

TRANSCRIPT

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The Honorable Pete Geren
Secretary of the Army
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Q: Welcome to Pete Geren, Secretary of the Army, Fort Worth native. We're glad to have you. First time. Kristin, I think you wanted to start out.

Q: Sir, the GAO issued a report this week about the Army's difficulty, or outlined some of the difficulties the Army has had in implementing health care reforms, recommendations we've seen over this year, and particularly in terms of the difficulty in increasing staffing to adequate levels. We've heard repeatedly about the difficulty in hiring mental health professionals for some of your PTSD efforts. Can you talk to us about whether or not the GAO got this right on some of your difficulties in staffing, and whether, what your plan is to overcome the competition that you're facing with the private sector and what the results may be that are keeping you from reaching your staffing levels.

A: I just saw the GAO report this morning. I have not been able to read the whole thing. I've read the press accounts of it I guess that came out yesterday.

Our approach to the outpatient care, the wounded warrior program, we changed it completely after the revelations at Walter Reed earlier in the year, a completely new approach to meeting the needs of those soldiers in outpatient care. We have set new staffing guidelines to support them, and we have not filled those as quickly as I would like. But there are, the force is stressed across the force but we have moved--For example at Walter Reed we've got 690 soldiers in the warrior transition unit. We've got 176 positions slotted for the cadre there. We've got 172 of those positions filled. That's 172 soldiers that wake up every morning and their job is to do what needs to be done to get those 690 well. Across the force we've set up warrior transition units at 32 different hospitals. I believe General Schoomaker said we're at about 65 percent of the staffing there. By the end of the year we will have 100 percent.

The number of soldiers whose every day is dedicated to getting those wounded warriors well has increased by hundreds. We're not where we want to be. Our goal is to have for every soldier a triad of support. A nurse case manager, a physician. Each of those that will follow them throughout the entire recovery process. And then they all have a squad leader. In fact I've got a card that every soldier has that's in the warrior transition unit, and on the back of it is his chain of command. So if the system isn't responding to his or her need, he knows exactly who to call.

Additionally we've got, and this was a congressional idea, but a 1-800 number that every soldier has. If the system is not responding to that soldier he's got a 1-800 number that's answered 24 hours a day.

So we aren't where we want to be, we're going to continue to improve. But we're a whole lot better than we were.

One of the things that we learned when we first started digging into this is the soldiers didn't feel like they had a voice. They had a problem and they didn't know where to go to fix it. Now they've got a squad leader to go to. Every one of them has that. You may not have the entire chain of command staffed all the way from the squad leader to the top, but they've got a person to call, they've got a nurse case manager to call and they've got an 800 number.

Our goal is to, if there's a problem, we want to surface the problem fast and want to respond to it as quickly as we can and we will continue to build the system. This is a very different approach to handling the healthcare for wounded warriors.

You've probably seen the mission statement. We've organized it completely differently. Our goal is to build a system in where if it fails, the soldier knows where to go, knows who to call, and we can respond immediately. It won't be until January when we have all those positions filled, but we've got a structure in place that didn't exist before.

Walter Reed, another example. We've hired ombudsmen out there to also look after the soldiers' needs. So if there's a problem, we want to make sure that it doesn't fester, that it comes as quickly as possible and we have a chance to address it.

Q: I wanted to ask sort of a basic question about plans for increasing the number of [inaudible] active duty. Can you bring me up to speed on where you stand now? Is the number ei*? Is that right? What's the plan for the rest of the year? For '08? And does the '08 plan include [inaudible] dependent upon this revised supplemental that's going up to Congress?

A: No, the plan modulizing the brigades does not depend upon the new supplemental. We're also, with the "grow the Army plan", we're planning to add six new brigades. We'll be announcing in November where we plan to fill up those [inaudible]. But the plan for

modulizing the brigades and funding all the infrastructure and equipment needs, all that's in the existing budget, and some of the funding in the supplemental that's already up there, but the new supplemental is not necessary in order to complete that.

Q: So you go from 38 to 44?

A: By the end of, not by the end of this next year. I don't know the exact timeline on that, I can't tell you. I can get back to you on that, though.

Q: I wanted to ask a follow up to the brigade question. I'm interested in hearing your goal of what brigade level it would be desirable to get to in Iraq in order to make it a sustainable American presence. We've heard from very good people in the Army, including General Casey, talk about why to make our presence there sustainable so we can get back to the dwell time that the soldiers have been promised. There's some talk that doing that would require getting to ten brigades, or even below. I wondered if you could sort of lay out for us your understanding of what force level, what combat brigade levels you need to get to Iraq, and what timetable you'd like to see that achieved by.

A: There's so many factors that go into what is a sustainable level of deployment, including length of deployments, what our goals are for dwell time. I can't say with any certainty, it's not only, as you know, it's not just the number of brigades, but the soldiers that are outside of the brigades.

One of the issues that we are looking at now and studying now, is if we do bring down the brigades, what about the soldiers outside of the brigades, the combat support and combat service support and the mobile training teams. It's hard to say with any certainty. The number of brigades assigned there is a factor, but all the soldiers outside of the brigades is another factor, and one of the issues I think is still on the table. If we do bring down the brigades will that require more or less soldiers that are serving outside of the brigades, the various types of training teams and support teams. It's a mosaic of assignments over there that will determine what is sustainable.

We also are working to rebalance the force, we're trying to grow the force. We're talking with the Secretary of Defense right now and trying to grow the force faster. That will also impact our what's sustainable number. It's a calculus with many moving parts and I couldn't tell you that we have to have exactly, you know, X number of brigades assigned there without knowing what the rest of the requirements would be.

Q: You don't even have a rough idea in your head of how many brigades, given the plan to increase them, how many brigades we would like to get to Iraq over some period, and I know this period is subject to conditions in Iraq, et cetera, but the rough number you'd like to get to in order to allow the dwell time to be a year, longer than a year, what is it-- three years? Two years? I forget.

A: Our goal right now, is 24 months home, one there. For the reserve component, it's 60

months at home and one there. I think there are just too many variables to say what the brigade number would be.

Again, there's the issue of if the brigades come down, will the soldiers outside the brigades go up, and if so, how much?

Q: [Inaudible] need more trainers, need more support troops, because the Iraqi's capabilities are deficient in that area?

A: It's not necessarily deficient, but as the mission ships more into training, more into supporting what will be the requirements in those areas.

Q: I wanted to ask you about an equipment issue, a decision you made in March of the armed reconnaissance helicopter. My understanding is you overturned a pending ASART recommendation to terminate the contract with Bell Helicopter. This is like on March 20th. You decided to go ahead with the stop work order, give them a chance to right their ship. I wanted to ask you a) is that accurate and going forward, what does this company have to prove to avoid termination?

A: There was a difference of opinion within our acquisition community. There were some members of the staff who wanted to terminate and there were some who wanted to give Bell Helicopter an opportunity to, one last shot.

Mr. Bolton's recommendation was that they be given the opportunity to have one last chance to work it out and the advantages to the Army are we've already invested a tremendous amount of money and time with Bell Helicopter on this program and we're already on borrowed time anyway when it comes to the replacement for the cavalry warrior. We need to bring replacement to the field as quickly as possible. Considering the possibility that they may come up with a reasonable plan to move forward and give them 30 days to do that, and the option is to just start from scratch. It seemed to me to be the reasonable thing to do to give them a chance to try to work it out.

Now there were differences, and remain differences of opinion in the Pentagon. Some even proposed that we try to take the whole operation in-house and that we become a helicopter manufacturer. You know, the Department of Defense or Department of the Army. I didn't think that was practical. They have come up with a plan that Army has concluded that's workable. It does increase the cost, but when you look at the alternatives, both from a time standpoint and a cost standpoint, it was the best of the difficult choices that we had in front of us.

Q: What kind of timeline does Bell have to correct itself before the Army makes it a go or no go final decision?

A: They came up with a plan that our acquisition professionals have concluded is a workable plan. That is under way and they're moving out. They've had management

changes, the contract's been renegotiated, but it's moving ahead and unless they were to fail from this point forward, we have agreed to this new plan.

Q: I've got to ask you one follow-up. You're the former congressman from that district and it came to me that you should have recused yourself. Although it was ten years ago when you left, you should have recused yourself because you represented the 12th District where either the plant is, or a lot of the workers are. I wanted to ask you, did it come up at all that you were concerned, that I shouldn't get involved in this because of a conflict of interest perception?

A: I don't see myself as having any kind of conflict of interest. The fact that I once--If I still represented the district, you know, and I was looking for votes. But I don't represent the district. Bell Helicopter is no different to me than Sikorsky Helicopter or anybody else.

Six years ago I moved here from Ft. Worth, Texas. I still love Ft. Worth, Texas, but to think that that poses any sort of conflict for me, I don't see it that way.

Q: Mr. Secretary, you just mentioned a couple of minutes ago, you were talking to Secretary Gates about building the Army faster. Could you talk about how you do that, what are your options, and what are you considering?

A: Well, we have the plan to grow the active, Guard and Reserves by 74,000 soldiers. We're already well on our way towards the goal at the end of this year. Army will be at about 519,000. It's a five-year plan, and we are exploring with Dr. Gates an option to accelerate that by a year and grow the force to the same numbers but move it a year faster, and exploring the budget considerations. There are some who have expressed concerns from this recruiting climate that we wouldn't be able to accomplish it. We believe that we could.

Recruiting is a piece of it and we were projecting we're going to make our recruiting numbers for this year. The active will. The Guard' going to fall a tiny bit short. The Reserves will. And the Guard, even if it falls a little bit short, will still meet its end strength totals.

Recruiting is a piece of it. Retention. We're looking at ways to retain better, even though our retention has been very strong. We've exceeded our goals across all the services and all the components in retention.

The Blue to Green Program is a part of that. We have concluded that we could expedite the growth by a year and that would help relieve stress on the force. Secretary Gates has been supportive of the concept and we're working through the budget details.

The costs for all the infrastructure and support for them were already built into the budget over the five-year period. The only additional costs would be bringing on the

personnel earlier. We would have, the personnel costs would kick in earlier.

We have estimated that over the five-year plan it would cost a little less than \$3 billion more, \$2.7-2.8 billion more. We are confident that we would be able to build into our budgeting. I think we're very close to having a decision on that.

Q: That \$2.7-2.8 is over the five-year period or--

A: Right. It's just having those soldiers on the payroll earlier and longer.

Q: Given the increasing concerns about the cyber war and the threat to netcentric operations, are you, given the sense of urgency in the ACS, the Aerial [Combat Sensor] requirement, how quickly can you form that, or do you want to move or is there any [inaudible]?

A: I can't speak any details on that program at this time. I have not personally studied it, but as far as a sense of urgency about the cyber threat, absolutely. It's a threat that we contend with every day in the department. I'll have to get back with you on that particular program.

Q: Let me try again. Are there any issues to be resolved with the Air Force over the Joint Cargo Aircraft and UAV oversight?

A: Yes. [Laughter].

Q: Please tell me what those issues are and your sense of priority on those issues.

A: Well those are both top-priority issues for the Army. The Joint Cargo Aircraft, the last tactical mile is an Army mission. It's not an Air Force mission, it's an Army mission. We feel it's important that we control the decisionmaking and control the assets for that.

The UAV, the need for the control of UAVs fits close to the individual soldier and the kind of war we find ourselves in today. We think that's a high priority as well for the Army.

I know there are strong differences of opinion at certain ranks in both services. There's been considerable lobbying on the Hill. Chief Casey has recently met with General Moseley. I feel like we're going to be able to work through those issues and come to a common understanding.

Casey and Moseley have talked. They plan to meet again. I think that some of the disagreements have come because the issues haven't been tackled at a high enough level. I think some of the people in Congress, the whole roles and missions debate, it's a different debate if you're talking about conventional warfare and if you're talking about counterinsurgency warfare and urban warfare and the kind of conflict we find ourselves

in today.

I think we have an approach that's being advocated by some that might make sense if we were fighting a conventional war that doesn't sit well on the kind of conflict that we face today. We want to move control of assets and decisionmaking down to the soldier that's in the fight and get it as close to that soldier as we can. That's a big part of the push behind the FCS. We want to empower the soldier that finds himself or herself in a combat situation having to make decisions, we want to give that person greater control of the assets and also greater situational awareness.

In the past, a lot of information that only a commander would have, we're trying to push down closer and closer to the individual soldier. I think that's the heart of some of this debate over the UAV differences.

Q: What, in your mind, would be the perfect resolution to these differences?

A: For the Congress to accept the Army position on it. [Laughter].

I think that we've got a good arrangement right now when it comes to UAVs, UASs, unmanned aerial systems, and the proposal that's in front of the Congress on the Joint Cargo Aircraft.

We have people in the Senate, particularly, that are pushing to change that. I think that the current arrangement is the best one. I think, though, that there are issues that need to be worked through between the services and General Casey and General Moseley. I've spoken lately, a couple times, with Secretary Wynne about it.

I don't think that we're as far apart as it would appear from some of the contentious discussions that have gone on on the Hill. I think with, particularly Moseley and Casey working together and Wynne and I supporting it, I think we'll get there.

I do think there are some fundamental issues that we have to think through. Different type of war and the relationship of the Air Force and the Army, the airman and the soldier, in this type of conflict is different than it would be if we were in a conventional conflict.

Q: Sir, it's hard to believe what was, you know, 25 years ago, that the Army bailed out of the V-22 program. Sometime after that you went to the Hill as a congressman from Ft. Worth. The then Secretary of Defense sought to kill the V-22. You fought him very hard and you prevailed.

The V-22s are on the cusp of going into combat in Iraq and now you're the Secretary of the Army and that former Defense Secretary is the Vice President. As Secretary of the Army, do you think your Army made a mistake 25 years ago or do you think they saved a lot of money that they put into Black Hawks and other aircraft and that, you know, they

made the right decision back then?

A: I don't really have an opinion on that. I--

Q: You used to.

A: Well, not on the, you know, just thinking back on, and I was deeply involved in that issue and very--I believe as a Department of Defense, as a country we made the right decision. I'm trying to think back on the Army decisionmaking at the time. I remember we worked with the Marines.

I really don't remember what the Army plans were then and so I just--

Q: [Inaudible] from the Army's perspective.

A: I really don't remember the Army focus at all. It was one thing when I came to the Pentagon six years ago and thought back on my work on behalf of the V-22 and I remember thinking at the time that it's really odd that all these Marines show up every day and work with us to overturn a Secretary of Defense decision.

When I got up to the Pentagon six years ago, in the last six years I've realized just exactly how odd that was. [Laughter]. It was an important technology for the Marines and I believe ultimately for aviation in this country and in the world. I really don't remember focusing at all on the Army decisionmaking.

I do think the Army, when you look at Army aviation, the decision to cancel the Comanche and reapply those resources into other areas, I think that that was a good decision and we used the money effectively, really to arm reconnaissance helicopters, the only area where we've stubbed our toes so far in reapplying those assets. Kind of like Tony's question to you, part of the job as a member of Congress, it's an equal branch of government, and you debate with the administration on the right course of action. I believed it then, I believe it now.

When I see members of Congress disagree with us, that's their role, that's their right, that's their responsibility. At the end of the day, we work through those issues and usually each side gives a little bit. When you're in Congress you wear one hat and when you're in the administration you wear a different hat.

Q: Sir, when the people said that in the years to come the supplementals are going to disappear, when that happens is the Army going to have a bigger percentage of the budget compared to the other services than it traditionally has, and if it doesn't are we going to have to shrink this Army that you just worked harder to make bigger?

A: That's a good question. I think about how we move from where we are now with these very large supplementals, at the same time a base budget that is growing considerably as

well. But recognizing that there are costs that are now being absorbed as part of the war effort, some of which won't go away when the war winds down. It will be a challenge to integrate the Army, all the services we have now, into the base budget.

I would expect that depending upon how the next administration or the administration after that sees the future, a readjustment of the proportions of the budget that go to each service based on where they see the threat. Certainly if the threat continues, as we are experiencing today, the dominant contributor to the war effort is the Army.

When defense budgets were planned over the last 20 years, we saw the world differently. I was in the Congress when we cut the Army from nearly 800,000 to 482,000. There were people that came before our committee talking about how little relevance the Army would have to the fights of the future. We were just flat wrong.

I think as we look into the, over the next couple of decades, I believe and General Casey shares the same view, that the type of war we're in now we expect an era of persistent conflict, which will rely very heavily on the Army. Over the years I would expect that that would shape the budget with more emphasis on Army assets, but that's the perspective from somebody that sits in the Army and values very highly the Army's contribution, and trying to look over the horizon and look at what the future threat's going to look like. That is my view, that would be one view.

The system takes in the views from all the different services and all the different perspectives and shapes the budget accordingly. I look back over the 20 years I've watched this pretty closely and one thing that's been pretty predictable is that we usually get it wrong. But we do the best we can.

I've thought a lot about the job I have now and the job I had when I was in Congress and as we debated shrinking the Army. Such a short time ago looked into this century and tried to predict what this century was going to look like and we got it so wrong. It's really remarkable that smart people, the smartest people that study those issues looked over that horizon and missed it as far as we missed it. I'm not saying the Congress were the experts. We relied on expertise and certainly there are some members of Congress who truly are great experts.

Congress had hearing after hearing after hearing, studied the issue, looked into the future and we missed. There's a certain humility that you've got to learn and I think that when we think about how we shape our Army in the future, that's why this issue of full spectrum readiness is so important.

Whatever we guess the future is going to look like, we're going to likely get it wrong. The best insurance policy against getting it wrong is to have a range of skills, a range of readiness. Right now we're very point focused, as is understandable when fighting a war in two major theaters.

Looking over the horizon, and that's General Casey's and my job, is to look over the horizon for the Army and try to exercise our best judgment on where we need to be.

We see a world in which there will continue to be a very heavy role for the Army. Not one that's going to shrink from where it is now. The budgets over the next decade, I would expect if others are persuaded that's the case, would put more assets in the Army.

Q: You mentioned you were a congressman and now you're Secretary of the Army. Between there you had several other jobs, one of them was Acting Secretary of the Air Force. So you have some perspectives of the problems of that service. The Secretary of the Air Force Mike Wynne recently gave a very bleak speech. He said the Air Force is going out of business because of the age of fleet. Do you think he has a point? If so, what implication does that have for the expansion of the Army?

A: Well, the Air Force has a very old fleet of aircraft and does need to recapitalize. The type of investments the Air Force needs to make are very expensive technologies. Expensive, and the threat that the Air Force is trying to invest against, prepare against. It's a sophisticated threat and the system that you need to defend against it are expensive.

I do think the Air Force faces very serious challenges in recapitalizing its fleet and then investing in the kind of technology that they need for the future. Part of the challenge that they have now, and it's a challenge that the country has, how do you meet the immediate needs and still invest in the future, and what are the right trade-offs.

We had that on a micro-scale within the Army yesterday in front of the Congress, what do you invest in FCS and what do you invest in meeting the needs right now and how do you make sure that the needs of the present don't leave you naked in the future. The Air Force, because they're not in the fight to the degree the Army is right now, is disadvantaged in the competition for funds, but they certainly have challenges and they have need of additional resources and I expect over the coming years those issues will continue to be examined in the budget debate.

The Secretary of Defense and ultimately, the President has the very tough job of looking at the needs of all these services. Looking at the present, looking over the horizon, and trying to allocate the resources among all those different capabilities. A lot of judgment has to be exercised.

There always will be scarce resources. It's the nature of the beast and somebody's going to have to allocate those scarce resources among the different demands and I think that you'll see that all the services, particularly when you're looking at their long-term investments, are struggling to make those long-term investments because the needs of the present are such as they are.

Q: Sir, you're in a trend of sending more heavily armed vehicles to Iraq, such as the

MRAP. Do you see need for more heavy armor on platforms like future combat systems, [inaudible] armed vehicles, and troop carriers, that sort of thing?

A: Well the future combat system, we are looking at ways to improve this capability against IED threats and other threats that have become more prominent as a result of the experience that we're having in the war now.

As you know, the future combat system, it has many types of defenses. The most powerful defense it has is information. The whole goal of the future combat system is to empower the individual soldier all the way up through the chain of command with information they don't have now and be able to encounter the enemy with a greater information advantage than we currently have. It also has the active protection system. It's got other types of materials that are different from conventional armor that will provide additional protection.

We are looking at ways to better armor the Humvees, looking at ways to provide better armor for the MRAPs. We're looking at this Frag Kit 6, as you know, to provide protection against EFP, the explosive foreign penetrators. We are constantly looking for ways to better armor the vehicles.

If you think about just how far we've come since this war began. The slab protection put around the Strykers and the armoring we put in Humvees, if you look at what the Humvee looked like before this war began, it had relatively paper-thin doors. It wasn't thought of as a combat vehicle and it's become a combat vehicle over the course of this war.

We're up to Frag Kit 5 on that and looking at Frag Kit 6. We're continuing to look for ways to better armor, but we're also, the armor is the last defense against an IED. So much of the work of the IED task force is focused on how do you counter the IED earlier in the chain.

We've got different programs to help us defeat the IEDs before the IED ever gets put beside the road. The protection against this type of threat is multifaceted with the armor being only one piece, but we will continue to look for ways to do armor better and lighter and I'm not just talking about vehicles, but personal armor.

Our new body armor is better protection and is three pounds lighter. We will continue to look for ways to improve armor. That's only a part of the answer.

Q: You talked about that you foresee an era of this persistent conflict, but some military commanders or leaders wanted to focus on why it has basically taken the Army and the Marine Corps away from training the [inaudible] to continue this. How serious is that? What are you all doing about it? Particularly as is the other potential threats looming, thinking of Iran and possibly China, competition [inaudible] in the future?

A: Well, our readiness ratings, which have received a great deal of attention, they try to offer a view of exactly what you're talking about. We can do COIN and we're in the middle of a counter-insurgency war.

Every soldier we send into battle, soldiers we're preparing to send into battle, are trained to be the best they can be in counter-insurgency warfare. Does that mean that there are other types of training that they don't do? The answer is yes.

The readiness ratings that have received so much attention talk about our ability to do other things at the same time. That we have the majority of the force dedicated to counter-insurgency warfare.

The Chief uses the phrase "we're out of balance" and that's true. When you've got a war, your now 519,000 soldier active duty force, have got 150,000 people in combat, you've got 150,000 getting ready to go, 150,000 home. When you've got an Army that busy there are going to be some other things that it can't do as well right now. And different ways to address that. One is to grow the force. The other is rebalance the force, move soldiers out of MOSs, out of different skills that are less relevant in today's threat environment, then they work with artillery training to do something else, train artillery men to be MPs. So rebalance the force.

Operationalize the Guard and Reserve. We've given lip service to that and the Guard and Reserve have carried a heavy burden in this war, but we still have a long way to go to fully operationalize the Guard and Reserve. We're making an unprecedented investment in Guard and Reserve equipment. In '05 to '13 we're putting \$36 billion worth of investment in Guard equipment. I think nearly \$11 billion in the Reserves.

Going back to the '90s. In the '90s we shrunk the active duty force where it was less than half of the personnel of the Army. We can't go to war without the Guard and Reserve, but we really didn't take all the steps that were necessary to fully operationalize the Guard and Reserve. We didn't equip them the same way the active duty was equipped and one of the initiative groups that the Chief and I have is focusing on what we need to do to fully operationalize the Guard and Reserve.

Expanded role for Guard and Reserve, better equipment for Guard and Reserve, a bigger Army, rebalancing across all three components, all those are ways to address some of these readiness issues, our readiness for other fights.

I think also it's important to remind ourselves, remind the country, and remind would-be enemies that the Army is just one piece of our response to threats from other countries. When you've got any service actively engaged in one war, like the Army is now in Afghanistan and Iraq, if a threat comes from someplace else, the President would respond differently than if he didn't have the Army actively engaged in Iran--excuse me, Iraq and Afghanistan.

The President has, as Commander-In-Chief, has a range of assets to use to respond to threats around the world and what he would use would depend upon how busy each service is. Right now we've got 150,000 soldiers in combat. That would factor into the decision of how you would respond to something else.

We have an outstanding Army. It's troubled me that some people have looked at some of these readiness issues and said well you know, y'all aren't ready for X conflict and it leads to saying well this is a broken Army, a hollow Army. This is an extraordinary Army. It's extraordinary by almost any standard of measurement. You've got 500,000 soldiers that are combat veterans, you've got 200,000 that have deployed more than once, you've got--It's an all volunteer force, so everybody there is there because they want to be there, you've got this level of training, level of preparation, and even with all the stress that this Army is under, we have soldiers that are re-enlisting greater than our most optimistic expectations.

It's robust, it's resilient, it's a strong and it's a vital force and it is heavily engaged in this conflict, but I'm confident that whatever the President asks this Army to do, it will do.

Q: The Senate doesn't seem to be making any progress on the '08 budget. Who knows when you're going to get the base budget [inaudible] supplemental. You testified yesterday before the House that you were concerned about continuing resolutions. What specific concerns do you have [inaudible] and what-not?

A: Well, the funding level, obviously. It takes about \$18 billion a month to run the Army right now. We've got to have the proper funding level.

If we were to find ourselves in a situation where we have multiple 45 day CRs, you can't run an organization like the Army with that kind of predictability. We've got to be able to plan months out and years out and to have uncertainty hanging over the head of an organization that will the next tranche of money come 45 days from now, will it be 60 days from now? It's hard to plan. It's hard to invest.

So, funding level. But one of the other points I've made in all my communications with Congress is we need certain authorities, particularly procurement authorities. What you often see in CRs that you get money, but you don't get the package of authorities that allows you to make procurement decisions.

For the depots, for example. We got that \$17 billion at the beginning of last year and it's enabled us to set up the depots to run very efficiently over this last year. You knew you had the money, you could make long-lead purchases, and so when you needed a transmission you had it sitting there waiting to put into that Bradley coming through the line.

If we were to get money and we don't have the proper authorities for the depots for example, it wouldn't affect us for the first 45 days because we've already bought the

long-lead. But six months from now, we will have a problem that money can't fix. They'll say well we'll give you all the money you need in June. Well, we don't need money in June, we need to have already bought a transmission back in October so it would be ready to install in June.

To sum up, money, but the proper authorities to allow us to plan ahead. If we do find ourselves in a 45 day type of a funding approach, that will make things harder for the Army, it will make things more expensive for the Army and much of our support for soldiers requires longer term investments that you can't turn on and turn off. A 45 day funding cycle would make that very difficult.

Q: There has been some studies recently questioning the Army's estimates for resetting the force, the [inaudible] force. The Army's been spending \$13 billion a year. Is that still an accurate estimate?

A: Our estimate for next year is \$13 billion. That's what we have in the budget.

Q: What's the long term estimate?

A: I don't know the number beyond next year, and I think the further out you get the more risk is associated with numbers because so much of it is based on battle loss. It's how many brigades we're going to have in theater, how much wear and tear we're putting on the equipment. We were able to catch up a lot last year with the \$17 billion which the Congress had, which frankly, we didn't ask for. The Congress added and that was a major step forward in our effort to get ahead in our reset.

It's \$13 billion next year, and I guess every year there will be some adjustments based on the experience we've had--

Q: Do you have an estimate, say hypothetically, for what you're doing today, how long it would take to reset the entire force.

A: We use the number of two to three years. That's what our experts say. I've now heard people say it might take several years, but two to three years, we would need to have reset funding go on for two to three years in order to reset the force.

Q: But it could be more?

A: I think depending upon the damage.

Q: Yesterday Pentagon Spokesman Jeff Morrell said before the Army can go back to 12 month deployments, you would have to have about 12 brigade combat teams in Iraq. Do you agree, and if so, when do you anticipate that happening?

A: I have no, I can't predict when that will happen. There are other factors that have to be considered. What other soldiers are over there in support of the various training

teams. We've got 150,000 soldiers in Iraq and Afghanistan, we have 20 brigades over there. So that's 70,000 so we've got 80,000 soldiers that are outside of brigades. The brigade number is one of the criteria you use to measure the stress on the force, but it's only one, and they aren't necessarily directly related. If you produce a number of brigades, it doesn't necessarily mean that the number of soldiers assigned to [inaudible], the various training teams come down, they may go up. I wouldn't disagree with Mr. Morrell, but I think there are factors that have to be considered other than just the number of brigades. That's the important input, but it's not the only input.

You also have to look at how fast we can grow the force and how fast we can rebalance the force and availability of the reserve component. You know, the Secretary made a decision last January to limit the total mobilization time for the Reserve component to 12 months. That also changes the mix. It changes the availability of the reserve components. There are a lot of factors that go into that. So I would resist saying there's any set number of brigades that will be the magic number.

Q: Okay. Speaking of recruiting and retaining, I've heard a lot of Army leaders talk about the small pool out there among the 17 to 24 year olds and that 37% meet the criteria, patriotism is down, these people think of the Army as ordinary. Could you talk specifically about your plans to accelerate to a 4 year plan the 5 year plan to grow the Army? How specifically do you think you can do that short of snatching teenagers off the street.

A: Well, recruiting is a part of it. Better retention, and you're aware of the recent incentive we made to try to incent and increase our retention rate among junior officer ranks, junior and mid-grade. We are working to recruit more effectively. This partnership that we're developing with the Guard, I think holds tremendous promise.

You're aware of the Guard program where every Guardsman is a recruiter, they've got 109,000 recruiters out there. It's been extraordinarily successful and we are working in partnership with them that, I think we're projecting that that will yield close to 2,000 extra recruits a year. I'm hopeful that it will do more than that.

I've thought of it, I guess in my political background, you've got different ways to campaign, you've got different ways to recruit. You've got your TV buy, you've got your direct mail, and you've got your block-walkers. There's no substitute for the block-walkers.

The members of the Guard are in those communities. They are part of the fabric of the community in a way that an active duty soldier can never be because the active duty soldier moves. It's proven to be a very effective recruiting tool for the Guard and we are going to be partnering with the Guard and they are going to be recruiting on behalf of the active duty. I think that will help us to recruit more effectively.

We think that we can continue to recruit in the 80s, the low 80s over these five years

and with retention and with Blue/Green and with other programs, we will be able to meet our growth goals.

Q: Mr. Secretary, your nomination was held up by at least one senator on the issue of [inaudible] and you agreed to have these tests with other designs. Where do you come down on this personally and what is the status of that testing?

A: The test is both, let me first say, the hold was lifted before we had a decision to do the test. There's no quid pro quo there. Senator Coburn called me and told me I'm lifting my hold on you, but I just want you to know I've got concerns about whether or not the M-4 carbine is the right weapon for soldiers.

It was not an issue that I had examined at that time and I've talked to folks in our acquisition corps and Mr. Bolton and share the concerns that he raised and he said well the M-4 is an excellent weapon, it's got an approval rating from our soldiers of over 90%, it has performed very well, and we have made a major investment over the last several years of switching from the M-16 to the M-4 and soldiers are very pleased with it.

Are there ways to, we've got to remain a learning organization. If there are other ways to do what we're doing better, we need to be open to that and this test is going to look at the performance of different weapons under very harsh, heavy dust conditions and that will help inform us and shape our decisionmaking in the future. The M-4 is an excellent rifle, the soldiers like it. The performance has been outstanding in this conflict.

Q: Sir, how concerned are you about the Army's support on private contractors. We deal today, roughly, one to one for the uniform military and private contractors and the Blackwater situation [inaudible] of the private arms security contractors. As the Army grows are there any tasks that you'd like to see uniformed personnel take on?

A: Well, I think the whole issue of contractor support for deployed forces is something that we as an Army and as a Department of Defense are going to have to take a long hard look at.

We've had contractors on the battlefield since George Washington, but I read recently that we had, I think, 700 and some odd thousand contractors supporting the Army in World War II. It's a part of the force, but when we drew the force down in the '0s, not only did it require that when the Guard and Reserve assume a larger burden, we also, it became necessary that many of the roles that had traditionally be performed by soldiers has to be outsourced. [Inaudible] was part of the response to that, and I guess our first [inaudible] contract came maybe '89 or '90.

We had already looked at ways to start outsourcing many of the support functions. I don't see any way that we're going to significantly reduce that reliance on contractors. I think 40% of them are in base operations, cooking and cleaning, washing, providing water. A small percent are security contractors for the Army. I think we've got about

8,000 security contractors. A very small percentage of our overall 130-140,000 that are supporting the war effort over there.

I've asked Dr. Jack Gansler, he was Under Secretary of Defense for Acquisition, Technology and Logistics under Secretary Cohen, to put together a commission and we're looking at the whole role of contractors in support of the war effort. How do we do it better? How do we properly apportion those duties and responsibilities? Are there things that we should bring back into the Army that we aren't doing now?

I think with the size of the Army we have now, and even if we grow to this additional 74,000, there is no doubt that for any type of significant overseas appointment, we're going to have heavy reliance on contractor support.

This conflict has exposed challenges in that approach to warfighting. Again, it's not new, the only thing that's new is the degree. What we've seen in Kuwait, the Kuwait contracting office, the number of criminal investigations that have come out of that. The demand grew very rapidly, as it will in any kind of war effort. Dr. Gansler is helping us look at what do we need to do to make sure we've got the systems in place. We're outsourcing so much of this, how can we make sure that that outsourcing is ready to expand to meet that demand and do it efficiently, do it legally, and do it in a way that provides the support to the soldiers when they need it.

This war is the first extended conflict we've fought with this small of a force. With this percentage of reliance on contracts. Gansler said the other day just what you said, we go to war now and it's almost a one to one ratio. Our force is half contractor/ half soldier. Is that the right mix?

I think when we look at things that we've learned from this conflict, two things that jump out for me, one is support from families. This is the first extended conflict we've fought literally since the revolutionary war with an all volunteer force. The soldiers have volunteered, the families have volunteered.

Do we have the systems in place to adequately support the families in an extended conflict? I think that is an issue that bears an extraordinary amount of effort on the part of Army leadership and we're putting a lot of resources and effort in there.

Another is the proper role of contractors in this kind of a conflict. We've got to be ready to go any where on God's green earth at a moment's notice, and we've got to be able to stand up an operation. What type of support systems do we have in place to make sure that we can meet the needs of the soldiers over an extended period of time when we do that?

I think those are two of the issues that this conflict has really brought to the forefront that we as an Army are going to have to look at long and hard, and I think five years from now we likely will be doing both family support and contractor support differently

than we are now. But that's something that you only learn when you have the crucible of a war to test it. It's a very important issue, and I'm looking forward to Gansler's report which is going to be finished at the end of October.

Q: I wondered if you could tell me, yesterday you and the Chief of Staff were discussing accelerating the future combat system equipment into the current force. I wondered if you could tell us, if you're thinking of accelerating more equipment into the current force because of the same [inaudible] spending billions [inaudible] and most of what you're resetting is what you might call [inaudible].

A: We get requirements from the theater and we have found that many of the requirements from the theater do call for capabilities. They don't ask for the specific widget but they call for capabilities, many of which are coming out of the FCS research. Again, it's this trend to try to drive information and effective decisionmaking down lower and lower, get it closer and closer to the soldier.

So we are going to constantly look for ways to take the products of the future combat system and spin them out sooner and get them into the hands of the soldiers more quickly. So we're going to be looking at that every day, just different ways to take whatever we're doing. We've got the rapid fielding initiative which is an effort to cut through the bureaucracy normally associated with bringing a good idea from wherever it is actually to the soldier, trying to reduce the number of steps between a good idea and fielding the equipment. The FCS has proven to be a very rich source of capabilities based on the needs that the soldiers are finding themselves in today.

Q: I wonder if you could talk in more detail about the possibility that some support forces [inaudible].

A: That what?

Q: The support forces would go up, even as the combat brigades go down. And clearly there is a [inaudible] transition to more training teams and a different orientation [inaudible] Iraqis. So are you [inaudible] the combat [inaudible] total number could maybe stay the same or not go down very much because you would have to increase the support forces?

A: I don't know the answer to that, and that will be a decision that General Patreaus will make. But my point is that those two don't necessarily move in tandem. One could go up and the other could go down or vice versa. They don't move in tandem. So from a Title 10 perspective I wouldn't pretend to know what will happen, but I think it's important as we think about the demand on the resources of the Army, we've got to recognize the possibility that you could have them move in different directions. That's a possibility. I'm not saying it's a likelihood. The combatant commanders will make those decisions.

Q: Do you have an [inaudible] now or what you may seek in terms of support? That--

A: No, I don't. I don't intend, and I hope that what I've said, I'm not speculating about it but I'm just trying to recognize as we look to the future the issue is broader than just number of brigades over there. No, I wouldn't pretend for a moment to guess the direction of the forces outside of the brigades. That will be a decision somebody else will make and we in the Army will respond to that decision. But it's something that we have to be aware of. We can't sit around and look at the future and think well, if the BCTs come down the total force requirements are going to come down. We have to also look at what other needs might be required of us as a force provider. But I would not pretend for a moment to predict that.

Q: Last question.

Q: [Inaudible] on the contracting question. I'm wondering, when we heard from General Blum last week he talked about competing with contractors. He said the Guard was almost in a bidding war of sorts to do with the Special Operations folks to retain and to get soldiers. I'm wondering if that's a concern for you as well.

And I'm wondering also--

Q: Let's let him answer that.

A: Let me make sure I understand the question. That you have contractors that are hiring away soldiers? Is that the--

Q: Yeah.

A: Yes, there are contractors that are hiring soldiers--soldiers, sailors and airmen. I had an airman that worked for me when I was at the Air Force who had his pay, I believe, quadrupled when he went to work for a contractor. There is an issue of how do we properly pay and retain soldiers in the face of that competition? The strong economy is probably a bigger challenge, frankly, than that one specific thing that General Blum may have mentioned. But we've got a highly trained workforce in our Army and you've got folks trying to hire them away. They are very desirable in the private sector not only to support the war effort as contractors, but it's an outstanding bunch of well educated, highly trained, disciplined, upright, great work ethic bunch of people. And we do have private industry trying to hire them away. Certainly in theater as well. Folks that provide contract security certainly make more than a soldier does.

But we also have to recognize that somebody that chooses the life of a soldier chooses it for reasons other than pay. You wouldn't take the job of a soldier if all you're interested in was the amount of money you could make. I don't care if you're a doctor, our doctors probably make a third of what they make on the outside. Our MPs probably make a third of what they'd make working for one of the security contractors. They choose the Army because they've got a sense of mission. They're a selfless bunch of patriotic people that

choose to give their life to selfless service to the country.

If financial considerations were the only consideration, we wouldn't have an Army. They'd all be gone. But we do have soldiers who have served and decided to go on and do other things. That's a fact of life. And maybe it's accentuated by, you've got a soldier here and a contractor standing right beside him or her, and the contractor makes considerably more. But the problem, or the challenge runs through the entire system.

You go out to Walter Reed and you talk to those doctors. They're working 18 hours a day, 20 hours a day. Every one of them could be working less and making more doing what they're doing elsewhere.

We shouldn't focus, when you're talking about keeping soldiers, money's a part of it, but it's a small part of it. You wouldn't choose this line of work if that was your primary concern. You could work less and make more doing almost anything else.

Q: Do you think there needs to be a new GI Bill? There are proposals for a new GI Bill for education.

A: I think that we need to look, and this is something that's dynamic. It's a journey, not a destination. How do you meet the needs of the soldiers and the families that choose to devote their life to service in the military? One of the things that we hear often from soldiers is if I could just, if you could provide ways that you could help me educate my kids, my spouse could go back to school. I think the demographics of the Army change, needs of soldiers change, the stress on the force changes, and a soldier's no different than any other parent. Education's important to them. Education for their children is important to them. So I think we have to continue to look for ways to adjust our benefits package writ large, compensation, to meet those different needs of the soldier and the family, and education is part of it. But I wouldn't say just education for the soldier. I think it's provide ways for the spouse and the kids to get quality education. And spouses to--spouses that move a lot, it makes it hard for them to continue their education and pursue degrees. I think we've got to think about the full range of needs of the modern family.

An extended conflict with an Army that's made up mostly of families, that's a lot different than an Army of 50 years ago that was younger, fewer kids, fewer spouses, and shorter conflict. So education certainly is a part of it.

One of our working groups, too, is how do we better develop our leaders, and a big part of that is education and encouraging them to broaden their education and continue it, not stop once they enter the service. The Chief and I both feel strongly about giving the soldiers the opportunity to get graduate degrees in universities outside of the Army. We believe that to be a broadening experience and helps prepare us as an Army better for the future.

Q: Thanks very much. We're out of time.

END TEXT