

TRANSCRIPT

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The Honorable Francis J. Harvey
Secretary of the Army
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DWG: Brigadier General Cupola has a statement to make and then we'll get into the discussion.

Cupola: I'm Chief of Public Affairs for the Army, for those of you I have not met yet. All the news about Walter Reed in the last week or so, I just wanted to give you a rule of engagement this morning. The bottom line is we've got the Army Action Plan underway that has investigations involved. We have the Defense Review Panel on Walter Reed that has investigations involved. So because of that the Secretary cannot make comments that could preclude the work that's being done by those investigations. So I'm afraid this morning Walter Reed is off the table. If you have questions about that ROE you're welcome to call me at my office for more information about that.

Q: Wait, could you address one thing? The Army Times had a story two days ago saying soldiers there were told by the Army Staff, the hierarchy, not to talk to the media. Is that true? We can't ask him that, but is that true or not?

Cupola: No.

Q: It's not true?

Cupola: I'll tell you what, if there's, and I'm breaking the ROE here....

Q: That's not about the investigation, that's about a coverup type issue or a suppression

issue.

Cupola: I can tell you that nobody in the Army senior leadership put that word out whatsoever. I guarantee you that.

Q: I don't think it's reasonable or practical to say that the Secretary of the Army will come to an on the record breakfast and rule out questions on any subject. As a rule of engagement, that's just not the way it works. Correct me if I'm wrong. He can choose not to answer it, but you can't prevent us from asking.

Cupola: Sure, but I've just told you the reason why the Secretary can't answer it. You can ask your question and get some air time, but -- Why don't you call me and we can deal with it. You've got the ROE. I regret it. There you go.

Harvey: Let me just say this. You know that underneath the UCMJ that I cannot say anything at any time about any ongoing investigations. I can't say anything at any time about anybody that is either under investigation, has been found in an investigation or is even in jail. I've been advised by counsel, because I'm the ultimate appeal authority, that I can't make any specific comment about personnel, period, at any time. It doesn't matter where they are in this process, whether they're accused, whether they're found guilty, or whether they're actually in jail because they could have an appeal.

Q: But there are other questions besides personnel issues.

Harvey: But when there's an ongoing investigation I can't talk about it.

Q: Can I try a related question to see if it's something you can address? Not about the investigation.

Q: One more question on this and I think that probably will --

Harvey: Keep going. I'm enjoying this.

Q: This will be the last one on Walter Reed and then we'll move into other areas.

Q: My question would be, are you considering or are you in fact already looking beyond Walter Reed to places like Landstuhl and other Army medical facilities to see if there are similar problems?

Harvey: Yes.

Q: Is that part of your internal investigation?

Harvey: Yes.

Q: Can you elaborate a little bit about where you're looking?

Harvey: I gave you a direct answer. Yes.

Q: Where are you looking?

Harvey: The obvious places.

Q: Why is that a sensitive subject?

Harvey: Just let us do it, okay? Give us a chance to do it. It's ongoing. When it's done, we'll let you know.

Q: We'll go to the questions that don't have to do with Walter Reed. Tony, you wanted to ask a question.

Q: The nation is coming to the fifth year of the war, March 19th we'll be entering the fifth year. How concerned are you and the Army leadership that this benchmark is going to influence those opinion leaders -- mothers, fathers, coaches, counselors -- who advise potential recruits whether to go into the Army or not? And compounded, the Walter Reed scandal, for better or worse, that does paint a picture of health issues. How concerned are you that the confluence of the war and the scandal in general may hurt Army recruiting at a time when you need to grow the Army by 6,000 or 7,000 a year?

Harvey: Tony, if I look at last year's performance in terms of recruiting and retention, which was in the middle of the war. We see nothing but exceeding objectives. We see the highest retention rates in history. I think retention is the best barometer of troop morale. Recruiting is ahead of the objective so far to date this year. So all of the indicators are that in this environment that we find ourselves in, that in terms of retention, it's like any other organization. People stay in organizations because they like what they do, they get the resources they need to do it, they have confidence in their leadership and in the case of the Army the quality of life for themselves and their family meets their expectation. So you can't conclude anything else when we get retention rates like we have.

Are we concerned? We pay very very close attention to all these barometers. I think I've told you in the past that when we started running into the recruiting challenges in the early part of 2005 that I formed a task force under myself with me as the leader and we've met every three or four weeks ever since. So I'm very very actively involved. And

that's with the Commanding General Training and Doctrine Command, Accessions Command, Recruiting Command, the Manpower and Reserve Affairs Assistant Secretary, everybody's involved. Out of that came a number of actions including the new ad campaign and so forth.

So far so good. Are we concerned? Yeah, I'm concerned, I'm focused on it. But I don't think it matters whether it's the fifth or sixth [year]. You could say the same thing in the third or fourth year of the war too. It's a long war.

Q: On the Walter Reed type of thing, are you concerned at all that this thing, that it could have some kind of impact on the opinion leaders and --

Harvey: Remember, we had Abu Ghraib too. You're going to have events, ups and downs.

My opinion is we've got a group of young men and women in this country that are patriotic, want to serve their country, want to have the opportunity to get a skill, want to have an opportunity to get an education. That's the primary reason that we've been successful. Parenthetically, if we repeat last year's performance in terms of recruiting and retention and meet those numbers, we'll be able to grow the Army to the numbers that we've talked about, the 557 forward.

Again, that's challenging, but if we do what we did last year in the area of recruiting and retention we will be successful in growing the Army over the next five years. By FY12 we want to be, the objective is to be at 547,400 in the active component. That's our objective.

Q: And the trend so far in this fiscal year --

Harvey: They're fine. It's good. The highest -- I think this is correct. The highest retention rate in the Army today is the 10th Mountain Division. The most used division in the Army is the 10th Mountain Division. They're something like 162 percent. So all those numbers are good.

Q: Mr. Secretary, the MRAP, the Mine Resistant Anti-Ambush --

Harvey: Ambush Protected Vehicle. Who came up with that acronym?

Q: It wasn't I.

The Marines have decided that even the up-armored Humvee that they're using in Iraq is not sufficient to protect their Marines and that they're going to an all V-hull force

starting with MRAP and then moving into various, basically cobbling together whatever they can.

For some reason the Army's not taken that decision. I guess you all feel that the up-armored Humvee is sufficient protection, although you are buying additional MRAPS and looking at the other variants and so forth. I guess my question is what do you tell the parents of soldiers, how do you explain your decision not to replace all the up-armored Humvees with V-hull vehicles where the Marines are doing it?

Harvey: Let me set the record straight. First of all, the MRAP program is not a Marine program, it's a joint Army/Marine program. Number one.

Number two, the MRAP program is an out-growth of what the Army's been doing for two years. We don't stand still. We now have over a thousand MRAP type vehicles in theater today. Today. So if you want to make it a Marine thing, we're way ahead of the Marines in terms of MRAP vehicles in theater. As part of this first initial buy, and we never made the statement that we're not going to go to all V-shaped vehicles. There's a philosophy here that you have to understand. That's the philosophy of continuous improvement. We go from one generation to the next generation to the next generation. That cannot be done, for example --

I was involved in the ground floor of the so-called frag kits. Started in theater and I can remember vividly what happened and what I did about it. So the Army started the frag kits. I also vividly remember testifying before Duncan Hunter last fall when the up-armored Humvee, the level one, was called the gold standard. It was the best there was, and it was the best there was at that time. Now we've replaced it with a platinum standard. I can assure you that a Frag Kit 5 Humvee can withstand any side blast, any side blast. So it's not an inferior vehicle.

I can also assure you there is a lot of stuff going on which I will not talk about in detail on IED-related threats. So just be patient and stand by.

We don't stop with the up-armored Humvee. Remember where we came from -- 235 up-armored Humvees in 2002. Then we went to level two, the add-on kits because we had so many Humvees. Then we went to level one which is the totally up-armored in the factory. Then we went to the Frag Kit 5. Now we're going to the MRAP. After that we're going to the Joint Light Tactical Vehicle which is a V-shaped hull. Okay? So there's a series of generations here. As technology becomes available, as improvements in armor materials and configurations become available and testing becomes available -- I was just at Aberdeen Proving Grounds yesterday and I can assure you there's a lot going on.

By the way the first, just to demonstrate the jointness of this program, the first two

vehicles in the MRAP evaluation and demonstration arrived. They're at Aberdeen. Over the next month they're anticipating the other eight to nine vendors are going to deliver their vehicles so there will be a series of in-depth tests, automotive type tests, road type tests, and IED resistant tests, blast tests.

So the premise is not correct. We're going to the next generation. We've already started that.

You have to remember when you get into these discussions that there is no single armor solution. Unfortunately, soldiers have died in M1 tanks. Soldiers have died in Bradleys. It's a combination of armor, techniques, tactics and procedures, and technology in terms of counter-measure IEDs, and there is one heck of a lot of technology coming downstream which prevent IEDs, prevent soldiers from getting killed with IEDs. We like to say we're trying to get left of the bang. In other words, avoid the encounter. Dismantle the IED. Find the IED.

Over 50 percent of IEDs are found before they detonate. So there's a whole series of things we're doing left of the bang. The worst thing is the bang, so why don't we go left of the bang? Before the IED is detonated.

Listen, armor is a very important component but you come away from, the best armored vehicle is the M1 tank. If you drive right over an IED and it blows up right under you, unfortunately we're going to have a KIA or severely wounded soldier.

So this is the next generation. It doesn't happen, unfortunately, overnight as you see. You can't field something that's not tested.

For example in the MRAP program, you said why aren't you fielding MRAPs? Well, we have fielded MRAPs, but you know, right now because we're going to the next step -- Keeping in mind that the Army is 2500 of the initial buy of MRAP of 4,000, is the Army. We decided with the Marines jointly. You take MRAP, Marines; we'll take the Joint Tactical Vehicle. We have the Humvee, of course. We provide the Humvees, the frag kits and everything to the Marines.

But hey, the Frag Kit 5 is one heck of an improvement over the gold standard. It was the gold standard just six months ago. Now we have Frag Kit 5. There are additional technologies coming downstream which will further enhance the protective capability of the Humvee and will have applicability to the MRAP. Remember, people have even died in Buffalos, which is the huge IED dismantle thing. So it's just not that easy.

We take force protection of soldiers extremely serious. It's very very important to the Army leadership and we have I think a very good record of responsibly fielding the next

generation of capability. That is to say of testing it to ensure that it provides the level of protection that somebody says it does, and we independently test it. Maybe sometime we can, I don't know if you've ever been up to Aberdeen but it's a very impressive place in terms of the Development Test Command. We have the Army Test Evaluation Command, ATEC. It's the component that does all this testing on developmental items that are up there. It's a very impressive organization that rapidly fields things.

So it's just a continuing evolution to go forward.

Q: Mr. Secretary, if you're so serious about the MRAPs and wanting to get those fielded, why did you find the need to request over 2,000 of them in the unfunded request to Congress? Who denied you those vehicles --

Harvey: The idea of using MRAP for other than for EODs, explosive ordnance device and for -- The class of MRAP vehicles, the so-called Cougar and RG-31s and those, originated about four months ago from theater. It's a request. In other words a lot of these things happen because the theater requests them. So the request from theater was too late to put in to any of the budgets. That's why we put them into the supplemental request.

Q: But you put them in the unfunded '08 request.

Harvey: With the idea of getting it, we're going to reprogram in '07. We're going to try to get it in the '08. Remember, we've got to get the program started so we reprogram money. This evaluation that's going on at Aberdeen. Both the Marines and the Army reprogram money. Then the increment, the initial increment we're going to try to reprogram or get in the supplemental. We're tracking two tracks here. Either get it in the FY07 supplemental or reprogram money and get it in the FY08 supplemental. There will be an FY08 supplemental. I know we've defined this new FY08 GWOT request which is prior to the war, but you can't predict the cost of war exactly, so there will be an FY08 supplemental.

It's just the nature of when the request from theater, the so-called JUONS, the Joint Urgent Operational Needs Statement, came in and we responded to it. That's the genesis of doing that.

Having said that, the Armored Security Vehicle, the so-called ASV, the 1117 which there's over 600 in theater, have been there and that's an MP, really an MP. It's been used by the MPs for patrols and so forth.

Q: Can I ask about the increasing spate of helicopter downings in Iraq and Afghanistan. I ask you this because you're at the top of the food chain, obviously. You might have

heard about this.

What have the investigations yielded in terms of, what have they shown as to whether the helicopters' self defense gear was malfunctioning or not? In other words were they operational? Were they working at the time of the crashes or downings?

Harvey: To my knowledge, and I was just updated on this about a week ago. It started of course with that unfortunate crash outside of, well, in Bayela Province. I think I've flown over that spot myself about three times. That investigation is not done yet. So the first, where the ten soldiers died including two colonels, a sergeant major, that investigation is still ongoing.

The subsequent downings, there were four Armies and the recent one Marine. I think they've established that the Marine helicopter was a surface-to-air missile. I think that's been established. The exact reasons and what brought the other four helicopters down has not been totally established yet. The investigations are still ongoing.

Q: I understand that. But after-action reports from the beginning of the war through at least a couple of years ago, and I was hearing anecdotally from pilots, radar warning receivers don't work, the ALP-144, that jamming system doesn't work as it should work. I know you've --

Harvey: I can tell you personally when I was over there it sure as hell worked. How about you, Bob? Did it work?

Q: I'm sure yours worked. [Laughter].

Harvey: Listen, I flew over there when -- Every rotary aircraft in theater has so-called ASE, Aircraft Survivability Equipment.

Q: Right, and a lot of the pilots have reported back that it isn't working. What I'm asking today, are you saying that that stuff is bullet proof 24x7, it works, it doesn't get --

Harvey: I'd like to know name, date and serial number, if you have information that it doesn't work, we'll ensure that it does work. Okay?

Q: But you say it is working.

Harvey: To the best of my knowledge when I get, and I get briefed on this often because this is the [inaudible] of armor. I'm assured that it works. Within the reliability limits of any technology. You can't --

Q: We know how that works. They moved the goal post --

Harvey: Wait a minute. This is a very very advanced technology. It's just not that easy. Every system in the whole United States of America has a reliability limit whether it's electronic or mechanical. It's a matter of maintaining it, and I can assure you that those things are maintained -- it's a very important defensive capability. I have no evidence, I have no knowledge of it not working reliably, to the reliability limits of the system.

Once we get an understanding then we'll, to be quite honest with you I don't know how much we're going to be able to let out. That helps the enemy. But they're not done, for sure. The investigations.

Q: Can I get back to Tony's question on recruiting? Most of us have written how you guys really turned things around last year in terms of recruiting.

Harvey: I'm glad to see, Peter, that you're writing that. You didn't initially write that.

Q: -- to get through the program.

The question I have, we really haven't had a chance to talk to you about this issue since the President announced the increasing end strength and that puts an extra burden, I guess 7,000 a year. I'm curious whether you have had any thoughts or discussions about how you're going to meet that added burden in terms of recruiters, increasing the budget on the ad campaign. Is there any discussion in this group that you're heading in terms of okay, we have now for the next five years an even added burden on top of us. Do we have to increase our effort? Recruiters, bonuses, all these kinds of issues? And where do you stand on that?

Harvey: Good question. Let me expand on what I said.

Me being an engineer, it's hard for me to help myself sometimes, so I say here's what I need. I need a big mass balance of the Army. They've put together this big rectangular box and the in-puts and out-puts. I'm a big mass balance person in my former career. Former, former, career. '70s type thing. So you have in-puts and out-puts, and you'll be amazed how many people are discharged from the Army for discipline, how many people are returned that were previously discharged. So you have a lot in-flows and out-flows.

Then of course you have the new recruits and then you have the people, of those people that are retained, and then a certain fraction of those so-called ETS, those are the ones that retire. The expiration of term of service. So those are net output.

If I look at last year. Last year we recruited 80,650. By the way, I saw an article in this regard that said that the above 35 crowd -- I hope anybody in this room won't parse it like this. It says the Army recruited 80,635. Of that, 653 were above 35 years old. If they wouldn't have done that, they would have missed their goal.

I can assure you that we had a lot more people that we could have brought into the Army last year, but we build up the depth.

Q: What's the matter with over 35?

Harvey: Nothing. [Laughter]. But it was we had 80,635 minus 653, you wouldn't have made your number. Please.

Q: Clever.

Harvey: Thank you.

So we did this big mass balance and we grew the Army by 13,000 last year. So when I say if we repeat the performance that we had last year we will easily add between 7,000 and 9,000. That's our goal.

So Peter, the real key here is to repeat what we did last year. That's a challenge. I don't want to minimize that. But we've proven that we can grow the Army. And as you know, part of the, I hate to mention this word because it will result in a question, but we do have a plan to do this. Part of what Dr. Gates announced in his revised reserve policy was to slowly decrease stop loss. So we will be able to do that within reason. We'll be able to decrease stop loss. Again, if we add 9,000 we make our 7,000. So I feel comfortable right now that we can do it, having said -- and I worry about these things. I should worry about these things.

Q: Is there any thought, obviously as you said it's a challenge. You're in a job market that is actually probably getting a bit better. Increasing domestic opposition to the war. Is there any thought to, even though last year was very good, repeating that might be difficult

so --

Harvey: I think we have the flexibility to increase the ad campaign. We have the flexibility to -- I don't know if we need to add more recruiters. We can make them more productive. We have ways to make them more productive. Remember the whole thing is the write rate -- how many contracts they write. So there are tweaks. But right now I think the recruiting command has done a great job of enhancing recruiter productivity,

getting the right numbers out there, getting the right incentives out there, and we have a huge back office operation where we have these lead refinement centers. We have extremely good web sites and chat rooms. Really trying to plug into the people of the United States.

So I feel good about it right now, with the caveat that -- And listen, I get a weekly recruiting, pretty soon I'm going to ask for a daily one. They say please, don't ask for that. I get a weekly recruiting report. Every Friday night when I sit down and read it, and I can tell you -- I'm not going to tell you yet.

Q: At some point the upcoming number --

Harvey: Right.

Q: Thank you, sir.

Q: On recruitment and retention. What's all this costing? How much for last year did you spend on retention bonuses? How much last year did you spend on recruitment bonuses, and how much extra did you put into Recruiting Command either in terms of personnel or in terms of [inaudible]?

Harvey: John, we can get you those numbers. I don't have those numbers. That's a breakdown of the recruiting operations and the advertising. But I think overall we spent a couple of billion dollars, but we can get you those numbers.

Q: That's recruitment and retention?

Harvey: No. Just recruitment. There's the whole operating accounts, then there's advertising, then there's bonuses. We can get you those numbers but I don't have those numbers on the top of my head. I do know the retention bonuses -- And let me just add, I had this question that I would never have thought about. Well, you use retention bonuses. My answer is I come from private industry and for years and years and years, when you have, everybody says isn't this great? We're growing. But we have to recruit engineers, we have to recruit more people. Then we have to retain our key people.

It's an American way to use an incentive to retain persons. There's all you valuable people in this room. If they thought Bob Burns is leaving AP, we can't let Bob leave. Give him a bonus. Give him a retention bonus. Bob says oh, I think they really want me. I think they really need me. So he stays. It's business.

I hope you don't take away the fact that we use bonuses as something negative. It isn't. It's the American way. It's solid management from my experience to use retention

bonuses for your key people. And we all know that the backbone of the Army are our NCOs. We have the greatest NCOs in the world and the reason we're the best Army in the world, one of the prime reasons, is because of our non-commissioned officer corps starting with command sergeant majors on down. We need to retain them. It's very important that we have them in the continuity of this. So that's why we use retention bonuses. It's good sound management practice is what I'm trying to say.

But we'll get you those numbers.

Q: Mr. Secretary, are you satisfied with how civilian agencies are stepping up in Iraq and Afghanistan, for instance? Have reservists who are being asked to fill State Department billets for regional reconstruction teams in Iraq, a lot of people talking about counter-insurgency say that 80 percent of it is civilian. Where do you see this going? What are your discussions with your counterparts?

Harvey: We're certainly hopeful that the interagency provides more skills than we bring of the, all elements of national power to these insurgencies. You're absolutely right.

The stability piece is providing that basic security, then it's restoring essential services. And given the population, the belief that tomorrow will be better than today if they stay with the government that happens to be there.

So it's important they get involved. They have the expertise. We don't. However, particularly in Iraq, the situation hasn't been stable enough in order to get that high involvement.

In Afghanistan it's much more stable with these intense pockets of insurgents. Nobody lives in the Hindu Kush, very few people live out there in the mountains. Well, relatively few. There's Jalalabad and Islamabad. I've been to all these places. They're fairly remote. Then down south.

We in the Defense Department would love to see, and I know this is a topic of discussion between Secretary Gates and others and they're working on it. I think the State Department's committed to in the next X months to supply the reqs of people on the PRTs. In the mean time, we're filling those roles. We need to do that.

The common Iraqi or Afghanistan has to get up in the morning and say with the government I'm going to be better off tomorrow than I was today. It's the old President Reagan question. Were you better off today than you were four years ago? If not, vote for me. We've got to give them that hope for the future. You do that through restoring essential services and then starting to build the economy. So I totally agree with you, we need to get all the elements of our national power. We're the wealthiest nation in the

world, we've got the greatest business people in the world, our banking system. You think of our agriculture system, all those things. I guess we're so far into the information age we forget about the foundation of this country was agriculture and the agriculture technology, so we've got to bring all of that to bear on the problem.

Q: A follow-on question on stability operations. You say you don't have necessarily all the skills that you have to fill in for the State Department. In fact you have to do that every time, not just in Iraq, but pretty much in every conflict. So why aren't you making stability operations maybe more a part of the mainstream doctrine --

Harvey: Read Patreaus' -- haven't you read his counter-insurgency manual?

Q: Yeah, but that's a new thing. That's not going to apparently make anything happen or change very quickly.

Harvey: No, no, no. You go talk to Pete Corelli and these guys, they've been doing stability operations. This is just a codification of it. This is the codification of his manual, his counter-insurgency manual.

Stability ops is the centerpiece of that manual. This is nothing new. You're right, there is a phase, there are views of insurgencies or there's a spectrum of what we call a counter-insurgency type of conflict. When it starts out, let's just take Iraq. When the major battle was over we had a period of relative calm and then the insurgency started. In that period of time the situation is too dangerous to bring in civilians. So we have skills in civil affairs and psychological affairs. We have a whole capability there to do that. Most of them are reserves. We're actually increasing the size of that part of the force by 50 percent. That came out of the QDR, to increase that because there is a time period which is kind of ill defined, when you restore sufficient security so that civilians can come in and be relatively safe to perform their functions, where their expertise is.

So it makes sense to have that in the Army. I can tell you that one of the real satisfying or pleasurable times of my job, and there are not many of them, is when you sit down and you review General Jack Stultz, the head of the Reserves, sits down and goes over his bench and who's going to be promoted and the succession planning. To listen to the background of some of these people that are generals and colonels in the Reserves and what they do in their civilian job, it just gives you a great deal of satisfaction and pride. There are a lot of Americans that really, really are dedicated to defending this country. They have their civilian hat.

For example, the incoming Deputy G6 of the Army was an entrepreneur who had been in the Reserves. He's a one star general. He said I've got my great company, information technology, I'm just going to go back and I'm going to go full time with the Army. So he's

coming in to be the Deputy G6. I said boy, that is just terrific. You see people -- lawyers, doctors, people running a school, all kinds of people that go to no end to stay in the Reserves. Some of these guys are in units -- I belong to the Reserves in Illinois. Where do you live? I live in California. What? They pay their plane fare to go do their weekend drills.

So there's all these people and we're growing them. So we have the capability to perform all those essential services that you must restore and start to rebuild the economy post-conflict. Then you want to hand it off to the civilian sector.

Q: So growing them in the Reserves, not in the active duty --

Harvey: We do have a brigade in the active. We have them in both. We have a brigade in the active that are rapid response. But the majority of our civil affairs and psychological affairs people are in the Reserves.

Just as an aside, they're just a real dedicated group of people that just want to be in the Army, want to serve the country. Our citizen soldiers are really quite something. Thank you. You gave me an opportunity to brag.

Q: I was on the Hill yesterday and Mike Wynne said gosh it's a weird world when the Air Force is buying armored security vehicles and the Army's buying fixed wing aircraft. Now that the Army is adding all these soldiers we have to have more cargo planes to fly them around. And gosh, look at that, Congress.

So as the Secretary of the Army how would you respond to that? What recommendations might you make to OSD and to the Hill?

Harvey: Where was he appearing?

Q: Budget. House Armed Services.

Harvey: I haven't had a chance to read what he said. It's obvious -- Mike and I have talked about this and I think they need some more cargo planes to carry us around. Was that the gist of what you just asked me, Rebecca?

Q: It was half of it.

Harvey: I think that's true. Of course we have, as you know, we have a joint program with the Air Force called the Joint Cargo Aircraft which is a son of a C-130 or a mini-C-130 for landing in austere places. That is a program we have jointly with them. I didn't know -- The Navy's going to buy some MRAP vehicles. I know that, but I don't know if

the Air Force is buying -- Are they buying some --

Q: I don't know. I --

Harvey: I don't think they are. We buy all the Humvees and we buy all the ASVs, and we supply those to whoever needs them, all the other services. So I think they don't buy directly. We buy it for them because it's a standard design. We produce all the frag kits and all such things. But because we are growing the Army I'm sure there's some formula there that says we -- And remember you're not going to ask me any questions about the Future Combat System. Remember that --

Q: I can if you want.

Harvey: Remember the C-17 is very key to deployability of the FCS. Three vehicles for C-17, so it's important that they have the requisite number.

Remember, in the 21st Century battlefields, in the 21st Century conflicts that we have been involved in and the uncertainty of where we're going to be in the future requires rapid deployability which is one of the hallmarks of the Army Modular Force which will even be further enhanced with the Future Combat System, requires that lift, requires that lift to get us there.

If there's a pre-insurgency going on that we need to quell, we need to get people there, we certainly need the Air Force to get us there. Remember the Army Modular Force, we can take a brigade and put it into theater and it can operate on its own for several days. So it's a stand-alone, self-sufficient unit of action that has all of the functionality it needs to put down an insurgency in this case.

Q: Are you trying to reduce the need for in lieu of's from the Air Force?

Harvey: Yes. I think if we grow -- I think they have 4,000 to 5,000 now. The number I think is 4,000 to 5,000 airmen that are serving and helping the Army out. As we grow the force we'll be able to do that. That's the idea.

We appreciate what the Air Force does, but you join the Air Force -- If you want to be in the Army you join the Army, if you want to be in the Air Force you join the Air Force, so I can understand what they're saying. Thank you for lending us these 4,000 to 5,000 people. Here they are back. That's the intention. There are some Navy in lieu of's that support the Marines also.

Remember, we're a joint team here, helping each other.

Q: I just wanted to ask about resourcing the plus-up in Iraq a little bit. The rate, as you know, is one [inaudible] a month. I guess I'm trying to drill down in that a little bit and figure out how that rate was arrived at. Did the Army look at whether it would be possible to send in more forces faster? General Patreaus has said he wants the forces there as soon as possible. Obviously that rate is settled on now, but was there a request from him to speed it up at some point and have the Army look at it and say given the training and the equipment requirements this is about what we can support at this point?

Harvey: Yes. [Laughter]. No.

I don't know exactly what Dave, whether he established a timeline or not, but I think you nailed the primary reason and that is training and equipping. Remember, this is an acceleration of some of these brigades. Not a lot of acceleration.

Take the 4th of the 2nd which is a Stryker brigade, the so-called 4/2 out of Fort Lewis, Washington. To get it fully equipped -- My recollection was it originally scheduled to go in like June and we accelerated to the middle of May. So we had to convince ourselves that they would be fully trained, fully equipped, and that was the best date to do that.

You take, of the five brigades, the 82nd, the 2/82nd was already over there. So it was already there. Then working a cascade with two brigades from the 3rd ID so those were accelerations. So all that was thought through.

The Force Management Model of the Army, which is a cyclic process we call the Army Force Generation Model where we cycle units in and out of theater. That is managed out of the Headquarters, Department of Army by the G3, General Lovelace. So we have great visibility on where they are in reset, where they are in training, where their readiness state is. It's tracked daily. So all those factors go in and the outcome's what you said which is we're going to provide one a month.

Remember, they also have got to go through Camp Buhrling. When they get over there they don't go into theater, they spend two weeks at Buhrling and they do additional training and additional readiness before they go over the so-called berm. So all that has to be sequenced. Some of their equipment has to be sent over there by boat. All the logistics. Then the leave behind, stay behind, all that goes into the mother of all mass balances, I like to say, a huge movement of men, women and material over to theater.

Q: The follow-on question is what does that sort of say about the overall readiness rate of the Army that it takes us close to six months to generate five brigades for Iraq? What does that say about the level of strategic risk we're accepting at this point?

Harvey: I would say from my experience I'd say that's a heck of a management achievement, to move 21,000 people. In a heavy brigade there's 45,000 pieces of equipment. These are tons. So I would say that's a magnificent achievement in moving that.

Those are all accelerated. Those are accelerated from our goals in the Army Force Generation Model. So is it stressful? Yeah. Are we putting a lot of stress on it? Yeah, we are. And as General Schoomaker's said on many occasions, and I agree with him totally because it's a joint assessment, we are concerned about the readiness of the next deployers, but we have proven that we can do it.

Remember, you're talking to an organization that prides itself on many things -- training, planning, and they like to have a plan that's executable, well laid out, thought through. When you deviate from the plan you make people nervous. So you've got to realize it's the Army, and any little deviation from the plan. I call it, this is an old-time expression that I've come up with. This is totally Fran Harvey. I call it "therapeutic bitching". People sit around and complain, complain, complain. Then you say okay, great, go do it. So there's a lot of complaining because we're deviating from the plan, but we can do it.

The nation relies on the Army to come through and defend this nation and that's what we're going to do. Period. If we have to deviate from plan, we'll deviate from plan. We'll complain about it but we'll do it.

Q: Realistically, though, could the Army have gotten more forces to Iraq faster?

Harvey: I think probably we're at the optimum right now. Yeah, we could have got more forces if we have to. But the President made his decision that that's what the surge was, and we could scramble and get more but the commanders in the field, but that again, remember, we're on the supply side of this operation and we supply and the demand side isn't determined by Department of Army's, it's determined as it should be by the commanders in the field and that's what they assessed the needs were. And in combination of course with Iraqi Security Forces to provide the security necessary in Baghdad. We'll do it.

Q: Could I ask for some clarification there? You said two things, one we're at the optimum, which I took to mean you're going as fast as you can, and then --

Harvey: In time. In time. There's two dimensions. It's time and numbers. In time I think we're optimized because of training and equipping, but if we need to have more forces we could, given the time, we could provide more forces.

Q: I think what David was asking, is the surge -- Are you going as fast as you can on the surge --

Harvey: Yes.

Q: -- because the commanders in the field have asked for forces faster.

Harvey: I don't know if that's the case.

Q: The Secretary has said that, Secretary of Defense.

Harvey: That they want it faster?

Q: He said he was looking at whether it could be speeded up further. He said that a few weeks ago.

Harvey: Well, I think we're optimized in terms -- Remember, nobody goes unless they're fully trained and equipped. That's the fundamental principle here. That really is the driving factor and I think we're about optimized on that.

If more forces are needed then we could provide them in a reasonable period of time.

Q: One of the things you're talking about is how much risk do you accept. You could send people who were slightly less trained and --

Harvey: No, no. See that's the red line. We will not send people that aren't properly trained.

Q: In an emergency you could, so --

Harvey: Look, it's like anything else. If the nation, if it was super serious you'd have to reconsider, but we're saying our basic, fundamental principle is that nobody, no unit goes over unless they're fully trained and equipped. That's what we're doing. Or again, in parsing -- They may be going over, they don't have all their complement of equipment, but when they get there they're going to have some feeder provided equipment. Or they're going to be provided -- and when I say that, the equipment, it has no operational implication or operational restriction. That is to say for example some of the units are going to have a few hundred less medium and heavy trucks than they otherwise would have on their so-called MTOE, their Modified Table of Equipment. But when they get there they will be able to share it so if they have an operation outside the forward operating base where they need to be in armored equipment, they can share that equipment with no -- That's been verified by the theater with no restrictions or

implications to their operation. I say that with that caveat.

Q: Mr. Secretary, I wondered if you could help me out here. I'm trying to determine, a lot of people in Congress have sort of mentioned that the Army has their baseline budget, they have supplemental requests, they have unfunded requirements, and the money requests just keep coming. Then the other services have similar activities.

What actions are you taking, or initiatives, with your service counterparts to perhaps reduce some of the financial demand? Or are you dealing with it? I know financial matters.

Harvey: In 2005 I initiated what has been called the world's largest deployment of Lean Six Sigma which is a methodology, a business methodology to improve the productivity, cycle time and quality of the business transactions of the Army. So we have an Army-wide deployment of -- We call it business transformation. You have force transformation centered around the Army Modular Force; business transformation centered around the application of this productivity and quality approach called Lean Six Sigma, which just parenthetically, in the early 1980s when I was in business we were doing this. So I've had 25 years of experience of productivity and quality improvement of operations. That now, there are now almost 2500 projects throughout the Army applying Lean Six Sigma with the idea of reducing cost. We have achieved cost reductions which free resources up for the business side of the operation, be applied to the warfighting side of the operation. That is a major initiative. Every direct reporting unit, every unit in the Army has a deployment director who orchestrates these and plans these and executes and is in charge of that.

Once a month I have an organization in to show me what their cost targets are which in some cases could be reduction, in some cases be holding level if you're growing, you're just holding level, productivity. Then the myriad of projects that you have ongoing to achieve said reduction.

So it's what and how. I review it once a month which kind of reveals one of my management styles. I have so many reviews it drives my staff crazy, but that's the way I ensure that people are making progress and doing what I want them to do.

We also have another group, an organizational analysis and design group which would then come across in organization. We've reorganized the Office of the Administrative Assistant of the Army, so I started at the top. That's been totally reorganized with a significant reduction in cost. We've moved on to, we're doing the Installation and Management Command. I'm not going to tell you any numbers, but there are significant cost reductions associated with that.

Q: Is there some ball park number you could share with us?

Harvey: No. Tony tried that a couple of years ago. He followed me all over the halls. Please give me a number. So I not going to --

Q: I didn't say please. [Laughter].

Harvey: Because we're freeing up resources. We're doing our part which is to say we'd otherwise need more, so we're freeing up resources.

Remember coming into 2001 the Army was significantly under-resourced so we call it the holes in the force, the holes in the line. Bob's over there smiling. He's heard this before. Then we came along and said look, the Army Modular Force is a superior organizational design tailored to be more effective in insurgencies and counter-insurgencies and so forth, as well as major conflict, so that added a big bill to it. Over the years from FY05 to 13, it's a \$58 billion bill to equip the Army according to this new design.

We started out \$56 billion in the hole. You add that to it. You have unique equipment for war. We talked about MRAP we talked about Frag Kit 5, the counter-measure IED devices, all those things are unique to counter-insurgencies, so that added another bill to it. Then you said let's grow the Army. Grow the Army, \$18 billion. So all those things add up. I can show you cause and effect all the way down where these resources are needed.

The objective is this. The way I like to think about it is this. In 1999 -- I defy anybody in this room, or maybe there were a few very smart people that would look ahead the next seven years and predict what happened and what type of conflicts we are in. 1999, they said we're going to be here, going to be there, Iraq, Afghanistan, all these things that we've gone through.

It's 2007. Let's look ahead another seven years. I defy anybody to tell me what type of conflicts the United States Army, what type of things we're going to get into in the future. And I submit that a fully ready, fully equipped, fully trained, fully capable Army that's capable of full spectrum operations is the best hedge against that uncertainty in seven years. So that's what we're trying to do. We're trying to have that full spectrum readiness as the best hedge against the uncertainty of the 21st Century, given what we've done over the last seven years. And put yourself back in 1999. That's why the resources, that's what's driving all these resources. Then the details to follow.

Plus what we haven't talked about, which I'm amazed at, but I can leave now. I can way -
- You mentioned it Peter, the reset. Remember, we have to reset all the equipment which

is a big bill too. So you've got to equip and reset. Those are the two how's, and the why I think I just gave you. Why we need a fully ready, fully resourced, fully capable Army.

Q: A resource follow-up. You look at the FYDP for '13 and beyond, the top line of the Pentagon does not grow in great leaps and bounds, two or three percent annually.

Harvey: The Army grows very --

Q: Is there tension you're starting to see with the Air Force and Navy leadership that the Army is getting a lot of growth? There's tension that they may be losing dollars --

Harvey: I can't speak for the others, but look, I'm the Secretary of the Army. My responsibility is to fully resource the Army and that's what I'm doing. We don't want that to be done at the expense of any of the other services. They have their unique needs. We're a joint team. It's an uncertain world. So we certainly don't want this to be done at the --

Q: You don't want it to but I'm getting a sense within --

Harvey: Well, let's just see what the Congress -- Those decisions, Tony, as you know aren't mine.

Q: You pick up vibes from the other services.

Harvey: He's something. Vibrations. [Laughter].

Q: General Schoomaker always says this. He says he doesn't want to steal from the other services, but then he puts up that nice chart and says oh, by the way, over the last 20 years the Air Force and Navy have gotten a whole lot more than we have. So --

Harvey: But he's never said, right Peter. He's a pretty shrewd guy. But he never says we want to do it at the expense of --

Q: You don't want to do it but there are budget realities here and I'm just asking --

Harvey: The bottom line -- You know this. The nation spends 3.8 percent of GNP. That is historic lows. It's not the lowest, but it's low. Let's make it 4.5 and everybody's happy. We're talking about a \$13 trillion economy here and that's the affordability.

I submit, the Chief submits from an affordability point of view the nation can afford this. Can afford to fully resource the Army and meet the needs of the Navy, the Air Force, the Marines. Remember who's fighting the war? The Army and the Marines, Special Forces,

the triad that's fighting that war. And the ground wars will be, the insurgencies are primarily ground wars. In the mean time there are strategic issues, as you know, but certainly we don't want it to be done at the expense of the Navy and the Air Force.

Q: You don't want any holes in the holes, huh?

Harvey: That's right.

Q: They'll be happy to hear that.

Secretary Harvey, thank you.

Harvey: Thank you, ladies and gentlemen.

END TEXT