused by the war in Afghanistan and Iraq. It certainly was not inexpensive. It's been an expensive process. Last year was one of our highest years, \$158 billion committed to that effort. But our deficit—I say "last year"; the year we're in, we're projected to spend \$158 billion. It looks like our deficit this year will be \$1,500 billion. So

a little more than 10 percent only, if you eliminated the war, of our deficit would be eliminated. Over the period of time, that percentage has been fairly accurate about the cost of the war.

I also am a bit troubled that some of the projections for our spending go from—well, next year we’re projected to drop from \$158 to \$118 billion for the OCO contingency operations. Is that your understanding?

General DEMPSEY. It is, Senator.

Senator SESSIONS. And then I think is it the next year, 2013, that it’s projected to go to just \$50 billion?

General DEMPSEY. I have seen that number, but I’m more confident in the \$118 billion than I am in the follow-on years.

Senator SESSIONS. Well, it would be a dramatic drop to \$50 billion that quickly. I don’t think that is likely to be achieved and I’m concerned about it. The President’s I believe budget projects \$50 billion for the next—the rest of the decade there for spending. So I don’t know if that’s accurate or not.

I would say that we can’t let numbers like that drive the agenda. The agenda has to be if we can draw down our forces, good, let’s do it in a strategy, smart way that does not put our soldiers or the goals they’ve put their lives at risk for in jeopardy just to meet that kind of goal. I hope and expect that you would advise us if you think that number is not acceptable. Would you?

General DEMPSEY. I wonder, Senator, if I could—I mentioned earlier that I’m not a man of numbers necessarily or charts and wiring diagrams, but rather images. Could I ask my staff to pass out an image to you by way of answering your question, if I could?

[The information referred to follows:]

[COMMITTEE INSERT]

General DEMPSEY. While the staff is handing this image out, one of the things we’ve said consistently, my predecessor and his predecessor as Chief of Staff of the Army, is that when this conflict ends, however we define “ends,” we will have to—it’ll take 2 years for us to reset the force because of the stress and strain on equipment and people. It’ll take us 2 years to reset, and that reset should be in my judgment funded by OCO and therefore it will be my responsibility, on behalf of all the services, to define what will it take to reset the force once we have the opportunity to do so.

If I could just ask you to glance at the picture. I’ve done a lot of thinking about what is it that will get us through, has gotten us through this last 10 years, because frankly if someone had suggested to me 10 years ago that we would be able to fight a war for 10 years with an all-volunteer force, I honestly would have been skeptical about it. So we have gotten through that, and not only have gotten through it, but we’ve actually flourished. The force is extraordinarily healthy.

So whatever we do, it’s important to remember we’re doing it from a foundation of great strength. It is truly the finest military force we’ve ever had, all components.

The reason I like that picture—my sergeant major, by the way, doesn’t like it because the soldier’s not wearing his eye protection and he’s got his sleeves rolled up. But I asked him to get beyond that for a moment, because that picture speaks to me, that image speaks to me, on the issue of trust.

The other thing that we have to remember about ourselves—and it's trust because, as you see, there's a soldier protecting that soldier's flank. He's wearing a wedding band, so it reminds us that they're married and they trust that we'll take care of their families both now and into the future.

Here's the point. He's on the radio and he's calling for something, and we don't know what it is. It could be a medevac, it could be close air support, it could be artillery. It's likely to be another service that delivers it. But here's the profound point not to forget: What makes us unique is that that noncommissioned officer believes he's going to get what he asks for. We are the only army on the face of the Earth that believes that when you ask for something because you need it to prevail in the environment we place you, you're actually going to get it.

So as we do whatever we have to do with this force based on the resources, the one thing we cannot lose is that relationship of trust that exists, that what that soldier, airman, sailor, marine, or Coast Guardsman needs to do the things we ask him to do, they've got to have it. That's what carries us through.

So in answer to your question about budget numbers, I don't know. But what I do know is that I will not allow that relationship of trust to be violated.

Senator SESSIONS. Thank you. I think this is a very critical point, that we have the finest military the world's ever assembled. They are courageous. They put their lives on the line. They've lost their lives in significant numbers and been injured significantly. But they do have to be confident that the people of this country are behind them, and sometimes that means money, dollars, that get them the things that they need. I appreciate your comments on that.

General Dempsey, on a specific matter, I notice in your answers to the written questions you note that you supported the decision to retain three brigade combat teams in Europe and that—this is the answer; I'm sure staff helped you put it together, since I notice you have a master's in English at Duke, typical of our high quality and highly educated officer corps. But it says: "To meet a wide array of engagement, building partner capacity, and interoperability objectives while being prepared to support a full range of military operations needed for plausible European and global contingencies."

I'm not sure what that means, but I don't think we need three brigades to do it there. The plan was to bring it to two. I understand we're talking about a new hospital for Lanstuhl, which if, we pray, we're successful in drawing down, maybe that can be scaled down. But that's the kind of things I think we need to ask about when our allies are spending about 1.2 percent of GDP on defense, 1.3, only a few of our NATO allies are meeting the goal or coming close to the goal of 2 percent, while we're over 4 percent of GDP on defense. I think we've got to ask ourselves, can we continue to maintain that kind of forward deployment of brigades when we were supposed to be reducing to two.

My time is up, Mr. Chairman.

I would just ask you—I know you’ve given that answer that you support the three, but I’d like you to say that you will at least reconsider that in the months to come.

General DEMPSEY. First of all, Senator, I apologize for the run-on sentence. That one got past me, apparently.

But I will say I am an advocate of forward presence—I want to be clear about that—for all the things it does for us, not just for our allies. Second, I am a strong advocate of maintaining a strong relationship with our current allies, because they’ve been tried and true. And I know that we sometimes look at, compare an individual NATO country to us, but the reality is that in the aggregate they commit about \$300 billion a year to defense in the aggregate, and they are serving very bravely and courageously with us in Afghanistan. Notably, today I was at a ceremony at the French embassy last night where the French presented five their equivalent of Silver Stars to our soldiers who had served alongside of them in Kapisa Province, and the French were very proud to note that they have a French battalion under our command without caveat in Afghanistan.

I think we should not, in the midst of our current budget challenges, undervalue our relationships overseas. Now, that said, the comment about whether it’s two or three brigades in Europe was made when we were shooting for \$178 billion in reductions, not \$400 billion. I would restate my earlier message in discussion with Senator Reed: Everything is back on the table.

Senator SESSIONS. I would agree. Secretary Gates noted that our allies, with exasperation—he’s urged them to do better and share better, and been disappointed that they have not.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Sessions.

Senator Webb.

Senator WEBB. Thank you, Mr. Chairman.

General, I apologize for having had to step out for a few minutes, and I missed your exchange with Senator Reed and the beginning of your exchange with Senator Sessions. I hope these questions aren’t redundant to those.

First of all, we are going to be entering, obviously, into a period of reformulation of our National strategy and our posture around the world in many cases with the wind-downs in Iraq and eventually in Afghanistan. I am wondering—I’ve not seen anything on your views with respect to sea power as an instrument of national strategy, not simply in terms of supporting ongoing ground operations, which was one of your comments earlier about visiting the LINCOLN, but actually in its historical role as a direct instrument of deterrence on a larger scale.

General DEMPSEY. Well, sir, both because of my time in the joint world and now as a member of the Joint Chiefs, I am enormously proud of our Navy and cognizant of and respectful of its role. I think that one of the questions we have to ask ourselves in this strategic review is where are the new power centers across the globe? The Navy has a traditional role in protecting the global commons with respect to, obviously, the maritime domain, as the Air Force does in the aviation domain.

But in terms of my views on sea power, I would say that my views on sea power are about the same as they are on land power, and that is that we should never get to the point where we have to choose between a particular domain and another. We should be increasingly interdependent.

I am concerned, by the way, about the Navy shipbuilding program and the fact that we're sitting at 280 ships with a 313—with a suppressed demand for 313, and some of the acquisition problems we've had are making it more difficult to get there.

So I'm a big fan of the Navy, with one important exception, and that is on that Saturday in November when we play the Army-Navy football game.

Senator WEBB. Having gone from the Naval Academy into the Marine Corps, I don't watch that game very often.

But it does seem to me that we are at the end of another inevitable historical cycle here, when we have these extended ground combat deployments that expand the size of the active duty Army and of the Marine Corps, at the expense very often of what I would call national strategic assets, like our operational Navy.

I think I'm hearing from you the same thing I heard from Secretary Panetta, that the 313-ship goal for the Navy is a reasonable goal. Would that be correct?

General DEMPSEY. Well, my engagements with Gary Roughead over the past 3 months suggest to me that it is. But again, I think we had a conversation a bit earlier about how do we keep strategy apace with resource decisions. So that comprehensive strategy review that we're doing should, it seems to me, either reinforce that or cause us to think differently about it.

One of the things I think will happen is, to the question of whether we can absorb \$400 billion, I don't know the answer to that as I sit here today. I don't know for the Army and I certainly don't know for the joint force. But as we look at it, we will reach a point where we have to make a determination, can we execute the strategy we have today, which is what the 313-ship shipbuilding program is built to? Can we continue to execute that strategy or do we have to change our strategy? That's the kind of questions and the answers to those questions that we owe you as a member of this committee.

Senator WEBB. Well, I would hope that part of the reexamination of the strategy is a realization that the model that we put in place in Afghanistan is not going to be the model of the future. It's enormously costly, in more ways than show up in the direct DOD budget, as you know.

One of the concerns that I've had since I've been here in the Senate is with what I can only call a deterioration of the management aspects in the Pentagon. I hope you will really take a look at that, items such as data collection that's necessary to have debates on different issues. I could give you a whole string, as someone who worked over there as a manpower person and was used to some fast turnarounds when data was requested, where this wasn't. It took us a year to get attrition data from the services that were necessary to analyze what percentage of the military actually left the military on or before the end of their first enlistment, which was

vitaly important in the way that I was trying to advance the GI Bill as a readjustment benefit, which it had been traditionally.

I just held a hearing as chairman of the Personnel Subcommittee asking, part of it, asking for courtmartial and discharge data, and the Army was not able to tell me with a week's notice how many honorable and general and other than honorable discharges it had issued over the past year. The other data kind of fluctuated day to day.

This is the kind of stuff that when I was a committee counsel up here a few years ago you could literally get in 24 hours. I hope you will get on top of it. I think it's a management issue. I don't think people are so busy that they can't keep that kind of data, and certainly the size of the military and the retention rate—the size of the military is lower. The retention rates are higher. It shouldn't be difficult data to keep.

One of the pieces of data that jumped out at me goes to the number of general flag officers service by service. I used this as a starting point when we were looking at an issue of whether the Air Force should be able to keep seven—I believe it's seven—six flag officers as JAGs. I'll give these numbers really quickly. The Army has 569,400 people on active duty as of this week, the Navy 328,000, the Marine Corps 202,000, the Air Force 332,000. Do you find it curious that the Air Force has more four-star generals than any of the other services?

General DEMPSEY. I'm not sure how to answer that question, Senator.

Senator WEBB. Let me give you a couple more data points.

General DEMPSEY. It does surprise me. I've never looked.

Senator WEBB. The Air Force has 332,000. This isn't a knock on the Air Force. I see your assistant is getting a little nervous over there. But it's a question of how you properly manage the force.

The Air Force has more brigadier generals than any of the other services, by far. They have the same number of three-stars. They have almost the same number of two-stars as the Army and well more, more than the Navy and the Marine Corps combined. This is not—as I said, this is not a hit on the Air Force. It's just a question of how do you come up with this?

General DEMPSEY. Your point's a good one, Senator. We do need to—and by the way, the SECDEF, SECDEF Gates, did take a look at general officer strength and required each service—I think our number for the Army was we had to eliminate nine GO billets. That's not the last state of that.

Not by way of justifying it, I'll tell you how some of this has grown up. You've talked about Iraq and Afghanistan as the—when we build up new headquarters, they tend to be magnets for flag officers to run particular capabilities and functions within those headquarters.

But if you're suggesting we should see ourselves and determine if we've got our ratios right, I take the point.

General DEMPSEY. I absolutely think you should, because the other piece of it is when force structure is reduced it's very hard to give up flag commands or flag billets. I would really hope you take a look at it.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Webb.
Senator WICKER.

Senator WICKER. Thank you very much.

I appreciate your service, General Dempsey, and look forward to working with you.

One of Secretary Gates' final actions as Secretary before his retirement was a very important speech before NATO about NATO's future back in June. I want to point out some of the most important facts that he mentioned and ask you to respond to that, if you will. For one thing, he worried openly about NATO turning into a two-tiered alliance, where some members are willing to do the soft tasks and others the hard combat missions.

He also said there is a very real possibility of collective military irrelevance and in light of this member nations must examine new approaches to boosting combat capabilities. He went on to point out that now, 2 decades after the fall of the Berlin Wall, the United States' share of NATO defense spending has now risen to more than 75 percent.

Then he sort of concluded with this very key point, and I will quote him directly: "Indeed, if current trends in the decline of European defense capabilities are not halted or reversed, future U.S. political leaders, those for whom the Cold War was not the formative experience that it was for me, may not consider the return on America's investment in NATO worth the cost."

Now, it's often valuable for someone to be able to speak very frankly toward the end of a career, and I think Secretary Gates did just that. You're about to embark on a new aspect of your career, in which perhaps you have to be a little more diplomatic and more careful. But I would appreciate your responding to the points that Secretary Gates made.

I wonder if you have any new ideas about reversing this continued trend and if you have any suggestions to this committee or this Congress as to what we might do to reverse this trend?

General DEMPSEY. I'll take your caution about trying to figure out whether I'm at the beginning of the next 4 years or the end of my career.

Senator WICKER. I'm assuming you're about to embark on a very important part of—

General DEMPSEY. Well, what you can count on, Senator, is that I'll answer and let the chips fall where they fall in that regard.

I think that we have some competing narratives that we should acknowledge. On the one hand, we've got a narrative that says we have to, based on the reality of a new fiscal environment, we have to do less and therefore rely on allies to do more. That is one narrative and we have to acknowledge it.

Then we have the other narrative that you just described, which is they're not doing enough to sustain what they're doing now. So the question is, as we go forward in determining whatever adaptations we make to our strategies, we've got to do it in a way that doesn't paper over potential problems.

One of the problems we could paper over is what can our allies provide. Now, in terms of new ideas, we've talked about ourselves as a joint force of being interdependent for years. How do we rely on each other and eliminate redundancies? This budget reality is

going to cause us to look at that again, and I think it should cause us to look again at that issue vis a vis our allies. And it may be that we would enter into a discourse with our allies about capabilities that they provide that we may not provide, and in so doing we actually may have to become dependent on them for that.

Now, I'm not advocating that. I am not even advancing it yet. But it may be that if there's a new idea out there in a new fiscal environment, it may be something to do with establishing an interdependent relationship with close allies. Is there risk there? Absolutely. Is there potential opportunity there? I think so. But in answer to your question, I think that's where we find ourselves today.

Senator WICKER. Let's take that down, then, to a specific, the specific instance of Libya and the frustration that many of us felt in coming to a consensus over there. Do we risk our adversaries or our competitors finding ways to place the interests of NATO member countries against each other in arriving at consensus, and what observations would you draw from your general statement down to the specific situation that we're in right now with Libya?

General DEMPSEY. Well, I think you've touched on it, Senator. As a consensus organization, it is far more difficult to find end states that are acceptable and achievable to all members. That's the nature of an organization of that size that's built on consensus.

On the other hand, when you can achieve consensus with an organization like NATO, it's pretty powerful and pretty compelling and pretty persuasive. So I just think as we go forward, as I mentioned, we have to be clear-eyed about not making assumptions that could from their very inception be proven inaccurate. I think it's going to require a different kind of transparency.

Senator WICKER. Well, I wish you very much success in that regard, and I hope if you have further suggestions for this Congress you will work with us on that, because I share Secretary Gates' concern and I don't know when the tipping point might be. But we do have budget concerns in this country and we're bumping up against them within a week. And for the United States to expend 75 percent of the combat funds seems to me a situation that's got to change.

Let me ask you a very specific question about the culture that services nurture among our young officers and NCOs with regard to foreign language study and programs that enhance global awareness. Do you have any ideas about how we might do a better job of incentivizing activities across the Services? My son happens to be a second lieutenant in the United States Air Force with a Mandarin language proficiency. Do you think we're using the universities and the great resources of our country enough, or is there a different way that we can be achieving a larger cultural awareness and language proficiency across the services?

General DEMPSEY. I absolutely do, Senator. I think to the extent we can develop our young leaders to have the kind of global awareness, even if it is manifested in particular regional expertise, whether it's Asia or wherever, I think we will do two things: One, we will make ourselves far better prepared for an uncertain future. We found ourselves short in cultural awareness and language capability in Iraq and Afghanistan for a very long time. So I think that as we now have the time to commit to the kind of things you're

talking about, we should. That is absolutely, I would describe it as one of the adaptations we need to make to our leader development programs.

The other thing we'll do in so doing is we'll keep these kids interested. They want to know what it is we need them to do, and it's not just about turning wrenches or providing lethal effects. They want to know that they are developing, that they are growing, and that that development and growth is valued inside the service.

The last point I'll make is I don't think we're going to have—I think we're going to be able to do exactly what you say. The reason we haven't in the last 10 years is we've been meeting ourselves coming and going. We've been extraordinarily busy and so we haven't taken the time necessary, in particular in expertise outside of Iraq and Afghanistan.

Second, our promotion boards, for example, in wartime always tend to value most the current fight. So I can only speak for the Army, but if you look at our promotion boards they have tended to reward time in the saddle in Iraq and Afghanistan disproportionate to potentially what we need for the deeper future. My commitment to you is that, if confirmed, I will be not only the Chairman, but I will believe myself to be the steward of our profession, that is the profession of arms, for all services and look dutifully and carefully at how we're developing our leaders for the future.

Senator WICKER. Well, thank you, sir. Tell us what you need and we'll try to provide it for you.

Thank you.

Chairman LEVIN. Thank you very much, Senator Wicker.

Senator Udall.

Senator UDALL. Thank you, Mr. Chairman.

Good morning, General. Good morning, Dini. It's been a treat to get to know the two of you in this process and discover your connections to Colorado and your love of our wonderful State, the Centennial State, and I look very much forward to working with you when you're confirmed.

If I might, let me pick up on Senator Wicker's line of questioning and discussion, General. I had a chance to ride in yesterday from the airport with former Senator Hart, who's well known for his strategic thinking along with a lot of other retired Senators in both parties, and of course retired military officers.

What have you learned about the last 10 years? What do you think are the most important lessons that stare us in the face and some that aren't so obvious, because it is easy to fight the last war, and yet the world is undergoing enormous change from the Middle East to the events we see in China, and on and on.

But if you'd share for a couple minutes your thoughts on some of the lessons.

General DEMPSEY. Thank you, Senator. Again, these are very personal lessons, not to be interpreted as criticism of predecessors or anything else, because, by the way, in some cases I was the one who fumbled a ball here or there. I think that one of the lessons of the last 10 years of war ought to be that we can't look at issues through a soda straw, in isolation. They don't exist that way.

So looking back on it, at least my own personal view about Iraq in 2003 was that Iraq had a particular problem and it was a re-

gime that was destabilizing the region and that we should take action. It was my recommendation that we should take action to change the dynamic inside of Iraq and that the region itself would become more stable. I'm not sure it turned out that way. Probably it is, but it didn't happen exactly as we intended it, and that's because I don't think we understood—let me put it differently.

I didn't understand the dynamic inside that country, particularly with regard to the various sects of Islam that fundamentally on occasion compete with each other for dominance in Islam, so the Shia sect of Islam, the Sunni sect of Islam. When we took the lid off of that, I think we learned some things that—and I'm not sure we could have learned them any other way. I don't know. I've reflected about that a lot.

But I learned that issues don't exist in isolation. They're always complex. And I've been scarred by rereading a quote from Einstein, who said: "If you have an hour to save the world, spend 55 minutes of it understanding the problem and 5 minutes of it trying to solve it." I think sometimes, in particular as a military culture, we don't have that ratio right. We tend to spend 55 minutes trying to solve the problem and 5 minutes understanding it. That's one of the big lessons for me in developing leaders for the future, not only in the Army, but, if confirmed, in the joint force.

Another one is the degree to which military operations in particular, but probably all of them, have been decentralized. You know, you'll hear it called various things: decentralized, distributed operations, empowering the edge. Whatever we call it, we have pushed enormous capability, responsibility, and authority to the edge, to captains and sergeants of all services. And yet our leader development paradigms really haven't changed very much. They are beginning to change.

But I think that second lesson, on the enormous responsibility that we put on our subordinates' shoulders, has to be followed with a change in the way we prepare them to accept that responsibility. I think those would be the two big lessons for me.

Senator UDALL. Thank you for sharing those, and I look forward to hearing more of your insights. You're right, we ask particularly personnel on the front lines now to be educators, be diplomats, be aware of civil affairs, cultural, and historical trends, and on and on and on and on. And every single soldier, marine, airman, and sailor faces—presents the face of America. So I look forward to working with you on what I see as an opportunity.

Let me turn to a related distributed concept, which is in energy. It's a real interest of mine. I think increasingly the committee is spending more time looking at how we use energy more effectively. We know that saving energy saves lives, as Admiral Mullen has put it so well. We know that a good quarter of our casualties have been tied to fuel convoys and other kinds of convoys.

How do we help you develop a strategy where we have more fight with less fuel? Share your thoughts on energy with the committee?

General DEMPSEY. First of all, I agree with you, Senator. We have—and again, I'm at a bit of a disadvantage in this regard, speaking just about the Army now, but that's what I've been working. As you know, we've got some energy goals that both the Department of Defense have established, but that we've established

for ourselves as well. In the two broad areas of kind of institutional energy—that’s how we manage our posts, camps, and stations—we’ve got six, maybe more, prototype installations that we want to achieve a net zero energy status. One of them happens to be in your State. So we’re moving along to try to see how we can improve our standing vis a vis institutional energy.

The other one is operational energy. That’s really the one you’re speaking to most clearly with how do we keep soldiers off the road in supply convoys because we’ve become more energy efficient. Every one of our recent acquisitions and certainly every one going forward for vehicles or other equipment that have an energy demand are always done with a key systems attribute, is the term, related to energy. So some energy savings must be—Ground Combat Vehicle has an energy target for its design.

But that’s sort of the upper end of it. The lower end of it is batteries. I’ll give you one vignette that might fascinate you. In pushing responsibility to the edge, we’ve pushed all kinds of emitters—I’ll just call them “emitters,” but it could be a Blue Force Tracker, it could be a data collector, it could be a full-streaming video, it could be a set of optics, a night vision device, whatever it is. But they all have a power demand.

In so doing, we see the benefit to the soldier and it makes him more capable, but we often don’t see what it does in the aggregate to their ability to carry the batteries. So an infantry platoon today for a 72-hour mission has to carry 400 pounds of batteries. Now, what they do, of course, is they don’t carry them. You can follow them in some cases like breadcrumbs through the Hindu Kush.

We’ve got to get better at that and figure out what is the energy requirement, how do you deliver it at a lighter load, in a more efficient manner, so that the soldier both becomes more capable and we don’t overburden him. I can just assure you we are actively pursuing this, and I think it has implications across the joint force as well.

Senator UDALL. I agree. When we find some of these breakthrough applications for batteries, there will also be utility in the civilian sector as well. I forecast that the military will lead us more broadly to more energy self-reliance.

I’ll end on this note. My time’s expired. I think you’re well aware of the couple of Marine Corps ex-FOBs that are now being utilized, and in the end they’re actually creating an environment that is much more than experimental. Those environments, I’m learning, are more secure. They have a smaller footprint noise-wise, light-wise, energy-wise, and therefore the mission is more easily performed.

So I look forward to working with you on this.

Thank you.

Chairman LEVIN. Thank you, Senator Udall.

Senator Brown.

Senator BROWN. Thank you, Mr. Chairman.

Sir, as you know, we’ve already met and discussed a lot in private. I have just a few follow-up questions. Senator Ayotte and I actually plan to have a bill and are deeply concerned about the evidence that taxpayer money that was intended to be used for a transportation contract has in fact ended up in the hands of the

Taliban, and we want it to stop. Not only are we trying to fund our own needs; I guess we're funding the Taliban's needs, too.

So I was wondering if you could comment on that and how we can—what your thoughts are about lowering the risk involved with our reliance on contractor support and the money trail that goes along with it.

General DEMPSEY. Yes, thanks, Senator. I saw the same report in the media. I haven't yet had time to get the GAO report and understand the details. But I'll tell you, I share that concern completely. In fact, in Iraq when serving as the commander of MNSTC-I, now called NATO Training Mission Iraq, and having approximately \$5 billion a year to build the Iraqi Security Forces, it was among my most—my gravest concerns.

I had a concern about building them. I had a concern about enabling them, integrating them with our forces. But I also—there wasn't a day went by that I didn't worry about where the money was going, because it's a very opaque culture in which we deal in Iraq and Afghanistan.

Now, what we've done. We've increased the number of contractors enormously. We've formed Contracting Command. Again, I'm speaking for the Army, but I know the other services are doing this as well. In our captains career courses, they're taught contract oversight.

I probably should have mentioned, in response to the former question, what are one of the big lessons of the last 10 years of war? One of the big lessons of the last 10 years of war is that when we apply these kind of resources we've got to have the right kind of contract oversight.

I hope what I find in the GAO report is that it's a lagging indicator, in other words that it might be a couple of years ago, before we took the measures I just mentioned. But I don't know. But I share your concern about it.

Senator BROWN. Thank you, sir.

Also, I want to just touch upon and follow up with Senator McCain and others: \$100 billion was the initial, now it's \$400 billion, \$800 billion; I'm hearing a trillion dollars. I mean, someone who's still serving, as you know, I see in the Guard and Reserves a certain amount of things we could do probably better and more efficiently. But I'm deeply concerned that hasty, across-the-board cuts will dramatically affect the safety and security of the men and women serving.

I would echo Senator McCain's general premise, in that whatever you're planning on doing or whatever recommendations you're considering making, I know we're trying to reach a number, but when it comes to the safety and security of our men and women I don't think I can put a number on that. I don't think—I think we need to, if we're going to commit to these wars and we're going to commit our men and women to do it, we have to give them the assets to do just that.

So not really a question, but my hope is if you're running into roadblocks or you need to adjust and adapt, then please come back to the committee so we can work with you in trying to do it differently and shift maybe the burden to other areas of the govern-

ment before we start jeopardizing the safety and security of our men and women.

That being said, as you know, I am in the Guard and I do know that the Guard and Reserves perform a function at a fraction of the cost of the money used for active Army and all other services. You know, we're somewhat leveraging the skills and experience of our citizen-soldiers and airmen. What's your plan? Is there a plan to maybe, in order to save money, to potentially shift and expand Guard and Reserve opportunities, or is that in the bailiwick or what?

General DEMPSEY. Well, as you know, Senator, we are closer to our Reserve component—that's both the National Guard and the United States Army Reserve. And again, I'm speaking for the military, but I'm sure that General Schwartz would echo this. We're closer to the Guard and Reserve than we've ever been. The question now becomes, as the demand goes down and as potential resource constraints collapse around us, how do we maintain that relationship, how do we articulate what capabilities have to be available in the active component, which capabilities have to be available in the Guard and Reserve?

One of the things I mentioned in the response to the APQ, the advance policy questions, was I think there is an opportunity here to reconsider and adapt our relationship with the Guard and Reserve, so that as we become smaller, which seems to me to be inevitable at any one of the numbers you mentioned. It's not just taking the existing structures and the existing relationships and shrinking them, but rather adapting them to actually give the Nation options, because that's ultimately our responsibility, is to provide options for the Nation in meeting its security needs.

So my commitment to you is that that issue of the future relationship of active, Guard, and Reserve will be at the forefront of any decisions we make in responding to these budget issues.

Senator BROWN. I would also ask, if the goalposts used to measure our National objectives in Afghanistan change, which they apparently are, and if you need a new set of requirements based on those changes before the end of the summer, I'm hopeful you'll let us know, so we can, obviously, help in that regard, as Senator Wicker pointed out, too. Let us know what the needs are.

Finally, I have noticed, being on the Veterans Committee as well, that many of the soldiers that are coming home—and as you know, the unemployment rate amongst military folks, Guard and Reserve in particular, is dramatically higher. Even though many of them have higher technical expertise, leadership skills, and military experience, they feel they're ultimately disqualified for lack of civilian equivalent certificates.

You know, I hear it, gosh, over and over again. And I'm wondering if there's a system or if there's something that you will be able to do that will help members translate their military-specific skills and vocational experience and expertise to the civilian sector? Nothing for today, but just something to think about, if there's a way we can have someone reach out and work that through, because when you look, the State of Israel does it. Employers actually seek out those folks because they have a higher work ethic, many times they're more experienced. And yet here, especially because of

the fear of redeployment, there's an artificial wall, I feel, sometimes. So just a thought, and I wish you well, General.

Thank you.

General DEMPSEY. Thank you, Senator. You know, one of your colleagues is helping us with some legislation that might help in that, in regard of transition for veterans. Some of the reason that we're having this problem is that we haven't paid as much attention as we need to to our Army again, career and alumni program.

Senator BROWN. You can talk about the Army all you want. [Laughter.]

General DEMPSEY. But anyway, we're alert to the challenge, working both internal to the Army as well as with this committee to try to determine how we can do a better job.

Senator BROWN. Thank you, sir. Good luck.

Chairman LEVIN. Thank you, Senator Brown.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

Thanks, General Dempsey. Just having the opportunity to sit here and listen to you, you've been really impressive today. We're lucky to have you in the service of our country. I think you are a student of history. You know the details of reality that the military faces, and when you don't you're honest enough to say you don't. So I'm very grateful that the President has nominated you and I'll be proud to vote to confirm you, I suppose unless you say something from here to the end of the hearing that I think is over the edge. But I doubt that.

This is a very moving picture and you used it to tell a powerful story of trust, the trust of his family back home, trust of the others in his unit, and the trust that he has when he calls somebody is going to be there.

I was thinking, as I lead into the first topic I wanted to talk about, there's another element and it wouldn't be called trust, but it would be—it's the certainty, a different kind of certainty, which is the certainty that those who wish us ill, our enemies, have that if they cross lines that we will respond, that they won't get away with it. That's not trust, but it's a certainty that we're credible.

In that regard, I was really struck by your response to one of the advance questions submitted by the committee, in which you spoke about the threat posed to the U.S. by Iran, and you said, and I quote: "With its nuclear activities and its surrogate activities in southern Iraq, there is a high potential that Iran will make a serious miscalculation of U.S. resolve."

I totally agree with you and I do think in the case of southern Iraq, where the Iranians have been training and equipping Shia extremists, who then go back and have been responsible for the deaths of a lot of Americans, that they don't—they have been making a miscalculation. In some sense it's been based, unfortunately, on the fact that they haven't paid a meaningful price up until now for doing the things that they've done that have been so harmful to so many Americans in uniform.

So I just wanted to ask you to—I wanted to say, one, I appreciated the statement. Two, I wanted to ask you to elaborate on what you meant when you said that there was a high potential that Iran will make a serious miscalculation of U.S. resolve.

General DEMPSEY. Thank you, Senator. Again, I've been out of Iraq for about 4 years now. But that doesn't mean I've lost touch with it or the leaders with whom I have remained engaged. It's their observation, in some cases supported by intelligence, but it's their observation that Iran's activities in southern Iraq are intended to produce some kind of Beirut-like moment and in so doing to send a message that they have expelled us from Iraq.

What I wanted to make clear in my advance policy question, my response, and as well today, is that, while we've got soldiers in southern Iraq—and, as you know, my view is that when you put the United States military, whatever service you place, but you place them someplace, it is the clearest signal of national resolve we have.

Senator LIEBERMAN. Right.

General DEMPSEY. As long as we've got those soldiers there, we're going to do whatever we have to do to protect them, and I want to make sure that's clear to everyone.

Senator LIEBERMAN. Well, I appreciate it. I agree with you. It follows on some pretty strong statements made in the last couple of weeks by Admiral Mullen and Secretary Panetta about the risk that Iran is taking by this behavior in supporting the Shias who are going back into southern Iraq and killing our people. Obviously, it's important once the people at the top of our military, like the three of you, say that, that Iran takes it seriously or suffers consequences.

So I thank you for that, and I know you're a serious man and I know your word is credible. I hope the Iranians understand that.

I wanted to spend just a few minutes on the budget questions. I thought you said something, if I heard it right earlier, that was really interesting and important for all of us to think about. Obviously, we're facing a big budget crunch and everybody is being asked to contribute to helping the country get back into balance. And so far as the military is concerned, this is not like the period at the end of the Cold War, because we are actually still involved in combat in Iraq and Afghanistan, where we're drawing down our troops. But the larger war with the Islamist extremists who attacked us on 9-11 goes on on many different fronts in the world.

I wanted to make sure that I caught you right, that that's what you were intending to say, that this is a tough time to cut the military budget drastically because we are at war.

General DEMPSEY. That is my professional judgment, Senator. If I could reflect my own anxieties with you; can I share my anxieties with you for just a moment?

Senator LIEBERMAN. Yes, just lay down on the couch. [Laughter.]

General DEMPSEY. This is really, this is a three-legged stool. On the one hand, it is the responsibility of the military to provide the Nation options, and that means we have to have capabilities of a certain size, of a certain quality, and in a certain quantity because of the rotational requirement to sustain our effort. So that's one leg of the stool, if you'll permit me.

Senator LIEBERMAN. Right.

General DEMPSEY. The other leg of the stool, though, is if we don't demonstrate that we are sensitive to the challenges of the broader Nation—I mean, we're all citizens as well as soldiers.

Senator LIEBERMAN. Right.

General DEMPSEY. If we don't show that we recognize that the Nation has a significant economic problem and then do our part, whatever that part may be, to help solve it, we will be seen as simply putting up barriers and defending ourselves against what Eisenhower famously called the military-industrial complex. So that's the second leg of the stool.

The third leg of the stool is we've got an All-Volunteer Force with whom we must keep faith. It is that element of trust that I described earlier that will keep that all-volunteer force in the fight, inspired, in the service of their country over time.

So as we go forward, kind of the way I will assess how much of a budget reduction we can absorb will be on the basis of that: How much capability does it provide? Are we contributing something, so that we remain connected to America? And can we preserve the All-Volunteer Force? On that basis, I think we'll be able to make a pretty clear determination.

Senator LIEBERMAN. I appreciate that. That's a very balanced answer and I think you've got your anxieties well in control and I would certify to your mental health.

Thanks very much, General. Good luck.

Chairman LEVIN. Thank you very much, Senator Lieberman.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

I very much want to thank you, General Dempsey and Dini, for your service, and appreciate your coming before the committee today.

I wanted to echo on some of the—on the question that Senator Brown had asked you about the Guard and Reserve and the role of the Guard and Reserve. I notice from your written comments you acknowledge what I think we all have seen has been the case, that really we haven't used the Reserve as a strategic Reserve in these conflicts; we used them as an operational force.

There's been some, I think—there was a need to do it, but there's also been some need to cost-effectively use the Guard. As we go forward in this difficult fiscal climate, how do you anticipate preserving that readiness that we have gotten as a result of having the Guard and Reserve acting as an operational force, and how do you anticipate working with the Guard and Reserve to seek their feedback as you make some of these difficult choices going forward?

General DEMPSEY. Thank you, Senator.

We are working very closely with the Guard and Reserve. If there's something we're withholding from them, it's not apparent to me, because I've said that it's back to this relationship of trust. It also exists in our Army. It has to exist, and the other services as well with their Reserve components.

I would also—I would like to just elaborate a bit on what you said about the cost-effectiveness, because there is a certain cost-effectiveness to the Guard and Reserve, but truthfully that's not why we have them. Why we have them is because—I mean, we've had them for centuries, but after Vietnam General Creighton Abrams made the conscious decision that we would never allow ourselves to go to war again without the Reserves. He did that because he recognized that as we transitioned to an All-Volunteer Force the

Guard and Reserve are an extraordinarily important part of our ability to stay connected with America.

So as we sit here today, the choice before us is not will we have the participation of the Guard and Reserve. The reality is, Senator, we cannot go anyplace, cannot, without the Guard and Reserve. We've built our structures that way. A third of—two-thirds of our combat power is in the Active component, a third in the Guard. But two-thirds of our sustainment capability is in the Guard and Reserve and only a third of it in the active component.

We built our Army consciously that way so that we would never again go to war without America. So as we go forward with these budget issues, it's not about are we going to make a stark decision to favor one component over the other. We've got to find a way to balance them.

Senator AYOTTE. That would include, obviously, readiness across the active duty as well as the Guard and Reserve, as the holistic view of our readiness in the future.

General DEMPSEY. Yes, Senator. But I will say we've built—again, to be completely transparent here, we have built some expectations on the back of OCO, for example, on the level of readiness we can have in all components. You know, we've never had, really never had an army that was—any component, active included, that was 100 percent ready to go all the time. And that was also true in the Guard and Reserve.

But with OCO now, we've been able to raise the level of equipping, of training, and every aspect for all components. All of that will be affected to some degree as we lose the ability to apply OCO to our Army. But it'll be applied fairly, equally, and with a specific outcome in mind, I promise you that.

Senator AYOTTE. Well, I thank you, appreciate your comments about how important the Guard and Reserve is to our readiness and to our country and our National security.

I also wanted to ask you, as the Chairman of the Joint Chiefs of Staff, one of the roles, very important role that you have, of course, is advising the Secretary of Defense and the President on a variety of Defense Department issues and policies. An issue that I've been very concerned about is our detention policy, our interrogation policy.

During a June 28th hearing I asked Admiral McCraven if it would be helpful, 10 years into the war on terror, to have a designated long-term detention and interrogation facility for terrorists, for groups like Al-Qaeda in the Arabian Peninsula, Al-Shabab. I wanted to ask you if you agree whether it would be helpful to have a designated long-term detention and interrogation facility, because it seems to me that we've had to make some ad hoc decisions and that puts our military leaders in a difficult position.

General DEMPSEY. It could be, Senator. And I'm not being elusive. I'm reflecting my own, where I am in my understanding of the issues. I say it could be because I think where these individuals are placed and whether what we have in our detention of them is more—rises to the level of evidence vice simply intelligence, because there's a huge difference, if you want to talk about the rule of law, on what's based on intelligence, what's based on evidence.

I think we have to understand how agile we need to be and whether our current policies and locations allow us to do it.

The other issue that plays as well is recidivism. That is to say, when we have these individuals in custody, return them to their nations, do they just simply return back to the fight?

So this is another one of those issues where I, because I haven't been involved with it, I haven't studied it to the extent I need to to engage you as articulately as I should, but I will.

Senator AYOTTE. Well, I appreciate it. I just want to highlight I think a couple of examples where we're—the case of Warsame, who is a member of Al-Qaeda in the Arabian Peninsula and Al-Shabab, who was kept on a ship for 2 months for interrogation and then brought to the United States. I think we basically, as Admiral Winnefeld said, for now we're making do, and I don't think that making do is good enough, particularly since we're not going to be able to keep every single individual on a ship. That is a short-term type of fix.

So I would hope that you would look at this as a very important security issue. As you mentioned, the recidivism rate, 25 percent of those that have been released from Guantanamo have gotten back in the fight against us.

In that vein, I wanted to ask you—my time is almost up, but just about a particular case, to ask you to look into. That is Ali Dakduk, who is someone that myself and 18 other Senators, many of whom serve on this committee, he is an individual that was being held in Iraq and is also accused of collaborating with Iranian agents and Shiite militias to kill American troops. He was going to—we received a report that he was going to be released back to the Iraqis. People are very concerned. The 19 Senators that signed that letter, we're concerned that releasing it back to the Iraqis is like releasing him back into the theater.

So this is again another case I would ask you to look carefully at, because it is one that demonstrates again why we need a detention facility that ensures the security of these individuals so that they don't just go back to other countries that will just release them and then we'll be fighting them again.

General DEMPSEY. Thank you, Senator.

Senator AYOTTE. Thank you, General.

Chairman LEVIN. Thank you, Senator Ayotte.

Senator Manchin.

Senator MANCHIN. Thank you, Mr. Chairman.

Thank you, General and Dini, very much for your kind hospitality. We appreciated it very much the other day, stopping by unannounced, and you're very kind.

Sir, with that, I would concur with Senator Lieberman that you're a sound person and I think things will be very well. I'd like to ask a few questions.

One is following up on Senator Ayotte. She asked about the Guard. I know there's been discussions and concerns about would the Guard ever have a post on the Joint Chiefs of Staff or be of equal footing on that. I know you've been a little bit receptive in thinking about that, and I didn't know what you thought impediments might prevent that from happening or if there's a possibility.

General DEMPSEY. I would describe my current position as being open-minded, Senator, but concerned. I'll express concern on two fronts. One is, of course, I just finished, rather inelegantly perhaps, describing how close we are, speaking again for the Army, but the need for the Guard. I just don't know what that would do to the relationship if we had now two four-stars overseeing the same force, because we aspire to be one force.

The other one is more pragmatic, and that is what gives me my authority as the Chief is the budget. If it weren't for the budget, no one would even pay attention to me. But they pay attention to me because I have to deliver something for the Nation using the resources I'm given. So I'm held accountable for delivering it.

I don't know what that would mean to a—and all the service chiefs, by the way, are in that same situation. They derive their authority both from the title, but also from the fact that they manage their Service's budget. If we have a National Guard four-star on the Joint Chiefs, he's not accountable because he doesn't have anything with which to deliver capability, and so I'd have to understand how that would be sorted out.

Senator MANCHIN. The other is concerning financial responsibility, but also the situation that we have, and I think that Senator Brown touched on, the \$10 million a day that was reported leaving Kabul in suitcases and never got to where it was—which is about \$3.6 billion a year, and not able to have a handle on that.

I think you've seen or you've been hearing about our debt discussions that we've had. Both Democrats and Republicans have anticipated a trillion dollars or more in savings if the war—if it's not spent on the war, another \$400 billion in savings on interest that you would be spending on the trillion. That doesn't make a lot of sense to me because we were never anticipated to be there that long. So someone anticipated that we were going to spend that much and now they're taking it as a savings.

Can you give me your thoughts on that? Does it make sense to you at all that we would be saving something we shouldn't have been spending and now they're all counting it and booking it?

General DEMPSEY. Senator, if you would allow me, I would take personal pleasure in telling you I'm not in an economist nor a lawyer, and so I can't go anywhere near that question. But I will say that we have done a great deal of work to try to figure out how to get on top of this issue of spending in Iraq and Afghanistan, and I'd be happy at some point to come and chat with you about that.

Senator MANCHIN. Do you have an idea basically of how you can secure the corruption that's going on. As we know, Afghanistan—and I think you know my personal feeling is that we should get out as quickly as we possibly can. It's not going to get any better, and they'll steal as much as they can get their hands on, and they've proven it every chance they've had. But how we can stop this type, this blatant type of thievery.

General DEMPSEY. Yes, sir. We do have some programs. I sent probably our best brigadier general over about a year ago, Brigadier General H.R. McMaster, to stand up an anti-corruption task force and campaign. It's made some progress. In fact, I ought to have him come back and chat with you about what he's accomplished.

I wouldn't suggest that anyone would ever drive corruption in that part of the world to zero, but we can certainly get a lot closer to zero.

Senator MANCHIN. You and I both talked about contracting, the amount of contracting that goes on in the Defense Department and the cost of contracting and a lot of fraud, abuse, and waste there. I think you've shown a desire where you want to look into that in a much more critical way.

Also, I would say also on the flight services, I know that we're contracting all of our flight services out to take our goods into that area. With that, with NATO also, has there been any types of decisions or discussions on how we could best curtail that or use our own equipment, or are we just too strapped for that?

General DEMPSEY. I don't know the specifics, sir. I would simply say that I think we have to keep a contracting option open because we could very—well, we would very quickly and very clearly overwhelm our ability to transport the things we need, ground or air, with our own organic resources. So I think the issue is really not walking away from contractor support. I think it's getting it under control.

Senator MANCHIN. Finally, I would ask a question on—and I truly believe that—on the draft, what your opinions may be or if you have a position, but just your thoughts on the draft. Of course, those of us sitting on this side, coming, living through Vietnam, the draft pretty much brought that skirmish to an end. I would assume that if we had the draft today we would be taking a much more critical look at what we're doing over there than we are as we proceed on now. So your thoughts on the draft?

General DEMPSEY. Well, sir, this comes up from time to time throughout my career. That would very clearly be a political decision, to go back to a system of universal suffrage. What I would offer you at this point in a discussion would be that I think the Nation is better served by an All-Volunteer Force, and I could elaborate on why I believe that. But I think we are better served by an All-Volunteer Force and would seek to find ways to preserve it in an era of fiscal constraint, rather than move at this point to a draft.

Senator MANCHIN. My reasoning for that question was because of all the deployments that the people, families, are basically going through. It's a tremendous hardship, I know, to them and their families, especially in the Guards back home and to our small States that have a great, great dependency on the Guard. But with that happening and the pressure that's put upon them and now with three wars going on, there comes a time when we spread ourselves so thin that the draft is the only option that I think that we would have if that's the policy we continue down, unless we intervene and stop these senseless wars.

General DEMPSEY. Without commenting on the wars, because sometimes I think, Senator, wars choose you, you don't choose them. That's just a professional judgment. But I think that as we look at the lessons of the last 10 years of war, I think we'll find that the All-Volunteer Force actually performed better and more resiliently than I think its crafters thought it would back in the early 70s.

But I think we need other options for the Nation when we enter into conflict that can escalate and that can take longer than we thought.

Senator MANCHIN. Thank you, sir.

Chairman LEVIN. Thank you, Senator Manchin.

Senator Begich.

Senator BEGICH. Thank you very much.

General, thank you for your willingness to continue service at this level, and I look forward to approving you and again looking forward to your service. So I first want to say thank you.

Let me ask you—I'm going to actually do one quick thing on Afghanistan to follow up on Senator Manchin. Tell me, from your perspective in regards to the security forces that we and our allies are working to train and ensure that they have their own security force. The question I always have—I know they are growing them, but what is their retention rate of those folks that, once trained by us and doing the service for security at different levels, what's the retention rate that they're able to maintain? And at the same time, are they increasing their literacy rate? Because I know we were very successful in Iraq because the literacy rate was also very high. Here it's very low. So can you comment on both those elements, retention and their literacy rate?

General DEMPSEY. Yes, I can, sir. Retention has shifted over time, for two reasons. One is in the early days we were paying them at a rate that I think was probably too low to keep them. That was changed about 2 years ago.

The other factor is seasonal. We have to remember that these young men in Afghanistan and to a lesser extent in Iraq, but absolutely in Afghanistan, they're agrarian and so when the planting and harvesting seasons come and go the attrition rates wax and wane accordingly.

Now, that said, General Caldwell, who is currently in charge of our NATO Training Mission-Iraq, monitors the attrition issue constantly. We also think the literacy issue is related to attrition.

Senator BEGICH. Absolutely.

General DEMPSEY. I don't have the number committed to memory, Senator, but it's in the—it's more than 10,000 and growing, the number of soldiers we've risen or helped achieve an eighth grade, as I recall it, level of literacy.

So these issues are all related, but your concerns about attrition are shared by us, as well as the concern for how we develop leaders, because you can develop a basic rifleman; it's a little more challenging to develop the leaders to lead them.

Senator BEGICH. Can you share—you don't have to do it right now, obviously, but if you could get to my office—maybe kind of what you see those trend lines look like over the last several years and where we're going in literacy attainment within our security force that Afghanistan has, as well as the retention rate?

General DEMPSEY. Yes, sir.

Senator BEGICH. Will you do that?

General DEMPSEY. Yes. The last time I touched on it the trend line on attrition was trending positive, which means we were gaining control of it. The trend line on literacy training was also trending positive, but it's a very—that is an enormous slope to

climb, for all the reasons you suggested. But both trends are positive.

Senator BEGICH. Good. Well, if you could share that with us that would be great.

You just made me think of something additionally. Is there—because I know the military does this. They always have a contingency plan about everything, plan A, B, C, all the way to Z. I'm assuming somewhere, and maybe it's not within DOD, but maybe it's a combo between DOD, State, and other: Assume the scenario we're out of Afghanistan; there is a financial cost that we're going to be committed to at some point, for all the reasons. Their economy can't sustain the security forces that we're training for and everyone else is training for. They don't have the money.

So is there somewhere within DOD, State Department, or a combo, or one of the agencies, that has looked at a scenario X that, out of Afghanistan, here is the U.S. commitment financially?

General DEMPSEY. Yes, and I would add NATO.

Senator BEGICH. NATO.

General DEMPSEY. Because it's very clear that as we reach 2014 that, as you suggested, there will be a lingering economy challenge for Afghanistan and we will have to assist. I say "we" again meaning—

Senator BEGICH. The combination.

General DEMPSEY.—not just the United States, right.

Senator BEGICH. But we'll have a commitment.

General DEMPSEY. I believe we will, yes, sir.

Senator BEGICH. Do you know, is that something that's available at this point to review and what those costs might be? Or is that something that you could get back to me, at least, with and determine where I need to direct that question?

General DEMPSEY. Let me contact, if I could, Senator, the CENTCOM commander, who would essentially, as the combatant commander for that region, oversee that effort, and I'll see if I can put him in touch with you or if he can communicate with you through me.

Senator BEGICH. That would be great. Thank you very much.

Let me walk through a couple other quick ones. Obviously, in Alaska we care greatly about missile defense system, and I know the military has done some additional work and they're continuing to make some additional plans of finishing up some of the fields there and also some additional interceptors.

Can you give me your opinion of the missile defense system that's currently in Alaska, but also let me add another caveat to this. As we know, the system there deals with North Korea, the Pacific Rim, so forth, but also has reach to the East Coast, but very last minute, last second kind of Iran issue.

So, it's a two-part question: One, your thoughts on GMD for Alaska; but also, is there a need for a complementary system on the East Coast to then kind of finish the efforts of not only North Korea, but more robust in dealing with Iran? If you could answer those two pieces of the question?

General DEMPSEY. Yes, sir. The current strategy calls for replicating what you would describe as an air defense capability on the West Coast, but replicating that in Europe because of the flight

plan of any missile that might be launched from Iran. There's also some, I'll describe them as very early, nascent discussions with Russia about sharing early warning and things that could be very, very positive.

So I think this work is ongoing and important, and I'll give it my full interest.

Senator BEGICH. The system we have up in Alaska is important. You see where I'm going here. I want to make sure I get—

General DEMPSEY. I do, sir, and it is.

Senator BEGICH. Very good.

Let me move to another issue, Law of the Sea. Some members that were here last week up for nomination for different positions within DOD, I was asking them the same question. You know, we're one of the few countries that haven't signed onto this treaty. We're hanging out with Syria and Iran and Libya. Those are our people that we're in company with who haven't signed also, which is not the company I care to keep and I'm sure you don't care to keep either.

So can you tell me just your thoughts on the Law of the Sea from a military perspective? The complaint people have is that this gives up our sovereignty if we sign this treaty. I disagree with that. I think this helps our sovereignty, strengthens our sovereignty. Can you give me your thoughts on that?

General DEMPSEY. I support the other leaders who have testified and attested to the fact that I think it will improve our standing and our security if we enter into the Law of the Sea Convention.

Senator BEGICH. Thank you very much.

My time is up. I have one question which I'll submit for the record. It's kind of how you, in this very tight budgetary time, where I sit on the Budget Committee—the military budget is a big challenge. We've dealt with some cuts that have to be dealt with. But how we balance that between personnel and assuring that we have a robust volunteer system and ensure that pay and benefits and retirements are there, at the same time how do we balance against some of the infrastructure. So I have a more detailed question. I'll submit it to the record, but that's the gist of it, how you will manage that to make sure we have the fighting men and women that we need, but at the same time deal with some severe budget constraints. So I'll just submit that for the record, if that's okay.

[The information referred to follows:]

[COMMITTEE INSERT]

General DEMPSEY. Okay, Senator. Thanks.

Senator BEGICH. Thank you very much. Good luck.

Chairman LEVIN. Thank you, Senator Begich.

Senator Graham.

Senator GRAHAM. Thank you, Mr. Chairman.

Congratulations on your nomination. I know you will do a good job and your family's proud. This is a special time in your life.

Iraq. There are increasing reports coming from Iraq that Iran is introducing weapons into Iraq, into Shia militia hands, EFPs and more lethal rockets. Is that generally true?

General DEMPSEY. I've heard both General Austin and others state that they have intelligence that suggests that is true, yes, Senator.

Senator GRAHAM. The argument is that they're trying to claim they drove us out of Iraq, the Iranians. Do you generally agree with that assessment?

General DEMPSEY. I obviously can't speak for their motivations, but I will say that my contact with my colleagues in Iraq—and I'm talking about my Iraqi colleagues—many of them believe that's the case.

Senator GRAHAM. What is your message to Iran, General Dempsey?

General DEMPSEY. It would be a gross miscalculation to believe that we will simply allow that to occur without taking serious consideration or reacting to it.

Senator GRAHAM. I think that is a very sound position. I doubt if the Iranians are watching, but they need to be listening, because I think it would be a gross miscalculation on the Iranian part to believe that you can be involved in killing Americans and nothing comes your way.

Iraq. If the Iraqi government requested additional troops to remain in 2012 in Iraq, do you think it would be wise for us to agree to that request?

General DEMPSEY. I do, Senator.

Senator GRAHAM. I think there's plans in the works to try to come up with a formulation somewhere around 10,000; is that correct?

General DEMPSEY. I don't know the number, Senator, but it would be a number where we could provide the capability that they would request, that we would be able to protect ourselves, and it would have to meet both of our Nations' mutual interest.

Senator GRAHAM. Right. One, they'd have to ask and we'd have to agree. But one of the concerns is the forces that we have along the Kurdish-Arab fault lines have paid dividends. There has been no real fighting, but there have been some skirmishes. I guess one of the things you would want to look at in terms of future troop presence is to have sort of a referee along those lines; is that correct?

General DEMPSEY. I have heard discussion of that as one of the capabilities we might be able to provide for them if asked.

Senator GRAHAM. Now let's move to Afghanistan. There's a lot of talk about 2014. My view is that the drawdown of all surge forces by September 2012 has reignited the debate in Afghanistan and the region, is America leaving, and the enemy is seizing upon that drawdown schedule. But one thing that we could do in my view to kind of reset that debate is to enter into a relationship with the Afghans, if they request it, post-2014.

Several months ago I asked Secretary Gates about his view as to whether or not he believes it would be wise to have an enduring military, economic, and political relationship with the Afghans if they requested such a relationship past 2014. What he said regarding the security agreement, he said: "A security agreement with Afghanistan that provided for a continuing relationship and some kind of joint facilities and so on for training, for counterterrorism,

and so on beyond 2014 I think would be very much in our interest. I think it would serve as a barrier to Iranian influence coming from the west. I think it would serve as a barrier to reconstitution of the Taliban and others coming from the border areas of Pakistan. So I think it would be a stabilizing effect, not just in Afghanistan, but in the region.”

Do you agree with that?

General DEMPSEY. I do, Senator.

Senator GRAHAM. And as I understand, there are some ongoing negotiations between the Afghans and our government to have a stabilizing, enduring joint relationship on the military side past 2014; is that correct?

General DEMPSEY. I’ve read that in the open press, Senator. I have not been brought into that dialogue, but I’ve read the same reports.

Senator GRAHAM. But as the senior military adviser to the President, if you get this job you would recommend that we go down that road to send the right signal to the Afghans and to the region; is that correct?

General DEMPSEY. I would, Senator. That’s without putting any assumptions about how long or how big, but I think that simply the thought that we would have an enduring relationship could send the right signal.

Senator GRAHAM. Well, let’s look at this photo again, this photo of this noncommissioned officer basically calling for assistance. It’s called “Trust” and I think it’s a great photo.

One of the things that I worry about is that allies of the United States, partners of the United States, need to trust us. Do you agree with that?

General DEMPSEY. Absolutely.

Senator GRAHAM. So a lot of people in Afghanistan and Iraq have taken on radical Islamic extremists and they’ve paid a heavy price; is that true?

General DEMPSEY. They have, Senator.

Senator GRAHAM. The Afghan and Iraqi people have paid a very heavy price fighting for their freedom. So what I’m trying to impress upon people back home, I got asked—I’m going to at noon get asked about, why would you invest money in a schoolhouse in Afghanistan when we need improvements in our schools in South Carolina? How would you answer that question?

General DEMPSEY. I’d probably say that it’s important to remember that we went to Afghanistan for our National interest, not theirs, and there is a residual requirement for that for how long as we deem our ability to do so. But this isn’t about doing things just for them. It’s on some way about doing things for us.

Senator GRAHAM. One way to defeat radical Islam is to provide an education to young women and young men to give them the tools to fight back and chart a new course for Afghanistan; do you agree with that?

General DEMPSEY. I do, sir, within means and capabilities.

Senator GRAHAM. Within means and capability. A schoolhouse may do more good for the long-term security of the United States than maybe a brigade in Afghanistan.

General DEMPSEY. It could very well be, when we reach the point of stability.

Senator GRAHAM. Now, killing bin Laden was a seminal moment in the war on terror. I want to congratulate the President and our armed forces and the CIA and all those who stayed on the case. But I have a theory that killing terrorists only takes you so far when it comes to security. The ultimate security is partnerships, partnerships with people in the region who, if they had the capability to marry up with their will, they would fight back against these radical elements.

I know it's more labor-intensive. I know it costs more money and in many ways it's deadlier. But I believe the payoff is greater.

What is your view of our Nation's security being enhanced by having countries like Iraq and Afghanistan becoming stable, representative in nature, and generally aligned with us in rejecting radical Islam? Would that be a transformational event in the war on terror more than killing bin Laden?

General DEMPSEY. I think it would have benefits beyond just the war on terrorism. I'm an advocate of building global relationships both to promote our values, to have partners who can help us when we encounter an uncertain future. I just think that we are better and we're a better army when we are out and about and interacting with our peers.

Chairman LEVIN. Thank you, Senator Graham.

Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman.

General, first congratulations. I thank you for your many years of service and what was apparently one of the briefest tenures as the Army Chief of Staff in history, I think.

Let me ask you a series of questions. The President's budget proposes that we move to a smaller Army and Marine Corps. In response to questions for the record, you indicated agreement with the reductions in end strength that are included in the President's long-range budget. My concern is that we have heard repeatedly from military officials and mental health experts that a dwell time of 2 years at home for every 1 year deployed is the minimum time necessary to preserve the long-term mental and physical health of our forces.

Certainly the Army and the Marine Corps have borne the brunt of the two wars in which we are now engaged. We're not counting Libya as well. What will be the impact in your view of reducing the end strength on our ability to meet those dwell time goals?

General DEMPSEY. Well, Senator, that's actually—my responsibility as the service chief, with my fellow service chiefs and the current Chairman, is to take the budget targets we've been given and to determine how we provide capabilities, how much force structure that involves, how much modernization, how much training, maintenance, and readiness, at—this is your point—at a rate which we can sustain the All-Volunteer Force.

For the Army, it is in fact 1 year deployed to 2 year home BOG-dwell ratio. So as we look at—as we do this, some of it is art and some of it's science. The science of it is to take that BOG-dwell ratio, apply the force you can afford, and see if you can sustain it. We're running those models and that analysis right now.

Senator COLLINS. I hope that you will keep a very close watch on this. I think it's absolutely critical. I understand that we're drawing down our troops in Afghanistan and Iraq, but I'm very concerned about the strain and pressure of repeated deployments. This strikes me as the wrong time to be reducing the size of our force, and so I think we need to watch that very carefully.

Let me turn to an issue that Senator Webb raised with you, and that is sea power. The fact is that our Navy currently has the fewest numbers of ships since before World War I. Now, our ships are clearly more capable than they used to be, but, as an admiral once told me, quantity has a quality of its own, and you do need to have a sufficient number of ships.

I'm concerned by what we see in China, with an enormous build-up by the Chinese of their fleet. I'm concerned by a February of this year report by the Navy on surface ship readiness that found that 60 percent of the fleet is under way at any given time and 43 percent is forward deployed. Those figures represent historic high percentages.

Our national security demands are growing. The ships are now going to be playing a very important role in ballistic missile defense. The fact is that we have a gap between the 285-ship Navy that we currently have and the 313-ship Navy that the CNO has described repeatedly as the floor, as the absolute minimum.

So first question: Do you support the Navy's goal of increasing the number of ships that we have to 313?

General DEMPSEY. Against the current strategy, Senator, I do. I would only caveat it by saying that as we do this analysis of resources we may have to actually change our strategy. We may reach a point where we say as Joint Chiefs we cannot achieve the strategy, here's the recommendations we make on changing our strategy, whether it's forward presence, whether it's allocating resources or not to building partner capacity.

In other words, your point hits exactly at the challenge I face, we face, which is we have a strategy and we have the means to execute it today. The means will change. We'll make some adaptations on how we do things. But at some point we may reach a point where we have to recommend to the President that we have to adapt or revise our strategy. We're not there.

So in answer to your question, right now I absolutely do agree with the Navy's shipbuilding program. I'm aware how it supports their air-sea battle concept. I'm aware what it does for us with anti-access, denial activities. It's the right strategy with the right resources for today, and if the strategy changes then I'll change my opinion about it.

Senator COLLINS. My concern is that the budget is at risk of dragging the strategy, rather than the other way around. The way we should be doing this is determining our military requirements and have that dictate our resources, not the other way around.

There certainly are savings to be achieved. I'm going to submit a couple of questions for the record on overseas bases, military construction overseas, on some procurements that our Homeland Security Committee has looked at, that has to do with the enterprise resource programs, which are now sole source contracts and have enormous cost overruns.

But let me just use my remaining seconds to bring up a report that Senator Lieberman and I produced through our Homeland Security Committee. It was on whether or not the Fort Hood shootings could have been prevented. I want to make sure to bring that report to your attention because, while we found that there was very poor communication between the FBI and the Army, we also found that the Army had sufficient evidence on its own of Major Hasan's increasing radicalization.

We found that there was a flawed personnel evaluation process that was very troubling, because not only was his radicalization evident, but the fact is he wasn't a good doctor. And yet many times he received outstanding ratings. One of his supervisors actually told the people at Fort Hord: You're getting our worst. And yet that physician had an outstanding rating.

So I would ask you to take a look at the rating process throughout the Department of Defense. I think that's absolutely critical.

General DEMPSEY. We actually are in the process of taking those lessons learned and adapting policies. But I will continue the work. You have my commitment for that.

Senator COLLINS. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Collins.

Senator Hagan.

Senator HAGAN. Thank you, Mr. Chairman.

General Dempsey, I just want to welcome you and looking forward to your confirmation. To Mrs. Dempsey, it's always a pleasure seeing you and I know this is definitely a team effort. So thank you for all your past service and sacrifice.

Recently I joined several of my colleagues in sending a letter to the Secretary of Defense, Secretary Gates, regarding findings of the Military Leadership Diversity Commission. This commission, established by Congress, issued a decision paper earlier this year. This is about women in combat. It stated that tactical and operational occupations and command assignments are important factors that increase opportunities for promotion to higher officer ranks, but women and minorities are underrepresented in tactical and operational career fields and in candidate pools for command assignments; and the most important barrier keeping women from serving in tactical and operational career fields is the DOD and service policies that prohibit women from serving in occupations involving direct offensive ground combat.

The commission recommended DOD and the services conduct a phased elimination of combat exclusion policies for women. My question, General Dempsey, is what do you think are the opportunities and risks for eliminating combat exclusion policies for women?

General DEMPSEY. Thank you, Senator. There is a DOD task force in fact looking at what have we learned over 10 years about the nature of current conflicts. Of course, I don't have to explain this to you. You have visited. But the nature of current conflict is there's no front line and back line. So some of the rules we have in place on collocation, for example, are simply outdated and need to be revised. And we're prepared to do that as an Army.

Now again, the DOD task force is looking both at collocation issues, but also at the issue of changing access to particular military occupational specialties. That work should take place here in the fall. I fully support it. I think we will learn that there are additional opportunities to be made available, and my commitment to you is to keep that on my agenda.

Senator HAGAN. Thank you. I think from a fairness standpoint, from the promotion, it certainly has to be on a level playing field, so that we can have very talented people in the upper levels.

I also wanted to ask on the role of Pakistan. Pakistan is a key regional actor in Central Asia, although right now our relationship with Pakistan is complicated. Pakistan is obviously an important player in terms of regional stability in Central Asia.

Can you describe how the Pressler Amendment has affected our relationship with Pakistan and how do you feel the United States needs to interact currently with Pakistan and in the future? And how do you feel we should use the aid as a weapon of influence, based on the current relationship that we have now with Pakistan?

General DEMPSEY. Thank you, Senator. I think Pakistan is an enormously important country in the Central Command area of operations. In fact, when I was the acting CENTCOM commander I considered it to be among probably the top one or two countries to be addressed.

And we've had, as you described it yourself, a very complex relationship with them. But I think it's one we need to stick with. To your point about the Pressler Amendment, that was a period in our history where we made a determination that we had such stark differences with Pakistan, notably on the issue of nuclearization, that we would cut off not only all aid, but all contact. As a result, we have now a generation among the Pakistan military, we have a generation of officers—generally they are field-grade majors and lieutenant colonels—who not only know nothing about us, but actually are somewhat antagonistic toward us because they've had no contact with us, and they simply remember a period of time when they were prohibited from having contact.

I think that's a mistake. So the point would be I think as we go forward to Pakistan, I think we should continue to find areas of common interest. There are plenty of those. And I think we ought to acknowledge where we have differences and there ought to be consequences for greater or lesser cooperation. But I think we've got to stick with the relationship.

Senator HAGAN. Thank you.

I also wanted to ask a question about the military assistance for education. I know that the GAO released a report back in March that focused on the military transition assistance program. My understanding is that oversight of the education programs receiving tuition assistance funds is really lacking and that the for-profit schools in particular have used in some cases, not all, improper tactics to enroll troops.

I'm also told that just this week the Pentagon has imposed some new rules for on-line-only schools, in which our military are using the tuition assistance dollars. This is a direct result from the findings of the GAO report. But I think—and I think that's positive. But I also feel strongly that these rules need to go further.

Shouldn't these rules—and we're talking about the on-line—also apply to brick and mortar institutions, so that all of the for-profit institutions are held to the same standards, whether they're on line or not? And additionally, with all of the fraud and abuse that we've seen, do you believe these rules should apply to all DOD and VA benefits and not just the tuition assistance programs?

General DEMPSEY. It's an interesting point you raise. We are focused at this time on on-line education, but it certainly seems logical that we would be focused on making sure that these soldiers get best value for the money, whether they're in a brick and mortar schoolhouse or on line.

But as you know, this next generation is more likely to seek education opportunities on line, so that's probably why we have chosen to start the process there. But I would support the idea that we should take a look at both.

Senator HAGAN. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Hagan.

Senator PORTMAN.

Senator PORTMAN. Thank you, Mr. Chairman.

General, congratulations on your nomination, well deserved. I believe I am the one person standing between you and a very well-deserved break, so I will try to be succinct. But I'm delighted you're willing to step forward, and you've had a very distinguished career and I look forward to working with you.

Let me ask you a few questions, if I could, on the fiscal side, because we find ourselves in, unfortunately, very difficult economic and fiscal times. The current Chair of the Joint Chiefs, Admiral Mullen, as you know, has talked about this. In January he said: "The Pentagon's budget has basically doubled over the last decade and my own experience here is that in doubling we've lost our ability to prioritize, we've lost our ability to make hard decisions, to do tough analysis, to make trades."

He also issued this very famous quote that maybe has been brought up earlier today, which is: "The single biggest threat to our National security is our debt."

Let me ask you a couple just quick comments, if you could, on that. One, do you agree with him on his famous quote about the debt being our biggest national security threat? And second, do you agree with him that we've lost our ability to prioritize, make hard decisions, do tough analysis?

General DEMPSEY. On the first, Senator, which is the idea that our economic condition is the greatest threat to national security, I don't agree exactly with that. I'm very—

Senator PORTMAN. Fiscal, he said, not economic.

General DEMPSEY. Sorry?

Senator PORTMAN. Fiscal, so the debt.

General DEMPSEY. Well, the way I would prefer to describe it is that—you know, the issue is national power. From what do we derive our National power? We derive our National power, our influence across the globe, our access to resources, global commons, that is all derived from the combination of three things. You can't pick or choose. You have to have strength in the military arm, the diplomatic arm, and the economic arm.

So to the extent that he says our economic arm is weakened, therefore we are lesser capable across the globe, I buy that entirely. But I don't want to find myself in a position of voting that one or the other of those is more important than the other.

On the issue, to the second part, about whether the Pentagon has lost the ability to prioritize, yes. I think I would probably say that you develop sort of cultures over time. When times are kind of flush with resources, the culture becomes that you just aren't forced to make those kind of decisions. Then when the cycle returns and resources are more constrained, it requires a change in culture. So yes, I agree with that.

Senator PORTMAN. Let me dig a little deeper on that in terms of one issue, which is the acquisition side of your future role and your current role as a service chief. I just left the Contracting Subcommittee, where I'm the ranking member on the Governmental Affairs Committee, where we were talking about the tough fiscal conditions we face and how we need to have government do more with less.

In my time here on this committee and looking at various programs and witnessing some of the challenges we have in fielding capabilities for the services in a timely way, it seems to me there are a few common themes. Surely there's a lot we can do in the acquisition process. The chairman and others have been involved with that over the years.

But I hear just as often blame attributed to the way the Department develops requirements. I'm involved again on this contracting issue on a broader scale and looking at the Joint Strike Fighter, for instance, where now we're looking at projected cost overrun of \$150 billion roughly—unbelievable.

You and Admiral Winnefeld, who was up here last week, are going to be in the middle of all this. It seems to me attempts to look at the data and analysis and get away from some of the litany of documents and lockstep wickets is a good thing. I get the feeling a lot of this stuff early on in the programs is time-consuming. It's a lot of paperwork. It's a need to meet the JSIDS review requirements. The intent is certainly the right one. We need to figure out what we need before we develop it.

But something's not working here, and I just wonder if you could talk a little about this. Do you think the efforts being made to alter some of these processes are significant enough, and what would you do to ensure that real change occurs?

General DEMPSEY. I completely agree that the status quo is unacceptable and that the system itself does require reform. As you know, the Under Secretary of Defense for Acquisition Ash Carter is working diligently, based on some of the guidance we've received from the Congress of the United States.

I think there are some answers actually. I think the service chiefs need to have—to have a greater role throughout the process. Right now we tend to have a role in requirements determination, but then the process is handed over to find a material solution. I think we have to partner more closely throughout the process, from start to finish, with industry.

I think we need to take a shorter time horizon on acquisitions. The way requirements creep is when we have decade-long pro-

grams, which allow the aperture to remain open and for guys like me to keep stuffing things through. So I think the answer is greater collaboration between requirements determination, material solution, greater collaboration with industry earlier, and shorter time horizons, as a start, but there's probably other opportunities as well.

Senator PORTMAN. I think we're going to be forced to make some of those tough decisions, as you said, to prioritize.

By the way, you said Ash Carter, in reaction to guidance from Congress, is looking at some of these issues. I can't help myself, Mr. Chairman, say that some of the guidance I think it's fair to say from Congress on the second engine on the Joint Strike Fighter is not being adhered to, and that is we want competition.

General DEMPSEY. I had more in mind the Weapons System Acquisition Reform Act.

Senator PORTMAN. I know, yes. I just think we've got to go to competition wherever possible, get the costs down, and be sure that it's open and fair.

Financial management. I want to get your thoughts on this. We recently had a debate on this on the floor of the House because the Senate chose not to have so many positions be confirmed through the normal process, which is a good thing. We're streamlining it. I offered an amendment, supported by many on this committee, saying there are some folks in the Federal Government who ought to continue to go through a process because we want to give them the stature that comes with that and empower them, and that included the financial management officials at the Department, including the Comptroller and each service branch's financial management officer.

We were successful in getting that done. The reason we did it, again, was to be sure that those folks are listened to by others who are confirmed, and those who are in the civilian leadership at the Pentagon are usually the people we talk to about this issue. But I would tell you today that I think the auditing function, being sure that you have financial officers in every service who are getting the attention from the leadership, is extremely important and I would hope that the uniformed leadership would continue to play a role, in fact I would say even a more active role. I think some view those back office functions as not important to our fighting forces. I would say, particularly in these times, it's incredibly important.

The Marine Corps recently showed this, I think. By focusing more on financial management, they claimed a three dollar rate of return for every dollar spent on financial management, for instance.

So as one member, I will tell you I would hope that you personally will get engaged in this issue. With the increasing pressure on the Pentagon's budget, we ought to be sure that every dollar is spent as intended and that we're freeing up funds for critical needs by focusing on financial management.

Can you give me your quick thoughts on that as a service chief now and how you intend to approach this as Chairman?

General DEMPSEY. As a service chief, I absolutely concur that we tend to look at—we describe them as NDAPs, where the money is placed inside of our budget, and we tend to look at the top 10 per-

cent of our NDAPs because that's where the big dollars are. But the long tail—actually, it's 17 percent of the NDAPs have about 50 percent of the financial management challenges. But that's where we tend to focus our sight because it's the big dollars.

But there's another 50 percent out there in the smaller NDAPs, that total 3, 4, \$5 million, and I think we're in one of those environments where we've got to be paying attention to all of it.

Then the other aspect of it is auditability. As you know, we're on path to become auditable by 2017, and I'm committed to that.

Senator PORTMAN. Thank you, General. I appreciate it and again appreciate your willingness to step forward.

Chairman LEVIN. Thank you very much, Senator Portman.

I would recommend to you, relative to the issue of contracting in Afghanistan, a report which was a major report of this committee in October 2010, entitled "Inquiry Into the Role and Oversight of Private Security Contractors in Afghanistan." It was a long investigation, a detailed investigation, a very disturbing investigation, about the shortfalls of our private security contractors and the regulations and the policies needed to govern their operations.

The article that we saw in the paper the other day about some of the funds ending up in the hands of our enemy was based on that investigation, made reference, as a matter of fact, to the investigation.

But in terms of trying to put an end to some of the waste and worse that was going on and is going on relative to contractors in Afghanistan, I would recommend that very detailed report that we all worked so hard on.

I was intrigued by your comment about how much personal pleasure you take from not being a lawyer, but I will not pursue that, being a lawyer, since I'm interested in your rapid confirmation.

Unless there are any additional questions from Senator Portman, we will, with thanks to you and your bride, stand adjourned.

[Whereupon, at 12:16 p.m., the committee adjourned.]