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FGHANISTAN AND IRAQ

HEARING

BEFORE THE

COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

ONE HUNDRED TWELFTH CONGRESS

FIRST SESSION

SEPTEMBER 22, 2011

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THE U.S. STRATEGY IN AFGHANISTAN AND IRAQ

THURSDAY, SEPTEMBER 22, 2011

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

The committee met, pursuant to notice, at 9:34 a.m. in room SH–216, Hart Senate Office Building, Senator Carl Levin (chairman) presiding.

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

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

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

Minority staff members present: David M. Morriss, minority staff director; Christian D. Brose, professional staff member; and Michael J. Sistak, research assistant.

Staff assistants present: Hannah I. Lloyd, Maggie K. McNamara, Brian F. Sebold, and Bradley S. Watson.

Committee members' assistants present: Christopher Griffin, assistant to Senator Lieberman; Carolyn Chuhta, assistant to Senator Reed; Nick Ikeda, assistant to Senator Akaka; Gordon Peterson, assistant to Senator Webb; Jennifer Barrett, assistant to Senator Udall; Roger Pena, assistant to Senator Hagan; Joanne McLaughlin, assistant to Senator Manchin; Chad Kreikemeier, assistant to Senator Shaheen; Ethan Saxon, assistant to Senator Blumenthal; Anthony Lazarski, assistant to Senator Inhofe; Lenwood Landrum, assistant to Senator Sessions; Clyde Taylor IV, assistant to Senator Chambliss; Joseph Lai, assistant to Senator Wicker; Charles Prosch, assistant to Senator Brown; Brad Bowman, assistant to Senator Ayotte; Ryan Kaldahl, assistant to Senator Collins; Matthew Rimkunas, assistant to Senator Graham; Russ Thomasson, assistant to Senator Cornyn; and Charles Brittingham, assistant to Senator Vitter.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. The committee receives testimony this morning on the U.S. strategy in Afghanistan

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and in Iraq. This morning's hearing is Secretary Panetta's first appearance before this committee as Secretary of Defense and we welcome you, Mr. Secretary. It's also likely to be Admiral Mullen's last appearance before he retires at the end of this month.

Since the Admiral's appointment by President Bush as the 17th Chairman of the Joint Chiefs of Staff in 2007 and his reappointment by President Obama in 2009, Admiral Mullen has led our Armed Forces through one of the most complex 4-year periods of security challenges in recent history.

Among the challenges occurring on Admiral Mullen's watch have been the following: A drawdown of forces in Iraq; a shift to a counterinsurgency strategy and the surge of U.S. troops in Afghanistan; the reduction of U.S. troops in Afghanistan; support of the North Atlantic Treaty Organization (NATO) operations in Libya; management of a volatile relationship with Pakistan's military; and counterterrorism operations against al Qaeda and other transnational terrorist groups, including the extraordinary raid by our Special Operations Forces (SOF) this past May that killed Osama bin Laden in Pakistan.

Throughout his chairmanship and more than 4 years of extraordinary service to this Nation, Admiral Mullen has provided steady, dedicated leadership and thoughtful, principled, and courageous military judgment. Admiral Mullen has been joined throughout this time by his wife, Deborah, who has been equally tireless in promoting initiatives on behalf of our military families and wounded warriors. On behalf of everyone on this committee, Admiral, thank you.

The strategy the President charted in December 2009 in his West Point speech is on track to achieving its objectives. These include disrupting, dismantling, and degrading al Qaeda and training the Afghan National Security Forces (ANSF) to provide security for their country, so that Afghanistan will not again serve as a safe haven for extremists plotting attacks against us. As outlined in the West Point speech, the President's strategy called for a surge of an additional 33,000 U.S. troops to Afghanistan to break the insurgency's momentum and to help build the capacity of the ANSF. He stated at that time that 18 months later these U.S. surge troops would begin to come home.

Our military men and women have performed magnificently in Afghanistan. Coalition and Afghan forces have reversed the insurgency's momentum in much of Afghanistan and seized the initiative in key areas, including Taliban strongholds in the south. At the same time, the NATO training mission has added 100,000 soldiers and police to the ranks of the ANSF, which are partnered with coalition forces in the field and are increasingly in the lead in operations.

The Taliban has been reduced to suicide attacks and roadside bombings. In this regard, the assassination of Mr. Rabbani, the leader of Afghanistan's High Peace Council tasked with pursuing reconciliation talks with the Taliban, was tragic. However, that despicable act only highlights that the Taliban can no longer hold territory and are detested more than ever by the Afghan people because of their attacks on civilians.

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The President's decision to bring home the U.S. surge forces by 2012 maintains the sense of urgency at the highest levels of the Afghanistan Government. Further, as 33,000 U.S. troops draw down by next summer, the Afghan army and police at the same time will grow by another 70,000, to a total of over 350,000, and these forces will increasingly be in the lead, be more capable and equipped, and more than willing to take on the Taliban.

The growing capabilities of the ANSF represent the best chance for success of the mission, creating a secure Afghanistan which can no longer be the staging ground for an attack against us.

This committee has heard directly that the military commanders charged with implementing the President's decision say that they support it. This includes Admiral Mullen, General Martin Dempsey, who will succeed Admiral Mullen as Chairman of the Joint Chiefs, and General John Allen, Commander of the NATO International Security Assistance Force (ISAF) in Afghanistan.

ANSF have now assumed the lead in seven areas throughout Afghanistan. NATO and ISAF participating countries have agreed with President Obama and President Karzai that ANSF should assume responsibility for protecting the Afghan people throughout the country by 2014.

This transition to Afghan control does not mean that the United States will abandon Afghanistan. The strategic partnership agreement currently being negotiated between the United States and Afghanistan will help define the long-term relationship between the two countries and play an important role in demonstrating to Afghanistan and its neighbors that the United States intends to remain engaged in this region and that we're not about to repeat the mistakes of 1989, when the United States turned its attention elsewhere following the Soviet withdrawal from Afghanistan.

Clearly, great challenges remain. Foremost is the threat posed by the militant extremists launching attacks against Afghan and coalition forces from sanctuaries in Pakistan, particularly the Haqqani group in North Waziristan and the Afghan Taliban shura in Quetta. The U.S. Ambassador to Afghanistan, Ryan Crocker, has said that a series of recent attacks, including the deadly attack on the U.S. Embassy compound in Kabul, were the work of the Haqqanis operating out of Pakistan.

Our Ambassador to Pakistan, Cameron Munter, said that there is evidence linking the Haqqani network to the Pakistan Government. The Ambassador added that: "This is something that must stop." Secretary Panetta recently said: "The message they need to know is we're going to do everything we can to defend our forces." I was glad to read a few days ago that Pakistan's leaders have been personally informed that we are, in fact, going to do just that, and act more directly.

Now, I've repeatedly written to Secretary Clinton to press to have the Haqqani group added to the Department of State's (DOS) list of foreign terrorist organizations in order to make more tools available to our government agencies to sanction that organization. This step is long overdue. I hope DOS will move quickly to designate the Haqqanis as a foreign terrorist organization.

When Senators Shaheen, Merkley, and I visited Afghanistan in August, we heard repeatedly how the insurgents' safe havens in

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In Iraq, U.S. forces are on a course to withdraw the remaining over 40,000 U.S. troops by December 31 of this year, as required by the U.S.-Iraq Security Agreement concluded by President Buah and Prime Minister Maliki in 2008. After more than 8½ years of conflict in Iraq, the end of this year will mark the completion of the transition of responsibility for Iraq's security to the Government of Iraq.

U.S. and Iraqi officials are discussing a possible small residual U.S. military force to remain in Iraq after the December 31 deadline. I have a number of concerns about these negotiations, both in terms of process and substance. First, any continuing U.S. troop presence in Iraq should be pursuant to an Iraqi request for that assistance. It is inappropriate in my view for the United States to be publicly soliciting a request—sometimes sounding like we're pleading for one—from the Government of Iraq for the retention of U.S. troops in Iraq. Instead, the United States should set a date by which the Iraqi leaders need to make their request for U.S. forces in order for us to have sufficient time to consider that request.

More importantly, I am concerned about the size of some options for a U.S. residual force reportedly under consideration. News accounts cite proposals varying from around 3,000 to as large as 18,000 U.S. troops or more. The fundamental question that must be answered, however, is what would be the mission or missions of any U.S. force retained in Iraq past the end of this year. Army Chief of Staff General Ray Odierno, who previously commanded U.S. Forces in Iraq, has warned that the larger the residual force the greater the risk of creating the impression of a U.S. "occupation force" in Iraq.

Leaving behind a stable Iraq, capable of providing for its own security, may be assisted by our having a continuing training mission in Iraq. There may also be a role for a small U.S. contingent to support Iraq's counterterrorism operations and to protect our diplomats.

Some have cited the need for significant numbers of U.S. forces to be retained in northern Iraq to maintain the peace along the internal boundary under dispute between the Kurds and the Government of Iraq. General Odierno has suggested that one option may be to have a multilateral peacekeeping force maintain stability along this boundary while the political and security issues are addressed. I hope our witnesses will address the merits of a multilateral approach to addressing the internal boundary dispute in northern Iraq. In addition, protecting Iraq's most vulnerable—those in religious minority groups—must also be a concern after December 2011.

The administration needs to come forward with a clear explanation of what missions any residual U.S. troop presence in Iraq would be intended to carry out. I believe any such force should be limited in purpose, scope, size, and the duration that they would be deployed to Iraq. It would be a mistake, as the December 31 deadline set by President Bush for the withdrawal of U.S. troops approaches, to retain a large number of troops in Iraq in an open-ended commitment.

Chairman LEVIN. I now call upon Senator McCain.

STATEMENT OF SENATOR JOHN McCAIN

Senator MCCAIN. Thank you, Mr. Chairman, and let me thank our distinguished witnesses for joining us this morning and for their continued service to our country. I also want to echo the chairman in recognizing Admiral Mullen in his final appearance before our committee as Chairman of the Joint Chiefs and thanking him for a lifetime of devoted service to our Nation and to his fellow men and women in uniform, who do everything we ask of them and more to keep us safe.

This is an important time for this committee to consider the wars in Iraq and Afghanistan. If we continue on our current trajectory, all U.S. troops will be out of Iraq in just over 3 months. In that same time, 10,000 U.S. forces will depart from Afghanistan to comply with the President's aggressive drawdown schedule. I have deep reservations about both of these looming deadlines.

In Iraq, during my repeated visits to that country, every military commander I have spoken with and every knowledgeable civilian expert I have consulted with has told me that the United States must leave at least 10,000 troops in Iraq beyond this year to support the Iraqis in safeguarding their country's stability, which both

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of our nations have paid a huge price in blood and treasure to achieve thus far.

For this reason, many of us were very concerned to see recent media reports suggesting that the administration had dramatically reduced the number of troops that it was considering for a post-2011 force in Iraq, perhaps as low as 3,000 troops. Administration officials have since insisted that such a number is not final and that no ultimate decision has been made. I hope this is true because everything I have heard from our military commanders on the ground, leads me to believe that such a minimal force presence in Iraq after this year would significantly jeopardize the real but tenuous gains we have made in that strategically important country.

As Ambassador Jeffrey and General Austin testified to this committee in February, the Iraqi security forces (ISF) still have major gaps in their capabilities that will persist beyond 2011. This leads to a set of missions in which Iraqi forces will require sustained U.S. military support, from intelligence collection and fusion, training and maintenance, counterterrorism cooperation, air sovereignty, and perhaps most importantly, a continued need for U.S. forces in the disputed territories of northern Iraq.

If U.S. military support is not forthcoming in helping Iraqi forces to fill these gaps in their capabilities, the country's stability will be put at grave risk. I understand that Americans are war-weary, but I would urge the President to listen to the advice of our military commanders and to maintain the necessary presence of U.S. forces in Iraq, that all of the major political leaders in Iraq have told many of us they need and want. In short, the administration must ensure that it does not withdraw from Iraq as irresponsibly as they often claim that the Bush administration invaded Iraq.

I would also urge the administration to listen to our military commanders in Afghanistan and to consider slowing the pace of the President's announced drawdown. The fact is, as General Petraeus recently testified before the Senate Select Committee on Intelligence, no military commander recommended the plan that the President adopted, to draw down 10,000 troops this year and the remaining 23,000 surge troops by next summer. Admiral Mullen, you yourself have stated that the President's plan would incur more risk than you had been prepared to accept.

The reason none of our commanders recommended this drawdown plan is because it would take vital combat power out of the hands of our commanders on the ground just when they need it most, during next year's fighting season, which will continue through the summer. After achieving so much after 10 hard years of fighting and with the prospects of success finally being within reach, at exactly the moment when we should be limiting the risk to our mission, the President's plan would do the opposite. It would increase the difficulties and risks to our mission.

I visited Afghanistan in July again and it was clear that our counterinsurgency strategy is working at a tactical military level in all of the ways that Admiral Mullen outlines in his prepared testimony. Our counterterrorism operations are inflicting enormous damage on al Qaeda and their Taliban allies. We and our Afghan partners have taken critical terrain away from the insurgency. Af-

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ghan security forces are growing bigger, better, and more professional. The Taliban can still launch spectacular attacks like the one that tragically killed former President Rabbani on Tuesday and these send a damaging signal to our Afghan friends, who fear that our security gains are fleeting and that the Taliban will return to power.

But such attacks are occurring from a position of growing weakness, not mounting strength, and now is not the time to put our security gains at unnecessary risk. This is especially true in light of the ongoing strategic challenges we face in this campaign, challenges that, if not seriously addressed, could limit and even jeopardize the tactical gains that our troops are making at such great cost.

One such challenge is the persistence of weak, corrupt, and predatory Afghan governance. The other, far larger challenge is the problem of Pakistan, in particular the fact that insurgent groups like the Haqqani network continue to enjoy sanctuary in the country as well as active support from Pakistan's intelligence service, which they continue to use to attack and kill Afghans, Pakistanis, Indians, and Americans. This is the fundamental reality from which we must proceed in reevaluating our policy towards Pakistan.

But we must also recognize that abandoning Pakistan is not the answer. We tried that once. We cut off U.S. assistance to Pakistan in the past and the problem got worse, not better.

I say this with all humility, not recognizing just yet what a better alternative approach would be. I hope this hearing will provide some clarity on how to proceed in this critical matter, which likely will have the largest bearing of all on our national security and interests.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCain.

Secretary Panetta.

STATEMENT OF HON. LEON E. PANETTA, SECRETARY OF DEFENSE

Secretary PANETTA. Thank you, Mr. Chairman. I would ask that my full statement be made part of the record.

Chairman LEVIN. It will be.

Secretary PANETTA. Chairman Levin, Senator McCain, members of this committee: It is an honor for me to appear before you for the first time as Secretary of Defense and to represent the men and women of the Department of Defense (DOD) of our Armed Forces. I want to thank you on their behalf for your dedication and for your support, particularly in a time of war, and for your determination to join me in doing everything possible to ensure that they succeed in their mission of protecting America and keeping us safe.

When I testified before this committee as the nominee for the Secretary of Defense, I pledged that I would treat Congress as a full partner, and in the months since, I've had the opportunity to consult with you, many of you, on all the challenges that DOD faces, and I will continue to do so. It's important to have your guidance and your counsel as we deal with the challenges facing DOD.

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Before turning to the pressing issues of the challenges of the wars in Iraq and Afghanistan, I would like to briefly address the challenge of the defense budget, which relates to, obviously, everything we do. DOD has been undergoing a strategy-driven process to prepare to implement the more than $450 billion in savings that will be required over the next 10 years as a result of the debt ceiling agreement. While this review is ongoing and no specific decisions have been made at this point, I'm determined to make these decisions strategically, looking at the needs that DOD has to face, not just now, but in the future, so that we can maintain the most dominant military in the world, a force that is agile, ready, capable, and adaptable.

These reductions will require hard decisions. Those decisions will force us to take on greater risk in our mission of protecting this country. My goal is to try to make those risks acceptable, but that is the reality.

The guidelines that I will be putting in place as we move forward on these decisions are the following: First of all, I want to maintain the best military in the world.

Second, I do not want to hollow out the force. Every time we have gone through these reductions in the past the danger has always been that we've hollowed out the force. I am not going to do that.

Third, it requires a balanced approach in order to achieve the significant reductions that I'm required to do. So I am going to look at all areas. I'm going to look at efficiencies, reducing overhead, and duplication. There are opportunities to try to achieve savings, additional savings, in those areas. Procurement, looking at the whole process of tightening up on our contracting, creating greater competition with regards to our procurement area. I'm also going to look at the compensation area. The fact is that in some of those areas the costs have increased by 80 percent. Health care alone in the military costs some $53 billion.

But I have to do it in a way that does not jeopardize the volunteer force, and to that extent I have to maintain faith with those that have gone deployment after deployment, put their lives on the line. We cannot undermine the commitments we have made to them. Nevertheless, we do have to look at reforms in these areas.

Lastly, as I said, we do have to maintain faith with those that are out there fighting every day.

We are going to have to look at how we turn a corner. We have gone through a decade of war, in which the defense budget has more than doubled. Now we have to look at a decade where we have to prevent war, but be able to fight wars and win wars if we have to, recognizing we will have less resources. That's the challenge that we face as we confront this budget issue.

DOD is taking on its share of our country's efforts to achieve fiscal discipline and we will. I want to caution strongly against further cuts to defense as we go through that, particularly with the mechanism that's been built into the agreement called sequester. This mechanism would force defense cuts that, in my view, would do catastrophic damage to our military and its ability to protect this country. I know you share my concern about the process of se-

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quester. It is kind of a blind formula that makes cuts all across the board and guarantees that we will hollow out the force.

Working with this committee and others in Congress, I am confident that we can meet our national security responsibilities and do our part to help this country get its fiscal house in order, but at the same time maintain a strong national defense. We do not have to make a choice between fiscal security and national security.

Even as DOD grapples with the budget, our most immediate challenges are the wars in Iraq and Afghanistan. My submitted statement goes into more details on the progress we are making and the challenges that remain to achieving our strategic objectives, but let me just briefly address both of these efforts.

I'll begin with Iraq, where our focus has been on ending the war in a responsible way that allows Iraq to become a secure, sovereign, stable, and self-reliant nation and a positive force for stability in that region. Today, fewer than 50,000 U.S. forces remain in Iraq and, based on the November 2008 security agreement reached with the Iraqi Government and the last administration, we are planning to draw down our combat troops in Iraq by the end of the year.

Still, last month, the Iraqi political leadership indicated publicly that they are interested in an ongoing training relationship with the United States in the post-2011 period. As a result, General Austin and Ambassador Jeffreys have been in the process of negotiating with Iraqi leaders as to what their needs are and how we can address that. We are seriously considering this request and I want to make clear that no final decisions have been made. We'll continue to consult extensively with the Iraqis, but we will also consult with Congress before such decisions are made as to what a post-2011 training presence will look like.

I want to be clear that, obviously, any future security relationship in Iraq will be different from the one that we've had since 2003. The United States wants a normal, productive relationship and a close strategic partnership with a sovereign Iraq and with other countries, similar, frankly, to the partnerships that we have with other countries in the region and around the world.

This kind of security assistance would be a means of furthering our strategic partnership with Iraq that looks to the kind of future role that can best address their security needs. But there's no question that challenges remain there. They have to stand up a council for higher policies. They have to develop a resolution to the Kirkuk situation and dispute. They have to pass a hydrocarbons law. They have to promote security efforts to deal with Iranian-supported Shia extremist groups that have been attacking their forces as well as ours. They have to have security efforts to go after the remnants of al Qaeda which still remain in Iraq. They have to work at a political process that builds a safer and stronger Iraq for the future.

As we moved decisively since 2009 to end the war in Iraq, we have also turned our attention, our focus, and our resources to Afghanistan and the effort to build a stable and secure country there that does not provide a safe haven to al Qaeda or to its extremist affiliates. Because of the hard work and the sacrifices of Afghan and coalition forces, we have established conditions that are put-

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ting Afghans on the path to assume lead responsibility for security nationwide by the end of 2014.

The insurgency has been turned back in much of the country, including its heartland in the south, and ANSF are increasingly strong and capable. As the chairman pointed out, we have made significant progress with regards to our primary mission of disrupting, dismantling, and ultimately defeating al Qaeda, particularly with the operations that took down bin Laden and that continue to take down key leadership of al Qaeda and their affiliates.

This undeniable progress has allowed us to begin transitioning to Afghan security control. We've done that in seven areas of the country since July. As this transition commenced, we began implementing a gradual and responsible drawdown that is essential to the success of that transition process and lasting security and stability in Afghanistan. General Allen, who has briefed me just this week again, is in the process of laying out those plans that will provide a responsible transition that will not undermine the security of Afghanistan.

While my overall assessment is that our effort in Afghanistan is headed in the right direction, I think we also have to be clear-eyed about the challenges that remain. First, as the Taliban lost control of territory last year they shifted away from large attacks on our forces to greater reliance on headline-grabbing attacks. In recent weeks we've seen a spate of such high-profile attacks, including the attempt to attack the U.S. Embassy and NATO headquarters in Kabul last week and the assassination of former President Rabbani, the chairman of the High Peace Council, this last Tuesday.

At this time of loss, we have conveyed our condolences to the family of Professor Rabbani and the Afghan people. But we are concerned that these attacks, because of the loss of life and because they represent an effort to disrupt the process we have made, must be confronted and cannot be allowed to continue. Overall, we judge this change in tactics to be a result in a shift in momentum in our favor and a sign of weakness of the insurgency. While overall violence in Afghanistan is trending down and down substantially in areas where we concentrated the surge, we must be more effective in stopping these attacks and limiting the ability of insurgents to create perceptions of decreasing security.

We are working with our Afghan partners to discuss with them how we can provide better protection against these attacks. But the bottom line is that we can't let these sporadic attacks deter us from the progress that we've made.

A second challenge is the difficult campaign we have ahead of us in the east, where the topography, the cultural geography, and the continuing presence of safe havens in Pakistan give the insurgents advantages they have lost elsewhere in the country. We cannot allow terrorists to have safe havens from which they can launch attacks and kill our forces. We cannot allow that to happen, and we have to bring pressure on the Pakistanis to do their part to confront that issue.

A third key challenge is that we must not underestimate the difficult task the Afghans still face in developing governance that can

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meet the minimum needs of the Afghan people and help them take and sustain control of their country.

I believe we're capable of meeting these challenges if we keep our efforts focused and maintain our dedication to the fight. We've had some tough days in this campaign and undoubtedly there are more tough days that lie ahead. This is a heavy burden that I feel personally now as Secretary of Defense every time I write a condolence letter.

Since taking this office, I've been to Dover to receive the remains of those who were killed in the Chinook helicopter crash last month. I've been to Arlington and I've been to Bethesda. In spending time with the families of those who've died or been seriously wounded in the service of our country, there isn't a family member who hasn't come up to me and said: "If you really care about what happened to my loved one, you will carry on the mission that they gave their life for or were seriously wounded." We owe it to those who've paid this price to continue the hard work of doing this right and protecting our country.

I'd also like to close by recognizing the man sitting next to me, Mike Mullen. He has worked tirelessly and successfully to advocate effective operations, for effective operations in Afghanistan and Iraq, and the strategy that is now bearing fruit owes much of its success to his vision and his determination.

I know that all of you and that all of America join me in thanking him for his decades of dedicated service and his extraordinary work on behalf of our country and our men and women in uniform. Mike has set a standard for responsibility and performance as Chairman that will forever be his legacy. I am deeply grateful for his service and for his friendship.

Thank you.

[The prepared statement of Secretary Panetta follows:]

PREPARED STATEMENT BY HON. LEON E. PANETTA

Chairman Levin, Senator McCain, members of this committee. It is an honor to appear before you today for the first time as Secretary of Defense, and to represent the men and women of the Department and our Armed Forces. I want to thank you, on their behalf, for your support in a time of war, and for your determination to join me in doing everything possible to ensure that they succeed in their mission of protecting America.

When I testified before this committee as nominee for Secretary of Defense, I pledged that I would treat Congress as a full partner. In the months since, I have consulted with you regularly about many of the challenges the Department faces and I will continue to do so.

Before turning to the most pressing of these challenges—the wars in Iraq and Afghanistan—I would like to address another issue that I know is of great concern to members of the committee, the defense budget. The Department has been undergoing a strategy-driven process to prepare to implement the more than $450 billion in savings that will be required of it over 10 years as a result of the debt ceiling agreement. While this review is ongoing and no decisions have been made, it is clear that achieving these savings will be very hard and require difficult tradeoffs for the Department and the country.

As we approach these decisions, I am determined to make them strategically, so that we maintain the most dominant military in the world—a force that is agile, ready, capable, and adaptable. We must preserve capabilities that are most important to protecting our vital interests, and we must avoid hollowing out the force and breaking faith with the men and women who are fighting for us. We have a strong military and strong national defense, but one that has been stressed by a decade of fighting, squeezed by rising personnel costs, and is in need of modernization given the focus the past decade on capabilities for ongoing wars. While the Department

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will look first to reduce overhead and duplication, make no mistake that the reductions will require hard decisions that will force us to take on greater risk in our mission to protect the country. My goal is to make that risk acceptable.

This Department is taking on its share of our country's efforts to achieve fiscal discipline, but I want to caution strongly against further cuts to defense, particularly through the mechanism known as sequester. This mechanism would force defense cuts that, in my view, would do catastrophic damage to our military and its ability to protect the country. I know you share my concern about sequester. Working with this committee and others in Congress, I am confident we can meet our national security responsibilities and do our part to help the country get its fiscal house in order.

Even as the Department looks to maintain the ability to protect our core national security interests over the long-term by making these budget decisions strategically, our most immediate challenges are the wars in Iraq and Afghanistan. Today I will update you on the progress we are making in these efforts, and the challenges that remain to achieving our strategic objectives.

IRAQ

Let me begin with Iraq, where our focus has been on ending the war in a responsible way that allows Iraq to become a sovereign, stable, self-reliant nation and a positive force for stability in the region. Given Iraq's importance, situated strategically in the Middle East, it is profoundly in the American national interest that it emerge as a strategic partner for the United States, and our broader goal moving forward is to build an enduring partnership with the sovereign Iraqi Government.

The fact that we are in a position to build this kind of relationship is a reflection of how much progress has been made over the past 4 years, and a tribute to the extraordinary sacrifices of our men and women in uniform and the Iraqi people, who have fought to build a stable and secure country. I visited Iraq in 2006 with the Iraq Study Group, at a time when the country was in considerable turmoil. Returning on several visits over the last 2½ years, first as CIA Director and then as Secretary of Defense, the change in the situation on the ground has been profound.

Today fewer than 50,000 U.S. forces remain in Iraq, and based on the November 2008 Security Agreement reached with the Iraqi Government under the last administration, we are planning to remove all of our troops from Iraq by the end of the year. Under the capable leadership of General Austin, we are moving ahead on implementing that agreement and withdrawing our forces. Still, last month, the Iraqi political leadership indicated publicly that they are interested in an ongoing training relationship with the U.S. military post-2011. Since we believe a relationship with the ISF will be an important part of a broader enduring partnership with the Iraqi people, we are now negotiating with the Iraqi Government about the future nature and scope of our military-to-military ties. While we are open to considering this request, no final decisions have been made, and we will continue to consult extensively with Congress before such decisions are made about a post-2011 training presence.

At the outset of these negotiations, it's important to make clear that any future security relationship with Iraq will be fundamentally different from the one that we have had since 2003. The United States wants a normal, productive relationship and close strategic partnership with a sovereign Iraqi Government going forward—similar to the partnerships we have with other countries in the region and around the world.

Moreover, Iraq no longer needs large numbers of U.S. forces to maintain internal stability. We have drawn down more than 100,000 U.S. forces without a significant or sustained uptick in attacks, and with the ISF in the lead for security, levels of violence have remained dramatically reduced from where they were in 2006 and 2007. Our commanders in the field believe that the ISF are competent at conducting counterinsurgency operations, but that the Iraqis will have gaps in their ability to defend against external threats and in areas such as integrated air defense, intelligence sharing, and logistics. It is the Iraqi interest in filling these gaps that is guiding our conversations about a post-2011 training role. This kind of security assistance would be a means of furthering our strategic partnership with Iraq that looks to the kind of future role that can best address Iraq's security needs.

While Iraq today is closer than ever to being a stable and secure country, we are mindful of the challenges that remain to achieving our strategic objectives. The Iraqis are taking critical steps to resolve ongoing political issues, but internal divisions remain. For example, they still have to stand up the National Council for Higher Policies and implement other power sharing arrangements. The status of Kirkuk and the disputed territories also remains unresolved and they have yet to

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pass a hydrocarbons law. These issues must be addressed to avoid potential conflicts, and Iraqi leaders are talking about ways to address these challenges. Regardless of DOD's post-2011 training role, our civilian mission will be focused on helping address these issues through a robust and representative political process, which is the best safeguard against a return to violence.

Another ongoing challenge in Iraq is the push for influence by Iran, and the activities of Iranian backed militias that have attacked U.S. forces and the Iraqi people. We take this issue very seriously, as does the Iraqi Government, and the ISF have been more active and successful against this threat in recent months. We have also worked with the Iraqi Government to conduct joint operations against Iranian-backed militias, and we reserve the right to take other steps as necessary and appropriate based on right of self-defense consistent with the security agreement we have with the Iraqi Government—a point I made very clearly when I visited the country in July. Unlike Iran, the United States is working to build a safer and stronger Iraq, and it is that shared interest that gives me confidence we can build an enduring partnership with the Iraqi Government.

AFGHANISTAN

As we have moved decisively since 2009 to end the war in Iraq, we have also turned attention, focus and resources to Afghanistan, which has become our military's main operational effort. The core goal of President Obama's strategy in Afghanistan and Pakistan is to disrupt, dismantle, and defeat al Qaeda, to deny it safe haven in the region, and to prevent it from again attacking the United States and our allies, as it did on September 11, 2001. Earlier this month, in observances large and small, the Nation came together to mark the 10 year anniversary of that horrific attack—one planned and directed by al Qaeda from the safe haven they were afforded in Afghanistan by the Taliban Government.

In our determined response to September 11, our military quickly toppled the Taliban regime and drove al Qaeda's leadership from the country. But in the ensuing years, as the war in Iraq drew attention and resources, we lost our focus and allowed the Taliban and insurgents to regroup and threaten to topple Afghanistan's legitimate government—a recipe for regenerating the conditions that enabled the planning and execution of the September 11 attacks.

Although we have achieved significant success in weakening al Qaeda, particularly with the operation that took down Bin Laden, and the threat from al Qaeda and violent extremism has spread to new geographical centers such as Yemen, Somalia, and North Africa, a central part of the mission to defeat al Qaeda remains our effort to build a stable and secure Afghanistan that does not provide them safe haven. Under President Obama's strategy, this effort finally has had the resources and focus needed to achieve these objectives. It also has an extraordinary leadership team in General Allen and Ambassador Crocker, who this summer assumed lead of our military and civilian efforts.

This has been a difficult fight for our country, our coalition partners, and the Afghan people. Significant challenges remain. But, because of the hard work and sacrifices of Afghan and coalition forces we have established conditions that are putting Afghans on a path to assume lead responsibility for security nationwide by the end of 2014. The insurgency has been turned back in much of the country, including its heartland in the south, and Afghan National Security Forces are increasingly strong and capable.

This undeniable progress allowed us to begin transitioning to Afghan security control in seven areas of the country in July. As a result, nearly 25 percent of the Afghan population now lives in areas of the country where Afghan forces have the lead responsibility for security. As this transition commenced, we began implementing the responsible drawdown that is essential to the success of that transition process, and the lasting security and stability in Afghanistan. The drawdown of the surge forces began on schedule with July's redeployment of two Army National Guard battalions. Through the remainder of this year, a total of 10,000 troops will redeploy, and another 23,000 troops will come home by the end of summer 2012.

This is a measured drawdown of our surge forces that provides our commanders with the right mix of flexibility, resources, and time to continue building on our progress on the ground. The reduction in roughly 33,000 American personnel takes place as we are adding more than 50,000 new personnel to the Afghan National Security Forces. That means by the time we have finished drawing down our surge forces, the insurgents will face more forces than they did during this summer's fighting season—and substantially more of those forces will be Afghan.

The development of the Afghan National Security Forces over the past 2 years has been one of the most notable successes of the campaign, and it has only been

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possible with the solid support of Congress—especially the leadership and members of this committee. Surveys conducted regularly for ISAF now show that 86 percent of the Afghan population see their local shuras and village elders, the Afghan National Police and the Afghan National Army as bringing the most security to their areas. The police and army achieved their respective October 2011 growth targets of 134,000 and 171,600 personnel ahead of schedule, and they are already moving out on their respective October 2012 targets of 157,000 and 195,000 toward a total force of 352,000.

This growth in numbers occurs as we continue to strengthen the emphasis on quality. The NATO Training Mission-Afghanistan has completed the establishment of all 12 branch schools where Afghans are now developing key enabling capabilities in logistics, engineering, medical, intelligence, signals, and other specialty disciplines. Together with steady growth in the officer and non-commissioned officer ranks, as well as the experience gained through partnered operations with coalition forces, Afghan units continue to improve their ability to carry out operations with decreasing levels of advice and assistance.

Despite this progress, we recognize the work that remains before us in developing the Afghan National Security Forces. Attrition rates in particular have remained too high—sometimes as much as 3 percent per month. Although some of these personnel subsequently return to the force, overall attrition still impedes the development of experience and leadership that are essential to force professionalization.

Likewise, we know that the long-term sustainment of these forces will outstrip Afghanistan's own resources and will require continued support from the United States and our international partners for years to come. Given our growing budgetary constraints, we need to ensure that our support for the Afghan National Security Forces is fiscally sustainable at home. To that end, already we are looking at where we can take additional steps to reduce the costs of these force development efforts.

Even as the growth in the credibility and capabilities of the Afghan National Security Forces are allowing a responsible transition to proceed, another critical component of a durable transition will be for the United States to address concerns about America's long-term commitment to Afghanistan's security and stability. To that end, we are putting into place the long-term architecture that will support and sustain security and stability in the region beyond 2014. This Strategic Partnership Declaration, which the Department of State is working with the Afghans to develop, is a framework of mutual commitments that will help focus the sovereign efforts Afghanistan will take in the years ahead to develop its government, expand its economy and improve its security.

While my overall assessment is that our effort in Afghanistan is heading in the right direction, we must also take a clear-eyed look at the challenges ahead.

First, as the Taliban lost control of territory last year, as expected, they shifted away from large attacks on our forces to greater reliance on improvised explosive devices (IEDs), suicide attacks, assassinations, and headline-grabbing attacks. In recent weeks we've seen a spate of such high-profile attacks, including the attempt to attack the United States embassy and NATO headquarters in Kabul last week and the assassination of former President Rabbani, the Chairman of the High Peace Council, on Tuesday. At this time of loss, I want to extend my condolences to the family of Professor Rabbani and the Afghan people. We're concerned about these attacks because of the loss of life and because they represent an effort to disrupt the progress we have made. These kinds of attacks were not unexpected and we have been able to prevent the vast majority of the Taliban's efforts to carry them out.

Overall, we judge this change in tactics to be a result of a shift in momentum in our favor and a sign of weakness in the insurgency. Still, these attacks show the adaptability of the insurgents and can have powerful psychological effects on the Afghan people and on public sentiment in coalition nations, creating the appearance of increased violence and insecurity, even when the opposite is increasingly true. While overall violence in Afghanistan is trending down—and down substantially in areas where we concentrated our surge—we must be more effective in stopping these attacks and limiting the ability of insurgents to create perceptions of decreasing security. We are working with our Afghan counterparts to discuss with them how we can provide better protection against these attacks. But the bottom line is that we can't let these sporadic events deter us from the progress that we've made.

Second, we have a difficult campaign ahead of us in the east, where the topography, cultural geography, and continuing presence of safe havens in Pakistan give the insurgents advantages they have lost elsewhere in the country. Additionally, as relations with Pakistan have become strained over the past year, and as we have met Pakistan's requests to reduce our training and liaison presence in their country, our diminished ability to coordinate respective military operations in the border re-

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gions has given insurgents greater freedom of movement along the border. Our forces are working in the east to cut off insurgent lines of communication and deny their ability to threaten Kabul and other population centers. Nonetheless, progress in the east will likely continue to lag what we see elsewhere in the country.

Third, we must not underestimate the difficult tasks the Afghans still face in developing governance that can meet the minimum needs of the Afghan people and help them take and sustain control of their country. Over 10 years, our military has learned that one indispensable element of modern counterinsurgency warfare is civilian partners who bring skills and capabilities beyond the expertise of our military. The Department of Defense is working hard with the Department of State, the U.S. Agency for International Development, and other civilian agencies on these challenges. I appreciate the efforts this committee has already made, and would ask for your continued support in working together with those agencies' oversight committees to ensure that our civilian partners have the authorities and resources they need to succeed in this mission.

While these challenges are considerable, I believe that we are capable of meeting them, if we keep our efforts focused and maintain our dedication to this fight. We have had some tough days in this campaign, and undoubtedly many more lie ahead. This is a heavy burden that I feel personally as Secretary of Defense every time I write a condolence letter. Since taking this office, I've gone out to the war zones, and looked the troops in the eye. I've been to Bethesda and to Walter Reed and seen those who have been terribly wounded as a result of the wars. I've been to Dover to receive the remains of those who were killed in the Chinook helicopter crash. I've been to Arlington.

The greatest inspiration to me has been that, in spending time with the families of those who have died in the service of their country there isn't a family member that hasn't come up to me and said, if you really care about what happened to my loved one, you will carry on the mission that they gave their life for. We owe it to those who have paid this price to continue the hard work of protecting our country, and its interests, in Afghanistan and Iraq.

I would like to close by recognizing the man sitting next to me here, Admiral Mullen. He has worked tirelessly and successfully to advocate for a greater focus on operations in Afghanistan, and the strategy that is now bearing fruit owes much of its success to his vision and determination. I know that you join me in thanking Admiral Mullen for his decades of dedicated service, and his extraordinary work on behalf of our country and our men and women in uniform. Mike has set a standard for the responsibilities and performance of Chairman that will forever be his legacy.

Chairman LEVIN. Thank you, Secretary Panetta.

Admiral Mullen.

STATEMENT OF ADM MICHAEL G. MULLEN, USN, CHAIRMAN, JOINT CHIEFS OF STAFF

Admiral MULLEN. Thank you. Mr. Chairman, Senator McCain, members of the committee: Thank you for the opportunity to appear before you today to discuss the situations in Afghanistan and Iraq. As this will—and Mr. Chairman, you said "most likely"; I actually liked Senator McCain's characterization of it—it definitely will be my last hearing. [Laughter.]

This will be the last time I appear before you in uniform. Let me begin by expressing my deep gratitude for the exceptional support you provide our men and women and our families.

You and I may not always agree on every issue and I think it's fair to say that you don't always agree amongst yourselves, but none of you ever has failed to put foremost in your minds the best interests of our troops and their families. The issues you debate here, the votes you take, hold in the balance the very lives of America's sons and daughters. Where they fight, whom they fight, how they fight, and, just as critically, what care and support they need when they come home from the fight, dominate your discussions.

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June 28 attack on the Intercontinental Hotel in Kabul and a host of other smaller, but effective operations.

In choosing to use violent extremism as an instrument of policy, the Government of Pakistan and most especially the Pakistani army and ISI jeopardize not only the prospect of our strategic partnership, but Pakistan's opportunity to be a respected nation with legitimate regional influence. They may believe that by using these proxies they are hedging their bets or redressing what they feel is an imbalance in regional power, but in reality they have already lost that bet. By exporting violence they have eroded their internal security and their position in the region. They have undermined their international credibility and threatened their economic wellbeing. Only a decision to break with this policy can pave the road to a positive future for Pakistan.

I have expended enormous energy on this relationship and I've met with General Kayani more than two dozen times, including a 2½ hour meeting last weekend in Spain. I have done this because I believe in the importance of Pakistan to the region, because I believe that we share a common interest against terrorism, and because I recognize the great political and economic difficulties Pakistan faces. I have done this because I believe that a flawed and difficult relationship is better than no relationship at all.

Some may argue I've wasted my time, that Pakistan is no closer to us than before and may now have drifted even further away. I disagree. Military cooperation again is warming. Information flow between us across the border is quickening. Transparency is returning slowly.

With Pakistan's help, we have disrupted al Qaeda and its senior leadership in the border regions and degraded its ability to plan and conduct terror attacks. Indeed, I think we would be in a far tougher situation in the wake of the frostiness which fell over us after the bin Laden raid were it not for the groundwork General Kayani and I had laid, were it not for the fact that we could at least have a conversation about the way ahead, however difficult that conversation might be.

What matters most right now is moving forward. While the relationship must be guided by clear principles to which both sides adhere, we can no longer focus solely on the most obvious issues. We should help create more stakeholders in Pakistan's prosperity, help the Pakistani people address their economic, political, and internal security challenges, and promote Indian-Pakistani cooperation on the basis of true sovereign equality. It can't just always be about counterterrorism, not in the long run. Success in the region will require effort outside the realm of security.

We must agree upon a strategic partnership declaration with Afghanistan that will clarify and codify our long-term relationship. We must work toward a reconciliation process internal to Afghanistan that provides for redress of grievances and a state-to-state interaction between Afghanistan and Pakistan to resolve matters of mutual concern. We must make clear to friends and enemies alike that American presence and interest and commitment are not defined by boots-on-the-ground, but rather by persistent, open, and mutually beneficial engagement.

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That leads me briefly to Iraq, where we are now ending our military mission and setting the stage for just such a long-term strategic partnership. We are on pace to remove all American troops from Iraq by the end of the year, per the strategic framework agreement and the orders of the Commander in Chief. We are also in discussions with the Iraqi Government about the possibility of leaving behind a residual training force. No final decisions have been made by either our government or theirs, but I can tell you the focus of those discussions remains centered on capability, the sorts of capabilities for which the Iraqis believe they need help and the sorts of capabilities we believe we can offer them.

I know you share my conviction that, having shed the blood we shed in places like Mosul, Fallujah, Tikrit, and Basra, we owe it not just to the Iraqi people, but to the memory of those who never made it home, to get this partnership right for the future.

Mr. Chairman, I came into this job humbled by the scope of these efforts and the sorts of challenges that exist by wars in Iraq and Afghanistan that weren't heading in the right direction. I leave satisfied in the knowledge that one of those wars is ending well, while the other one certainly could if larger and more local issues are addressed. I leave humbled now by the performance and the resilience of men and women in uniform and their families, who did not shrink from duty when duty sent them in harm's way.

Again, thank you for all you have done to make possible what they have done.

[The prepared statement of Admiral Mullen follows:]

PREPARED STATEMENT BY ADM MICHAEL MULLEN, USN

Mr. Chairman, Senator McCain, members of the committee, thank you for the opportunity to testify on the situations in Afghanistan, where nearly 98,000 U.S. forces are currently deployed; in Pakistan; and in Iraq, where we are transitioning to a more normal military-to-military relationship. As this should be my last appearance before you, I want to thank you for your unwavering commitment to our national security and especially to our servicemembers and their families. I greatly appreciate the tremendous support you have consistently given our military.

The security situation in Afghanistan is steadily improving. The military component of our strategy—to the extent it can be separated from the strategy as a whole—is meeting our objectives. Afghan and International Security Assistance Force (ISAF) forces have wrested the initiative and momentum from the Taliban in several key areas of the country and have forced them out of critical population centers, particularly in the south and southwest. Some of these areas have been Taliban controlled for years. Our combined forces are placing sustained pressure on insurgent groups. As a result, the number of insurgent-initiated attacks has for several months been lower than it was at the same time last year. Security is holding in most cleared areas, particularly in those districts where governance and economic opportunity were also playing a constructive role. Critically, NATO members and other coalition partners remain committed.

As a result, the insurgents have predictably shifted tactics. Rather than confront Afghan and international security forces directly, insurgent groups have and will increasingly focus on high profile attacks as well as assassination attempts against high-level officials. Like the recent complex attack in Kabul and the assassination of former President Rabbani, these incidents are designed to reap a maximum strategic and psychological effect with minimal input. Make no mistake, combating an insurgency is about combating perceptions. We must not attribute more weight to these attacks than they deserve. They are serious and significant, but they do not represent a sea change in the odds of military success. We will step up our protection of key officials, continue our pressure on the enemy, and patiently, inexorably expand the Afghan National Security Forces (ANSF), their capability, and the territory they hold. I expect that following the consolidation of gains in Kandahar in the south and Helmand in the southwest, our forces will increasingly focus on eastern Afghanistan going into next year's campaign season. Given the sequencing of this

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campaign plan, we do not expect to see the full extent of the effects of our military operations until late next year.

While ISAF and Afghan forces are fighting, they are also transitioning security responsibilities. A sensible, manageable, and, most importantly, Afghan-led transition process is up and running. The first tranche of transitions—selected by President Karzai in March 2011—has already changed hands. The three provinces and four districts in which ISAF forces have transferred lead for security responsibilities to the ANSF are home to nearly one quarter of the Afghan population. However, it is too early to judge how well Afghan structures handle transition, because the first tranche locations were already fairly developed and secure. The Afghan Government and ISAF are receiving feedback from these districts and provinces and incorporating lessons drawn from the experience into future plans. President Karzai is expected to announce the areas in the second tranche of transitions in the next few weeks. I expect ISAF will be able to thin out forces and employ them elsewhere in the country, and as conditions on the ground allow, U.S. and other coalition forces will redeploy. As directed by the President, we will withdraw 10,000 American troops by the end of this year and complete the withdrawal of the remaining 23,000 surge troops by the end of next summer.

Vital to this process is ANSF development. Placing security responsibilities into Afghan hands rests on the availability of capable, credible, and legitimate Afghan security forces. The Afghan army and police have progressed in quantity, quality, and effectiveness far more than we thought possible 1 year ago. We have helped the ANSF to already reach their 2011 end strength goal of 305,600. They are ahead of schedule. More important, the ANSF are in the fight, and the reviews from the field are increasingly positive. The Afghan National Police, whose capabilities and professionalism for a long time lagged behind the Army's, are also seeing capability gains. The ANSF now have a training base, and they will be taking on more force-development tasks during the coming year. Overwatch remains essential, and reports of human rights violations are serious and will be investigated and fixed. I expect the ANSF to be able to increasingly assume responsibility for securing Afghanistan and to meet the goal of assuming lead responsibility for security by the end of 2014.

Despite this steady progress in the areas of security and ANSF development, however, a successful military strategy alone cannot achieve our objectives in Afghanistan. Other critical problems remain, problems that will undermine hard-won gains if they are not addressed.

The fact remains that the Quetta Shura and the Haqqani Network operate from Pakistan with impunity. Extremist organizations serving as proxies of the Government of Pakistan are attacking Afghan troops and civilians as well as U.S. soldiers. For example, we believe the Haqqani Network—which has long enjoyed the support and protection of the Pakistani Government and is, in many ways, a strategic arm of Pakistan's Inter-Services Intelligence Agency—is responsible for the September 13 attacks against the U.S. Embassy in Kabul. There is ample evidence confirming that the Haqqanis were behind the June 28 attack against the Inter-Continental Hotel in Kabul and the September 10 truck bomb attack that killed 5 Afghans and injured another 96 individuals, 77 of whom were U.S. soldiers. History teaches us that it is difficult to defeat an insurgency when fighters enjoy a sanctuary outside national boundaries, and we are seeing this again today. The Quetta Shura and the Haqqani Network are hampering efforts to improve security in Afghanistan, spoiling possibilities for broader reconciliation, and frustrating U.S.-Pakistan relations. The actions by the Pakistani Government to support them—actively and passively—represent a growing problem that is undermining U.S. interests and may violate international norms, potentially warranting sanction. In supporting these groups, the Government of Pakistan, particularly the Pakistani Army, continues to jeopardize Pakistan's opportunity to be a respected and prosperous nation with genuine regional and international influence. However, as I will discuss later, now is not the time to disengage from Pakistan; we must, instead, reframe our relationship.

There is also notable lack of progress in improving governance and countering corruption in Afghanistan. Pervasive corruption, by criminal patronage networks that include government officials—at both national and local levels—impedes all efforts to consolidate tactical successes. Corruption makes a mockery of the rule of law, something demanded with increasing urgency by peoples across the region. It also hollows out and delegitimizes the very governing institutions to which we will be transitioning authority. Few efforts to improve government capabilities and legitimacy over the past several years have borne fruit, and without a serious new approach, systematic change in next 3 years, before 2015, increasingly seems improbable. If we continue to draw down forces apace while such public and systemic corruption is left unchecked, we will risk leaving behind a government in which we cannot reasonably expect Afghans to have faith. At best this would lead to continued

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localized conflicts as neighborhood strongmen angle for their cut, and the people for their survival; at worst it could lead to government collapse and civil war.

Pakistan also increasingly faces the threat of corruption. It consistently ranks among the most corrupt countries in the world by numerous international organizations. Corruption is a hidden tax that retards business investment and economic growth, makes politicians less responsive to people's needs, degrades the ability of the government to provide services, and undermines public confidence. Just as in Afghanistan, the people of Pakistan will struggle until the country's leadership addresses corruption head-on.

Despite these challenges and their implications for local and regional stability, al Qaeda in this part of the world seems increasingly incapable. With Pakistan's help, we have disrupted al Qaeda and its senior leadership in the border regions and degraded its ability to plan and conduct terror attacks. The deaths of al Qaeda founder, Osama bin Laden, and a great number of other senior leaders and operators have put the organization in the worst position it has seen since the September 11 attacks. While the terrorist group still retains the ability to conduct murderous attacks, with continued pressure on all fronts, the defeat of al Qaeda's leadership and dismantlement of its operational capabilities in the region is within reach.

Our interests in the region, however, do not rest solely in the operational effectiveness of al Qaeda's senior leadership. The United States, the countries in the region, and their neighbors all share interests in regional stability, nuclear surety, and increased prosperity. That stability is threatened by too many other factors for the United States to simply walk away once al Qaeda is effectively crippled. We must and will remain steadfast partners with Afghanistan and, yes, work closely with Pakistan, as difficult or as uneven as that relationship might be. Even as we remain committed to a conditions based drawdown in Afghanistan and the transition of lead for security responsibilities by the end of 2014, we must further develop the ANSF. We should shape our ongoing assistance to Afghanistan so as to promote reliability, accountability, and representation in both governance and the economic environment. We must continue to work with the government and military in Pakistan to forge a constructive relationship.

I have spent a great amount of time during the past 4 years cultivating a relationship with Pakistan's military. I have been dedicated to this task because I know the importance of this relationship, strained as it is, and because I recognize the difficulties Pakistan has had and the many sacrifices it has made in its own internal fight against terrorism. Despite deep personal disappointments in the decisions of the Pakistani military and government, I still believe that we must stay engaged. This is because while Pakistan is part of the problem in the region, it must also be part of the solution. A flawed and strained engagement with Pakistan is better than disengagement. We have completely disengaged in the past. That disengagement failed and brings us where we are today. Thus, our engagement requires a combination of patience with understanding what is in Pakistan's national interests, and a clear-eyed assessment about what is in ours.

Even in the midst of extraordinary challenges in our relationship today, I believe we can take advantage of this situation and reframe U.S.-Pakistan relations. While the relationship must be guided by some clear principles to which both sides adhere, we can no longer simply focus on the most obvious issues. We must begin to address the problems that lie beneath the surface. We must also move beyond counterterrorism to address long-term foundations of Pakistan's success—to help the Pakistanis find realistic and productive ways to achieve their aspirations of prosperity and security. Those foundations must include improved trade relations with the United States and an increasing role for democratic, civilian institutions and civil society in determining Pakistan's fate. We should help the Pakistani people address internal security challenges as well as issues of economic development, electricity generation, and water security. We should promote Indo-Pak cooperation and strategic dialogue. We should also help create more stakeholders in Pakistan's success by expanding the discussion and including the international community; isolating the people of Pakistan from the world right now would be counterproductive.

In summary, success in Afghanistan and in the broader region will require substantial efforts outside the realm of security—they are now largely in the political domain. We must address the unfinished business of safe havens in Pakistan, poor Afghan governance, and corruption for there to be any hope of enduring security in Afghanistan. We must work toward a reconciliation process that produces both an intra-Afghanistan compromise providing for a real redress of grievances and state-to-state interaction between Afghanistan and Pakistan to resolve matters of sovereign concern. We must agree upon a Strategic Partnership Declaration with Afghanistan that will clarify and codify our long-term relationship. Addressing these

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and other internal problems will require hard work by the Afghans and by the Pakistanis and also by us. We cannot afford to put off tackling these problems for later.

Turning briefly to Iraq, we have ended our combat mission there, and, over a year ago, we successfully transferred lead for security responsibilities to the Iraqi Security Forces. Iraq's military and political leaders are responding to the residual, but still lethal, threat from al Qaeda and Iranian-sponsored militant groups. As a result, and despite a drawn-out government formation process, the security situation there remains stable, and the Iraqi people are increasingly able to focus on jobs and development. However, the end of the war in Iraq will not mean the end of our commitment to the Iraqi people or to our strategic partnership. We must focus on the future to help Iraq defend itself against external threats and consolidate a successful, inclusive democracy in the heart of the Middle East. As we continue to draw down forces through December 31, 2011, in accordance with the U.S.-Iraqi Security Agreement, we will transition to a more normal military-to-military relationship.

It has been a privilege working with this committee over the past 4 years while serving as Chairman of the Joint Chiefs of Staff and in my previous positions, as well. Your untiring efforts, while important in themselves to our Nation's security, also serve as a much appreciated salute to our men and women in uniform and their families during this time of war. I thank you, and the entire Congress, on their behalf, for your unwavering support.

Chairman LEVIN. Admiral, again, on behalf of every member of this committee and I know every Member of the Senate and all the people who we represent, we thank you for that extraordinary service and your statement as well about our troops.

Let's try a 7-minute first round. Hopefully, there will be time for a second round, but we never know that in advance.

Let me go back to Pakistan. Admiral, you made a very strong statement about the Pakistanis giving safe haven to the Haqqani network, to the al Qaeda group, that are attacking and killing our people, the Afghan troops, the coalition troops. I totally share it and I just want to ask the Secretary the first question.

I assume from your statement that you basically share what Admiral Mullen has said in perhaps more detail than you did, but that you basically share his thoughts about the need for Pakistan to end that safe haven situation?

Secretary PANETTA. Absolutely.

Chairman LEVIN. You said the other day that we're not going to allow these types of attacks to go on. I'm wondering, can you make it clear what kind of options are available to us to stop those attacks if the Pakistanis will not prevent them from happening?

Secretary PANETTA. Mr. Chairman, I've made clear that we are going to do everything we have to do to defend our forces. I don't think it would be helpful to describe what those options would look like and talk about what operational steps we may or may not take.

I think the first order of business right now is to put as much pressure on Pakistan as we can, to deal with this issue from their side. Admiral Mullen has met with General Kayani. I know that Director Petraeus met with General Pasha. There's been a very clear message to them and to others that they must take steps to prevent the safe haven that the Haqqanis are using. We simply cannot allow these kinds of terrorists to be able to go into Afghanistan, attack our forces, and then return to Pakistan for safe haven, and not face any kind of pressure from the Pakistanis for that to stop.

Chairman LEVIN. Now, that's been our position for some time and we've heard their excuses for some time as well. When I pressed Prime Minister Galani about not publicly condemning

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those attacks, his first reaction was that he has. I said: "Well, send me the clippings if you have." He backed off immediately and he said: "Well, maybe I didn't, but at a lower level we've made statements publicly."

Mr. Secretary, a number of us, our leaders, have told the Pakistanis apparently fairly directly that we are going to have to take steps to end these attacks. Even though you're not able to outline those kind of possibilities here publicly, would you say that the Pakistani leaders are aware of what options are open to us so that they're not caught by any surprise, if, in fact, we take steps against that network?

Secretary PANETTA. I don't think they would be surprised by the actions that we might or might not take.

Chairman LEVIN. Admiral, on the troop reductions in Pakistan, the President has announced that after the surge forces are returned home, the 33,000, by next summer, in his words, that our troops are going to continue to come home at a steady pace as Afghan security forces move into the lead. Is that a position or policy that you support?

Admiral MULLEN. I do.

Chairman LEVIN. Admiral, is it your assessment that the NATO training mission is on track to build an Afghan army capable of assuming security responsibility in Afghanistan in accord with the timetable that's been set?

Admiral MULLEN. Actually, my own perspective on the training mission is one, if we go back a couple of years—and I think sometimes we understate the significant improvements. We had no structure, meaning schools, classrooms, curriculums, et cetera, a couple of years ago, and I think General Bill Caldwell and a lot of other people have focused on this in a way that has provided a dramatic both breakthrough and ramp-up of Afghan security force capability.

A couple of years ago, many of us, yourself included, Mr. Chairman, and this committee, were increasingly concerned about the police in particular. Not unlike Iraq, the police training and getting them on the street lags the military. But that gap has been significantly closed.

The issue of illiteracy, which was a huge issue, and it still remains a challenge, but we have put in place a literacy training which has been very effective. So we see them out now, trained. Typically during a week we have somewhere between 25,000 and 35,000 Afghan military and police in training. We are putting in place branch schools for their army. We've improved the training capacity and capability on their air force, for their air force.

So we've really made great strides there. They are more and more taking the lead in the field. I am encouraged by the advancements. There are a lot of tough issues left with respect to them, but the way it's being integrated is a great improvement, and I think so far it's been very successful. We are by no means where we need to be as of this moment, though. There's a lot of hard work left.

Chairman LEVIN. The course that we're on you believe will allow us to meet the calendar?

Admiral MULLEN. As far as I can see, yes, sir.

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Chairman LEVIN. Thank you.

Now, relative to Iraq. Admiral, let me ask you this question. There is a security agreement which was entered into by President Bush and Prime Minister Maliki in 2008, which set a deadline of December 31 of this year for the withdrawal of the remaining U.S. troops in Iraq. After 8½ years of conflict in Iraq, the end of this year is going to mark the completion of the transition of responsibility for Iraq's security to the Government of Iraq.

What you've testified to here today is that what we are considering is a training mission, at the request of the Iraqis, so that that particular part of our presence could remain if it is negotiated and agreed to. The Chief of Staff of the Army, General Odierno, has cautioned publicly that we should avoid creating the impression of a large American presence in Iraq by agreeing to have too many U.S. soldiers in that country after the deadline to withdraw this December.

Have you read those comments of General Odierno or have you talked to him about this, and do you basically agree that that appearance needs to be avoided?

Admiral MULLEN. I actually did talk to General Odierno about his comments and we had a very good discussion about that.

Chairman LEVIN. I assume you urged him to keep the comments private while the President is considering his decision?

Admiral MULLEN. There was no one more sensitive when he was a commander on the ground over there on comments from some of us in Washington. So I think we just all have to be very careful.

Chairman LEVIN. I agree with that. But putting that aside, in terms of a mission in Iraq, would you agree that we must be careful to avoid keeping a large number of troops in Iraq as being, number one, inconsistent with the agreement that President Bush has entered into; and number two, that it could unleash some street demonstrations which possibly could result in instability, but that whatever we are negotiating should be at the request of the Iraqis and we should be very careful in terms of the numbers that we might negotiate?

Admiral MULLEN. I think we have to be very careful about the numbers. For me at a very high level, the most critical part of this is to get the strategic partnership right, as the Secretary testified, and that we really are in the middle of negotiations right now with respect to what do the Iraqis want and what, quite frankly, can the Iraqi political leadership deliver. As the Secretary said, there has been no determination and no decision at this point.

Chairman LEVIN. The issue is not what the Iraqis want; the issue is what we believe is going to be appropriate, if any, after they make a request.

It's our decision; is that correct?

Admiral MULLEN. I think it will be, certainly. But that's part of the negotiation.

Chairman LEVIN. Of course.

Secretary Panetta, do you want to add anything to that in terms of a continuing training mission in Iraq?

Secretary PANETTA. I think it's important that the whole purpose of these negotiations is to listen to what it is that they need in order to ensure that they can provide security, and that they can

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deal with the threat of terrorism, in order to ensure that they can take the steps necessary to be able to deal with security threats within their country.

We have to listen to their needs, take them into consideration, indicate what can be provided in order to meet those concerns, and then, obviously, through a process of negotiation, arrive at what that is going to look like. That's the process that's going on now. Clearly, it's going to be limited. Clearly, it's not going to reflect the numbers that we've had there in the past. But it does have to meet their needs, and that's what's being negotiated by General Austin, as we speak.

Chairman LEVIN. Senator McCain.

Senator MCCAIN. Secretary Panetta, I don't want to waste the time of the committee in my questioning, but the fact is that one of the reasons why this has been delayed as much as it has been is because the Iraqis wanted to know what our assessment was as to how many troops should be there and that has not been forthcoming, and it's very difficult for the Iraqis to make a decision without our input into what those needs are. If we are basing it all on Iraqis' needs, that to me is an incomplete picture, because we need to know what America's national security needs are as paramount reason for leaving American troops in harm's way.

Admiral Mullen, do you believe that U.S. forces should remain in the disputed territories of northern Iraq as part of a post-2011 mission?

Admiral MULLEN. Again, Senator, I think certainly that is a very contentious area and it——

Senator MCCAIN. Do you believe or not believe that we should——

Admiral MULLEN. I think the security posture in that area has to be such that that doesn't in any way, shape, or form, blow up. It's a very tough area, and the exact composition of how that should happen is a product of these negotiations. Quite frankly, I've gotten——

Senator MCCAIN. So you will not give your opinion as to whether we need to have a residual peacekeeping force in northern Iraq post-2011?

Admiral MULLEN. Quite frankly, very recently there is still a very contentious debate about that issue.

Senator MCCAIN. I understand there's a debate. I was asking for your opinion.

Admiral MULLEN. That an issue that a security force is going to have to be there to resolve, yes. Its composition is to be determined.

Senator MCCAIN. Every number that I have heard and been briefed on has stated that at least 5,000 troops would be needed in that area, U.S. troops, to prevent what has already been a very volatile area and if we weren't there, there probably would have been conflict.

Admiral Mullen, from a military and strategic standpoint, how beneficial would it be if the President decided to delay the departure of the remaining surge forces from the summer of next year to the end of next year?

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Admiral MULLEN. I think from the standpoint, now that I'm now into Afghanistan, sir, from the standpoint, as I testified to before, in terms of risk, every commander, and this is not just General Allen or General Petraeus before him, would like as much combat power for as long as possible. So I think there is increased risk, although to get it done by the end of summer, and while I said to the chairman a little while ago, do I support the President's policy, and absolutely I do; General Allen is working his way, really through what it's going to be at the end of this year. He hasn't worked through what it means for next year. That will be based on conditions on the ground.

So, generally speaking, a commander is going to want combat power for as long as possible. That said, the decision has been made to bring them out by the end of summer and while the risk is up, I think it's manageable and that there's no question that we can get there and sustain the military success and the military component of the campaign.

Senator MCCAIN. But there is no doubt that every military leader, including General Allen, has testified openly that by accelerating the withdrawal it does increase the military risk?

Admiral MULLEN. It does increase the risk.

Senator MCCAIN. Thank you.

Admiral MULLEN. The military risks, yes, sir.

Senator MCCAIN. The military risk.

Admiral MULLEN. Senator McCain, if I could just say one other thing just quickly. One of the things that we've learned—and all of you have been going to Iraq and Afghanistan certainly as long, if not longer, than I. I started in 2004. We've learned a lot about the importance of composition of forces in addition to just sheer numbers. So there's been pressure on both sides of this issue in two countries, and that is something that I take away at the end of my tour, that it isn't just simply always about numbers.

In Afghanistan, in particular, it's the combined security forces, because the ANSF are going to be in a lot better shape a year from now. So that's just part of the lesson that I've learned.

Senator MCCAIN. Thank you.

Finally, getting back to Iraq, Mr. Secretary, it's not a training mission in the disputed areas; it's a peacekeeping mission. So if you're confining it only to a training mission then you haven't got that complete picture of the security risks in Iraq that I have.

Mr. Secretary, obviously you have stated publicly, and I appreciate it very much, the degree of cooperation between the Haqqani network and the ISI, the trucks, the improvised explosive device (IED) factories, the ammonium nitrate factories, the attack that was based at the hotel. You understandably said that you couldn't share with us the operational options you have, and I understand that.

But we better understand what the options are to bring about a change in the present status quo, which is not acceptable, which is the Haqqani network killing Americans and that being supported by Pakistanis. So Congress does have a role to play, not on just policy, but also on funding. I think you're going to have a real uphill battle here in convincing Congress to maintain a level of funding and assistance to Pakistan unless there is some change.

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As I said, I don't know exactly what the way through this is. As I mentioned earlier, we all know that we tried cutting off all relations with them once and that didn't turn out well. But I strongly recommend that you start discussing with Members of Congress what our options are to try to bring about a change in the status quo.

Finally, doesn't Tuesday's killing of former President Rabbani show that the Taliban doesn't want to reconcile; it wants to murder and maim its way to victory?

Secretary PANETTA. There's no question that when that happens and it's done by the Taliban that it certainly is an indication that at least that particular faction, that that individual was from, is not interested in pursuing reconciliation if they're blowing up a peacemaker in that process.

I think it does raise concerns. It raises suspicions. Nevertheless, I think, obviously, we have to continue to try to pursue the opportunities that are out there, but we ought to do it with our eyes open. We ought to do it understanding who we're dealing with and where they're coming from, and not expect that this is by any means going to be easy in dealing with them.

Senator MCCAIN. My time has expired, but General Allen said that it's pretty clear that the Taliban still has their highest priority winning on the battlefield. Would you agree with that?

Secretary PANETTA. I think from everything I've seen they continue to pursue their goals, and I don't think we can, as I said, underestimate where they're coming from. The best signal we can send to the Taliban is that we're going to continue to fight them and that we're going to continue to be there and that we're not going anywhere. If we can send them that clear signal, I think that more than anything would influence their willingness to develop reconciliation.

Admiral MULLEN. Senator McCain, to some degree that's becoming more and more aspirational. In a discussion I had with General Allen earlier this week and with Secretary Panetta, he sees their leadership parked in Pakistan. The fighters in the field in Afghanistan are more and more disgruntled. Their morale is down. It's harder to resource them.

So I would agree that that is what they would like to accomplish. They're just moving further and further away from accomplishing that part of their mission.

Senator MCCAIN. I wish we were sending as clear a signal as you just described, Mr. Secretary.

Again, I want to thank Admiral Mullen for his outstanding and dedicated service to the Nation.

I thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCain.

Senator Reed.

Senator REED. Thank you very much, Mr. Chairman.

Welcome, Mr. Secretary, and let me also thank Admiral Mullen for his extraordinary service to the Navy and to the Nation, his great integrity, intelligence, and remarkable service. So thank you very much, sir.

In fact, I think in your opening comments you mentioned how you have been the principal intermediary with General Kayani,

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and I think when the history is written your contributions will be extraordinary, particularly at the time when they had to redeploy from their border with India into the tribal areas, your efforts and others were critical in making that happen.

But in your dialogue with General Kayani—and I think you've expressed the complex relationship we have with Pakistan. They are at times helping us immeasurably and at other times aiding people who are attacking us. Correct me if I'm wrong, but there's two points that I think I hope you're making. One, is that we will have a presence in Afghanistan after 2014, a robust counter-terrorism presence, a training presence, an assistance presence, because one of the notions running around is that we're going to be all out by 2014 and it'll be Pakistan's exclusive enclave.

The second point, if you have raised or not—and correct me if you think I'm wrong—is that when we come out or come down, I should say—let me say "come down"—in 2014, we will not have to rely upon the lines of communications through Pakistan and other support mechanisms they provide, which would give us more operational flexibility to strike anywhere in the region.

Is that accurate and have those points been made?

Admiral MULLEN. At least from my perspective, I think it's important to know that we continue on this path to shift lead security responsibility to the Afghans by the end of 2014. While there may be some ongoing discussions about what's next, the discussions that I've seen essentially model, if not unlike, Iraq—a shift to a training mission and then obviously a negotiation with the Afghans about what the long-term strategic relationship will be.

That's why I think this strategic partnership declaration currently being negotiated is so important, because that really is a commitment we're going to be there longer than 2014. Not unlike Pakistan, we left Afghanistan in 1989. They remember that. So that long-term commitment is absolutely critical.

The pieces of it, we just haven't put that together. We can speculate about what the composition might be. I honestly don't know, and there's been no determination, except to say that there is this long-term commitment, and how we do that, which I think will be critical, is going to be important. If we leave, if we leave the region, it's my view, not unlike what happened before, we'll be back. It'll only get worse, and you have two unstable countries, quite frankly, one with nuclear weapons, terrorists who seek nuclear weapons, and the proliferation of them without any question should we depart will bring us back in a much more difficult situation.

Senator REED. Before I ask the Secretary to comment, though, we are going to have a long-term presence, but it's not going to be the same footprint we have today.

Admiral MULLEN. No.

Senator REED. We're not going to be supplying 150,000 troops, we're not going to depend upon the gasoline being trucked from Karachi up through there, et cetera. That, I would think—and again, correct me if I'm wrong—would give us more operational flexibility, which I would hope the Pakistanis would appreciate.

Admiral MULLEN. I think they will. Certainly we will have more operational flexibility because we just won't have as many troops. That said, we're working hard to create other options even right

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now to supply our troops. There are a lot of difficulties associated with that. So, I would not say that we're going to be completely done with respect to needing the ground lines of communication coming up from the south.

Senator REED. Mr. Secretary, your comments on these topics?

Secretary PANETTA. I think from the very beginning the President's made clear that we will have an enduring presence there, and we're in the process, obviously, of negotiating that now with the Afghans with regards to the agreement on forces. But I think it's clear that as we draw down, as we try to provide this transition that we're working towards, that in the future we have to be prepared to listen to their needs and what will they need in terms of training, in terms of security, in the future; that will give us the opportunity to ensure that all of the gains that have been made will continue on the right track.

Senator REED. Let me raise another aspect of the policy in the region. That is, as we come down we're going to put a lot of increased burden upon first the ANSF. I concur with your assessment and particularly Admiral Mullen's assessment that there's been remarkable progress. The question is, first, can that progress be sustained; and then second, the issue of governance, which is the wild card every place we look across the globe, and not just in the developing world, but everywhere we look.

But I would have to think that the strongest element we have is the ANSF. The issue of corruption, we have a task force; I know we're trying to root it out. But frankly, that's a long-term effort.

Then the question comes, I think, how are we going to financially support ANSF? The United States can't do it alone. Is there an international agreement? Because it consumes probably what, 40 percent of the budget if they were fully funding their forces, Mr. Secretary?

Secretary PANETTA. First of all, Senator, I think I'm relying a great deal on General Allen as he develops the plans, not only for how we begin to bring down the surge, but also what happens between now and 2014. I have a tremendous amount of confidence in his ability to lay out a plan as we transition, that we bring in capable Afghan army and police to be able to provide security.

In the seven areas that we have already transitioned, by the way, it is working very well. Now, admittedly those are the easier areas. We have some more difficult tranches to do. We'll do another tranche in the fall.

But I think one of the things that he's working on is to make sure that as we transition, as we reduce our forces, that there is a competent Afghan military force that's in place to provide security. We'll have a chance to see that takes place and I think that will obviously impact how we measure the transition going down.

With regard to the cost, it is a concern that we develop this large force; what is the sustainability because it's not cheap. So the effort right now, and I think General Allen is making good progress on this, is how can we reduce the costs of how we maintain and sustain that force in the future? They are making progress at reducing the cost.

In addition to that, this isn't a cost that we ought to bear. It's a cost that NATO and others ought to bear as well.

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Senator REED. Thank you.
Thank you very much, General.
Chairman LEVIN. Thank you, Senator Reed.
Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

First of all, I echo the remarks made about you, Admiral Mullen, for your service. I thank you very much for that.

Secretary Panetta, I was jotting down things during your opening statement. Some things I didn't find in the printed statement, but I applaud you on a great statement, but I'd like to comment on three things, in particular.

First of all, a lot of people question the mission, the value of the mission, where we are today, and the ones who know it best are the fighters in the field, the commanders in the field, and the families of those who've lost their lives.

When you made this statement, I was thinking that was just unique to me. As I visit the families of those who have lost people, I have yet to have one of them deny that, I talked about, how we cannot allow this mission not to be carried through. That's a very difficult thing. These are young people and the families of these young people. So I think maybe that's pretty consistent, not just in Oklahoma and our exposure to these people, but elsewhere, too.

The second thing you said that I think is very significant is looking at any future cuts, whether they come through sequestration or anything else, would be, using your words, devastating to our abilities to defend ourselves.

Closely related to that and the question I wanted to ask you, when you talked about the hollow force and we're going to avoid the hollow force, the easy thing to do for someone in your position is to put all the resources into what's bleeding today, and all too often that happens. So what gets neglected is usually maintenance and modernization. If we don't do that, we're going to have a hollow force.

So I guess the first thing I'd ask you is—I know what's happening to your resources, I know where they're committed. How are you going to maintain things and avoid the hollow force that we've seen in the past?

Secretary PANETTA. I think the key is not to take the simple way out, which is to reduce everything by some kind of percentage across the board and try to take everything down. That's what we've done in the past.

Senator INHOFE. Right.

Secretary PANETTA. The result is that training was weakened, the force was weakened. They didn't have the weaponry, they didn't have the equipment, they didn't have the training, and as a result, we did hollow out the force.

So my approach to it is to look at key areas here and make some tough decisions with regards to savings that do not involve just saying we're going to take everything down by a certain percentage. I'm just not going to do that.

Senator INHOFE. Also, I would hope that you would be looking towards the future in terms of modernization and maintenance, those things that are not visible to the American people today. I know that's what you meant and that's what you will do.

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Let me just ask both of you. Senator Reed talked about the fact of the long-term commitment and something that a lot of the American people don't think about, and that is if we have to come back a year from now, each month that goes by the terrorists gain greater capability. We're talking about nuclear capability, delivery systems, and all of that. I know that when Israeli Prime Minister Benjamin Netanyahu paid his visit here, his concern is that as time goes by—he was referring to Iran—the capability of the other side is increasing.

So to me, that ties into something that I have thought was a mistake, whether it's this President or past presidents, in making withdrawal dates, just the general concept, the fact that we are telling the enemy what to do—what we're going to do and when we're going to do it. If they know the time line, and thinking about the mentality that we're dealing with—we think in terms, Americans generally do, of hours and days. They think in terms of years and decades.

Last week, Ambassador Crocker said, and I'm going to quote now, he said: "What we have to do is, I think, demonstrate the strategic patience that is necessary to win a long war. It's going to require more resources, it's going to require more time." I hope we can bring those to bear, because it's hard and painful. As expensive as it has been in blood and treasure, it's cost us a lot less actually than 9/11 did.

In terms of the concept of setting these dates, I would just say, that when the dates were set, one already gone by us, that is July 2011, then the summer 2012, and then December 2014, do you think that demonstrates the strategic patience that he was talking about? What's your feeling about the withdrawal dates as a concept?

Secretary PANETTA. I understand your view on that. I guess my approach to it is that the most important signal we can send is if we do this right and we pay attention to conditions on the ground and make sure that it works. Whether we have a date or not, the key here is making this transition work, making sure that the areas that we transition remain secure, making sure that stability is put in place, making sure that we don't allow that country to ever again become a safe haven for the Taliban.

In many ways, that's my test for whether this works or not. Whether there's a date or not, obviously we'll have differences over that. But I think the real key is how do you conduct this transition in a way that makes it clear that we're headed in the right direction.

Senator INHOFE. Right. I think it's a difficult thing to deal with. I have to say this, that during every visit I've made over there the Afghan and coalition personnel unanimously said that setting the dates was a bad idea. I know that you take that into consideration.

We've talked a little bit about something I want to elaborate on, and that is we seem to concentrate on the bad things that are happening, but, Admiral Mullen, this thing that's happening over there in terms of the training program—I was over there on New Year's Day and I spent a long time going over and looking at what they are doing in this—in the Kabul Military Training Center. You look

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at that, it mirrors what we're doing in this country, the segregation between infantry and artillery.

I just applaud everyone who had anything to do with that. The last figure I got was about $12 billion a year, the cost. I would hope that you would look at the successes we're having there, not just in the abilities of these guys that we're training, but in their attitudes, because in each case they'd stop and say, why are you doing this, and they were very proud. They are looking for the day when they are going to be able to do the very job that they're being trained for.

Do you have any comments to make on that?

Admiral MULLEN. Senator, I visited the police academy there, and one of the things that I took away was exactly what you said. What I didn't understand was, clearly we've focused so much on illiteracy, but in fact the officer corps is a literate force, an 85 to 90 percent force. So the illiteracy challenge has obviously been on the enlisted side, and we've made great improvements there, against what seemed to be impossible 2 years ago, as we used to discuss it.

This year, General Caldwell has actually returned, because of the analysis, $1.6 billion in 2011. We know $12 billion a year isn't going to work. There has been a lot of detailed work now to look at how to get that significantly down. Actually, John Allen has a lot of confidence in that work. We know that there has to be something there long-term, but it can't be at that level. So do the Afghans. They understand that.

So from that model standpoint, I'm very encouraged with where we are and where we've come from in less than 24 months.

Senator INHOFE. I am too. I know, Secretary Panetta, you're new in this particular job, but you're fully familiar with what we're talking about there and the successes. I would just hope that nothing is done that's going to change that successful pattern that has been developed.

My time has expired, but I do have a question for the record having to do with coalition forces, which I will submit. Thank you very much, Mr. Chairman.

Chairman LEVIN. Thank you. It will be asked for the record. Thank you, Senator Inhofe.

Senator Webb.

Senator WEBB. Thank you, Mr. Chairman.

Let me begin by joining everyone else in thanking Admiral Mullen for his many years of service and adding a particularly personal note in that we've had the pleasure of knowing each other for more years than I can count, since we were plebes at the Naval Academy, trying to figure out what entropy was and how you can measure the thermodynamic properties of steam. It's been a long journey and Mike Mullen from day one all those years ago has always been known for his forthrightness and for his integrity.

It's been just a great honor to be able to work with you in your present capacity. I also wish your family and Deborah well. She has done enormous things for veterans and for wounded warriors in those other areas. So again, thanks so much for your service and we look forward to seeing you on other occasions.

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It occurred to me when listening to the exchanges that we tend to go tactical when we have these discussions. At the same time, I think from my perspective we should be struggling here with the strategic and operational model, that we should be using looking into the future in order to address the issue of international terrorism. There's not a cure-all, but I think if we look at the models of the past 10 years, how we have struggled with this issue, we ought to have a better idea in terms of how we're going to move into the future on these things.

We can start with the model of Iraq. Certainly the discussions that I've listened to today clearly indicate that we have inherited certain responsibilities as a result of what in my view was a great strategic blunder. There was no al Qaeda activity in Iraq when we invaded. We ended up as an occupying force in the middle of sectarian violence that followed our invasion.

We've spent well over $1 trillion. At the same time, as I and others were predicting, we have seen the empowerment of Iran in the process.

We can then go to the Afghanistan model, where there were legitimately issues in terms of international terrorism, but more recently we have assumed the risk and the expense clearly of nation-building. It's costly, it's casualty-producing. I quite frankly don't know what the outcome is going to be. I'm going to ask a question about that in a minute.

Then we've seen recently an addition to this model in Libya, where we have seen unbridled presidential discretion in terms of the decision when to use military power beyond all normal historical precedent. I've spoken about this many times. We have a definition of humanitarian mission in order to unilaterally introduce the American military into a theater of operations.

I worry about that. It's a vague and worrisome standard when you apply it into the future and when an administration comes forward and says, this isn't conflict, we don't have to discuss that with Congress, I think we all ought to be thinking hard about the implications down the road.

Then we have, especially recently, the use of special operations, and more particularly Predators, from remote bases, attacking terrorist targets in highly secret missions in remote locations, and all of these occurring in areas which have fragile governmental systems or, quite frankly, no governmental systems.

So really what I come back to is what have we learned from this? What is the model now for the future in terms of how we define the existential threats to the United States and how we apply military force to them? Admiral, this is your final voyage here on the Senate Armed Services Committee. I'd like to hear your thoughts on that.

Admiral MULLEN. As I listened to you, Senator Webb—and I appreciate not only your comments, but obviously the friendship that is pretty special just because of where we both came from. I think, honestly, we're to some degree learning as we go here. Obviously, decisions get made about where we go to fight and how we fight, and we learn lessons from that.

Clearly, Iraq—this is notwithstanding whether we should have gone there or not, but certainly, once there, with a conventional

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force that needed to dramatically shift, and a development of an understanding which we'd lost. We've forgotten about what counterinsurgencies were. Now evolution in that regard to where we are, and in my view, which I spoke to very early in this job, left us underresourced in Afghanistan.

Clearly, the main effort has shifted there. In ways it's the same kind of fight, but it's a much different place and the complexities are enormous, and it's not just one country any more.

Just back to Iraq for a second, I hear the Iran emboldenment piece and I get that, but I've watched them. In ways, what's happened in the Arab Spring is just rejected al Qaeda, rejected Iran. So as they've tried to insert themselves even in the opportunities in the Arab Spring, in fact, it's continuing to be rejected.

Then the President's decision with respect to Libya, obviously it was a completely different way to support the overall effort. We have in these hearings and historically, we've beaten NATO to death. We haven't heard a word today about NATO support, negative word today about NATO support in Afghanistan. I met with all my counterparts last weekend. It's extraordinary where NATO is on these kinds of things versus where they were 2 or 3 years ago.

I would argue there—and I was delighted to see Europe take the lead there—again, I don't get to decide what we do; that's somebody else—and, quite frankly, have an impact, however we got to that decision.

But I think all of that—and I take the tactical counsel well, but there are strategic implications for all these things, significant differences. I guess I would want to really carefully look at the lessons and integrate that into the longer-term strategic view, how do we get ahead of this? Right now it's very much one at a time.

For me, there's only two existential threats to our country right now. One, the nuclear weapons that Russia has, and I think we have that very well-controlled inside New START. Two, is cyber, quite frankly. So, you pose very important and difficult questions that, out of all this, if we can step back from day to day, we owe ourselves some answers about how to move ahead, because it's not going to get any easier.

I think there will be situations where the use of military force will continue to rise, maybe not in the scale that we have right now. But taking what we've learned, as difficult as this decade has been, and figuring out what that means for the future is a very important effort.

Secretary PANETTA. Senator, if I could?

Senator WEBB. Mr. Secretary.

Secretary PANETTA. Senator, you've raised some very important issues. This is really a very appropriate time to raise those questions, as we're in the process of trying to trim over $450 billion from the defense budget. We have to look at larger strategies here as to what kind of defense system do we need to build as we confront those challenges and as we look to the future.

Part of this has to be based on the threats that are out there. Clearly, we're going to continue to have a threat from terrorism and we're going to have to confront that. I don't think it necessarily means that we put 150,000 people into different countries in order

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to deal with that. We have ways to do that that are much more effective, much more agile, much more efficient, that can confront that. But that's an area we need to talk about.

We continue to have the threat of nuclear capability from both North Korea and Iran. We have to be prepared to deal with that threat. We have to be able to confront China. We have to be able to deal with the cyber threat. We have to deal with the challenge of other rising powers.

All of these things are the kinds of threats that we're going to confront. What kind of force do we need to have that would make us effective at dealing with those threats? That's something clearly I need your advice and guidance on as we try to structure the future in DOD.

Senator WEBB. My time has expired, Mr. Chairman. I'd just like to—on that point, Mr. Secretary, just one sentence, that if we or you indeed want the country to have the patience with respect to fighting a long war, I think it's going to be even more important to define very clearly what is the vital national interest in terms of our current operations in Afghanistan.

Thank you, Mr. Chairman.

Admiral Mullen, Mike, good luck to you.

Admiral MULLEN. Thank you.

Chairman LEVIN. Thank you, Senator Webb.

Senator Sessions.

Senator SESSIONS. Thank you.

Thank you for that good discussion. It's the kind of thing that we do need to be talking about. It's critical to the core of our strategic world positioning.

Secretary Panetta, you said that DOD had doubled in the last 10 years. Actually, I find that to be an 84 percent increase, not quite doubled. Over 10 years—that's the base budget. That's a significant increase, but not as much as a lot of the other accounts in our government have had over the last 10 years.

The war costs are beginning to come down. This year it's $159 billion. Next year we expect $118 billion, thereabouts, the cost of both wars, overseas contingency operations. The 10-year cost for both wars was about $1.3 trillion and that's less than this year's deficit. Our total deficit this year will be about $1.4 trillion and the war costs will be a little more than 10 percent of that.

So, I guess, I think it is important for all of us to realize we will not balance the budget by the war costs coming down.

Secretary PANETTA. That's true.

Senator SESSIONS. They just will not. It did cost us a lot of blood and a lot of treasure and we should never underestimate that. But in terms of balancing the budget—and I'm ranking on the Budget Committee, so I'm seeing these grim numbers. They are really tough. They are really tough, and I believe DOD has to tighten its belt, as I think both of you do.

Admiral Mullen, you've been quoted frequently about the greatest threat to our national security is our debt, and I think it is.

So you've used today, I believe, Secretary Panetta, $450 billion as the amount that was part of the debt ceiling that we've already voted. So the vote we did on the debt ceiling takes the defense budget down about $450 billion over 10 years, which is pushing 10

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percent. However, the challenge I know that you are faced with is what happens if there's not an agreement within the committee and the sequester takes place.

Admiral Mullen, it looks to me like it'll be about $850 billion over 10 years, maybe $800 billion, some have said, reduction in spending. In your best military judgment, is that acceptable? Is that an acceptable reduction in spending?

Admiral MULLEN. Absolutely not. Actually, our estimates go to about $1.1 trillion if sequester goes into effect. But it's not only just the amount; it's how it's executed, because it's peanut butter, it's everything. From my perspective, it has a good chance of breaking us and putting us in a position to not keep faith with this All-Volunteer Force that's fought two wars and that needs to be reset in everything else that we look at for the future. It will impose a heavy penalty on developing equipment for the future.

If we're not able to—and it will hollow us out. So I think we do need to participate, and I have argued for doing that in roughly the current amount.

Secretary Panetta said a very important thing in his opening statement, that whatever changes we make, and this also is at the heart of this discussion with Senator Webb, we have to be strategically focused. We have to have a strategy, and having that strategy or different views of the future, and then what is it going to take to meet that. This is not the 1970s, it's not the 1990s. This is from my perspective a much more dangerous time because of the world that we're living in, and the world keeps showing up on our doorstep for the use of the military.

So we have to be very judicious about that. I think the work that we've done to look at how we would do this at the $450 billion plus level has forced us to look into the abyss of what it would be if we had to roughly double that. I think it would be incredibly dangerous for our country's national security to go there.

To your point, we are not going to solve that debt problem on the back of DOD. You can't do it if you zeroed the budget.

Senator SESSIONS. That's correct. We have a $1,400 billion deficit this year and the total defense budget is $529 billion. It's not possible.

Admiral MULLEN. Senator Sessions, just one other thing. We have the same problem you have here. Yes, it's 10 percent, but we have our own discretionary accounts and our own mandatory accounts, and in fact, if we can't get at some of the mandatory side, pay, benefits, those kinds of things, we're way above 10 percent on the accounts that we can affect modernization, which is where we always end up going, modernization and force structure, the people accounts. So we get smaller faster, which again, I think, would be significantly smaller faster, and I think it would be very dangerous.

Senator SESSIONS. Admiral Mullen, just briefly, you said you could break the military. I have a sense about our fabulous men and women in uniform. They're willing to do tough things. They're willing to take their share of the cuts. But it could be very demoralizing if there is a perception that they've been targeted for exceptional cuts that others aren't taking. Would not you agree?

Admiral MULLEN. I would, completely. I think the Service Chiefs would tell you, and I've seen it myself, we've all talked about tight-

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ening our belts and we don't get much pushback. There can be some specific areas. There is concern for changing the retirement system and that isn't on the immediate horizon.

We, Secretary Panetta and I, both agree we have to figure out, if we make these changes, that we grandfather them properly to keep faith with those that we contracted with that are in the force right now.

But yes, they are extraordinary and I think they are willing to do their fair share here, but they would not be willing and should not be willing to do that at an exceptional level.

Senator SESSIONS. Let me just point out for my colleagues, the sequester is not an across-the-board sequester. DOD, even though last year we went up, it was a flat budget, from $528 billion to $529 billion, got no increase basically last year in the base defense budget. So you're talking about 15 or more percent, maybe more percent than that, whereas in the last 10 years defense has gone up 84 percent, but the food stamp program has gone up 297 percent, the Medicaid program has gone up 113 percent. In the last 2 years, nondefense discretionary went up 24 percent.

So, I guess, what I'm worried about is that our committee, they really do need to reach an agreement that can produce some reductions in spending that are significant and meet the goal that the committee was given. But it would be unacceptable, I think, to allow these unfair cuts, because Medicaid, for example, and the food stamps, earned income tax credit, are exempted under the sequester from any cuts.

Secretary Panetta, thank you for your strong opening statement that represents a mature, solid view of where we are. Would you like to comment before we wrap up?

Secretary PANETTA. Senator, I'm probably one of the few people here that, having worked on a number of budget summits, ultimately did achieve a balanced budget. Let me tell you, if the idea is that you can rely on sequester in order to get there, that's an irresponsible view. Sequester was always fashioned—I actually was present at the conference in Gramm-Rudman, when we fashioned the first sequester, and it involved, incidentally, entitlement programs as part of the sequester. That's why it never happened.

But when you develop these kinds of doomsday mechanisms that are supposed to blow everybody up, in the hope that they'll do the right thing, very frankly, it doesn't work very well. The responsibility does lie with the people on that committee to look at the entire Federal budget. You can't deal with a Federal budget that's close to $4 trillion and expect that you can do it through sequester on the discretionary side alone. Discretionary accounts for one-third of that budget. Two-thirds of that budget is in the mandatory area. You have to be willing to put all of that on the table if you're serious about reducing the deficit. I hope the committee does do that when they look at all these issues.

Senator SESSIONS. Briefly, one quick question. Based on your experience in the previous effort that succeeded in balancing the budget, would you agree that the depth of our challenge this time is far greater than it was when you made that achievement last time?

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Secretary PANETTA. It sure is. The last time we balanced the budget, I thought we were in Valhalla and that we'd be able to continue to operate on a balanced budget and that it would stay in place and we wouldn't dare put us back into a huge deficit again. Unfortunately, that happened and now it's much worse than it was when I faced that issue. It's a huge challenge.

But nevertheless, this Congress has the responsibility, working with the administration, to get us on a track to ultimately reduce that.

Chairman LEVIN. Thank you, Senator Sessions.

Senator Akaka.

Senator AKAKA. Thank you very much, Mr. Chairman.

I want to say good morning and, Admiral, welcome to our witnesses this morning. Admiral Mullen, please convey my aloha to Deborah as well. I join my colleagues in thanking you and your family for the many years of outstanding service to our country.

To my classmate, Secretary Panetta, I want to say aloha to you, too, and to Sylvia, and wish you well in your responsibilities.

I want to thank our men and women in uniform, as well as the families, for all of their sacrifices. As we both know, we face difficult decisions regarding our future in Iraq and Afghanistan. However, the one thing that is not in doubt is the fact that our soldiers, sailors, airmen, and marines continue to serve with honor and distinction, and we are proud of them.

Secretary Panetta, the Special Inspector General for Afghanistan released an audit showing that efforts to track the billions of dollars in aid provided to Afghanistan since 2002 has been hampered by numerous factors. As we look to the future, what are some of the adjustments that are being made to increase the accountability of how these dollars are being spent?

Secretary PANETTA. Senator, one of my concerns is that, I think, we have to be able to audit the books of DOD. While this is done now in each of the areas, we don't have an overall auditability for DOD. The effort right now, I think, is on track for something like 2017 in order to complete that process. I think that's too long. I think we have to be able to be auditable, we have to be accountable to the American people about how these dollars are being spent.

So for that reason, I've basically urged all of the people in our budget shop to do everything necessary to try to speed that process up so that we can track these dollars and make certain that the taxpayers are getting the best bang for the buck.

Senator AKAKA. Thank you.

Secretary Panetta, last quarter ISAF rated three additional units within the Afghan National Army that are capable of operating independently. As we continue to transition regions of Afghanistan back to host nation control, what is the state of the remaining units that are attempting to achieve this high rating level?

Secretary PANETTA. Senator, I'll yield to Admiral Mullen, who has worked directly with this issue. But my understanding now is that the number of units that had that capability has gone up, gone up dramatically. What I've seen, both in the trips I've taken there and listening to General Allen, is that there are more and more units that are operational, that are able to go into battle, that

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are able to conduct the kind of operations that have to be conducted in order to defeat the Taliban.

So we are seeing—it's taken a while, it's taken a lot of training, it's taken a lot of work. But what we are seeing are units that are increasingly capable of engaging in battle. If we're going to be able to make this transition, we have to make sure that all of their units have that capability.

Admiral MULLEN. I'd just say, Senator Akaka, that over 70 percent of the police units are rated in the top three proficiency levels. 90 percent of the overall ANSF units are partnered with ISAF and the ANSF lead occurs in about 60 percent of our operations. That is just a far cry from where we were 12 or 18 months ago.

So, as the Secretary says, the trends are all in the right direction. I don't want to overstate this. There's an awful lot of hard work that's left, but in this area in particular it has been extremely successful over the course of the last year and a half, and we look for that to continue and we see nothing that gets in the way of them continuing to take the lead, become more proficient, so that they can have the lead throughout the country by the end of 2014.

Senator AKAKA. Thank you.

Admiral Mullen, the Joint IED Defeat Organization (JIEDDO) was created in 2006 to reduce or eliminate the effects of all forms of IEDs used against U.S. and coalition forces. What is your overall assessment of how the organization is achieving its three-part mission: attack the network; defeat the device; and train the force?

Admiral MULLEN. I think JIEDDO has been an enormous success. I'm not unaware of the amount of investment that it's taken. What strikes me is when it was stood up and heavily focused, although not exclusively on Iraq, it had an enormous impact across all three of those mission sets.

It's currently being led by somebody who's been in the fight. As we shifted the main effort to Afghanistan, the IED threat is still extremely difficult, and yet the enemy is shifting more and more to these spectacular attacks, on the one hand, and to a very heavy focus on IED implants. It's a different IED set. We've needed this organization, I think, to be in touch with the fight and to be able to respond as rapidly as we can.

Actually, I appreciate the efforts on the part of many here in the Senate, Senator Casey leading the effort to continue to put pressure on the ammonium nitrate piece in Pakistan, so that we can cut that down as rapidly as possible.

There is a view that we should integrate this into our overall organization. I'm not there yet. I think we need to wait until it's much more obvious that we fully integrate JIEDDO, because oftentimes in our big bureaucracy that can bring an outfit to parade rest or elimination, and it's too vital for our overall fight to do that at this time.

Senator AKAKA. Thank you.

Admiral Mullen, you are an outstanding leader and have served your country with honor over the last 4 decades. In your view, aside from budgetary issues, what do you see as the biggest challenge facing our military in the future?

Admiral MULLEN. I think when people ask me about the future, as we look in the discussions that we're hearing right now, I think

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if we are able to retain the right people, take care of our families, reset this force, we're the most combat-experienced force in our history, and that we not hollow it out. It may be best summarized by: We may be the biggest threat to ourselves if we don't get this right.

But if we keep the people right now, that doesn't mean keep all the people. If we are able to ensure that this best force I've ever seen in my life stays whole at whatever size and is supported, then I think we can address whatever threats are out there and provide the military capabilities and provide for the vital national interests.

So it may be that in the budget world our care has to be so precise that we don't break this force or break faith with our people. If we get that right, I think we'll be okay for the future.

Senator AKAKA. Thank you very much, Admiral Mullen, and thank you for your service, and my best to you and your family in the future.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Akaka.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

I want to thank both of you for being here today. Admiral Mullen, obviously we will miss having you before this committee, and thank you so much for your decades of service to our country.

Director Clapper testified last week before the House and Senate Intelligence Committees that the reengagement rate from those that we have released from Guantanamo Bay is at an all-time high, 27 percent, which means that out of the 599 detainees who have been repatriated from Guantanamo, there are 161 of them who we've either confirmed or suspected of reengaging in terrorist activities or insurgent activities that obviously put our troops in danger, further undermine security in areas that we're fighting, and are threats to the American people.

So I would ask both of you: At this point, would you agree with me that that reengagement rate is unacceptable?

Secretary PANETTA. There's no question that we can't allow that to happen, where you release individuals that immediately go back into the battle and start killing our forces. Now, one of the protections is that any kind of transfer that's made I have to certify that the country that accepts that transfer has taken all of the precautions necessary to ensure that that doesn't happen. I haven't done any of that up to this point as Secretary, but you can be assured that I'm not going to certify unless I am damn sure that that's going to happen.

Senator AYOTTE. Can we have your assurances that you, as you just said, that you won't allow someone to be transferred from Guantanamo to another country unless you can be assured that they're not going to reengage back in the battle to harm us.

Secretary PANETTA. That's correct.

Senator AYOTTE. I appreciate that. One of the issues I would ask both of you about is, if tomorrow we capture a high-value terrorist outside of Iraq and Afghanistan, where do we put them, assuming we want to interrogate, assuming we want to detain, assuming we continue to have security concerns about them if we were to immediately release them or put them in some other country?

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Secretary PANETTA. Senator, the approach now in dealing with that is very much looking at a case-by-case approach. We did it recently with Warsami, who was a terrorist who we located and captured. We were able to gather a great deal of intelligence from him. As we developed that case, there was a decision made that he could be prosecuted in the courts, so he was transferred for the purpose of being prosecuted.

With regards to the issue of ability to detain individuals under the law of war provision, that is an area, frankly, that I think we need to work with Congress to decide how we do that, because the answers to that aren't very good right now.

Senator AYOTTE. I would agree with you. I think we need a long-term detention policy. Right now, would you both agree with me there isn't an alternative to Guantanamo that exists right now?

Admiral MULLEN. First of all, I agree with the thrust of what you're saying. There's not a military commander out there that wants to see anybody back, and the return rate is far too high. Secretary Panetta as well. None of us want to see that happen.

We do need a long-term detention policy. I think the Warsami case actually is instructive. In that case, we actually kept him at sea for a while. Now, that has limits. You don't want your Navy completely tied up and this is a case-by-case basis, and in fact, moving in that direction. There is a way to keep him and he is being kept right now, having gotten to the point where he can be prosecuted.

But the law of war piece, it's a very hard problem that is going to, from my perspective, take everybody getting together. It's been very contentious. We understand all that. But without that, it's given us this return rate and it puts people on the ground who are in the fight in a pretty tough spot.

Senator AYOTTE. When you talk about the situation with Warsami, we couldn't do that with every single individual, though, put them on a ship, could we, in terms of a practical reality?

Admiral MULLEN. No, not really.

Senator AYOTTE. I think we're going to need more ships if we're going to do that.

One of the concerns that I have that brings me to this is Attorney General Holder pledged this week that the administration would close Guantanamo Bay prior to the 2012 presidential election. My concerns about his comments are that, hearing what you have said and what our military leaders have said before this committee, right now we don't have an alternative, and we have a recidivism rate that's unacceptable.

So I would just say to both of you, I think it's very important that we not put political considerations ahead of making sure that these individuals don't get back in theater to further harm us, our allies, and our troops.

Secretary PANETTA. The bottom line here, Senator, is we have a real conflict here. Obviously, the President is very intent on closing Guantanamo and not adding to the Guantanamo population. At the same time, Congress has made very clear that there's no other place that we're going to be able to put these individuals through legislation of one kind or another.

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We have to be able to resolve that for the benefit of this country, and I would hope that, working together with Congress, we could find a way to deal with these conflicts.

Senator AYOTTE. I hope so, too. I firmly believe we should keep Guantanamo open. I think that it is a top-rate detention facility. I've been there, and I think that is the best way to move forward. I am hopeful that we will resolve. It must make our troops so angry when they come across someone that we released, and they're confronting them again. So I don't want them to be in that position.

I wanted to ask you about Iran, and in particular Iran's influence on Iraq right now. Admiral Mullen, how would you describe Iran's surrogate activities in southern Iraq, and is Iran providing weapons to Shiite militias in Iraq who are in turn attacking our troops, and how much is Iran contributing to increased violence in Iraq?

Admiral MULLEN. I think over the summer there was a significant spike, what the Secretary said earlier, with respect to Iran supporting two Shia extremist groups, Asa'ib al-haq (AAH) and Kata'ib Hizballah (KH). They have control of that, very clear, because we went by several channels, but politically to Iraq. Iraq went to Iran and it stopped. So it is—there's no question that Iran can control this, and it's a very dangerous potential. They're shipping Explosively Formed Penetrators (EFP) and Improvised Rocket-Assisted Munitions (IRAM) in particular, and the IRAMs are getting bigger and bigger.

So there is a great down-side potential for destabilizing, particularly southern Iraq, that actually I think Prime Minister Maliki and the Iraqi leadership are concerned about. So in that regard, it is on the one hand up to them. It's very clear that if they want to do it they can do it. They have been warned about continuing it and, consistent with what the Secretary has said about the Haqqani network, that if they keep killing our troops that will not be something we will just sit idly by and watch.

Senator AYOTTE. My time is up, but I appreciate your answer, and I would suggest also that as we look at troop levels that it is in our national security interest, particularly with respect to Iran, that we have a government in Iraq that is independent of Iran and that we do not allow Iraq to be in a situation where Iran has a greater influence than we would want them to, given our posture toward Iran, our concerns about Iran. So I'm hopeful that we will take that into consideration and make sure we have enough troops to secure Iraq.

Thank you.

Chairman LEVIN. Thank you, Senator Ayotte.

Senator McCaskill.

Senator MCCASKILL. Thank you, Mr. Chairman.

We're all sounding like a broken record, Admiral Mullen, but you're the real deal. You have been an incredible leader for our military and your family has been terrific. I haven't always liked every answer you've given, but I never doubted for a minute you were giving me absolutely your most honest assessment of any question that was being put your way. That's all we can ask for as the U.S. Senate, is that kind of forthright, this isn't always easy, real good information. So thank you for that.

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I want to talk a little about sustainability. I think it is something that as we have developed as the strongest military I believe in the world counterinsurgency strategies, I think that the military has done a good job of figuring out how we work with a counterinsurgency situation, but I'm not sure that we focused enough on sustainability. We have a country, Afghanistan, that has without our help somewhere between $2 and $3 billion gross domestic product (GDP), and they're now getting $16 billion a year in GDP because of foreign aid.

Now, there are two parts of sustainability. One is what we're doing for their Armed Forces and what we're doing for infrastructure. I have yet to have anybody explain to me how they afford the army we're building for them. They can't afford it. They can't afford to pay for the army we're building for them. We've built a university for them, for their military, that will cost $40 million a year just to maintain and operate, and their GDP without all the foreign aid is not going to be sufficient to even operate that.

The other part, before either of you respond, is the infrastructure. I need to know who did the sustainability analysis on the Kabul power plant. How do we spend $300 million taxpayers' dollars for a power plant that they can't afford to operate now, even with the $16 billion GDP that they have with our aid. It is sitting there as a $300 million generator that is used every once in a while when there's a power plus or when there is a problem with the electricity they're buying. I don't remember which one of the Stans, but they're buying electricity from one of the Stans at a much cheaper cost than it will be to operate the $300 million power plant we built for them.

I'm very worried that we are throwing money at something that is just not sustainable, and that is the ultimate insult, I think, to the men and women who have risked their lives.

Admiral MULLEN. We talked about this earlier, Senator McCaskill. This is a critical issue that we, one, understand; and two, there's a lot of detailed work going on right now, and it is not finished. It isn't something I could bring and say, here's the answer. But we recognize that $12 billion a year for the ANSF isn't anything close. It has to be dramatically, 70, 80 percent less at best, in order to be able to sustain it. It also needs to be shared. This isn't just a U.S. burden in the long run. It needs to be shared with other partners from an international perspective, but done in a way that allows them to provide for their security.

So, we just got them to a point where we started to build them up. Your questions are valid. We're asking them of ourselves from an infrastructure standpoint. But I also don't associate their GDP this year with what it's going to be forever as well. There's an opportunity to develop. Whether it will or not, I think, is an open question.

It's a question actually, I think, Afghan seniors are starting to understand, the Government of Afghanistan, to some degree. I don't think we're going to have any answers here in the next couple of months, but over the course of the next 12 to 18 to 24 months, I think, we'll know a lot more about that, and we'll have a better perspective on questions like the one you raised.

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I'll have to get back to you on the Kabul electric plant. But it's the same kind of question. We are looking at it, and the President has tasked us with looking at the infrastructure piece of this along the lines of what you're talking about, not just the military, but DOS and other agencies as well.

[The information referred to follows:]

The Kabul Power Plant, more commonly called the Tarakhil Power Plant, was a U.S. Agency for International Development (USAID) project. According to USAID, in March 2007 USAID and Embassy Kabul sent a message to Washington relaying their support for the Government of Afghanistan's plan to guarantee long-term, 24-hour access to electricity in Kabul through the construction of the Tarakhil Power Plant. The plant would provide insurance against disruption of power supplies from Central Asia and as peak backup. The March 2007 message passed on the Government of Afghanistan's request for urgent donor assistance to construct Tarakhil after it was determined that significant power shortages would persist throughout Kabul even after the North East Power System (NEPS) came online. According to the message, the grid at the time did not include back up capacity to provide sufficient electricity to overcome operating constraints of the NEPS and potential supply disruptions of electricity coming from Central Asia. During Ambassador Eikenberry's remarks at the commissioning of the first 35MW block of the Tarakhil Power Plant in August 2009, he specifically attested to the use of this plant as a peaking and backup power plant.

On the issue of sustainability, USAID has been working with the Afghan national utility Da Afghanistan Breshna Sherkat (DABS) on two fronts. First, they have been providing extensive hands-on training to DABS engineers charged with operating and maintaining this power facility so that they carry out their duties effectively. Second, USAID is working with DABS to strengthen its commercial operation so that it can sustain the operation of the entire power network, including the Tarakhil Power Plant, with reduced support from donors. With USAID assistance, DABS' revenues have reached $175 million per year and are increasing—a situation that now permits the Government of Afghanistan to cease providing an annual operating subsidy of $150 million per year as it has had to do in the past.

Senator MCCASKILL. Secretary Panetta, we've spent $70 billion in Afghanistan just on reconstruction and development. That's not MILCON. That's not any of our ongoing training of the military. That's none of our military operations on the ground. I really do think it's important that you require both your replacement, Admiral Mullen, and you, Secretary Panetta, require the senior leadership of all of our military and DOD to read the War Contracting Commission's summary report.

It is an eye-opening piece of work, done by a very credible and bipartisan organization made up of a lot of expertise. The report has just come out, and it is really frustrating when you realize how fast and loose and sloppy that we have played with so much of this money.

I need to know right now who is making the decision on the $400 million—I don't know if the American people are aware that, for the first time in history, DOD has asked for a reconstruction fund. We've gone from the Commanders Emergency Response Program (CERP), which started—I remember it being described to me when I first came to this committee as money that would be used to fix broken windows in storefronts. We're now up to multiples of billions of dollars in the CERP.

Now for the first time, we actually have an Afghanistan reconstruction fund as part of the defense budget. I don't know what the thought process was that we would get. What I don't like about it is it gives everyone the opportunity to blur the lines between DOS, the U.S. Agency for International Development, and DOD as to

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who's in charge of this reconstruction and who is making the decision as to whether or not there's sustainability and security that is adequate enough for us to begin to invest hard-earned Missouri and U.S. taxpayers' dollars in these various infrastructure projects.

I'm not confident about the process of approval, especially in light of some of the things that have been built that clearly have been a giant waste of money.

Secretary PANETTA. Senator, I don't disagree with a thing you said. My job is to try to make sure that we take a hard look at all of those issues, because frankly, based on the budget constrictions that we're facing, we simply can't afford to operate that way. We're going to have to go back, we're going to have to look at these infrastructure issues. We're going to have to look at reconstruction funds. We're going to have to look at every area to determine just exactly what is needed, are we doing this right, are we getting the best bang for the buck, or is it something we just simply don't have to do.

For example, on the whole issue of sustainability of the force, in looking at what now is an unacceptable cost of about $12 billion a year, they've been able, by virtue of looking at infrastructure—we don't have to build the level of infrastructure in Afghanistan that we built here in this country. It doesn't have to be that. So we can find savings there. We can find savings in other areas to try to reduce those costs.

We are going to have to implement much better discipline in order to make sure that we not only are accountable to you, but to the American people.

Senator MCCASKILL. I just want to make sure we circle back and make sure that the CERP funds and the infrastructure investments we've made, I hope someone is tasked to going back to Iraq and actually trying to document what difference it made in the success or failure of our mission. I don't think we should hold onto the notion that we have to spend a huge amount on building schools and health centers and hospitals and roads and power plants, that the American people have to spend a lot of money on that under the rubric of counterinsurgency.

I just want to make sure that that strategy has been borne out as successful, and I frankly haven't seen that documentation yet.

Admiral MULLEN. I think it's, and we can certainly do the work. From my perspective, when I go back to the origins of CERP, while there certainly were those projects that were more expensive than others, but the vast majority of it was, particularly at the height of the surge, in that timeframe, was turned to enable young soldiers in the field.

Senator MCCASKILL. Right.

Admiral MULLEN. It wasn't just windows and store fronts. It was a lot of other things that really did make a difference. While it may not be documented to the degree that we need to, there's no question in my mind that it was significant in turning the tide and getting Iraq to where we are right now. Some of the bigger projects we can certainly take a look at and answer that question.

Senator MCCASKILL. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCaskill.

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Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman.

Secretary Panetta, first let me thank you for your very forthright comments on the dangers of excessive budget cuts. I too am very concerned about the possibility of a sequester. I think it would be the height of irresponsibility for Congress to allow that kind of indiscriminate, automatic cuts to take place, particularly since it so disproportionally affects DOD. That's just wrong.

It troubled me when it was included in the debt package, and I had a hard time deciding to vote for the package because of it. So I very much appreciate your putting this committee on notice about how devastating it would be were that to go into effect. So I just wanted to begin by thanking you for that.

Admiral Mullen, I also would be remiss if I did not thank you for your more than, I think it's 40 years of service. It has been such a great pleasure to work with you, not only in your current position, but when you were Chief of Naval Operations. I appreciate all that you've done for our Navy, for our country, and for working with us in such a collaborative way. You've been an extraordinary leader and we will miss you both.

I want to follow up on the issue of Iranian influence in Iraq, because I am very concerned that with the withdrawal of our forces and the shrinking of our civilian presence as well that we're creating a vacuum that Iran is rushing to fill. We have seen a steadily increasing flow of arms and money and training to the Shiite militias, particularly in southern Iraq. My fear is that there will be some in Iraq who will use those strengthened militias to exert power and seek to affect change outside of the newly established political channels, especially in southern Iraq.

So, Admiral Mullen, I will start with you. What concrete steps are we taking to counter that malign Iranian influence in Iraq? I know we've made it clear verbally that it's unacceptable, both of you have. But what are we doing about it and what can we do about it?

Admiral MULLEN. I talked about the political channel, which actually for temporary effect, and that temporary effect is still in place, shut it down significantly from where it was when it was spiking this summer. General Austin is not sitting back at all in terms of his operations, and actually our support for Iraqi security forces in these operations.

I think, along the lines of what you talk about, Senator Collins, obviously Sadr and his group are not insignificant, but they're outliers, and this is something that, from the standpoint of this is an area they also really want to focus on. I think the political leadership and I know that Prime Minister Maliki very much understands this, I get the vacuum piece, but at some point in time Iraq has to take charge of its own.

Iran is not going away. They've had influence on that border and particularly in the south forever, and actually over the course of my time in that region, which started in the early 80s, there is an understanding up to a point. But at some point in time the Iraqis say, that's enough.

I'm hard-pressed to believe that, having fought for what they've fought for, that they're going to sacrifice their sovereignty to this

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country. The backgrounds are deep and very contentious historically, and that Iraq has to take concrete steps, and they are taking some. They're clearly consumed in the political battles right now to figure out how they're going to move forward here, to include that kind of balance.

In the end, and I don't know if it's next year or the year after that, Iraq is going to have to figure that out. That's part of what I think needs to be tied to the strategic relationship we have, that they know from a strategic level we're not going anywhere, we're going to be there with them in support. We certainly want to continue to push back on Iran in every single way, not just in what they're doing in Iraq.

Secretary PANETTA. Senator, when I last went to Iraq it was right in the middle of these IRAMs being provided that we were taking heavy casualties as a result of that. I made very clear to them that that was unacceptable.

I think, as the Admiral has pointed out, we actually did have some encouraging results. Prime Minister Maliki was concerned. He indicated that concern, but, more importantly, his national security adviser and he made very clear to Iran that that had to stop. That was a very important message to the Iranians.

Second, there were operations. General Austin conducted operations. The Iraqis conducted operations against those groups as well, to make clear that we were not going to give them a free license to be able to conduct those kinds of attacks.

The combination of that did result in a hiatus in terms of what was taking place. We don't assume, however—and General Austin has made clear—that this is a temporary thing and that Iran is going to come back and try to do the same thing.

I think Prime Minister Maliki, he understands that his country cannot allow Iran to be able to conduct that kind of influence within his country, provide those kinds of weapons, and basically undermine his government. That's what's happening, and I think he gets that message. But we're going to have to continue to make sure that they take the right steps, and I think Iran needs to understand that we're going to be around a while here, making very clear to them that we're not simply going to ignore what Iran is doing in Iraq.

Senator COLLINS. Another troubling player which all of us have discussed is Pakistan providing safe havens and undermining the efforts in Afghanistan. Senator Graham and I are both members of the Senate Appropriations Committee and last night we met late and approved the foreign operations bill that places several conditions and restrictions on the Pakistan counterinsurgency capability fund. One of them is that the Secretary of State must certify that Pakistan is cooperating with U.S. efforts against the Haqqani network and other terrorist groups.

Do you, Mr. Secretary, support putting that kind of restriction on our assistance to Pakistan?

Secretary PANETTA. I'm going to let DOS reply to you directly, but as far as I'm concerned, anything that makes clear to them that we cannot tolerate their providing this kind of safe haven to the Haqqanis and that they have to take action, any signal we can send to them, I think, would be important to do.

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Senator COLLINS. Thank you. I had a feeling you might defer to DOS on that. But I do think it's really important, and the best way to send a strong message is to start conditioning the funding.

Admiral Mullen, a successful transition in Afghanistan depends in part on the Afghan forces' willingness and motivation to fight for their own country. I know you've told me before that the Afghans are fierce fighters, and I've heard that from troops on the front lines as well. But attrition in the ANSF continues to run very high, as much as 32 percent per year. Between January and June of this year, there were more than 24,000 Afghan soldiers who went AWOL.

What troubles me is that is more than twice as many as for the same period a year ago. So that to me does not represent progress. DOD has noted in its most recent 1230 report that if levels of attrition seen throughout the last 5 months continue there is significant risk to the projected ANA growth.

What efforts have been undertaken to increase the long-term commitment among Afghans? After all, as with Iraq, ultimately both of these countries' citizens are going to have to take responsibility for their own security.

Admiral MULLEN. Ma'am, it wasn't that long ago that we had those kinds of numbers and that kind of percent in the police as well. I think you've seen the attrition rate in the police come down to meet our goal. We're not happy with that. I know on the army side in particular that this is an issue that General Allen, General Caldwell, and the command address regularly.

Some of it got better tied to how we pay them. But it still is, as you've described, a significant issue that's approaching roughly, at least my numbers are, about 30 percent per year.

We do find an awful lot of Afghan soldiers who want to be there and who want to provide for their country. But there's clearly a lot that don't have that message yet. We need to continue to work on that. I know this is a huge priority for Minister Wardak, the minister of defense, for General Karimi, who is my counterpart there, and that they continue to work very specifically to reduce this.

But we don't have all the answers. To your point, clearly it is a significant risk factor in the overall strategy. But at least I haven't seen, nor has any commander told me, that it puts the strategy at risk. So it's significant, but it's something we think we can continue to address over time and know we have to.

Senator COLLINS. Thank you both.

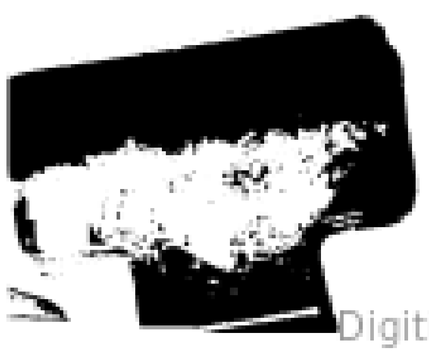
Chairman LEVIN. Thank you, Senator Collins.

Senator Udall.

Senator UDALL. Thank you, Mr. Chairman.

Good morning, gentlemen. I know it's been one of those mornings on Capitol Hill when we have a lot happening, but I think it's illustrative of the importance of this testimony today that I think every member of the committee is finding time to come and ask questions and engage in a dialogue with both of you.

I think, Admiral—and I wasn't here, but I think in your testimony you said that we need to reframe our relationship with Pakistan. I want to build on Senator Collins' line of questioning about sanctions, with a bit of a focus on how sanctions or reductions in military aid to Pakistan might hinder our mission in Afghanistan.



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More broadly, I'd invite both of you to just comment further on what we can do to reframe that relationship with Pakistan.

Secretary PANETTA. We have indicated, with regards to assistance to Pakistan, that it is conditioned on several things that we have to pay attention to. Number one, are they cooperating with regards to going after targets in al Qaeda, the remaining targets? In my prior position, we identified a series of those targets that remain and we said, we need your cooperation to be able to go after them. So I think that's one test.

Second, is whether or not they're going to take action with regards to the safe havens and dealing with the Haqqanis. I think that is another area in which we have to say, you have to take steps to be able to stop that from happening.

Third, that we would like, frankly, for them to continue efforts to go after the terrorists that are threatening them. They did, to their credit, took action in Swat, took action in South Waziristan. They took a lot of casualties. I commend them for the action they did. But very frankly, they have to continue that pressure on those terrorists.

Look, I have made clear to them that terrorism is as much a threat for them as it is for the United States. But it's very important that they cannot choose between terrorists. If you're against terrorism, you're against all terrorists, and that's something, I think, that we have to make clear to them time and time again.

Admiral MULLEN. I would try to expand the discussion beyond—certainly it has to be where the Secretary mentioned in terms of included in the framework. I went to Pakistan in 2008 and one of the things that I addressed to the political and military leadership, along with Steve Kappas, who was then the deputy at the CIA, I actually believe that the ISI has to fundamentally shift its strategic focus. They are the ones who implement, I would argue, as part of government policy the support of extremists. It's not just Haqqani, because we've also had our challenges with Lashkar-e-Taiba, which is an organization they put in place.

So in many ways it's the proxy piece here, the support of terrorism as part of their national strategy to protect their own vital interests, because of where they live. That has to fundamentally shift.

I also believe there has to be enough patience on both sides. They'll probably be the last ones to shift, and how quickly that can be done certainly is an open question.

I think we need to listen to them. This is a country that's generally in decline, although their financial situation is better now than it was a year ago. So much of it focuses on, as it does in many countries, how is their economy doing? Is there a way to open up their markets? As they look out to the future, would they like to see Afghanistan settled, I believe for some time? Kashmir actually unlocks the whole region. It's an enormously difficult problem that I don't think from my perspective—there has to be pressure brought to bear on solving that problem as well. One of the things I get constantly is their number one crop is cotton. They can't market that cotton here, for lots of reasons that are well out of my lane.

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So much of it is far beyond just the security issue. He has 2,000 detainees in Swat, roughly. He has no place to put them, no place to take them into a legal system that can't handle them. So there's a whole rule of law piece here. There's a chairman of accountability for corruption in this country that needs to sign off on corruption charges. It's a terribly corrupt country in many ways, and that chair's been vacant for the last 18 months.

So there's a series of things that I think we need to look at and have some patience. I get this has been a long time. It's just not going to be solved overnight. But I think we need to broaden it, certainly to include the security issue, the support. They have, quite frankly, supported us to significantly impact al Qaeda. But they're pretty choosy about which terrorists they support with us and the ones that they won't support.

Senator UDALL. Thank you for that comprehensive overview.

It strikes me—and I wouldn't want to pin the two of you down, but at times it appears like Pakistan and its leadership are both playing the role of arsonists and firemen, and that's problematic.

Admiral, you mentioned the economic policy change tied to their textile industry. It would, I think, still be worth considering on behalf of Congress, or on the part of Congress, and that's some homework for us.

Let me move in the time I have remaining to reports of fraud, waste, and abuse in Federal contracts in Iraq and Afghanistan. The Commission on Wartime Contracting estimated that at least $31 billion has been lost to fraud and waste. This is not a surprise to you two. It's not acceptable in good economic times, certainly not when we're in tough times.

But at the same time, I think we have to be careful that we don't in putting in place more oversight bog down the good projects that are under way. How do we get the right amount of money to the right projects on time? Mr. Secretary, what other steps are we going to take to ensure that tax dollars are not squandered by contractors?

Secretary PANETTA. There actually were some pretty good recommendations in that report. I've asked our people to implement those recommendations. I think the key here is that, without burdening the operation with additional bureaucracy, the fact is in the contracts themselves, when you develop the contracts, that's the first point where you put the right requirements in and you do the kind of immediate oversight at that point that assures you that these contracts are being handled right.

There's a series of other steps that they've recommended. But my goal is to try to put those into effect because, frankly, that kind of waste, that kind of loss, is something that's intolerable.

Admiral MULLEN. Can I just make one quick comment? When General Petraeus took over there out at ISAF, he put in place a Navy two-star admiral that had done this work in Iraq for him to run a task force over the course of about, I think, 6 or 8 months, to attack this issue. She came up with many good recommendations, and those now are being implemented against existing contracts. Some contracts were cancelled as a result of that because we recognized we were feeding the enemy in too many places.

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We've also in DOD and this came out of Iraq—over the course of the last many years, dramatically increased the number of contract expertise in our own department, which we had devastated in the 1990s, to put back in place individuals that can oversee this.

So I think we all recognize that this is an area that we have to improve on, one, financially; two, we're feeding the fight against us. We're trying to do that as rapidly as we can.

Senator UDALL. Admiral, good points. That's the worst kind of two-fer, taxpayers' dollars being squandered plus going to the enemy.

Any opportunities to recoup some of those pilfered funds? Any plan in place to do so?

Secretary PANETTA. Frankly, it's too early to tell right now. I have asked that they look at that and determine whether or not some of that can be regained. I doubt it, but I think it's worth a shot.

Senator UDALL. Maybe Admiral Mullen in retirement could take that on as one of his missions.

Thank you, Admiral Mullen, by the way, for your tremendous service. I know we all on the committee wish you the very best. I think it's a tribute to you—you don't like to hear these expressions of gratitude, but we're going to keep them coming your way regardless of your sentiments. So, thank you so much.

Chairman LEVIN. Thank you, Senator Udall.

Senator Vitter.

Senator VITTER. Thank you, Mr. Chairman.

Thank you both for your service. I apologize if I go over questions that other members have asked when I was absent.

Admiral, what advice would you give us as to the right number of U.S. troops to keep in Iraq next year?

Admiral MULLEN. I actually believe that it's—and this is in the training piece. I really do believe it's tied to the mission. I think, first of all, assuming there is a number, first and foremost we have to be able to protect ourselves. We cannot put anybody in a position that is not able, whatever our mission, to protect ourselves. I'm actually confident that's well-understood up my entire chain of command.

Second, we're in the middle of negotiations right now and honestly, in the end I actually believe, and we've been working with the Iraqi military for a significant period of time, so we think we understand where the gaps are, the Iraqi military understands where the gaps are. In the end, it's going to be something that now Prime Minister Maliki and the political leadership makes a decision on, tied to actually not just the training mission, but also to look at, there's a DOS mission here as we move to normalize and put a relatively significant mission in under the DOS umbrella as well.

There has been a lot of analysis on this. Lloyd Austin has covered this extraordinarily well. But it really, in the end, depends on the mission, and that's not determined yet.

Senator VITTER. Let's take parts of that at a time. What's the minimum number, in your opinion, that would be required to protect themselves? That's the way you start.

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Admiral MULLEN. But inside, how much training am I going to do, who's going to do it, again assuming we're going to do this, where is it going to exist? It depends on where it is in the country. It's different west than it is north than it is south or in Baghdad. I know people, you, others, would love to have me get a number out there. Honestly, just it's not determined yet. It really does depend on what we're going to do and where we're going to do it and how often we're going to do it.

Senator VITTER. I guess I'm a little frustrated, Admiral, because on our side, on the U.S. Government side, we're part of the political leadership. So I'm asking for that advice as we have that discussion.

Admiral MULLEN. Secretary Panetta said earlier, and I think it's important, that when we get to that point, I probably won't be here, but he'll consult with Congress, we'll consult with Congress when we get to that point. But honestly, we're just not there yet. We'd be having, from my perspective, circular conversations about this, because we just don't know what's going on in Baghdad.

Senator VITTER. To both of you: We've talked a lot about a new approach to Pakistan and it's been a pretty broad discussion. It seems like we don't have a clearly defined new approach and that's because it's a difficult issue, and I'm not suggesting it's an easy thing. But it seems very important to me that we come up with a clearly defined approach and clearly lay that out.

I think that's important to the Pakistani Government. I think it's also important for the American people to have confidence that we're not just moving along and being taken advantage of again.

When do you think and how do you think we'll lay out that clear new approach?

Secretary PANETTA. Senator, I think that's already happening. The Pakistanis—as we all understand, this is a complicated relationship. On the one hand, it's necessary because we're fighting a war there and we're trying to defend our country there. They do give us some cooperation in that effort. Just recently they helped us with a guy named Maritani, who's a terrorist who they helped capture. They've given us other areas of cooperation.

At the same time, we know what these other problems are when they allow these safe havens to take place from which forces attack our people.

I think the most important thing is that the United States and Congress, we all have to speak with one voice, one clear voice to the Pakistanis, that makes very clear that we cannot tolerate their having these kinds of safe havens. We cannot tolerate having terrorists coming across the border, attacking our forces, killing our soldiers, and then escaping back into that safe haven. That is not tolerable, and they are the first ones that ought to take action on that.

My experience with the Pakistanis is that if everybody speaks with one voice, if we all convey the same message—Admiral Mullen has done that with Kayani, Director Petraeus has done that with General Pasha, I've done that with my counterparts, send a very clear message that this is unacceptable, that the more we keep that kind of pressure on them, the more they understand that they have to do something about it.

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Now, that's just the nature of the relationship. Sometimes that's not very satisfying. But frankly, the only way to deal with the Pakistanis is to keep giving them a clear message where the lines are.

Senator VITTER. I agree with all of that, and I agree with speaking with one voice. Has it been articulated about what the consequences of their not changing in those ways are?

Secretary PANETTA. I have made very clear that we will do everything necessary to protect our forces. I haven't spelled that out for them, but I would be very surprised if they were surprised by what we did to fulfill that commitment.

Senator VITTER. What about in terms of aid to the Pakistani Government?

Admiral MULLEN. I like the term that Senator Collins used, and obviously Senator Graham. I think it needs to be conditioned. I think we need to be careful about definitions and terms here, because if they're too broad there can be lots of things, did they make progress or didn't they make progress. I think I've been there 27 times. I've met with them multiple more times than that, with Kayani and with the rest of their leaders many times. It's an enormously complex problem.

The strategic way to approach this from my perspective? Secretary Panetta, Secretary Gates before him, Secretary Clinton, the President, the Vice President, SRAP Holbrooke, SRAP Grossman, terribly talented people, and not just our country, for a long time. I think we need to continue to stay engaged. I don't know where the breakthrough is going to take place, but I think we can get there and we need to be there when the light goes on. If we're not, I think it's a very dangerous long-term outcome should we cut it off. So I think we have to be careful about the conditioning, and yet it is an area, it's a lot of money. This is a two-way street.

Senator VITTER. Let me just end on how I began this line of questioning, which is, I think, a new approach to Pakistan needs more definition, at least for the American people. Maybe it's been more clearly defined in private discussions with them. I don't know. I think it needs more definition for purposes of our continuing to support any engagement, and I would encourage that, because I don't think it's clearly defined even among members, much less the American people.

Thank you.

Chairman LEVIN. Thank you, Senator Vitter.

Senator Manchin.

Senator MANCHIN. Thank you, Mr. Chairman.

First of all, Admiral Mullen, again congratulations on a most successful career. I look forward to your next career of service, because I'm sure it will be something. I don't think that you're ready to retire.

Admiral MULLEN. Oh, yes I am. [Laughter]

Senator MANCHIN. Of course, Secretary Panetta, I have the utmost respect, but mostly the confidence. I feel more encouraged and confident with you coming in in this new venture of yours and all your past service. So I look forward to much success.

With that, I want to make a statement. I think you probably have known my feelings about what is going on and how I feel

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about the engagements we have. But it's my deep belief that we should be rebuilding America, not Afghanistan or Iraq. Today, with our Nation facing a stagnant economy and a death spiral of debt, I don't believe we can have it all, or pretend that we can. We must choose what as a Nation that we can and cannot afford to do. We must make a choice whether we will spend hundreds of billions of dollars to rebuild our own Nation, or build other nations.

Some may believe that making the choice will weaken our security and I truly don't believe that. Admiral Mullen, as you have said yourself, debt is the greatest threat to our national security. If we as a country do not address our fiscal imbalances in the near-term, our national power will erode, and the cost to our ability to maintain and to sustain influence could be great.

This Nation cannot in good conscience cut billions in services and programs at Home or call on Americans to pay more in taxes in order to fund nation-building in Afghanistan that is estimated to cost $485 billion just over the next decade. Let there be no mistake, we are at a crossroads in our Nation's history and, I think, every one of us in Congress and the President and, Secretary, yourself as Secretary of Defense, we all have choices to make.

I, for one, will not ask Americans to pay to rebuild another nation, and I have simply said I choose to rebuild America. To be clear, I want to share with you just a few of the facts and insights that have helped me formulate my opinion that we must, for the good of our Nation and our national security, fundamentally shift from the President's strategy in Afghanistan to a pure mission of counterterrorism. I will be specific for the record.

At the current rate of our deficit spending, the Congressional Research Service (CRS) projects our national debt will exceed $23.1 trillion by 2021. By the next decade, we will spend more on interest on our debt than defense, education, and energy combined. At the same time, the Afghan economy is growing at leaps and bounds, while our economy stagnates, and that's only because American tax dollars are funding the Afghan economy.

Preliminary estimates suggest that Afghanistan's GDP growth rate was 20.4 percent in fiscal years 2009 and 2010, while the U.S. growth rate of GDP was 2.2 percent.

Also, in 2011 Afghanistan's growth rate was 8.2 percent, while our United States of America's growth rate was only 1.6 percent.

This might be worthwhile if we were building a stable and self-sufficient Afghanistan. But instead of building capacity, the World Bank reports that Afghan imports and exports have declined for the last 4 years. Domestic revenues funded only 9 percent of Afghanistan's public expenditures from 2006 to 2010. This isn't an economy that can function on its own in any way. It's an economy that is entirely fueled by American tax dollars.

In the coming days and weeks, we will engage in endless partisan fights over whether we could and should be investing $50 billion more to rebuild American transportation infrastructure, funding that I do support. But we could have already paid for that and more with the $72.7 billion we have already invested to build Afghanistan infrastructure since 2002, not to mention the billions more that we are projected to spend in the years ahead.

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We will debate how to pay for the billions needed to modernize American schools, while the Commission on Wartime Contracting estimates that $30 to $60 billion has been wasted on corruption in Iraq and Afghanistan. That is money wasted and stolen from the taxpayers that could pay for all the school modernization that the President has proposed and again that I support.

Perhaps the greatest insult of all is that, in spite of the blood and treasure that we have invested in Afghanistan, we are still not their preferred partner of future economic growth projects, and I'll be specific. In 2007 the state-owned China Metallurgical Group Corporation won a contract to develop the Aynak copper deposits in Logar Province. This deposit may yield up to $88 billion of copper ore. To my knowledge, China does not have one boot on the ground and has not contributed one penny to security of Afghanistan. Instead, we are directly and indirectly helping China profit while we lose our brave men and women fighting to keep Afghanistan safe.

Secretary Panetta, as I've said, I have great respect for you, I truly do, and for your service, Admiral Mullen. I know that this is a new challenge for you, Secretary Panetta, but I hope that you would take these concerns to heart. I am truly sincere about what I believe and what I've said, and I've given it great thought and I have researched the best that I can with all of the different information available to me to come up with the conclusion that I have come up with, that we should get out as quickly as we can, go and fight terrorism anywhere and everywhere it may take us to keep it from the shores of America, and I think the American people will be behind us. But I do not believe that we can win and change the Afghans or the Iraqis or the Pakistanis from what they believe in.

With that being said, I hope that we really do prevent that from happening here again as happened on 9/11, and we will support that effort.

So, with that I have a statement for you on that, if your people would like to respond to that. If either one of you would want to, you're more than welcome.

Secretary PANETTA. Senator, you've shared those views with me before and I understand your concerns. I think all of us, as the Admiral has expressed, are concerned about the economic situation in this country and that it is a threat to our national security, and that we have to pay attention to it.

At the same time, it's important that if we're going to protect this country, protect our economy and protect our people, that we also have to be able to respond to those threats to our national security, and that it would not behoove us to just focus on the economic challenges without focusing on the national security challenges as well. That's our responsibility.

I think the reality is that from 9/11, we just celebrated the tenth anniversary of 9/11, we were attacked. This country was attacked and a lot of people died as a result of that attack. We had a responsibility to respond to that. What we have to do now is to make sure that places like Afghanistan and Pakistan don't become safe havens so that al Qaeda can again plan those kinds of attacks against the United States, particularly with regards to Afghanistan.

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So that's the mission here. I know there are differences as to why we got into it. I know there are differences that are there as to how a lot of this has been conducted. But I also want to tell you that I think all of the efforts and all of the blood that has been spilled, that, in fact, we have made important progress here, that with regards to terrorism, I think, we have seriously weakened al Qaeda and their ability to conduct those same attacks.

I think, with regards to Iraq and Afghanistan, we've turned a corner. We're in the process of beginning to draw down in Iraq. We're in the process of drawing down as well in Afghanistan. I really do think that if you look at that we're on the right path in both places towards hopefully having a stable government there in both areas that can both secure and govern themselves.

It's going to take work. It's going to take commitment. I understand there's been waste. I understand that mistakes have been made. But I also believe that this is a point where the United States has to stick with it and not just walk away from those responsibilities, largely because the last thing we should do is to say to those families who have lost loved ones that somehow all of this was in vain. The most important thing we can do to pay tribute to those that have lost their lives is to make this right.

Senator MANCHIN. Sir, I know my time has expired, and I would only say that I support the war on terror wherever it may take us and whatever it costs. I just don't think, at the expense of the United States, when we have our infrastructure crumble, that we're building their infrastructure, which does not seem to give us much of an advantage with them because they don't seem to appreciate it or respect what we're doing, the sacrifices we're making. So let's take the war of terror to them anywhere they may go. Let's make sure that we never forget what they have done, and we'll punish and bring justice wherever it may be.

Thank you, sir.

Chairman LEVIN. Thank you.

Admiral MULLEN. If I could just say very quickly to Secretary Panetta's last point, I just think we have to be very careful and thoughtful about the consequences of how we come out, how we withdraw, and that against the price that has been paid, and what does that mean for the future about the health of our force and that sacrifice.

Then lastly, just briefly on Iraq, I was there not too long ago, a month and a half, 2 months ago, flying over Baghdad at night, and I had a couple of soldiers with me who had fought, lost colleagues, troops that they cared dearly about in Baghdad. It looked like—the lights at night, it almost looked like Las Vegas. But more importantly, they saw traffic on the streets. They'd never seen traffic on the streets in Baghdad at night.

It is a different place. When I took this job, we were at the height of the surge discussion and debate then. The despair about where this was going was enormous, with no end in sight. Now the end is in sight. There is potential for 26 million people to lead a better life.

I understand the investment. This isn't about how we got there, why we got there. It's just where we are right now. That's why the responsible movement here in the course of the next year or so,

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whatever it is, and the strategic partnership and the opportunity that we have in that part of the world to have a friend, is pretty enormous.

Chairman LEVIN. Thank you, Senator Manchin.

Senator Graham.

Senator GRAHAM. Thank you, Mr. Chairman.

Admiral Mullen, when you look back on your time in DOD. I hope you feel very satisfied, because it's been a tough tour of duty. We haven't always agreed, but there's been a lot of social change in the military, there's been a lot of change in the world. You have been consistent. You have told us what you think, what you think is best for the country, for the military, and that's the best anybody could do. So I am very proud of your service and I consider you a friend.

To my good friend from West Virginia, I couldn't disagree with you more. Let me tell you that if you don't see things different in Iraq, you just haven't been there lately.

To those Iraqis who have fought and died, God bless you. Al Qaeda is the biggest loser in Iraq; would you agree with that, Secretary Panetta?

Secretary PANETTA. Absolutely.

Senator GRAHAM. They came to Anbar and they tried to take over, and the Iraqi people said: No, thank you. With our help, al Qaeda was delivered a punishing blow in Iraq. Do you agree with that?

Secretary PANETTA. Yes.

Senator GRAHAM. Now, you're the guy that said we need to go into Pakistan and get bin Laden. God bless you. That was a hard decision by the President and he took your advice and he made a calculated risk. Well done, Mr. Secretary. Going in on the ground was the most risky option, but the highest payoff, and well done.

To be secure, don't we have to do more than just kill terrorists in the war on terror?

Secretary PANETTA. That's right.

Senator GRAHAM. All right. So here's my construct. It's great to kill bin Laden because that deters other people from wanting to be bin Laden, if they can be deterred. But the best thing I think we could do as a Nation, Admiral Mullen, is to provide capacity to will. If there is a country out there who says, "I see al Qaeda just like you do, and I don't like the Taliban any more than you do, and I am willing to fight them with your help," isn't it in our national security interest to help them?

Admiral MULLEN. Yes, sir, certainly in terms of counterterrorism.

Senator GRAHAM. There will be 352,000 Afghans under arms by the end of the year, is that correct?

Admiral MULLEN. That's correct, by the end of next year.

Senator GRAHAM. Excuse me, by the end of next year.

So that makes me feel good as an American, knowing that those 352,000 Afghans will take the fight to the Taliban because, talk about infrastructure crumbling here at home, the World Trade Center crumbled. That infrastructure crumbled because a place called Afghanistan provided sanctuary to al Qaeda and they executed the whole attack for less than a million dollars.

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Do you agree with me, Secretary Panetta, that if things continue to go like they're going in Afghanistan, the likelihood of Afghanistan ever becoming a safe haven for terrorists to attack this country is very remote?

Secretary PANETTA. That's correct. The whole point is for them to achieve sufficient stability so that never happens again.

Senator GRAHAM. Simply put, isn't it better to fight them in their back yard, with the help of people who live in their back yard, than having to do it all from home?

Secretary PANETTA. Yes.

Senator GRAHAM. All right. So those who've served in Afghanistan and Iraq, you are changing the world. It is costly, it takes more time, it's more labor intensive, to build will, capacity to will, than it is to kill a single individual.

Drone attacks are part of a strategy, but the ultimate blow to this ideological movement called the war on terror is to have the good people over there fight back and win. You know what? They want to fight back. With our help, they'll win. So that's my two cents worth.

Back here at home, you're trying, Secretary Panetta, to go through the defense budget and over the next decade take out a substantial amount of money because we're broke as a Nation, right?

Secretary PANETTA. That's what they tell me.

Senator GRAHAM. It's painful.

Secretary PANETTA. It is.

Senator GRAHAM. You do it with a smile on your face, but you have to—and I want to help, because the defense budget should be on the table. Nothing is sacrosanct. The Senator from West Virginia is right, we're broke. But you don't become wealthy by allowing your enemies to grow in strength and come back and get you the second time.

So, we're going to put the defense budget under scrutiny. Whether it's $400 billion, $350 billion, $450 billion, it's going to be substantial over the next decade. Triggers in the debt ceiling bill, are you familiar with them?

Secretary PANETTA. Yes.

Senator GRAHAM. As I understand this legislation, if this supercommittee can't find the $1.4 trillion they're charged with finding in terms of savings over the next decade, there will be a trigger pulled to achieve those savings, and $600 billion will come out of DOD. Is that correct?

Secretary PANETTA. Roughly in that area.

Senator GRAHAM. On top of what you're trying to do.

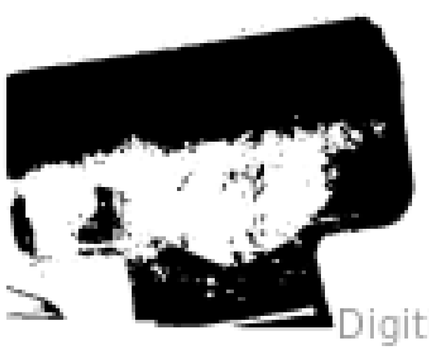
Secretary PANETTA. That's right.

Senator GRAHAM. If we pull that trigger, would we be shooting ourselves in the foot?

Secretary PANETTA. We'd be shooting ourselves in the head. [Laughter.]

Senator GRAHAM. That's why I like you.

It would be the dumbest thing. Do you know why Congress would do such a dumb thing? You don't have to answer that. I don't know either.



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That's the dumbest construct in the entire world, to try to find $600 billion in savings, is to put DOD at risk, destroy the finest military in the history of the world. I am disappointed in my Republican Party for allowing that to be part of the puzzle.

Now, let's go to Iraq. You're not going to tell me the number. I understand why you're not going to tell me the number. But we're going to talk about Iraq in terms of our strategic interests. On a scale of 1 to 10, how important is it that Iraq end well in terms of our national security interest?

Secretary PANETTA. It's certainly eight and above.

Senator GRAHAM. Okay. So let's look at it in terms of eight and above. The resourcing for an eight-and-above situation should be robust, but reasonable. When General Odierno says that we don't want too large a force, I agree. The Iraqis want to take over, but they need our help.

If you looked at the Kurdish-Arab dispute as a potential failure point in the future of Iraq where fighting could break out, Admiral Mullen, how would you rate that as a risk?

Admiral MULLEN. High.

Senator GRAHAM. If you look at the construct that you've come up with, where you have a Peshmerga, Iraqi security force, and American soldier forming a new brigade or company, that construct is paying dividends, isn't it?

Admiral MULLEN. Yes, sir, it has.

Senator GRAHAM. They call it the Lion's Brigade. So what I would ask you to do when you sit down and look at the numbers of troops, to make sure that that fault line does not crack, because we have a plan to integrate the Peshmerga, the Iraqi security forces, and we're the referee. Over time, we're going to build a transition force that will be more stable.

You said something, capacity and capability are as important as numbers. I agree with that, but there's a time in military engagements where numbers do matter. We're at the point now where capability matters.

So my point about 3,000—and I know that's not the number—providing intelligence-gathering; but what ability do the Iraqis have to gather intelligence on their own, compared to us?

Admiral MULLEN. I would describe that as one of the gap areas that they clearly need to work on. It's not none, but it's an area that——

Senator GRAHAM. But they don't have close to what we have, and if you want to keep Iran at bay, the more we know about what Iran is doing, the better off the Iraqis are?

Admiral MULLEN. But, Senator Graham, I don't think we should make them us, either. Yes, they need to improve, but it's not——

Senator GRAHAM. But we have a national security interest still in Iraq, right? So it's in our national security interest to know what's going on inside that country. So when you look at the fault line of the Kurd-Arab dispute, you look at intelligence-gathering capabilities they don't have, when you look at training their air force, training their army, and having a force protection plan for our diplomats, the numbers begin to add up. Would you feel comfortable with a member of your family serving in a follow-on force of 3,000?

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Admiral MULLEN. I would, I have confidence that whatever, assuming there is a number, that force protection will be, that our force protection will meet the needs of whoever might be there. So in that regard, yes.

Senator GRAHAM. Okay. One last question. I know my time has expired. Secretary Panetta, we've come up in the Appropriations Committee, Foreign Operations Subcommittee markup with some conditions and benchmarks on Pakistan. I want to provide it to you and would you write me a letter and see if you think we're on the right track?

Secretary PANETTA. Sure.

Senator GRAHAM. Simply put, you have informed the Pakistanis that enough is enough. I believe we can't trust them or abandon them. Do you agree with that simple statement?

Secretary PANETTA. That's where we are.

Senator GRAHAM. You can't trust them, but you can't abandon them. But would you agree with me, if something doesn't change in Pakistan substantially that we're on a collision course with Pakistan?

Secretary PANETTA. It has to change. We can't continue the situation that's there now.

Senator GRAHAM. Thank you both for your service.

Senator SHAHEEN [presiding]. Thank you all very much, Secretary Panetta, Admiral Mullen, for being here this morning and for your endurance. Hopefully, this is the end.

I want to echo all of my colleagues, Admiral Mullen, in expressing my deep appreciation for your leadership and for your service to the country. Thank you.

I would like to pick up from where Senator Graham ended on Pakistan, because, as you both pointed out in your comments, what happens in Pakistan has a great deal to do with what happens in Afghanistan. I had the opportunity to accompany Chairman Levin to Afghanistan in August. Senator Merkley was with us as well. One of the things that we heard from our military leaders when we were there was the growing influence of the Haqqani network and the impact that they were having, because of not only their own operations, but because of their support for the Taliban and other terrorist groups, not only in Afghanistan, but inside Pakistan itself.

So my question, Admiral Mullen, is first to you, and that is, do you think that General Kayani, the Pakistani leadership, recognizes the threat that the Haqqanis present not only to Afghanistan and to our forces there, but also to their own internal security and to their own military?

Admiral MULLEN. You said something very important, Senator, and I think the Secretary would agree with this, which is what we've seen over the course of the last several years is the coming together of many of these terrorist organizations in ways that—years ago, they didn't like each other much at all. But we see more and more of that, including recently the attack on our embassy, and that's worrisome.

With respect to the future, it's very clear the toughest fight's going to be in the east, and the Haqqani network is embedded in Pakistan, essentially across from Khost, Paktia, and Paktika,

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which, as General Petraeus said, is the jet stream to Kabul. They want to own that. That's really their goal.

But they also have, because of the relationships with other organizations—Tehrik-i-Taliban Pakistan would be one, al Qaeda would be another, there is also an internal threat that Pakistan is trying to deal with, and, in fact, they've sacrificed greatly, lost lots of soldiers, lost lots of citizens. That is a priority for General Kayani and his leadership.

He has about 150,000 troops deployed in the west. He can't sustain that. He can't rotate them. Not many of them have been able to rotate out over the last several years. So I think we need to recognize there has been plenty of sacrifice there.

Haqqani, that group is a tough group and they have not been willing to take them on militarily. There's concern about the ability to do that. That's why this emphasis, I think, is so important, and in the end it's going to be the strategic leadership of the Haqqani network, not the troops on the ground for the Haqqanis, that can affect this change.

So I think the risk there is very high over the course of the next couple of years. I think the biggest fight is going to be in the east, enabled certainly by us, but also Afghan Security Forces and coalition forces, more than anyplace else. The south I'm not going to say is not problematic, but we're in a much better place in Kandahar and Helmand than we were a couple of years ago. It's going to be the east, I think, that in the end answers this from a security standpoint, and Haqqani is at the heart of that.

We haven't talked about Quetta today. We haven't talked about Mullah Omar and the Taliban. They haven't gone away, and that's a part of this which also we need to work with the Pakistanis to help address. We do get some cooperation there as well.

So it's a mixed bag in terms of their overall support. In ways, as the Secretary said, they've helped; in other ways they haven't.

Senator SHAHEEN. Thank you. I was not aware until we had our meetings in Pakistan of the extent to which they still had troops fighting the terrorists within Pakistan and the amount of casualties, both civilian and within their military, that they have already endured. So I think it is important to point that out.

We also visited Regional Command East while we were there. Are you confident that we have enough troops and we have a strategy on the ground there that can address the growing influence of the Haqqanis and that path or trail that goes back and forth between Pakistan and Afghanistan in that region?

Admiral MULLEN. I think one of the things that General Petraeus did while he was there was set up this layered defense, and it's a much tougher spot, tougher fight, for the Haqqanis than it was a couple of years ago. We have a new commander, we didn't talk about this today and, I think, actually it's important, but there is a new team there with Ambassador Crocker, as well as General Allen. It's an exceptionally strong team and I look for a positive outcome because of that team and a positive trend.

General Allen is looking at how to, first of all, finish this fighting season, if you will, and then based on the results most of us expect, he's going to have to redistribute some forces in the east from the

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south for next year. The specifics of that I think he's still working his way through.

So, in that regard, my expectation is that there will be some net increase in the east, not coming from outside the country but from inside the country, as things have gotten better in the south and he looks to the tougher fight in the east in the next couple of years.

Senator SHAHEEN. I appreciate your mentioning the new team there. They were very impressive.

I think both of you also mentioned the confluence of India and their impact in the region. One of the things that we heard from the leadership in Pakistan was their overtures to try and reduce tensions with India. How much of that do you think is real and has the potential to have a real impact, and how much of it is show and not going to have any real impact?

Secretary PANETTA. I think it is real. I think they are making an effort at trying to see if they can find a way to resolve the issues between Pakistan and India. They've made efforts at that. I think what has to happen is that they really do have to make this a higher priority. They have to really focus on this.

I think in terms of the security of Pakistan that if they could find a way to resolve their differences with India that country would be a different country. But to do that, to achieve that, I really do think that they have to put a much larger effort into trying to resolve those differences with India. You can't meet one day and then wait a long time and then come together. It has to be constant, and that's something that they're not doing right now.

Senator SHAHEEN. My time has expired, but just a final follow-on. How receptive do you think India is to those kinds of overtures?

Secretary PANETTA. India has in some ways resisted engaging as well. I think both sides need to roll up their sleeves and get to work on this. It's tough. It's tough politically in both areas. But in the end we are never going to achieve stability in that region until the issues between Pakistan and India are resolved.

Senator SHAHEEN. Thank you both very much.

At this time we'll close the hearing. We are adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR CLAIRE MCCASKILL

STRATEGIC STEWARDSHIP

1. Senator MCCASKILL. Secretary Panetta and Admiral Mullen, as much as I'm concerned about finding specific savings, I strongly believe we have a new imperative for strategic stewardship of our national treasure by the Department of Defense (DOD) and its leadership. I am sure we are in agreement that DOD must continue to aggressively look for ways to save money without compromising its ability to fight and win the Nation's wars, but what really concerns me is that DOD has not fully and thoroughly come to embrace the fact that the way it spends money is just as important as the way it fights because we can't win if we continue to waste money. In fact, I believe we will erode the will of the American people if we are not good stewards of both the lives of our servicemembers and the treasure of our country. As you are fully aware, without the trust and confidence of the American people we can win every tactical fight on the ground and still not be strategically successful. Given the incredibly challenging financial times in which we find ourselves and the hard slog of the past 10 years at war, how does DOD, and each of the Military Services, ensure leadership at every level pay as much attention to how it uses its resources as it does to how it takes care of its men and women?

Secretary PANETTA. I am confident DOD can meet its national security responsibilities and do its part to help the country get its fiscal house in order. To do this,

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DOD must work even harder to overhaul the way it does business. An essential part of this effort is improving the quality of financial information and moving towards auditable financial statements. To that end, I directed DOD to cut in half the time it will take to achieve audit readiness for the Statement of Budgetary Resources, so that in 2014 it will have the ability to conduct a full budget audit. This focused approach prioritizes the information used to manage DOD, and will give financial managers the key tools needed to track spending, identify waste, and improve the way DOD does business as soon as possible.

This is a priority for me across DOD. I will engage in this effort personally and directed the Deputy Secretary, in his role as DOD's Chief Management Officer, to conduct periodic reviews. Auditability is a goal that every commander, every manager, and every functional specialist must understand and embrace to improve efficiency and accountability within DOD. Financial Improvement Audit Readiness (FIAR) goals are being included in Senior Executive performance plans throughout DOD in fiscal year 2012 and DOD is working to include them in General and Flag Officer performance plans as well.

Admiral MULLEN. DOD is adapting to the changing fiscal environment and will continue to strengthen its analytical processes for making difficult budget choices. DOD will also reinforce a culture of cost discipline, which will enhance our ability to be good stewards of our national resources. These focused approaches will give our financial managers, at all levels, the key tools they need to track spending, identify waste, and improve the way DOD does business.

The Chief Financial Officer and the Military Departments play an integral role in the financial governance processes, including overseeing the processes and implementation of new systems. Senior leadership within DOD is committed to, and accountable for, accomplishing the goals of FIAR.

LEADERSHIP IN CONTRACTING POLICY

2. Senator MCCASKILL. Secretary Panetta and Admiral Mullen, it seems to me that part of the problem is that contingency contracting continues to be side-lined in DOD as something it requires and therefore something it must do, but something to which it does not give adequate oversight or priority. As a case in point, in June the Subcommittee on Contracting Oversight of the Committee on Homeland Security and Governmental Affairs (HSGAC) had a hearing on this issue, where I addressed this concern with DOD officials. I simply asked who's in charge of contingency contracting within DOD—its planning, its oversight, et cetera. To put it mildly, the answer was lacking and elusive. Who is the most senior official, aside from the Secretary of Defense, in charge of contingency contracting policy, planning, and execution within DOD?

Secretary PANETTA. Specific to contingency acquisition and contracting, the Under Secretary of Defense for Acquisition, Technology, and Logistics (AT&L) is the senior official in DOD responsible for supervising acquisition and establishing policies for acquisition, to include contingency contracting efforts in DOD. Within AT&L, these responsibilities are discharged by the Director, Defense Procurement and Acquisition Policy, and the Deputy Assistant Secretary of Defense for Program Support.

The importance of contingency contracting is recognized within both operational and acquisition communities and currently being institutionalized across DOD in policies, doctrine, and plans. Operational Contract Support (OCS) has been defined as the ability to orchestrate and synchronize the provisions of integrated contract support and management of contractor personnel providing support to the joint force within a designated operational area.

OCS responsibilities within DOD are set forth in DOD Directive 3020.49, "Orchestrating, Synchronizing, and Integrating Program Management of Contingency Acquisition Planning and its Operations Execution," which recognizes the roles of the Office of the Secretary of Defense, the Joint Staff, the Military Services, and the combatant commanders with respect to OCS.

Admiral MULLEN. The Assistant Secretary of Defense for AT&L is the senior official in DOD responsible for contingency contracting policy, oversight, and execution. The Chairman of the Joint Chiefs of Staff, in coordination with the Assistant Secretary of Defense for Policy, is responsible for issuing strategic planning guidance to the combatant commands, planning system automation support, and review of operational plans for adequacy and compliance with said guidance. The combatant commands develop and execute operational plans and the Military Services provide actual contracting in accordance with Title 10 authority.

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AFGHANISTAN INFRASTRUCTURE FUND

3. Senator MCCASKILL. Secretary Panetta and Admiral Mullen, DOD and U.S. Agency for International Development (USAID) are now planning for the implementation of the Afghan Infrastructure Fund, which will spend $400 million in DOD funds and hundreds of millions more from the Department of State (DOS) and USAID. The projects include maintaining and operating power generators in Kandahar, building power transmission networks, and $23 million for a new road connecting Nawa to Lashkar Gah. I have asked questions about this fund before in hearings in the Subcommittee on Contracting Oversight of HSGAC and I continue to have serious concerns about the fact that DOD is building these projects that the Afghan Government cannot possibly sustain, particularly in a time of budget shortfalls and real needs here at home. Can you tell me how DOD plans to ensure that this $400 million doesn't go down the drain?

Secretary PANETTA. Sustainability is critical to the success of infrastructure projects. Recognizing this, DOD continues to develop and implement a number of processes to ensure that the infrastructure it builds can, and will, be sustained by the Afghan Government and people. For example, the electrical, water, and other infrastructure projects funded by the Afghan Infrastructure Fund (AIF) are reviewed for sustainability by a variety of stakeholders, including DOS, USAID, international donors, the Government of Afghanistan (GoA), and regional and local government officials and citizens. All AIF projects must also have sustainability plans, which identify local responsibilities, non-U.S. funding sources, and maintenance and operation requirements. In addition, to help ensure that the electrical projects are sustained, USAID is engaged in a robust initiative to build the capacity of the national power utility company, Da Afghanistan Breshna Sherkat, to generate revenue and sustain necessary infrastructure. Through interagency and intergovernmental partnerships such as this, DOD is working to ensure that all infrastructure projects are sustainable by the GoA.

Admiral MULLEN. We acknowledge that, if unassisted, the Afghan Government would likely have challenges maintaining these infrastructure projects. However, there are capacity-building efforts underway to assist the Government of Afghanistan in developing the required abilities to maintain these infrastructure projects. In the case of Kandahar power generation, the Afghan Public Utility has made great progress in the last few years training the necessary maintainers for some of these projects. USAID has been engaged in training and capacity development, and has planned $300 million over the next 5 years to work specifically on capacity development in order to provide the depth of manpower needed to manage operations.

In the cases cited, future plans for additional power generation from more sustainable sources, like an additional turbine planned for the Kajaki Damn and integration of the power transmission networks, serve to reduce the requirements for sustaining the diesel power generation stations in Kandahar. Twelve-month contractor warranty periods have also been added for such projects as the Nawa to Lashkar Gah road. These types of projects, coupled with capacity development efforts, and the security efforts provided by the International Security Assistance Forces (ISAF) and Afghan National Security Forces (ANSF) will contribute toward the long-term sustainability desired.

QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

IRAQ STRATEGY

4. Senator INHOFE. Secretary Panetta, there are approximately 46,000 U.S. troops in Iraq. The 2008 security agreement between Baghdad and Washington requires all U.S. forces to be out of Iraq by December 2011. The Iraqi Government must ask for and approve the presence of U.S. forces beyond 2011. Iraqi Prime Minister Maliki and other Iraqi leaders have indicated they would like a U.S. presence beyond 2011, focused on training their forces, intelligence, and protecting their air space and borders. Masaoud Barzani, President of Iraqi Kurdistan, said if American troops leave, the sectarian violence that plagued Iraq after U.S.-led operations began might erupt anew and called on the Iraqi Government to sign an agreement with the Americans to keep forces in the country. The Obama administration is finalizing several options that could leave as few as 3,000 to 4,000 U.S. Forces in Iraq beyond December 2012. No official decision has been made by Iraq or the United States. This number is significantly lower than the 14,000 to 18,000 recently presented at DOD by General Lloyd Austin, Commanding General, U.S. Forces-Iraq. I believe leaving 3,000 to 4,000 U.S. forces in Iraq increases the risk to those forces and jeopardizes the successes achieved by the Iraqi people and the coalition of na-

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tions who help liberate them. How does U.S. force presence contribute to the U.S. Government's strategic plan in Iraq?

Secretary PANETTA. Strategically, a long-term partnership with the Iraqi Government and people is in the United States' interest, and a relationship with the Iraqi Security Forces (ISF) will be an important part of that partnership. We are currently in discussions with the Iraqi Government about the nature of that relationship. These discussions to date have focused on possible mission sets to support the ISF in areas that Iraqi commanders have identified as shortfalls, such as: logistics, air and maritime security training, combined arms training for Iraq's external defense, and intelligence fusion for Iraqi counterterrorism operations.

Iraq no longer needs large numbers of U.S. forces to maintain internal stability, and U.S. commanders in the field assess that the ISF can handle counterinsurgency operations. The ISF has the lead for security, and levels of violence remain dramatically reduced from where they were in 2006 and 2007.

At this point, no decisions have been made about any force levels in Iraq after 2011. We are drawing down U.S. forces in accordance with the U.S.-Iraq Security Agreement.

5. Senator INHOFE. Secretary Panetta, what are the courses of action (COA) currently being looked at in Iraq?

Secretary PANETTA. Courses of action are focused on discussions with the Iraqi Government about the nature and scope of a potential future relationship between the United States and Iraq. Any future security relationship would be fundamentally different from the one we have had since 2003. We want a normal, productive relationship with Iraq going forward—a partnership similar to those we have with other countries in the region and around the world.

For some time, we have been engaged in informal consultations with our Iraqi partners, including senior ISF officials, regarding ISF gaps and areas in which the ISF might request training post-2011. These areas include combined arms training necessary for Iraq's external defense; intelligence fusion (essential for a counterterrorism capability); air and maritime security training; and logistics.

Discussions to date with the Iraqis have focused on possible mission sets to support the ISF in these and other areas. Any post-2011 U.S. force presence upon which the United States and Iraq might ultimately agree would involve forces appropriate to support training and related mission sets.

Again, we have made no final decisions—nor reached any agreement with the Iraqis—about a post-2011 U.S. force presence in Iraq. We are drawing down U.S. force in accordance with the U.S.-Iraq Security Agreement.

6. Senator INHOFE. Secretary Panetta, what are the risks associated with COAs with regard to troop levels and what missions can be accomplished with those force levels?

Secretary PANETTA. We are currently in discussions with the Iraqi Government about the nature and scope of a potential future relationship. These discussions are focused on the types of training the United States may provide after December 31, 2011, and no final decisions about the nature of a U.S. presence in Iraq post-2011 have been made.

With regard to missions and force levels, discussions with the Iraqis are focused on possible mission sets to support the ISFs in areas that Iraqi commanders have identified as shortfalls, including logistics, air and maritime security training, combined arms training for Iraq's external defense, and intelligence fusion for counterterrorism. Any post-2011 U.S. force presence upon which the United States and Iraq might agree would involve forces appropriate to support the training Iraq identifies and requests.

Again, we have made no final decisions—nor reached any agreement with the Iraqis—about a post-2011 U.S. force presence in Iraq. We are drawing down U.S. forces in accordance with the U.S.-Iraq Security Agreement.

AFGHANISTAN STRATEGY

7. Senator INHOFE. Secretary Panetta and Admiral Mullen, Afghanistan remains one of the epicenters of violent extremism. Progress is being made, but it is fragile and reversible. The July 2011 and December 2014 deadlines seem to loom over all operations in Afghanistan. Enemy activity in Afghanistan historically intensifies during the summer, and this summer proved no different as evidenced by the bombing in Wardak Province on Sunday, the high level attacks in Kabul, and the greatest single month of U.S. casualties during Operation Enduring Freedom. A draw-

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down of U.S. Forces began in July 2011. Almost 1,000 soldiers from the 45th Infantry Brigade Combat Team (IBCT) from Oklahoma were rerouted at the 11th hour to Kuwait. This strategy of not replacing units as they rotate out of Afghanistan is disruptive and increases risk as the Oklahoma 45th IBCT is required to complete a mission at about two-third strength. Since July 29, 13 Oklahoma soldiers have been killed in Afghanistan—they are doing a great job, are well-trained, and are executing the mission we have given them. President Obama has ordered the withdrawal of 10,000 U.S. forces this year and another 23,000 by the summer of 2012, leaving about 68,000 forces on the ground. What rationale drove the drawdown at the height of fighting season?

Secretary PANETTA. The surge of U.S. forces ordered by President Obama in 2009 was never intended to be open-ended, and has always been connected to the transition process, which began in 2011. Campaign progress has set the conditions that allowed us to begin recovering surge forces, marking an important milestone toward the completion of the transition of lead security responsibility to the ANSF by the end of 2014. Further, decisions over the pace and timing of the drawdown, within the designated milestones, have been delegated to Commander, USFOR–A/ISAF. DOD is carefully monitoring campaign progress, and will ensure that decisions about force strength support our strategy.

Admiral MULLEN. President Obama's decision to begin the deliberate, responsible redeployment of 10,000 U.S. surge forces from Afghanistan over the course of this year, with a further recovery of the remaining 23,000 by the end of summer 2012 was based on clear progress in our strategy, particularly in our core goal of disrupting, dismantling, and ultimately defeating al Qaeda. We are seeing steady progress in the development of the ANSF, and there has been a clear decline in violence in 2011 when compared to the previous year.

At the end of summer 2012—when the recovery of U.S. surge forces is complete—there will be a greater number of Afghan and coalition forces in the fight than there are today because we will have added an additional 55,400 members to the ANSF.

Additionally, over the coming year, we will continue to develop and professionalize an even more capable ANSF. A well-trained, operationally effective ANSF will allow Afghans to assume greater responsibility as we redeploy the U.S. surge forces, maintain a necessary level of combat operations against anti-coalition forces, and prepare for the successful transition of lead security responsibility to the Afghans by the end of 2014.

8. Senator INHOFE. Secretary Panetta and Admiral Mullen, Ambassador Crocker said earlier this month that the United States must demonstrate strategic patience to win this long war in Afghanistan. Do you believe setting withdrawal dates of July 2012 and December 2014 demonstrate strategic patience and shows U.S. long-term commitment?

Secretary PANETTA. The date of July 2011 marks the beginning of the transition to Afghan security lead, which will be completed by December 2014. July 2011 also marks the beginning of our withdrawal of 33,000 U.S. surge forces, which will be completed by the end of summer 2012. At that time, the United States would still have 68,000 forces in Afghanistan.

Our approach demonstrates strategic patience and long-term commitment. When the surge began, there were roughly 190,000 personnel in the ANSF. Today, there are more than 305,000 members, and by the time we complete the withdrawal of our surge forces, the ANSF will be approaching their approved level of 352,000 personnel. The ANSF of today and the future benefits from extensive training and partnering by U.S. and coalition forces that is producing a far more capable army and police force than we had in 2009, and that has already begun proving itself in transitioned areas.

Finally, the strategic partnership document that we are negotiating with Afghanistan is a clear message that the United States will not abandon Afghanistan when transition is done. U.S. forces will continue to train and advise the ANSF and support them with important enabling capabilities. This is a patient and strategic approach focused on securing our long-term security interests.

Admiral MULLEN. President Obama's decision to begin the deliberate, responsible redeployment of U.S. surge forces from Afghanistan by the end of summer 2012 was based on clear progress in our strategy, particularly in our core goal of disrupting, dismantling, and ultimately defeating al Qaeda. We are seeing steady progress in the development of the ANSF, and there has been a clear decline in violence in 2011 when compared to the previous year.

The United States and the international community have sacrificed an extraordinary amount—in lives and resources—for the Afghan people. We remain committed to assisting Afghanistan in seeking a secure country that is free of al Qaeda

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safe havens. Ultimately, however, the Afghans must be responsible for taking the lead for security in their country. The transition process supports this objective.

President Obama and President Karzai have agreed that the United States and Afghanistan should have an enduring strategic partnership beyond 2014. NATO and the international community have also made clear that their commitment to Afghanistan is enduring and will continue beyond the completion of the transition to Afghan security responsibility. We are currently engaging with the Afghans to outline, in broad terms, a vision for our long-term cooperation and presence.

Afghanistan will require international assistance for many years to come; this is the reality of over 30 years of war. Our assistance, however, must be focused on helping the Afghans take full responsibility for their own future. We need to ensure that, as a nation, they begin to develop the capacity and the resources they need to reduce their reliance on international aid.

9. Senator INHOFE. Secretary Panetta and Admiral Mullen, do you believe that a stable Afghanistan will help prevent future attacks on this country like that of 9/11?

Secretary PANETTA. Yes. President Obama's strategy—as laid out in his West Point address on December 1, 2009—focuses on the core goal, which is to disrupt, dismantle, and defeat al Qaeda and its affiliates and prevent al Qaeda's capacity to threaten the United States and our allies and partners in the future.

To accomplish this, DOD is pursuing three objectives that will secure and stabilize the country: deny al Qaeda a safe haven, reverse the Taliban's momentum, and strengthen the capacity of Afghanistan's security forces and government so that they can take lead responsibility for Afghanistan's future.

The United States made substantial progress on these objectives. We have exceeded our expectations on our core goal of defeating al Qaeda, removing 20 of its top 30 leaders from the battlefield, including Osama bin Laden. We have broken the Taliban's momentum in their heartland in Kandahar and Helmand. We have trained more than 305,000 ANSF personnel, who are now in the lead for security responsibilities in seven areas of the country, with more to follow with the implementation of the second tranche of transitioning areas currently scheduled for December 2011.

This undeniable progress is important to American security because it helps foster an Afghanistan that is stable and secure—a country in which extremists will not find a safe haven or a platform for launching attacks on the United States and our allies and partners.

Admiral MULLEN. I believe that a stable Afghanistan, one that denies our enemies a safe haven, will prevent future attacks from Afghanistan on our country like those experienced on 9/11.

BOYCOTTS OF CERTAIN U.S. DEFENSE CONTRACTORS BY FOREIGN INTEREST GROUPS

10. Senator INHOFE. Secretary Panetta, in recent years, global activists, foreign business enterprises, and certain governments have demonstrated an increased willingness to advance de facto foreign boycotts on contractors and subcontractors of DOD that provide certain products. If successful, such actions would not only harm the U.S. defense industrial base, but also impede the military strategy and tactics of our Armed Forces and allies in regions where our forces are deployed or our interests are at stake. Such endeavors include a recent effort to classify the Sensor Fuzed Weapon (SFW) as a prohibited weapon under the terms of the Convention on Cluster Munitions (CCM), and ongoing attempts today to pressure investors and suppliers to terminate their relationships with U.S. manufacturers that provide key SFW components to DOD. Meanwhile, similar but less reliable weapons possessed by other governments are permitted for use under the CCM. The motivations and efforts of those now seeking to enforce the CCM—which was forged outside recognized international bodies—contrast sharply with ongoing efforts by our government and others to address the true humanitarian impact of cluster munitions while recognizing the SFW's enduring and critical importance to our military strategy on the Korean Peninsula, Persian Gulf, and other sensitive regions. I understand that in the coming weeks, U.S. diplomats will have an important opportunity to advance a responsible course of action with regard to cluster munitions during preparations for a review of the United Nations (UN) Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons (CCW). Given the potential negative impact of the CCM on the SFW, its role in our military strategy, the defense industrial base, and foreign military sales (FMS) to allies in key regions, what actions

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will you take to support and reinforce U.S. diplomatic efforts to achieve tangible progress on an alternative agreement under the auspices of the CCW?

Secretary PANETTA. The administration supports concluding a comprehensive and binding protocol to the Convention on CCW that addresses all aspects of cluster munitions, including use, transfer, stockpiling, and destruction, and that will have a significant humanitarian impact on the ground while preserving an important military capability. The draft protocol presented by the CCW Group of Governmental Experts Chair provides the basis for such a protocol.

I am committed to protecting the U.S. defense industrial base and our national security interests. To that end, DOD is actively supporting current DOS efforts to contact CCW High Contracting Parties to urge these states to seize the opportunity to conclude a new protocol regulating cluster munitions at the CCW Review Conference in November. This includes targeted ministerial-level engagements with key detractors of the proposed protocol, as well as pressing major users and producers of cluster munitions for increased transparency. I will join in these efforts to engage foreign governments on such issues, as appropriate.

OPERATION ENDURING FREEDOM/AFGHANISTAN BENCHMARKS

11. Senator INHOFE. Secretary Panetta, on April 10, 2008, the Senate Armed Services Committee held a hearing on the situation in Iraq, progress made by the Government of Iraq in meeting benchmarks and achieving reconciliation, the future U.S. military presence in Iraq, and the situation in Afghanistan. Admiral Mullen and Secretary Gates were the witnesses. The hearing focused on Iraq, conditions on the group post-surge, and status of Iraq meeting specific benchmarks. The aforementioned was one of many hearings and discussions this committee had regarding progress being made in Iraq. The weekly updates on benchmarks along with 10 visits to Iraq allowed me to understand what was going on in Iraq and how we were executing our mission—which often differed drastically from what was being reported in the news back in the United States. During a press conference with General McChrystal on June 10, 2010, he was asked about benchmarks and what metrics where being used to determine conditions on the ground and how the United States is meeting strategic objectives in Afghanistan. His answer did not give specifics but touched on a variety of metrics such as capacity of Afghan governance, basic rules of law, freedom of movement, combat capacity of ANSFs, IEDs, and price of goods. In 2009, Congress imposed a new reporting requirement in the Supplemental Appropriations Act. It required the President on behalf of the administration as a whole to submit regularly a policy report on Afghanistan and Pakistan. An initial report submitted on September 2009 listed eight objectives. It was followed by a March 2010 report that provided some metrics, additional reports, and classified briefings to Congress. The reports describe developments in each objective area. However, determining if enough progress has been made in each area to be successful and how that translates into achieving our overall strategic objectives in Afghanistan is difficult at best. Like in Iraq, Congress and the American people want to know how we are doing in Afghanistan and how that is being determined. What are the benchmarks being used in Afghanistan?

Secretary PANETTA. In summer 2009, the National Security Staff (NSS) coordinated the interagency effort to develop a series of indicators and metrics to measure progress against the objectives in the administration's Afghanistan-Pakistan Strategic Implementation Plan (SIP). The NSS worked with—and received input from—congressional staffs, and, in fall 2009, the NSS provided both classified and unclassified metrics and indicators (or benchmarks) to Congress.

The SIP metrics track progress in Afghanistan against:

- disrupting, dismantling, and defeating al Qaeda and its affiliates;
- reversing the Taliban's momentum;
- building the ANSF capacity to enable transition;
- building the capacity of the Afghan Government to allow the Afghans to solidify security gains in transitioning areas; and
- involving the international community more actively to forge an international consensus to stabilize Afghanistan.

The SIP for Pakistan assesses three main focus areas, which are the following:

- Status of security (level of militant-initiated violence in Pakistan; and extent of militant affected areas in Pakistan);
- Perceptions of security and stability (internally displaced persons population; population perception of security in the community; and, economic opportunities in the community); and

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- Security forces capability and capacity (effectiveness of Pakistani COIN operations).

12. Senator INHOFE. Secretary Panetta, what are the trends and status of those benchmarks?

Secretary PANETTA. Overall, the United States and our coalition partners are seeing clear progress with regard to the benchmarks as a result of our strategy in Afghanistan, particularly with regard to our core goal of disrupting, dismantling, and ultimately defeating al Qaeda and its affiliates. As was reported in the September 2011 metrics report, our surge forces—along with those of our allies and partners and the expanding ANSF—have broadly reversed the insurgency's momentum. There has also been a marked decline in violence in Afghanistan so far in 2011, compared to the same period last year. We have also made steady progress in assisting Afghanistan's development of its own forces, which have begun assuming the lead for security for more than a quarter of the Afghan population, with the transition of seven provinces and municipalities having occurred this past summer. President Karzai is expected to announce the second tranche of areas to transition later this fall, which would result in the ANSF having security lead for as much as 50 percent of the Afghan population.

13. Senator INHOFE. Secretary Panetta, what do we need to do to achieve success in each of the benchmarks?

Secretary PANETTA. Achieving and sustaining success in each of the benchmarks requires continued congressional support for the Afghanistan Security Forces Fund, for Overseas Contingency Operation funds, and for our counterparts in civilian agencies whose efforts are central to developing Afghanistan's capacity for governance and sustained economic growth. Sustained support will ensure U.S. and Afghan forces have the resources needed to maintain our security gains, complete the process of transition, and build an enduring partnership with the Afghan Government. In turn, a secure and stable Afghanistan—bolstered by an enduring partnership with the United States—will further enable the Afghans to deny safe haven to terrorists. Additionally, continued financial support to the Afghan campaign will signal to the Afghans and the region that the United States remains committed, and that the hedging strategy used by some in the region is futile. Thus, a positive political environment in Afghanistan will better enable coalition and Afghan forces to meet the operational benchmarks in Afghanistan.

We must also continue our efforts to professionalize the Afghan forces, especially in the areas of literacy, leadership, and operational performance. NATO Training Mission-Afghanistan (NTM–A) estimates that the ANSF will achieve 50 percent overall literacy rates at the third-grade level in 2012, with more than 70,000 police and 55,000 soldiers having received some level of literacy training. Achieving a 50 percent literacy rate in the ANSF will not only increase the ANSF's operational effectiveness, but it will also contribute to Afghanistan's overall economic development in the longer-term. Equally important is maintaining our focus on improving the quality and quantity of leaders in order to further accelerate the ANSF's development.

Lastly, DOD must continue to work alongside the DOS to engage the international community to help build Afghan governance capacity and ensure stability in that country (and the region) over the long-term. Afghanistan will require international assistance for many years to come. Our assistance, however, must be focused on helping the Afghans take full responsibility for their own future.

14. Senator INHOFE. Secretary Panetta, how does achieving these benchmarks translate into meeting overall U.S. strategic objectives in Afghanistan?

Secretary PANETTA. The benchmarks were created as a mechanism for measuring progress against strategic objectives, so achieving benchmarks translates directly into meeting overall strategic objectives. Military doctrine states that measures of effectiveness (including benchmarks and indicators) are criteria used to determine if operations are achieving strategic objectives. While strategic objectives are broad, complex, and often abstract, qualitative and quantitative metrics represent a tangible translation of objectives into benchmarks that can be measured and tracked over time. These measures of effectiveness are intended to answer the following questions:

- Are we doing the right things?
- Are our actions producing the desired effects?
- Are other actions required?

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With this in mind, these benchmarks—taken as a whole—are a representation of strategic objectives, so that when success is assessed across the benchmarks, the strategic objective is achieved. Conversely, they also provide a mechanism to adapt operations that are not showing progress toward the objectives.

With regard to the SIP, the National Security Council assigned DOD with lead responsibility for the Afghanistan strategic objectives associated with defeating the extremist insurgency, securing the Afghan populace, and developing a self-reliant, capable Afghan security force. If DOD sees success in all of the benchmarks described in its response to Question for the Record #11, it will assess that the strategic objectives have been achieved.

AFGHAN NATIONAL SECURITY FORCES

15. Senator INHOFE. Secretary Panetta and Admiral Mullen, the United States pays over $12 billion a year for Afghan security forces training. I personally saw the fruits of that labor during my latest visit to Afghanistan over New Year's Day. I observed the training of Afghan soldiers at Kabul Military Training Center (KMTC) and spoke with several of the new recruits and new leaders of the Afghan Army. I was impressed with what I saw and with the leadership Afghan Brigadier General Patyani, KMTC Commander, British Brigadier David Patterson, and U.S. Major General Gary Patton, then Commander and Deputy of NATO Training Mission Afghanistan (NTM–A). The Government Accountability Office's (GAO) report last month highlighted the significant progress that the Afghan National Army is making in recruiting and training. However, shortfalls remain and they need significant amounts of trainers and support for many years to come. Is it correct to say that the capability of the Afghan Security Forces is the decisive point of our Afghan strategy?

Secretary PANETTA. The development of capable and sustainable ANSF is indispensible to strategic success in Afghanistan. Afghanistan will only be able to continue developing and providing credible and capable governance and economic opportunities if it has a foundation of army and police forces that are able to deal effectively with the insurgency, secure the nation's sovereignty, and enforce the rule of law. NATO Training Mission-Afghanistan has made remarkable strides in developing the ANSF, but developing specialized capabilities such as logistics, medical, and intelligence remain essential to the ANSF's future ability to sustain itself and reduce its dependence on coalition forces. The ANSF's success in the transitioned areas where it already has the security lead is a promising indicator of the progress made to date and the prospects for a full transition process by the end of 2014. Nonetheless, even after transition is complete, DOD will have a continuing interest in Afghanistan's sustainment of capable security forces.

Admiral MULLEN. Yes. The ANSF are a critical element in the accomplishment of our strategy in Afghanistan. The ANSF are the most highly developed component of the Afghan Government. Our literacy programs are making the ANSF one of the largest literate populations in Afghanistan. Polling data indicates that the population considers the ANSF the most professional element of the Afghan Government. The ANSF will enable ISAF to transition responsibility back to GIRoA and the people of Afghanistan.

16. Senator INHOFE. Secretary Panetta and Admiral Mullen, will they be ready by the 2014 timeline that President Karzai has requested?

Secretary PANETTA. The ANSF are on track to reach the goal of completing transition by the end of 2014—as proposed by President Karzai and confirmed by our allies and partners at the November 2010 NATO Summit in Lisbon.

This is because the ANSF continues to grow in quantity, professionalism, and operational effectiveness. Both the Afghan National Army (ANA) and the Afghan National Police (ANP) reached their October 2011 end strengths of 171,600 and 134,000 personnel, respectively. Further, literacy training—an invaluable force multiplier—continues to expand; more than 86,000 ANSF personnel are in various stages of literacy training. The ANSF continues to translate this training into operational effectiveness, as 72 percent of ANA units and 70 percent of ANP units have been assessed as "effective with coalition assistance" or better. This progress became readily apparent as the ANSF began to assume lead security for over a quarter of the Afghan population, with the transition of seven provinces and municipalities announced this past summer. This transition continues to move forward. The ANSF personnel in the lead in these areas proved to be capable and resilient, and met the insurgency's challenges to security.

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I expect that, in mid-November, President Karzai will announce the next tranche of districts and provinces to enter the transition process. After implementation begins on this next tranche, approximately half of the Afghan population could be living in transitioned areas where the ANSF is in the lead for security, with continuing coalition support.

Admiral MULLEN. The decision to begin security transition in a geographic area is determined by four assessed conditions:

1. ANSF must be capable of handling additional security responsibilities with less assistance.
2. Security in a given area must be at a threat level that permits the population to pursue routine daily activities.
3. Local governance must be sufficiently developed to provide a complementary layer of stability as ISAF assistance is gradually reduced.
4. ISAF must be properly postured to reduce its presence as ANSF capacity and capabilities increase and the security environment improves.

Meeting these conditions will enable the ANSF to assume security responsibility for Afghanistan according to President Karzai's timeline.

17. Senator INHOFE. Secretary Panetta and Admiral Mullen, can the Afghan Government continue to fund and equip these robust security forces in the future?

Secretary PANETTA. The cost of sustaining the ANSFs will continue to outpace the Government of Afghanistan's near-term resourcing abilities. The ANSF will need continued international assistance until new national sources of revenue can be brought on-line.

To that end, DOD is currently looking at how to reduce the remaining ANSF development and long-run sustainment costs. This effort includes looking into changes to the force size and shape that might be possible in a post-counterinsurgency environment, as well as avoiding redundancies and building only to the standards required in Afghanistan. As we transition areas to Afghan lead for security, we have emphasized to our allies and partners the importance of maintaining their overall financial commitment to security in Afghanistan. In addition, our allies and partners continue to make contributions to ANSF sustainability through multi-donor trust funds, such as the U.N. Law and Order Trust Fund for Afghanistan, which supports the ANP. DOD has also implemented programs through its Task Force for Business and Stability Operations to connect outside investors to potential Afghan producers, and to help Afghanistan build the capacity to develop its mineral and other natural resources in environmentally sound and sustainable ways.

DOD also continues to participate in a concerted interagency effort to develop an overall economic strategy for improving Afghanistan's economic sustainability, economic development, revenue generation, and budget execution. Over time, such efforts will help enable the Afghans to take on increasing financial responsibility for their own security forces, with decreasing reliance on donor support.

Admiral MULLEN. We are currently working with the Afghan Government and our coalition partners to develop long-term plans for the ANSF. Part of the planning process will include identifying the forces required to secure Afghanistan at a level that they are capable of sustaining with their internal resources and limited international contributions.

REINTEGRATION OF THE TALIBAN

18. Senator INHOFE. Secretary Panetta, 1,700 Taliban fighters have accepted the offer of reintegration from the Karzai Government. Estimates of the strength of the various Taliban factions vary from 20,000 to 40,000. The reintegration program is aimed at the so-called "accidental guerillas" for whom fighting in the insurgency is just a job. What is the status of the reintegration program?

Secretary PANETTA. Since the Afghanistan Peace and Reintegration Program (APRP) was created in the summer of 2010, the Afghan Government has made steady progress in establishing structures at the national and sub-national levels to support the program. Several groups have reintegrated in recent months, bringing the number of former insurgents formally enrolled in the APRP to 2,657 (as of late October). The High Peace Council has conducted extensive outreach activities to spread awareness of the APRP. To encourage greater reintegration in the South, the High Peace Council convened a conference on September 12–13 with more than 300 representatives of civil society, local elders, and local government. A shared understanding of reintegration is important for a program that centers on community support for the reintegration candidates. Almost all provinces now have access to donor funds provided for program implementation, and APRP officials have been trained

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on proper execution of these funds. Furthermore, the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 authorized DOD to use its funds to support reintegration.

QUESTIONS SUBMITTED BY SENATOR JEFF SESSIONS

DEFENSE CUTS

19. Senator SESSIONS. Secretary Panetta, in your testimony, you stated DOD will be implementing more than $450 billion in savings over the next 10 years in order to comply with the spending caps in the Budget Control Act (BCA). Please provide a table showing the estimated $450 billion in cuts to the base on a year-by-year basis.

Secretary PANETTA. The BCA does not specify budgets for DOD. Rather it specifies limits for broader categories of funding. If DOD takes a proportional share of cuts, DOD's reduction appears to be roughly $450 billion over the next 10 years. All cuts are relative to the President's fiscal year 2012 budget plan. During our comprehensive review, which is anticipated to be completed this fall, we will accurately determine how the $450 billion impacts each of the fiscal years. We will provide the requested data with the fiscal year 2013 budget request.

20. Senator SESSIONS. Secretary Panetta, on July 31, 2011, the White House stated that the BCA required savings of $350 billion from DOD's base budget. Is the $350 billion figure part of the $450 billion figure?

Secretary PANETTA. The $350 billion reduction is equivalent to the $450 billion cut but it is measured against the Congressional Budget Office (CBO) baseline, which OMB and Congress often use, rather than the fiscal year 2012 budget plan. The CBO baseline is about $100 billion lower than the fiscal year 2012 budget plan, which makes these two cuts roughly equivalent in size.

21. Senator SESSIONS. Secretary Panetta, why do these two estimates of savings differ?

Secretary PANETTA. The $350 billion reduction is equivalent to the $450 billion cut but it is measured against the CBO baseline, which OMB and Congress often use, rather than the fiscal year 2012 budget plan. The CBO baseline is about $100 billion lower than the fiscal year 2012 budget plan, which makes these two cuts roughly equivalent in size.

22. Senator SESSIONS. Secretary Panetta, in August, the CBO released "The Budget and Economic Outlook: An Update" that noted that the BCA set separate caps on security and non-security funding for fiscal years 2012 and 2013, but no such distinction was made for appropriations for fiscal years 2014 to 2021. While the programs funded under the security cap, which comprises not only DOD but also the Department of Homeland Security (DHS), the Department of Veterans Affairs (VA), the National Nuclear Security Administration (NNSA), the Intelligence Community management account, and all accounts in budget function 150, would face a total cut of $48 billion over the initial 2-year period, CBO stated that the BCA's caps could be met in the future through many different combinations of defense and non-defense appropriations. Do you agree with CBO's assessment that the BCA's caps could be satisfied through different levels of defense and non-defense spending?

Secretary PANETTA. Yes, it's possible the BCA caps could be satisfied through different levels of defense and non-defense spending, but DOD is exploring the best way to reduce our budget by more than $450 billion over the next 10 years in accordance with the direction provided in the BCA of 2011.

23. Senator SESSIONS. Secretary Panetta, how did DOD arrive at the $450 billion figure you cite as being consistent with the reductions required by the BCA?

Secretary PANETTA. If DOD takes a proportional share of cuts, DOD's reduction appears to be more than $450 billion over the next 10 years (fiscal year 2012–fiscal year 2021). All cuts are relative to the President's fiscal year 2012 budget plan.

24. Senator SESSIONS. Secretary Panetta, what is the baseline DOD is using for the reduction of $450 billion?

Secretary PANETTA. All cuts are relative to the President's fiscal year 2012 baseline budget plan.

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QUESTIONS SUBMITTED BY SENATOR ROGER F. WICKER

IRAQ

25. Senator WICKER. Secretary Panetta, the U.S. Status of Forces Agreement (SOFA) with Iraq calls for the withdrawal of U.S. combat troops by the end of 2011. However, the security environment in Iraq continues to deteriorate. Iraqi political leaders realize the need for continued presence of U.S. troops but are unwilling to publicly discuss this possibility. What is your assessment of the situation in Iraq as far as the Iraqi Government's desire to extend the U.S. mission there?

Secretary PANETTA. In August, the Iraqi political leadership indicated publicly that they are interested in an ongoing training relationship with the United States post-2011. We believe that an enduring partnership with the Iraqi Government and people is in the interest of the United States, and a relationship with the ISFs will be an important part of that partnership. Any future security relationship will be fundamentally different from the one that we have had since 2003.

We are currently in discussions with the Iraqi Government about the nature and scope of that relationship. Those discussions are ongoing, and no decisions have been made at this point. In the meantime, we are drawing down U.S. forces in accordance with the U.S.-Iraq Security Agreement.

26. Senator WICKER. Secretary Panetta, how can we encourage the Iraqis to extend the U.S. military mandate? Should we encourage them to do so?

Secretary PANETTA. The U.S.-Iraq Security Agreement will expire at the end of this year, so any potential relationship with the Iraqis will be different from the relationship we have had with Iraq since 2003. The Iraqis stated in August that they are interested in a long-term relationship, so we are discussing with Iraq the nature of U.S. military training that might be provided to the ISF. The primary objective of this training would be to improve ISF capabilities in furtherance of the President's objective of a sovereign, stable, self-reliant Iraq that is a force for security in the region and a long-term strategic partner of the United States, in accordance with the Strategic Framework Agreement (SFA).

27. Senator WICKER. Secretary Panetta, how can the United States best nurture the Iraqi security forces should this mandate not be extended?

Secretary PANETTA. We are currently in discussions with the Iraqi Government about the nature and scope of a future relationship. Those discussions are ongoing. Any future security relationship will be fundamentally different from the one we have had since 2003.

Regardless of how the discussions evolve, a cornerstone of our relationship with Iraq and with the ISF will be the transformation of the U.S. train-and-equip mission under the leadership of the Office of Security Cooperation under Chief of Mission authority—similar to security cooperation offices in other countries in the region—to maintain a robust security assistance and cooperation relationship. U.S. Central Command (CENTCOM) is also planning to propose regional training and combined exercises with the ISF.

No decisions have been reached at this point. We are drawing down U.S. forces in accordance with the U.S.-Iraq Security Agreement.

28. Senator WICKER. Admiral Mullen, the administration's current strategy is to complete a near total withdrawal from Iraq, leaving only 3,000 troops in the country by the end of the year. Iraqi Ambassador Jeffrey and General Austin, Commander U.S. Forces Iraq, have both acknowledged before this committee that Iraq currently lacks the ability to adequately defend itself from attacks against its sovereignty. It is unlikely that Iraq will possess such capability by the end of the year. Both Ambassador Jeffery and General Austin agreed that the U.S. military would be the best force to support and nurture the Iraqi armed forces. However, the Iraqi Government has not yet been able to reach agreement on SOFA modifications that would allow American troops to stay past the end of 2011. In light of recent violence and unrest in Iraq, do you anticipate the Iraqi Government requesting an extension to the American military presence there?

Admiral MULLEN. Iraq's political bloc leaders expressed a desire for U.S. training and assistance beyond 2011. However, absent a follow-on agreement, the United States will withdraw our forces from Iraq by 31 December 2011 in accordance with the 2008 U.S.-Iraq Security Agreement.

- Iraq has the capability to defend against internal threats and possesses a confident and capable counter-insurgency force

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• Iraq does have capability gaps that effect its ability to adequately defend against an external threat such as:
  • Iraqi Army combined arms capability
  • Cross-ministerial and interagency intelligence and information sharing
  • Strategic logistics and sustainment operations
  • Air sovereignty and integrated air defense
  • Counterterrorism force professionalism
• Despite episodic high-profile attacks by AQI, overall attacks in Iraq have decreased significantly
• Absent a SOFA we will reduce our footprint to a small Office of Security Cooperation to manage the extensive FMS program
• The United States will still have considerable military capabilities in the region that will deter threats against Iraqi sovereignty
• The U.S. military will continue to develop the ISF through a robust Office of Security Cooperation. U.S. and Iraqi leaders agree that we can adequately continue ISF development through rotational training and exercises and through arms sales

29. Senator WICKER. Admiral Mullen, how extensive is our engagement with the Iraqi political and military leadership towards pursuit of a modification to the SOFA to enable our presence in Iraq?

Admiral MULLEN. Ambassador Jeffrey is the lead agent for engagement with the Government of Iraq to pursue a new security agreement to facilitate a U.S. military presence beyond 2011. Senior leaders throughout the government including the President and Vice President have been extremely engaged in the process. The interagency met weekly on Iraq to ensure a whole-of-government approach on this issue. Additionally, Secretary Panetta and I both visited Iraq in recent months and met with senior Iraqi leaders including Prime Minister Maliki. Iraqi lawmakers expressed a desire for U.S. training and assistance beyond 2011. However, without a follow-on security agreement, we will—in accordance with Article 24 of the 2008 U.S.-Iraq Security Agreement—withdraw all our forces from Iraq by 31 December 2011. A very small office of security cooperation will remain to manage the extensive ($6.4 billion) FMS program.

30. Senator WICKER. Admiral Mullen, we are quickly approaching the point where such a decision must be made. How much longer can we wait before our planning and logistics capabilities cannot adjust for a change in the current withdrawal plan?

Admiral MULLEN. As the President has stated, we intend to fulfill our obligations under the 2008 U.S.-Iraq Security Agreement, which requires all U.S. forces to withdraw by the end of the year. We are on track to meet that objective and are rapidly approaching the time where a follow-on agreement would create significant logistical costs and challenges for our forces. Although changes to the current plan would likely increase costs, the U.S. military has sufficient planning and logistics capacity to react to changes.

31. Senator WICKER. Admiral Mullen, do you believe our servicemembers and their families are prepared to deal with a continued presence in Iraq should that eventuality come to pass?

Admiral MULLEN. We intend to fulfill our obligations under the 2008 U.S.-Iraq Security Agreement, which requires all U.S. forces to withdraw by the end of the year. A small number of servicemembers will remain in Iraq to support the U.S. Embassy and manage the extensive FMS program as part of the Office of Security Cooperation-Iraq (OSC–I). The servicemembers working in the OSC–I will not be operational in nature. Instead, they would perform functions such as managing FMS cases, just as servicemembers do in our embassies around the world. The men and women are prepared to handle these deployments like every other military assignment: with strength, fortitude, and character in support of U.S. strategic objectives.

We are also working to ease the deployment burden on our troops and their families. For example, in 2012, the Army will shorten unit deployment times from 12 months to 9 months.

32. Senator WICKER. Secretary Panetta, what is your assessment of the security situation on the ground in Iraq?

Secretary PANETTA. Iraq no longer needs large numbers of U.S forces to maintain internal stability. The ISFs have had the lead for security for some time, and levels of violence have remained dramatically reduced from where they were in 2006 and 2007. U.S. commanders in the field assess that the ISF are competent at counter-

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insurgency operations. The drawdown of nearly 100,000 U.S. forces since January 2009 without a significant or sustained uptick in attacks is evidence that the ISF have made significant progress.

33. Senator WICKER. Secretary Panetta, it seems to me that the Iraqi Government is extremely fragile. Iraqi leaders privately concede the need for an extended U.S. troop presence in Iraq but we all know this may be a politically difficult—if not impossible—request for the Iraqis to make. It appears on a practical level to me that the Iraqis would prefer the presence of U.S. combat troops to the presence of poorly-regulated contractors roaming the country. I pursue these questions since the same issues will arise for us in Afghanistan in 2014. Iraq 2011 is definitely a test-case for Afghanistan 2014. What do you think will happen at the end of 2011?

Secretary PANETTA. In accordance with the 2008 U.S.-Iraq Security Agreement, U.S. forces will redeploy from Iraq by the end of this year. This is the drawdown that the President began with his announcement of the U.S. strategy for Iraq in February 2009, which included an end to the combat mission in August 2010, and a drawdown of all U.S. forces by the end of this year.

In terms of security, Iraq no longer needs large numbers of U.S forces to maintain internal stability. The ISFs have had the lead for security for some time, and levels of violence have remained dramatically reduced from where they were in 2006 and 2007. U.S. commanders in the field assess that the ISF are competent at counterinsurgency operations.

34. Senator WICKER. Secretary Panetta, will the Iraqis ask us to stay?

Secretary PANETTA. In August the Iraqi political leadership stated publicly that they are interested in an ongoing training relationship with the United States post-2011. We believe that an enduring partnership with the Iraqi Government and people is in the interest of the United States, and a relationship with the ISFs will be an important part of that partnership.

We are currently in discussions with the Iraqi Government about the nature and scope of that relationship. Those discussions are ongoing. Any future security relationship will be fundamentally different from the one we have had since 2003. We want a normal, productive, healthy relationship with Iraq going forward—a partnership similar to those we have with other countries in the region and around the world.

No major decisions have been made at this point. We are drawing down U.S. forces in accordance with the U.S.-Iraq Security Agreement.

AFGHANISTAN

35. Senator WICKER. Admiral Mullen, in light of continuing violence and unrest in Afghanistan, do you anticipate the Afghan Government requesting an extension to the NATO military presence after 2014?

Admiral MULLEN. While the ISAF mandate will likely expire upon the completion of transition in 2014, NATO will continue its presence as a component of the international community's enduring commitment to Afghanistan. NATO, the United States, and other international partners are currently negotiating long-term strategic agreements with the Afghan Government.

After 2014, the ANSF are on track to have the internal capability needed to deal with internal threats and to preserve Afghan sovereignty. These forces will continue to require limited enabler, training, and financial support. The international community's strategic agreements will define their enduring enabler, training, and financial commitments to support the ANSF and the people of Afghanistan. Post-2014 enabler requirements presume the responsible drawdown of U.S. surge recovery forces in Afghanistan as directed by the President of the United States in June 2011.

36. Senator WICKER. Admiral Mullen, wouldn't an expedited withdrawal from Iraq and Afghanistan that is not conditions-based be irresponsible given our expenditure of American blood and taxpayers' dollars? I am particularly concerned that local political considerations on the ground in Iraq and Afghanistan may override the practical need for U.S. combat troops to help maintain a stable and secure environment in those countries.

Admiral MULLEN. With respect to Iraq, as of January 1—and in keeping with our SFA with Iraq—we will maintain a normal strategic relationship with Iraq. A relationship between sovereign nations, and an equal partnership based on mutual interest and mutual respect. The OSC–I will have a capacity to train Iraqis on the

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new kinds of weapons and weapons systems that the Iraqis have purchased in recent years, including F–16s. OSC–I will also facilitate future FMS with Iraq. U.S. and Iraqi leaders agree that we can adequately continue ISF development through rotational training and exercises and through arms sales. OSC–I, training, and exercises coupled with thousands of U.S. forces stationed throughout the Middle East, will help maintain stability in Iraq and the region.

The transition and drawdown of troops in Afghanistan is a conditions-based approach. Unfortunately, Afghanistan will require international assistance for many years to come—a difficult reality stemming from over 30 years of war. Our efforts to date have been aimed at developing Afghan capacity and resources to reduce their reliance on international support and aid. President Obama and President Karzai have agreed that the United States and Afghanistan should have an enduring strategic partnership beyond 2014. Our enduring presence in Afghanistan must be focused on helping the Afghans take full responsibility for their own future. NATO and the international community have also made clear that their commitment to Afghanistan is enduring and will continue beyond the completion of the transition to Afghan security responsibility. We are currently engaging with the Afghans to outline, in broad terms, a vision for our long-term cooperation and presence.

37. Senator WICKER. Admiral Mullen, what efforts are you making to ensure our allies continue their commitment to the mission in Afghanistan?

Admiral MULLEN. We have maintained a thorough engagement strategy with our coalition partners to achieve unity of effort with respect to our mission in Afghanistan.

This engagement is founded on the basic expectations jointly expressed in the NATO Lisbon Summit Declaration of 20 Nov 2010: "Transition will be conditions-based, not calendar-driven, and will not equate to withdrawal of ISAF-troops. Looking to the end of 2014, Afghan forces will be assuming full responsibility for security across the whole of Afghanistan."

This understanding has been reinforced by the Secretary of Defense's strategic engagement with the contributing nations to ISAF (most recently with the NATO defense ministers in Brussels) and the Secretary of State's engagement with international partners for the New Silk Road Initiative. Additional engagements in Bonn, Istanbul, and Chicago will further solidify our relations with our allies.

Finally, the ISAF commander continues his ongoing program of senior leader visits in Kabul facilitating the strategic dialog with our allied partners.

TRAINING OF AFGHAN SECURITY FORCES

38. Senator WICKER. Admiral Mullen, since fiscal year 2005, annual funding to train Afghan forces has grown rapidly from $1.3 billion to $7.4 billion in fiscal year 2007. In 2008, DOD announced plans to double the size of the Afghan security forces over the next 4 years at a cost of about $20 billion. Building the capacity of the Afghan security forces is a key element of the administration's Afghanistan policy. Beyond measuring the number of graduates of Afghan security training programs, it is difficult to gauge the capacity and effectiveness of these troops. How capable are graduates of our training programs in Afghanistan?

Admiral MULLEN. NTM–A's efforts at expanding ANSF capacity and building a professional ANSF that will transition to a lead security role through 2014 continue to show significant gains. Prior to 2009, 86 percent of the ANSF were illiterate. Since 2009, over 50,000 members of the ANSF have gone through officer and NCO training programs, over 134,000 ANSF have attended literacy training, and over 116,000 have graduated from literacy programs. Moreover, the ANSF's internal training capacity continues to grow. The ANA has opened all 12 of its branch schools and 7 regional training facilities, and the ANP are running 37 regional training facilities. The ANSF's increased leadership, literacy, and training capacity have allowed the Ministry of Defense and Ministry of the Interior to generate their own forces internally. These institutional improvements are indicators of the increased capability and capacity of the ANSF.

39. Senator WICKER. Admiral Mullen, I believe we must do all we can to avoid a "garbage-in/garbage-out" situation with regard to our training programs in Afghanistan. How are we screening applicants for our training programs?

Admiral MULLEN. All recruits currently go through an 8-step vetting process prior to entering the ANSF training pipeline. The vetting process includes the following critical steps:

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1. Each applicant must have a valid national ID card.
2. Applicants must have two letters from their village elders vouching for them.
3. Applicants must provide all of their personal information: (name, father's name, village, and two photos).
4. Criminal records and background check.
5. Complete recruiting application and get it validated by recruiters.
6. Complete drug screening.
7. Complete medical screening.
8. All recruits are enrolled into Afghan and coalition biometrics.

This screening process results in approximately 900 to 1,400 applicants being denied entry into the ANSF each month.

40. Senator WICKER. Admiral Mullen, what tools do you utilize to ensure that prospective applicants are not members of the Taliban?

Admiral MULLEN. All recruits currently go through an 8-step vetting process prior to entering the ANSF training pipeline. The vetting process includes the following critical steps:

1. Each applicant must have a valid national ID card.
2. Applicants must have two letters from their village elders vouching for them.
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6. Complete drug screening.
7. Complete medical screening.
8. All recruits are enrolled into Afghan and coalition biometrics.

This screening process results in approximately 900 to 1,400 applicants being denied entry into the ANSF each month.

41. Senator WICKER. Admiral Mullen, are applicants literate and willing to learn?

Admiral MULLEN. Literacy continues to be a challenge for the ANSF. The Afghan recruiting base averages an 86 percent illiteracy rate. This varies depending on whether recruits come from rural or urban areas. In either case, literacy training is critical for new recruits and is now mandatory in every initial training course and at all ANSF schools. These programs are having a profound effect on the ANSF as a whole. Since 2009, over 134,000 ANA and ANP have gone through some form of literacy training and over 116,000 have graduated from literacy training. ANA and ANP recruits receive the same literacy training reinforcing NTM–A's goal to graduate each new trainee at a first grade level. These major changes in literacy levels greatly enhance the professional development of the ANSF. Additionally, the ANSF have recognized the value of the literacy programs which encourages their willingness to learn.

42. Senator WICKER. Admiral Mullen, are graduates of our training programs able to comprehend American military values of respect for civilian authority, rule of law, et cetera?

Admiral MULLEN. Rule of law is a critical component of the training we provide to all of the members of the ANSF. In light of recent reports, ISAF has increased the number of institutional training hours dedicated to rule of law, civil rights, and respect for the people. ISAF Joint Command supports this effort by emphasizing rule of law during all joint operations and engagements with key ANSF leaders.

43. Senator WICKER. Admiral Mullen, are these graduates able to effectively lead their own forces and pass on knowledge obtained from American trainers?

Admiral MULLEN. Yes. This can be seen in the actions of the ANSF currently operating in the tranche 1 transition areas. In each area the ANSF have dealt with numerous threats and enemy engagements with limited to no coalition support. Although their reactions have not always been perfect, they clearly demonstrate the ability to lead and execute operations on their own.

PAKISTAN COUNTERINSURGENCY CAPABILITY FUND

44. Senator WICKER. Secretary Panetta, the committee recently took up the fiscal year 2012 DOD authorization bill. The administration has asked that Congress provide $1.1 billion for the Pakistan Counterinsurgency Capability Fund (PCCF) which would be authorized in that bill. I am taking a close look at the $1.1 billion requested by the administration for the PCCF. I am of two minds: on the one hand,

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I understand the importance of Pakistan if we are to succeed in Afghanistan and in the region; on the other hand, Pakistan has received a lot of U.S. assistance over the past few years (nearly $6 billion combined in fiscal year 2010 and fiscal year 2011 and over $5 billion alone in the fiscal year 2012 request). My initial thinking is that the funding needs additional benchmarks and criteria which ensure that our money is spent wisely and that the Pakistanis are cooperating with us. I am interested in your perspective on this subject, both broadly and specifically on what Pakistan is doing (or not doing) to ensure accountability for any aid we provide to the country.

Secretary PANETTA. The DOS's PCCF and DOD's Pakistan Counterinsurgency Fund (PCF) have enabled us to train, advise, and equip the Pakistan military and paramilitary forces so that they can eliminate terrorist sanctuaries and be more effective in disrupting the al Qaeda network.

DOD provides Congress updates on the effectiveness of these efforts and the use of funds through both the biannual report to Congress, Progress Towards Security and Stability in Pakistan, and notifications of spending plans for PCF/PCCF appropriations. In particular, the Pakistan report has addressed the question of Pakistan's will and ability to fight, describing how PCF/PCCF has contributed to the Pakistan military's effectiveness in operations since 2009 in Khyber-Pakhtunkhwa province and the federally Administered Tribal Areas. For example, PCF/PCCF has enhanced the tactical-level capacity building of Pakistan's Frontier Scouts and Special Services Group personnel, where the provision of weapons and ammunition, complemented by training by U.S. forces, has improved the effectiveness of these forces to engage in targeting militants in counterinsurgency operations.

At the same time, the Pakistan report also addresses Pakistan's unwillingness to operate against insurgents in other areas, such as North Waziristan Agency. These existing means of reporting to Congress provide adequate benchmarks and assessments of performance to support decisionmaking about future assistance levels under PCF/PCCF.

EDUCATION

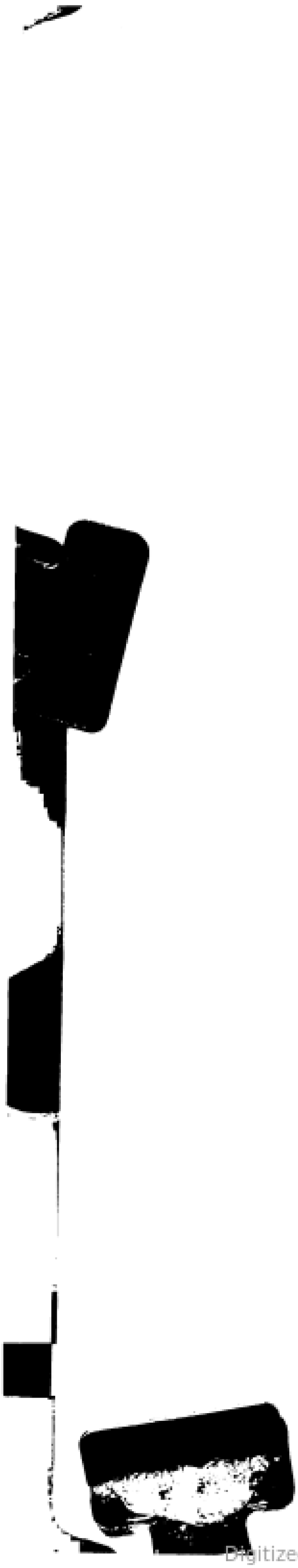
45. Senator WICKER. Secretary Panetta, the cost of educating our military personnel seems to be increasing. At a time when we are trying to downsize our forces and asking fewer personnel to do more work, I am concerned that our military schools and education facilities are not as efficient as they could be. I constantly hear anecdotal references made to military schools that "cram a week-long curriculum into a month-long school," for example. This sounds ironic to me considering today's fiscal environment. What are you doing to ensure that our warfighters are receiving the best education and training possible in the most efficient manner possible? By efficient, I mean both in terms of time and money.

Secretary PANETTA. To ensure that servicemembers are receiving the preeminent education and training to prepare for the challenges of warfare while remaining mindful of efficiencies, DOD must remain vigilant to best utilize resources. DOD is taking advantage of every available option to streamline, including online training and concentrated learning modules incorporating multiple concepts. In early 2010, Secretary Gates directed DOD to take a hard, unsparing look at how it operates and prioritizes its resources with the objective of identifying inefficient expenses that could be reinvested. The Secretary of Defense Efficiency Initiative also tasked the Services with cutting $100 billion over the next 5 years through a reduction in operating overhead and administrative processes which included examining all aspects of educating and training servicemembers.

To build on these efficiency goals, I challenged the entire DOD to identify further savings, again with an astute focus on eliminating inefficiency and finding cost saving changes in business practices accumulated in a period of budget growth. DOD continues to take dedicated action with regard to efficiencies in training programs. Given the fiscal environment and the current operations tempo, DOD cannot afford the time and expense of inefficient practices, but rather must maintain the world's premier fighting force.

CONTRACTING

46. Senator WICKER. Secretary Panetta, I am also troubled by the expanding use of contractors and consultants to perform jobs typically performed by our Active Duty personnel. Can you explain to me how it is cost-effective when, for example, a senior enlisted servicemember retires from Active Duty and returns to do essentially the same job as a civilian, with a higher salary?



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Secretary PANETTA. DOD's "sourcing" of functions and work between military and civilian personnel, as well as contract support, must be consistent with workload requirements, funding availability, readiness and management needs, and applicable laws. These staffing decisions for jobs must also be consistent with departmental policies such as those regarding workforce mix and risk criteria which are governed by DOD Instruction 1100.22, Policy and Procedures for Determining Workforce Mix, and cost, governed by Directive Type Memorandum-09–007: Estimating and Comparing the Full Costs of Civilian and Military Manpower and Contract Support.

Consistent with these policies, and all applicable laws, DOD is committed to conduct an annual inventory and review of its contracted services, identifying those that may not be most cost effectively performed by the private sector. Some of these services may be determined to be no longer required or of low priority, and as a consequence may be eliminated or reduced in scope, while others may be identified for insourcing to government performance.

While the use of Active and Reserve Duty military personnel is considered in making staffing decisions, functions that are commercial in nature are designated for civilian performance. The exceptions are when one or more of the following conditions apply: military-unique knowledge and skills are required for performance of the duties; military incumbency is required by law, executive order, treaty, or international agreements; military performance is required for command and control, risk mitigation, or esprit de corps; and/or military staffing is needed to provide for overseas and sea-to-shore rotation, ensure career development, maintain operational readiness and training requirements, or to meet contingencies or wartime assignments. In making staffing decisions, commanders must be mindful of using military personnel to perform tasks that limit their availability to perform the operational mission.

47. Senator WICKER. Secretary Panetta, why are these people performing maintenance or conducting training that has traditionally been performed by the Active-Duty Force?

Secretary PANETTA. The withdrawal and drawdown of forces in Iraq and Afghanistan, respectively, and decreasing operational tempos, as well as current national fiscal realities, have resulted in decisions to decrease end-strength and make force structure revisions. As a result, certain functions which in the past may have been performed by military personnel, to include maintenance and training, are being realigned to civilian performance. In conjunction with the comprehensive review called for by the President and implementation of the fiscal reductions called for in the BCA, DOD is assessing mission requirements, associated workload, and necessary force structure decisions. Recommendations for sizing the force will be based on mission requirements and informed by our combatant commanders' needs to meet the national military strategy and maintain necessary a state of operational readiness while minimizing and mitigating any risks.

QUESTIONS SUBMITTED BY SENATOR SCOTT P. BROWN

PROTOCOL ON CLUSTER MUNITIONS TO THE CONVENTION ON CONVENTIONAL WEAPONS

48. Senator BROWN. Secretary Panetta, a proposed Sixth Protocol to the Convention on Conventional Weapons (CCW) is currently being negotiated in Geneva. This protocol would establish sensible controls on the production, stockpiling, and use of cluster munitions. The negotiations which produced the current draft protocol have been ongoing for several years with the active involvement of the U.S. delegation to the CCW. The current draft is widely-supported within the CCW, and would significantly advance global efforts to minimize the risks to civilian populations of modern warfare while simultaneously preserving the ability of the United States and its allies to utilize munitions that will limit American casualties in future conflicts. The draft is opposed by some nongovernmental organizations (NGO), however, and several governments participating in the CCW may block approval of the protocol at the CCW Review Conference in November, thereby killing it. Does the Obama administration support the proposed CCW protocol on cluster munitions?

Secretary PANETTA. The administration supports concluding a comprehensive and binding protocol to the Convention on CCW that addresses all aspects of cluster munitions, including use, transfer, stockpiling, and destruction, and that will have a significant humanitarian impact on the ground while preserving an important military capability. The draft protocol presented by the CCW Group of Governmental Experts Chair provides the basis for such a protocol.

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49. Senator BROWN. Secretary Panetta, does the Obama administration have in place a strategy for preventing a small group of countries from blocking consensus on the proposed CCW protocol on cluster munitions? If so, please describe that strategy.

Secretary PANETTA. DOD is actively supporting current DOS efforts to contact CCW High Contracting Parties to urge these states to seize the opportunity to conclude a new protocol regulating cluster munitions at the CCW Review Conference in November. This includes targeted ministerial-level engagements with key detractors of the proposed protocol, as well as pressing major users and producers of cluster munitions for increased transparency on the number or percentage of weapons that would be affected by the draft protocol in order to show that a CCW protocol would have a significant humanitarian impact despite NGO claims to the contrary.

50. Senator BROWN. Secretary Panetta, will you work actively to support approval of the cluster munitions protocol and to raise this issue in your discussions with foreign counterparts?

Secretary PANETTA. The draft CCW cluster munitions protocol represents an important and successful balance between military necessity and humanitarian interests, and is fully compatible with DOD's June 2008 Cluster Munitions Policy. In this regard, I will work actively to ensure that the efforts of the U.S. delegation to the CCW Review Conference to obtain consensus on the draft protocol are successful.

FOREIGN BOYCOTTS OF U.S. DEFENSE FIRMS

51. Senator BROWN. Secretary Panetta, there is an aggressive campaign underway, led by foreign NGOs, and apparently abetted by some foreign governments, to boycott U.S. companies involved in the manufacture pursuant to contracts with DOD of weapons systems that they don't think the United States should have. This campaign is currently focused on manufacturers of landmines and cluster munitions, but can easily be expanded to manufacturers of nuclear weapons-related items, depleted uranium weapons, et cetera. The campaign has made surprising headway in dissuading foreign banks from doing business with some key U.S. defense contractors, and is clearly aimed at dissuading these companies from continuing to supply the United States with these weapons. Are you aware of this campaign?

Secretary PANETTA. Yes, it is my understanding that DOD advisers on the U.S. delegation to the CCW Review Conference are aware of the NGO campaign to pressure banks and other investors not to invest in companies participating in the manufacture of cluster munitions that have been banned pursuant to the CCMs, to which the United States is not a state party. I would emphasize that DOD is committed to ensuring that the U.S. military has a supply chain that is able to fulfill the needs of our forces.

52. Senator BROWN. Secretary Panetta, does the Obama administration believe that this campaign is exclusively driven by NGOs, or are some foreign governments also complicit in it? If so, which ones?

Secretary PANETTA. To DOD's knowledge, the campaign is driven by NGOs and not by foreign governments. That said, a handful of states party to the CCM (Belgium, Ireland, Luxembourg, and New Zealand) have chosen to criminalize investment in the production of cluster munitions. DOD is not aware of any foreign governments currently boycotting U.S. defense contractors for producing cluster munitions for the U.S. Government.

53. Senator BROWN. Secretary Panetta, what is the policy of the Obama administration with respect to foreign boycotts of U.S. defense contractors?

Secretary PANETTA. Given the interdependence of global commerce, I share the concern that national security and economic security face interconnected risks. Foreign laws, policies, and international agreements to which the United States is not a party, may affect our industrial base and thus affect our national defense. If notified of such a boycott by a foreign government, it is my understanding that DOS would be willing to raise the issue with the appropriate foreign officials. With respect to particular steps taken in responses to action by specific foreign governments, I defer to the Secretary of State.

54. Senator BROWN. Secretary Panetta, if the Obama administration opposes foreign boycotts of U.S. defense contractors, what specific steps has DOS taken to re-

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sist this campaign and support U.S. defense contractors that have been targeted by it?

Secretary PANETTA. If notified of such a boycott, it is my understanding that DOS would be willing to raise the issue with the appropriate foreign officials. With respect to particular steps taken in responses to action by specific foreign governments, I defer to the Secretary of State.

55. Senator BROWN. Secretary Panetta, if the Obama administration opposes foreign boycotts of U.S. defense contractors, what steps do you intend to take to resist this campaign and support U.S. defense contractors that have been targeted by it? Are you committed, for example, to raising this issue with foreign government officials?

Secretary PANETTA. The influence of activists and foreign governments on the U.S. defense industrial base is a complex issue. Protecting the U.S. defense industrial base and national security interests will require DOD to collaborate effectively with other executive branch agencies and Congress. We must do more to understand and communicate the risks to the industrial base and work closely with other nations to preserve domestic industrial capabilities. I will join in our administration's efforts to engage foreign governments on such issues, as appropriate.

56. Senator BROWN. Secretary Panetta, do you believe the U.S. Government should continue to do business with foreign banks and other foreign businesses that are engaged in boycotts of U.S. defense contractors?

Secretary PANETTA. The influence of activists and foreign governments on the U.S. defense industrial base is a complex issue. Protecting the U.S. defense industrial base and national security interests will require the DOD to collaborate effectively with other executive branch agencies and Congress. Before taking action, such as ceasing business with a particularly entity, we must ensure we thoroughly understand potential risks and communicate those risks to our industrial base. We will work closely with industry and foreign nations to preserve domestic industrial capabilities.

QUESTIONS SUBMITTED BY SENATOR JOHN CORNYN

AL QAEDA

57. Senator CORNYN. Secretary Panetta, in your prepared testimony you note that "al-Qaeda and violent extremism has spread to new geographical centers such as Yemen, Somalia, and North Africa." In July, you said that the United States was "within reach of strategically defeating al Qaeda." How has your assessment changed since July?

Secretary PANETTA. My assessment hasn't fundamentally changed. In my July comments, I also acknowledged that al Qaeda operates in Yemen, Somalia, and North Africa. If we maintain pressure on key leadership, while also building partner nation counterterrorism capacity and undermining al Qaeda's ideology, I still believe we can strategically defeat al Qaeda. Our success stems from a steady pace of operations over the past 3 years against core al Qaeda leaders and external operations planners in Pakistan. We've recently intensified our efforts in Yemen as well, and the deaths or detentions of several al Qaeda in the Arabian Peninsula top leaders in the past few months have negatively impacted the group's capabilities. Likewise in Somalia, the loss of al Qaeda leaders combined with increased effectiveness against al-Shabaab by our regional partners has forced our adversaries to focus more on their personal security than on external operations planning. In North Africa, al Qaeda's efforts to exploit the Arab Awakening lack resonance, and our counterterrorism partners in the region are steadily improving their capabilities to control remote regions exploited by terrorists and other extremists.

58. Senator CORNYN. Secretary Panetta, do you equate dispersal to regions outside Afghanistan with defeat?

Secretary PANETTA. While we have done much, particularly in the past 3 years, to degrade core al Qaeda in Pakistan, we must continue the pressure until the organization is operationally dismantled and then strategically defeated, meaning that they no longer function as an organization and do not find sanctuary from which to conduct external attacks. This includes operations and activities to disrupt, degrade, and defeat key al Qaeda affiliates that pose a direct threat to the United States and its allies, wherever they may operate.

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59. Senator CORNYN. Secretary Panetta, given the administration's stated intent to continue withdrawing U.S. forces from Afghanistan at a pace more rapid than recommended by military commanders, do you believe that the al Qaeda factions that have dispersed to these other regions will actively seek to reestablish a foothold in Afghanistan? In your opinion, what are their chances of success?

Secretary PANETTA. The size and pace of reduction in U.S. forces from Afghanistan will continue to be made based upon the advice of our commanders and the operational and political conditions on the ground. As we transition to Afghans assuming the lead for security by the end of 2014, we are developing the ANSF necessary to prevent a degraded insurgency from being able to threaten the Afghan Government and to prevent al Qaeda from reestablishing an operational presence in Afghanistan. Over the longer term, the United States will remain committed to supporting a stable, democratic order in Afghanistan.

PAKISTAN

60. Senator CORNYN. Secretary Panetta, earlier this month, Admiral Mullen gave a speech at the Carnegie Endowment for International Peace where he stated that Pakistan's Inter-Services Intelligence (ISI) is waging a "proxy war" via the Haqqani Network. In Admiral Mullen's prepared testimony for this hearing, he stated that extremist organizations are "serving as proxies of the Government of Pakistan." Do you share Admiral Mullen's opinion on this matter, and if so, can you elaborate?

Secretary PANETTA. [Deleted.]

61. Senator CORNYN. Secretary Panetta, what is your assessment of the risk of Pakistan's ISI gaining a strong stake and influence in any Afghan political settlements following a U.S. troop withdrawal?

Secretary PANETTA. The United States supports a reconciliation process that is Afghan-led, politically inclusive within Afghan civil society, and has the support of Afghanistan's neighbors and the international community. We recognize that the Government of Pakistan plays an important role in this process and in achieving our goals and objectives in Afghanistan and the region. This administration has raised repeatedly with Pakistan our concerns about the terrorist safe havens that are used to attack our forces, the Afghan people, and the Afghan Government. We know that Pakistan seeks to play a role in the region, but for that to happen, it must act responsibly by developing a constructive relationship with the Afghan Government, denying insurgents and terrorists safe havens inside Pakistan, and supporting the efforts of the Afghan Government to reconcile with the Taliban.

62. Senator CORNYN. Secretary Panetta, in your prepared remarks you stated that a reduced training and liaison presence in Pakistan has "diminished our ability to coordinate respective military operations in the border regions," which in turn "has given insurgents greater freedom of movement along the border." Can you elaborate on that statement?

Secretary PANETTA. The border between Afghanistan and Pakistan has some of the harshest terrain on earth, making it difficult for forces on both sides of the border to deny insurgents freedom of movement. The ability to coordinate between the Pakistan military and ISAF forces and ANSF forces operating along the border can be enhanced by a training and liaison presence in Pakistan that facilitates communications through the technical knowledge of communications equipment and through a conceptual understanding of ISAF and ANSF forces. We are working closely with both Afghanistan and Pakistan to help them improve communications and coordination along the border to minimize insurgent freedom of movement.

63. Senator CORNYN. Secretary Panetta, in your opinion does the United States need an increased presence of military liaison and training personnel in Pakistan to effectively combat insurgents who find refuge within Pakistan's borders?

Secretary PANETTA. Since 2009, Pakistani military operations in Swat, South Waziristan, and other areas put continued pressure on insurgent groups. U.S. training and equipment provided under the PCF helped enhance Pakistan's counterinsurgency capabilities so that Pakistan's security forces are more effective in these operations. An example of these enhanced capabilities is in the tactical-level capacity building of Pakistan's Frontier Scouts and Special Services Group personnel, where the provision of machine guns, sniper rifles, and ammunition, complemented by training by U.S. forces, improved the effectiveness of these forces to engage in targeting militants in counterinsurgency operations. U.S. liaison and training personnel have been integral to these efforts, benefiting both U.S. and Pakistani

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counterinsurgency interests, and providing a high return on investment. Nonetheless, although an increased presence of these personnel would strengthen Pakistan's counterinsurgency capability, the United States must also use other means to address these challenges.

64. Senator CORNYN. Secretary Panetta, in prepared statements and during your testimony, you and Admiral Mullen made very strong statements regarding Pakistan's active and passive support for insurgent groups. In light of your allegations, would you agree that aid to Pakistan is naïve at best and counter-productive at worst?

Secretary PANETTA. Our relationship with Pakistan is both vital and consequential. Pakistan remains a critical country in the fight against terrorism, and it provides critical counterterrorism cooperation that we hope will continue to expand over the coming months and years to bring about the regional stability that is in the interests of both of our nations.

We provide Pakistan with assistance in accordance with our national security interests. Security-related assistance—such as the PCF and Coalition Support Fund reimbursements—have been an important component in pursuing the near-term objective of improving Pakistan's counterterrorism and counterinsurgency capabilities and enhancing cross-border coordination.

It is vital, however, that Pakistan own up to its responsibilities, including cooperating more fully in counterterrorism matters, expanding its counterinsurgency campaign against all extremists that have found safe haven in the Federally Administered Tribal Areas and Khyber Pakhtunkhwa province, and ceasing to provide sanctuary to Afghan Taliban and other militant groups.

In the wake of the Osama bin Laden raid, we asked Pakistan to take a number of concrete steps to demonstrate its continued commitment to a cooperative and mutually-beneficial relationship. The future provision of security-related assistance will be informed by Pakistan taking concrete steps that demonstrate its continued commitment to cooperation.

65. Senator CORNYN. Secretary Panetta, do you agree that continued unconditional foreign aid to Pakistan serves to undermine the diplomatic efforts of yourself and Admiral Mullen?

Secretary PANETTA. Our civilian and security-related assistance to Pakistan directly advances U.S. national interests in Pakistan, but that assistance is not unconditional. This assistance is designed to promote a stable and prosperous Pakistan that is democratic and able and willing to address the scourge of extremism. As President Obama has said, it is in our national interest to support Pakistan's efforts to develop democratic institutions, foster economic growth, and reject violent extremism. To this end, we are continuing our civilian assistance to demonstrate to the Pakistani people that the United States is committed to a long-term relationship with them and their civilian-led government. We are also closely reviewing our security-related assistance to Pakistan, largely because Pakistan has directed a drawdown of our military trainers, harassed our personnel in country, and demonstrated insufficient cooperation with us on core objectives. We have communicated to Pakistan's civilian and military leaders that we are committed to improving their military's capabilities, but that we cannot continue to provide this assistance at the same pace we have been until our relationship improves.

66. Senator CORNYN. Secretary Panetta, why or why not would conditional foreign aid to Pakistan serve as an incentive for the Pakistani Government to disrupt ISI support for terrorist groups and deny insurgents their safe havens?

Secretary PANETTA. We have communicated to Pakistan that it cannot pick and choose among extremists, that terrorism remains a common threat to both of our countries, and that support for extremists who are crossing the border and attacking our forces in Afghanistan must end.

That said, we must remember that Pakistan remains a critical country in the war against terrorism and does cooperate with the United States. Since 2009, Pakistani military operations in Swat, South Waziristan, and other areas have put continued pressure on insurgent groups. Pakistan's level of commitment is reflected in the enormous casualties it has suffered as a result of military operations and acts of terrorism in the last few years, including more than 11,000 military personnel killed or wounded in action and more than 30,000 civilians killed or wounded. As the President has said, we could not have been as successful as we have been in going after al Qaeda in the border region between Pakistan and Afghanistan without the cooperation of the Pakistan Government. Placing additional conditions on security-related assistance to Pakistan would minimize the flexibility needed to provide such

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assistance, which contributes to Pakistan's counterinsurgency campaign and its ability to disrupt support for terrorist groups and deny insurgents their safe havens.

INDIA

67. Senator CORNYN. Secretary Panetta, estimates show that the budget for the ANSF is over $11 billion for this year. Conversely, the Afghan Government collected only $1 billion of tax revenue in 2010. It is clear that the Afghan Government will require continued financial assistance to support enduring ANSF efforts against insurgents, many of whom find refuge and assistance in Pakistan, after U.S. forces depart in 2014. To pay the enduring costs of supporting the ANSF, should the United States pursue a financial partnership with India to defray the expenses that are expected?

Secretary PANETTA. The United States supports enhancing the international commitment to the long-term stability and security of Afghanistan. As noted, the costs of the ANSFs will require international financial support, which India and other international partners may contribute through established trust funds, such as the NATO-led Afghan National Army Trust Fund or the U.N.-led Law and Order Trust Fund for Afghanistan, supporting the ANP. Prime Minister Manmohan Singh's visit to Kabul in May 2011—his first since 2005—underscored India's enduring commitment to diplomatic and development efforts in Afghanistan. During his visit, PM Singh announced to a joint session of the Afghan parliament an increase in Indian economic support to Afghanistan. PM Singh's pledge of an additional $500 million in aid—to be spent mainly on development projects—raised India's overall assistance pledge to a total of $2 billion.

During his June 2011 visit to New Delhi, Afghan Defense Minister Wardak and Indian Defense Minister A.K. Antony discussed expanding cooperation to train ANSF personnel. India's assistance to the ANSF is currently limited to training personnel in Indian institutions and some tranafers of mostly non-lethal materiel. India currently provides scholarships for ANSF personnel to study in India, and the Indian Government is also exploring options for training female Afghan police in India. However, the recent strategic partnership agreement reiterated India's interest in expanding efforts to build the capacity of the ANSF. Indian support to Afghanistan could help defray the enduring costs of supporting the ANSF.

IRAQ WITHDRAWAL

68. Senator CORNYN. Secretary Panetta, earlier this month, it was reported that you would support a plan to keep 3,000 to 4,000 troops in Iraq after December 31, 2011, to train Iraqi security forces. Reports also indicate that the commander of U.S. forces in Iraq, General Lloyd J. Austin, is advocating keeping as many as 14,000 to 18,000 troops in Iraq next year. What is your rationale for supporting this plan?

Secretary PANETTA. The post-2011 U.S. forces presence and mission, if any, will be addressed through U.S. discussions with Iraqi leaders. Discussions are ongoing, no final agreement with Iraq has been reached, and no final decisions have been made. U.S. forces continue their scheduled redeployment from Iraq.

Again, we have made no final decisions, nor reached any agreement with the Iraqis, about a post-2011 U.S. forces presence in Iraq.

69. Senator CORNYN. Secretary Panetta, how does your evaluation of the current situation in Iraq differ from General Austin's, who is the senior U.S. commander on the ground?

Secretary PANETTA. I am not aware of differences between our assessments. I rely on General Austin and his staff for regular updates, and his judgments are essential to informing my own.

70. Senator CORNYN. Secretary Panetta, in your opinion, what effect would 3,000 troops have in Iraq, and what are the benefits and risks of this proposal?

Secretary PANETTA. The post-2011 U.S. forces presence size and mission, if any, will be addressed through U.S. discussions with Iraqi leaders. Discussions are ongoing, no final agreement with Iraq has been reached, and no final decisions have been made. U.S. forces continue their scheduled redeployment from Iraq.

71. Senator CORNYN. Secretary Panetta, do the perceived benefits outweigh the risks?

Secretary PANETTA. We believe that an enduring partnership with the Iraqi Government and people is in America's interest. A relationship with the ISFs will be

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an important part of that partnership. We want a normal, productive, healthy relationship with Iraq going forward—a partnership similar to those we have with other countries in the region and around the world. Our and Iraq's primary objective for this training relationship would be to improve ISF capabilities in furtherance of the President's objective of a sovereign, stable, self-reliant Iraq that is a force for security in the region and a long-term strategic partner of the United States.

No decisions have been made at this point. We are drawing down U.S. forces in accordance with the U.S.-Iraq Security Agreement.

72. Senator CORNYN. Secretary Panetta, what is your assessment of the ability of a 3,000-troop force to defend itself against attack, much less to have a positive impact?

Secretary PANETTA. It is important to note that the security situation in Iraq is much different than in years past, so Iraq no longer needs large numbers of U.S. forces to maintain internal stability. The ISFs had the lead for security for some time, and levels of violence remained dramatically reduced from where they were in 2006 and 2007. U.S. commanders in the field assess that the ISF are competent at counterinsurgency operations.

Again, there are no final decisions, nor any reached agreement with the Iraqis, about a post-2011 U.S. forces presence in Iraq. DOD is drawing down U.S. forces in accordance with the U.S.-Iraq Security Agreement.

73. Senator CORNYN. Secretary Panetta, what is the status of current negotiations to reach a post-2011 agreement with the Iraqi Government regarding military-to-military relations?

Secretary PANETTA. In August, the Iraqi political leadership indicated publicly that they are interested in an ongoing training relationship with the United States post-2011. We believe that an enduring partnership with the Iraqi Government and people is in the interest of the United States, and a relationship with the ISF will be an important part of that partnership. We are currently in discussions with the Iraqi Government about the nature and scope of that long-term relationship. Those discussions are ongoing. We want a normal, productive, healthy relationship with Iraq going forward—a partnership similar to those we have with other countries in the region and around the world.

Again, discussions are ongoing, and we have made no final decisions, nor reached any agreement with the Iraqis about a post-2011 U.S. forces presence in Iraq. We are drawing down U.S. forces in accordance with the U.S.-Iraq Security Agreement.

IRAQI AIR FORCE AND F–16 PURCHASE

74. Senator CORNYN. Secretary Panetta, last week, Major General Russell Handy, commander of the 9th Air and Space Expeditionary Task Force-Iraq and Director of the Air Component Coordination Element-Iraq, told reporters that the potential sale of 18 F–16 fighters to Iraq now looks "very promising." He went on to say, "Everyone that I talk to at every level of the government in Iraq is convinced that that's the right approach for them. We're very encouraged by those words and we feel that we're very close to them signing that letter of offer and acceptance (LOA)." What steps is DOD taking to move this important sale forward?

Secretary PANETTA. In late September, the Government of Iraq both signed and funded a LOA for 18 F–16 aircraft. Concrete steps are now being taken to establish U.S. and Iraq program offices, select a main operating base, let contracts for aircraft and support equipment, and further refine Iraq's requirements for F–16-related facilities, support, and training. Although production schedules may not be finalized until the end of November 2011, we expect the delivery of the first F–16 to Iraq to occur not later than the end of 2014.

75. Senator CORNYN. Secretary Panetta, military and civilian leaders have expressed serious concern about the Iraqi air force's ability to protect its own air space once U.S. forces withdraw. It is my understanding that 10 Iraqi pilots are already going through F–16 flight school in the United States, but the Air Force estimates that should the F–16 sale go through, the "best case" for the first aircraft delivery is probably "late 2013." What steps have been taken to date to enable Iraq to adequately defend its airspace following the U.S. withdrawal?

Secretary PANETTA. When the United States leaves, Iraq will have radar coverage over approximately 60 percent of its airspace, a nascent air command and control construct with minimally trained controllers, and a limited number of air defense assets with which to respond to airborne threats. Armed helicopters operated by the

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Iraqi Army Air Corps provides a rudimentary armed intercept capability for low and slow aircraft.

Despite a limited defense picture for Iraq in January 2012, they will gradually mature and possess an organic air defense capability by mid- to late-2015. Some of the steps we expect to occur, with U.S. support, between now and late 2015 include:

(1) Completing the installation of two Long Range Radars (LRR) providing approximately 60 percent coverage of Iraqi airspace. (December 2011)
(2) Training Air Operations Center (AOC) and Sector Operations Center (SOC) controllers. (April 2013)
(3) Developing a second SOC with two additional LRRs to provide robust airspace coverage and additional regional control nodes. (Expected; no program yet underway)
(4) Training F–16 aircrew and maintainers. (2012 to 2015)
(5) Delivering F–16 aircraft in sufficient quantity (estimated 12 or more aircraft required) to provide a basic 24-hour alert capability. (mid- to late-2015)
(6) Developing a ground-based air defense system. (Expected; no program yet underway)
(7) Executing a robust CENTCOM-directed security cooperation program with exercises, continued advising and mentoring, military personnel exchanges, and international military education and training to expand air defense capacity and effectiveness.

76. Senator CORNYN. Secretary Panetta, particularly, what is being done to ensure Iraq's self-defense capabilities during the interim period before potential F–16 delivery?

Secretary PANETTA. Strengthening the Iraqi Air Force is an essential element of the contribution to the enduring SFA (signed in 2008). The SFA states: "In order to strengthen security and stability in Iraq, and thereby contribute to international peace and stability, and to enhance the ability of the Republic of Iraq to deter all threats against its sovereignty, security, territorial integrity, the Parties shall continue to foster close cooperation concerning defense and security arrangements without prejudice to Iraqi sovereignty over its land, sea, and air territory."

As of 1 January 2012, when the 2008 Security Agreement (SA) expires, the United States cannot ensure Iraq's self-defense capabilities during the interim period before potential F–16 delivery. Iraq is a sovereign nation that must determine how to secure its own future. Going forward, the United States will work closely with the Iraqi Government and its armed forces to assist in building a stronger and more prosperous country. In the interim, the United States will conduct various Air Force-centric activities, training, and exercises. These will be executed by the current program of record: the OSC–I. From an air perspective, OSC–I is charged to develop and train the Iraqi Air Force so it can defend its borders and airspace against external threats. The Government of Iraq will go about this through several means such as FMS, Foreign Military Financing, International Military Education and Training programs, and security cooperation activities, to include: exercises, combined arms training, and mentoring activities.

There are several FMS cases that will aid development of the foundational capabilities necessary for Iraq to build and maintain an independent air force. Some examples include: Long Range Radars, Sector Operations Control training, Ground Based Air Defense Systems, Air Traffic Control training, Contractor Logistics Support, training in various Attack, Mobility and Trainer aircraft (T–6, KA–350, F–16, UH–1, C–130E, and C–130J, as examples). The long-term goal is to develop an Iraqi Air Force that is independent, credible, and can provide enduring activities and capabilities.

INFLUENCE OF IRAN

77. Senator CORNYN. Secretary Panetta, you acknowledge in your prepared testimony that an "ongoing challenge in Iraq is the push for influence by Iran, and the activities of Iranian-backed militias that have attacked U.S. forces and the Iraqi people." What is your assessment of the evolution of this threat and has it grown in correlation with the draw-down of U.S. forces in Iraq?

Secretary PANETTA. Earlier this year, we made clear we believed that Iran was furnishing new, more deadly weapons to militant groups targeting U.S. troops in Iraq as part of a pattern of renewed attempts to exert influence in the region. These Shia proxy groups temporarily escalated attacks against U.S. personnel this summer before declaring a ceasefire following U.S. and Iraqi pressure. To this point,

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however, these groups have failed to undermine the Iraqi public's confidence in the ISF or the Iraqi Government.

The ISF have the lead for security, and levels of violence have remained dramatically reduced from—for instance—where they were in 2006 and 2007. U.S. commanders in the field assess that the ISF are competent at counterinsurgency operations.

78. Senator CORNYN. Secretary Panetta, in your opinion, how capable is the Iraqi Government to resist Iranian influence after U.S. forces have been withdrawn?

Secretary PANETTA. U.S. policy supports Iraqi efforts to counter the most destabilizing and destructive elements of Iranian policy in Iraq. U.S. policy leverages three key characteristics of Iraq that serve to counter Iranian hegemony in Iraq as U.S. forces draw down. These key characteristics—evident in almost all levels of Iraqi society—combine to indicate that despite Iran's efforts and rhetoric, Iran's influence will ultimately be attenuated.

The first and most important is Iraqi nationalism. Nationalism remains a strong and enduring force motivating the Iraqi people. Iraq's Kurdish and Sunni Arab populations are no friends of Iran, and nationalism counteracts Iranian influence among the Iraqi Shia population, as well.

A second key characteristic of Iraq that runs counter to Iran's hegemonic ambitions is Iraq's publicly stated interest in a long-term partnership with the United States.

A third is Iraq's objective to achieve regional reintegration. We seek to support a strong, democratic Iraq, on mutually beneficial and friendly terms with all its neighbors. To achieve this vision, we are working hard to encourage Iraq's neighbors, particularly Gulf Arab states, to overcome their inherent distrust of Iraq's new Shia leaders and to establish mutually productive relations. We are encouraged that some of Iraq's neighbors have leaned forward to engage the new Iraq—including Turkey, Jordan, and Egypt—in part to counter Iranian influence.

[Whereupon, at 12:45 p.m., the committee adjourned.]

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FGHANISTAN AND IRAQ

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UNITED STATES SENATE

ONE HUNDRED TWELFTH CONGRESS

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