Mr. Chairman, members of the Committee:

We thank you for the opportunity to discuss our work of some 3½ years to transform the Department of Defense.

History is traced by major events. It is important to learn from them. As we look back now on the wars of the last few centuries, we see the key moments, the turning points, and the statesmen and legislative leaders who played critical roles in helping to make our world more secure and allowing freedom to spread.

I am not certain that our work, together with this Committee and the Congress, in carrying out the President’s vision for transforming of our military is one of those milestones.

But it could prove to be so.

I hope it is. Indeed, it is important that that be the case.

Today I will mention some of the elements of reform -- even revolution -- that fit under the somewhat pedestrian term of “transformation” or “transforming.” We all can look back with some satisfaction on how much has been achieved, and look forward with encouragement, as we seek to do still more.

We meet as the brave men and women in uniform are defending the American people against those who seek to terrorize and intimidate civilized societies and to attack our freedoms. The folks in uniform represent the best our country has to offer. They have not wavered in meeting the tough challenges we face.

While I know the Committee agrees that our responsibility is to ensure that they have the tools they need to fight this war, and a military structure that helps them win it, we need to do still more.

Rearranging our global posture, the subject of today’s hearing, is essential to our success. General Jim Jones, Admiral Thomas Fargo, and General Leon LaPorte are here today with Chairman of the Joint Chiefs of Staff, General Dick Myers, to discuss these important proposals.

It is important to note that rearranging our global posture is only part of our considerably broader set of undertakings. What we are doing is changing mindsets and perspectives.

Essential to this is transforming our military into a more agile, more efficient force that is ready and able to combat the asymmetric challenges of this new and uncertain time.

This is a sizable undertaking. It is said that Abraham Lincoln once equated reorganizing the Army with “bailing out the Potomac River with a teaspoon.” He was expressing the truth that change is not easy.
But history has long warned great nations of the perils of seeking to defend themselves by using the successful tactics and strategies of the last war. The French experienced this with the Maginot Line.

Throughout our history, Americans have shown a talent for innovation and invention, and the providence of finding the right leaders for the times. General Ulysses S. Grant made skillful use of the rifle, the telegraph, and railroads to win the Civil War. At the turn of the 20th Century, President Theodore Roosevelt recognized the potency of deterrence and used naval power to project American strength.

After World War I, visionaries like Billy Mitchell predicted the rise of air power as critical to future battles. And Patton and Eisenhower’s awareness of the importance of the tank and armored warfare helped to prepare for World War II.

In Afghanistan, our forces utilized a creative combination of cutting edge satellite technology and old-time cavalry charges to liberate that country with a minimal loss of life.

America today remains the world’s preeminent military power because our leaders have properly challenged assumptions and the status quo, invested in and made use of new technologies, and abandoned old certainties and strategies when freedom’s defense required it. Ours are the military forces that have been on the cutting edge of new ideas. And so we must be today.

Members of the Committee, we do not propose changes to our defense strategies lightly or precipitously. They are part of a broad strategy that, as this Committee knows, has been years in the making. These proposals will take place over the next six to eight years. There will be no grand announcement. This administration has consulted extensively with our allies – new and old – on a multitude of levels, every step of the way. We have sought the advice of the Congress. We recognize that no one has a monopoly on wisdom.

The course we have charted is not novel or sudden. Key points were designated by the President, before he was even elected.

In a 1999 speech at the Citadel, then-Governor Bush warned of the rise of terrorism, the spread of missile technology, and the proliferation of weapons of mass destruction -- a “world of terror and missiles and madmen.”

Calling for a “new spirit of innovation,” he outlined ambitious goals: “to move beyond marginal improvements -- to replace existing programs with new technologies and strategies. Our forces in the next century must be agile, lethal, readily deployable, and require a minimum of logistical support. We must be able to project our power over long distances, in days or weeks, rather than months.”

Mr. Chairman, I realize these goals are not new to you or to this Committee. We have been working on these changes together for a number of years.

But let me set out where we are at this point of our journey:

- We have increased the size of the U.S. Army and are re-organizing it into more agile, lethal and deployable brigades -- light enough to move quickly on short notice, but also with enough protection, firepower and logistics assets to sustain themselves;

- We are retraining and restructuring the Active and Reserve components to achieve a more appropriate distribution of skill sets, to improve the total force’s responsiveness to crises, and so that individual reservists and guardsmen will mobilize less often, for shorter periods of time, and
with somewhat more predictability. Already the services have rebalanced some 10,000 military spaces both within and between the Active and Reserve components in 2003, and are projected to rebalance 20,000 more during 2004.

- We are increasing the jointness between the services. Instead of simply de-conflicting the armed services and members of the intelligence community we are integrating them to interact as seamlessly as possible.

- We are improving communications and intelligence activities. This includes, for example, the development of Space Based Radar (SBR) to monitor both fixed and mobile targets deep behind enemy lines and over denied areas, in any kind of weather. We also are at work on the Transformational Communications Satellite (TSAT) to provide our joint warfighter with unprecedented communication capability. To give you an idea of the speed and situational awareness the TSAT will provide, consider this: transmitting a Global Hawk image over a current Milstar II, as we do today, takes over 12 minutes. With TSAT it will take less than a second.

- The Department is constructing three new state-of-the-art guided missile destroyers to patrol the seas; 42 new F/A-18 fighter aircraft to guard the skies; and new C-17 strategic air lifters, which will improve our ability to move forces quickly over long distances.

- We have significantly expanded the capabilities and missions of Special Operations. SOCOM has moved from exclusively a “supporting” command to both a “supporting” and a “supported” command, with the authority to plan and execute missions in the global war on terror.

- We have established new commands and restructured old ones:
  - the Northern Command, dedicated to defending the homeland;
  - the Joint Forces Command, to focus on continuing transformation; and
  - the Strategic Command, responsible for early warning of and defense against missile attack, and the conduct of long-range attacks.

- We are working with NATO in an effort to make the Alliance more relevant and credible in this post-Cold War era, shedding redundant headquarters and creating a new rapid response force.

- It used to be that operational and contingency plans were developed, then placed on the shelf for years. We're working to maintain a regular review of plans, challenging our own assumptions and keeping the plans fresh and relevant.

- The Department is changing its approach to infrastructure and installations. When the Administration arrived, facilities were funded at a rate and level that reflected an expectation that they would be replaced only every 175 to 200 years. Our goal was and remains to cut it down to a more realistic recapitalization rate closer to 70 years.

- We are making progress in changing the culture in the Department and the military from one of “risk avoidance” to one that rewards achievement and innovation.

Let me mention another example of an activity underway that on its own may seem minor, but is crucial to the process of transforming.
Today we have tens of thousands of uniformed people doing what are essentially non-military jobs. And yet we are calling up Reserves to help deal with the global war on terror. The same benefit as we achieve with an increase in military personnel is already coming from converting some of these jobs filled by uniformed personnel to positions supported by DoD civilians or contractors. The Department has identified over 50,000 positions to begin such conversion and plans to carry out this conversion at a rate of about 10,000 positions per year. We are also continuing to review thousands of other positions for possible conversion.

To support this, we are working with the Congress and the unions to improve our civilian personnel systems so we can fill these converted positions expeditiously. This is an enormously complicated matter and there is a great deal more work to be done. But when fully implemented, the National Security Personnel System, should:

- Expedite the hiring process for civilian employees;
- Recognize and reward outstanding civilian individuals;
- Make it easier to provide merit-based promotions and reassignments; and
- Streamline the complex webs of rules and regulations that currently frustrate efficient management of the Department.

When we talk about changes to our country’s global posture, it is important to look at those changes -- as part of the broader transforming of our way of doing things. One cannot succeed without the other.

If our goal is to arrange the Department and our forces so we are prepared for the challenges of this new century -- the newer enemies and the more lethal weapons -- it is clear that our existing arrangements are seriously obsolete.

We have entered an era where enemies are in small cells scattered across the globe. Yet America’s forces continue to be arranged essentially to fight large armies, navies, and air forces, and in support of an approach – static deterrence – that does not apply to enemies who have no territories to defend and no treaties to honor.

We are still situated in a large part as if little has changed for the last fifty years – as if, for example, Germany is still bracing for a Soviet tank invasion across its northern plain. In South Korea, our troops were virtually frozen in place from where they were when the Korean War ended in 1953.

So we have developed a set of new concepts to govern the way we will align ourselves in the coming years and decades. Though this should not be news to many on the Committee since we have offered extensive briefings to Members and staffs, let me reiterate some of the concepts.

A first notion is that our troops should be located in places where they are wanted, welcomed, and needed. And, in some cases, the presence and activities of our forces grate on local populations and have become an irritant for host governments. The best example is our massive headquarters in some of the most valuable downtown real estate in Seoul -- Korea’s capital city – long a sore point for many South Koreans. Under our proposed changes, that headquarters will be moved to a location well south of the capital.

In the last few years, we have built new relationships with countries that are central to the fight against extremists – in places such as Afghanistan, Pakistan, and Uzbekistan, to offer a few examples. We also have strong partnerships with the newly- liberated nations of Eastern Europe. We believe it makes sense to try to work out arrangements with countries that are interested in the presence of the U.S. and which
are in closer proximity to the regions of the world where our troops are more likely to be needed in the future.

A second governing concept is that American troops should be located in environments that are hospitable to their movements. Because U.S. soldiers may be called to a variety of locations to engage extremists at short notice, we need to be able to deploy them to trouble spots quickly. Yet over time, some host countries and or their neighbors have imposed restrictions on the movement and use of our forces. So it makes sense to place a premium on developing more flexible legal and support arrangements with our allies and partners where we might choose to locate, deploy or exercise our troops.

Many of our current legal arrangements date back a half a century or more. We need our international arrangements to be up-to-date – to reflect the new realities and to permit operational flexibility. They have to help, not hinder, the rapid deployment and employment of U.S. and coalition forces worldwide in a crisis. These legal arrangements should encourage responsibility and burden-sharing among our partners and ourselves, and be certain to provide the necessary legal protections for U.S. personnel.

Third, we need to be in places that allow our troops to be usable and flexible. As the President has noted, the 1991 Gulf War was a stunning victory. But it took six months of planning and transport to summon our fleets and divisions and position them for battle. In the future, we cannot expect to have that kind of time.

Finally, we believe we should take advantage of advanced capabilities that allow us to do more with less. The old reliance on presence and mass reflects the last century’s industrial-age thinking.

In this century, we are shifting away from the tendency to equate sheer numbers of things – tanks, troops, bombs, etc. – with capability. If a commander has a smart bomb that is so precise that it can do the work of eight dumb bombs, for example, the fact that his inventory is reduced from ten dumb bombs to five smart bombs does not mean his capability has been reduced -- indeed his capability has been significantly increased.

The “old think” approach needs to be modernized. In terms of lethality, precision weapons have greatly expanded our capability, while significantly reducing the number of weapons needed.

We can, for example, attack multiple targets in one sortie, rather than requiring multiple sorties to attack one target. The Navy’s response time for surging combat ships has been shortened to the point that we will likely not need a full-time carrier strike group presence in every critical region.

As a result of these new ways of thinking, we have developed plans for a more flexible and effective force posture for the 21st century. For example, main operating bases in places like Germany, Italy, the U.K., Japan, and Korea, will be consolidated, but retained. We hope to rely on forward operating sites and locations, with rotational presence and pre-positioned equipment, and to gain access to a broader range of facilities with little or no permanent U.S. presence, but with periodic service or contractor support.

In Asia, our ideas build upon our current ground, air, and naval access to overcome vast distances, while bringing additional naval and air capabilities forward into the region. We envision consolidating facilities and headquarters in Japan and Korea, establishing nodes for special operations forces, and creating multiple access avenues for contingency operations.

In Europe, we seek lighter and more deployable ground capabilities and strengthened special operations forces -- both positioned to deploy more rapidly to other regions as necessary -- and advanced training facilities.
In the broader Middle East, we propose to maintain what we call “warm” facilities for rotational forces and contingency purposes, building on cooperation and access provided by host nations during Operations Enduring Freedom and Iraqi Freedom.

In Africa and the Western Hemisphere, we envision a diverse array of smaller cooperative security locations for contingency access.

And, of course, we welcome comments and suggestions as negotiations with potential host countries proceed.

One additional benefit to our proposed new arrangements is that they will significantly improve the lives of U.S. military families. This is important. Over the coming period of years, we plan to transfer home, to American soil, up to 70,000 troops and some 100,000 family members and civilian employees. In addition, deployments of the future should be somewhat shorter, families should experience somewhat fewer permanent changes of station, and thus less disruption in their lives.

**Base Realignment and Closure (BRAC)**

The global posture decision process and Base Realignment and Closure (BRAC) are tightly linked, indeed they depend on each other. They are both key components of the President’s transformation agenda, and they both will be critical instruments for stability in the lives of service members and their families. Together, they will help to provide more predictability in assignments and rotations.

The progress made to date on global posture enables DoD to provide specific input on overseas changes for BRAC 2005. That input will allow domestic implications of the global posture review -- with forces and personnel either returning to or moving forward from U.S. territory -- to be accounted for as effectively as possible within the BRAC decision-making process.

Finally, as was the case with previous BRAC rounds, the U.S. will retain enough domestic infrastructure to provide for difficult-to-reconstitute assets to respond to surge needs, and to accommodate significant force reconstitution as necessary, including all forces based within or outside the United States.

Any initiative as complex as the proposed global posture realignment will stimulate questions -- especially in an election year.

I appreciate this opportunity to address a few of the myths and misconceptions that seem to be lingering out there about what is contemplated.

**For example, will reducing overall force levels in Korea reduce our ability to come to its defense?**

In fact, our partnership with the Republic of Korea is a good example of what we hope to accomplish. The Defense Department has been investing in and making arrangements for improved capabilities – such as long range precision weaponry – to be available on the Korean peninsula. As a result, as we are increasingly able to transfer responsibility to Korean forces, we will be able to reduce U.S. troop levels. The combined capabilities of the U.S. and the Republic of Korea will make our defense of Korea stronger than before.

As in Western Europe, the situation in Korea is different from what it was 50 years ago, back when South Korea was impoverished and virtually destroyed. Today South Korea is an economic powerhouse, with a modern military force of some 600,000, and a GDP per capita of 18 times that of North Korea. Our
proposed global force posture initiatives make it clear that the U.S. and the Republic of Korea are working together as partners, each bringing important capabilities to our shared challenges.

**Has the Administration prepared the public – and informed Congress – about these changes?**

As I mentioned, these concepts were outlined years ago – first in a 1999 speech before President Bush took office and then a number of times since.


We have made significant progress during 2003-2004, and these proposals have been shared frequently with the Congressional leadership, committee leadership and members, and with committee staffs.

I’m told that in the past two years the Department of State and this Department have provided at least:

- Four briefings to House committee staffs and one each to members of the House Armed Services Committee and House Appropriations Committee – Defense Subcommittee;
- Four briefings to individual Senators;
- Nine briefings to Senate committee staffs or members’ personal staffs; and
- This year alone, I took part in five breakfast meetings on the subject with Congressmen and Senators, including one on April 29, 2004 with Chairman Warner and Senator Levin.

**Should we have given earlier warning to our allies?**

In fact, we have met with officials in foreign governments on a variety of levels on these concepts. Secretary Powell and I have spoken many times with our counterparts abroad, as have our staffs.

The results of multiple consultations by Under Secretary of Defense Feith, his State Department colleague Marc Grossman, and others at NATO and in key European, Asian and other capitals helped to create understanding and cooperation regarding our posture realignment.

Our foreign counterparts have appreciated that their input was sought before key decisions were made and they understood our global, long-term view and the strategic rationale for conducting the review at this time.

**Does realigning our posture send a dangerous message to North Korea about our commitment to the South?**

The answer is an emphatic “no.” We know that sheer numbers of people are no longer appropriate measures of commitment or capabilities. As I have noted earlier, our capabilities in defending the Republic of Korea are increasing, not decreasing.

Senator Joe Lieberman said it well in an interview a few weeks ago. He noted that: “Kim Jong Il … is not under any misconceptions. We have enormous power at sea, in the air, on the ground, in the Asian Pacific region and on the Korean peninsula. And if he tries to take aggressive action against the South Koreans, he will pay a very, very heavy price.” The Senator is correct.

**Will sending more troops home from theaters in Europe weaken our ability to surge quickly to trouble spots?**
Actually, the opposite is closer to the truth. Presence is important, but forward stationing does not mean optimal stationing. Forces in Europe, for example, are only closer to the Middle East if they can deploy rapidly to the south. If those same forces have to deploy to the north, through the Baltic and North Seas, then to the Atlantic and Mediterranean, then we can move roughly as fast from the United States. We do not expect our forces to fight where they are stationed. We know that our forces will need to move to the fight, wherever it is. That means that command structures and capabilities must be expeditionary. We need well-developed transportation networks. And we need materiel and supplies along transportation routes.

So, if there are legal or political restrictions on the movement of our troops where they are stationed, the difficulties in using them quickly multiply.

Additionally, the more flexible arrangements we are seeking with our allies will allow us to make changes as changes are needed. Area commanders don't own forces. Our country does. We have no hesitation in moving forces from one region to another as circumstances change and require -- and we do frequently.

Critics of these proposed moves seem trapped in the thinking of the last century. In some ways, that is understandable. It is difficult to part with thoughts that one has harbored for decades. But the world changes and updated thinking is needed.

We owe an up-to-date defense posture to our troops in the field and the generations that may be called to battle in the future.

This week, I had the privilege of participating in one of our regular meetings in Washington with the combatant commanders, some of whom are here today. They are impressive. They follow in the footsteps of the visionary military leaders of the past. And this plan was undertaken with the benefit of their military advice.

One day future generations will look back at them with gratitude for what they have accomplished in the last few years in the struggle against global extremists.

And our task is to see that one day historians and generations will look back at what is being done today, at what is being accomplished, and say that our actions also helped to make the world more peaceful, our military more formidable, and our freedom more secure.

Thank you, Mr. Chairman.

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