

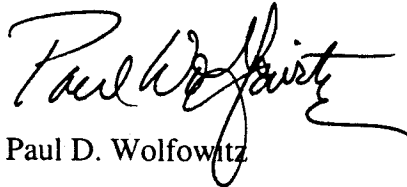
February 23, 2001

The Honorable John Warner
United States Senate
Washington, D.C. 20301-1300

Dear Mr. Chairman:

Enclosed herewith are the answers to the policy questions the Senate Armed Services Committee asked me to complete.

Sincerely,



Paul D. Wolfowitz

cc:
The Honorable Carl Levin
Ranking Member

Advance Questions for Dr. Paul D. Wolfowitz

1. Defense Reforms

More than ten years have passed since the enactment of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 and the Special Operations reforms. From your close association with defense issues, you have had an opportunity to observe the implementation and impact of those reforms.

A. Do you support full implementation of these defense reforms?

The establishment of the unified and specified combatant commands, the delineation of responsibilities, and most importantly, the focus on "jointness" outlined in the Defense Reorganization Act of 1986 has enhanced the readiness and warfighting capabilities of the U.S. armed forces.

B. What is your view of the extent to which these defense reforms have been implemented?

These reforms have changed the way the Department of Defense works by strengthening the role of the Chairman of the Joint Chiefs of Staff and the combatant commanders, and significantly improving the ability of the Department to protect America's security and further its vital interests. The reforms have helped improve the interaction among the services in conducting military operations by making joint operations the norm.

C. What do you consider to be the most important aspects of these defense reforms?

I would consider each of the goals noted below to be an important aspect of these defense reforms. Each one has enhanced the ability of the Department of Defense to carry out its assigned responsibilities.

The goals of the Congress in enacting these defense reforms, as reflected in section 3 of the Goldwater-Nichols Department of Defense Reorganization Act, can be summarized as strengthening civilian control; improving military advice; placing a clear responsibility on the combatant commanders for the accomplishment of their missions; ensuring the authority of the combatant commanders is commensurate with their responsibility; increasing attention to the formulation of strategy and to contingency planning; providing for more efficient use of defense resources; and enhancing the effectiveness of military operations and improving the management and administration of the Department of Defense.

D. Do you agree with these goals?

Yes, I support the goals of the Congress in enacting the reforms of the Goldwater-Nichols legislation.

E. Do you anticipate submitting legislative proposals to amend Goldwater-Nichols?

If confirmed as Deputy Secretary of Defense, I will work with the Secretary to review the extent to which the reforms have been implemented and the extent to which they have achieved their stated goals. As Secretary Rumsfeld has noted, we would consult with Congress on any changes that might be appropriate.

F. If so, what areas do you plan to address in these proposals?

It would be premature to offer any thoughts on the question at this time.

2. Relationships

What do you see as the relationship between the Deputy Secretary of Defense and each of the following?

A. The Secretary of Defense

If confirmed, it is the Secretary's intent that I act of the Department's chief operating officer under the Secretary's direction as chief executive officer. It will be my duty to execute the policies of the President and the Secretary within the department, and, when new direction or guidance is needed, to facilitate the timely, accurate, and reasoned presentation to the Secretary of issues that require his or the President's consideration.

B. The Under Secretaries of Defense

My relationship with all other senior officials of the Department will, for the most part, be based on the chief operating officer role described above. If I am confirmed, I will seek to carry out the policies and guidance of the Secretary with respect to actions and initiatives of the respective Under Secretaries, and bring to the Secretary's attention facts, options, analyses, and recommendations from the Under Secretaries when such guidance or direction is needed.

C. The Assistant Secretaries of Defense

My relationship with Assistant Secretaries of Defense and other senior officials of the Office of the Secretary of Defense would be similar to that described above in relation to the Under Secretaries of Defense.

D. The Chairman of the Joint Chiefs of Staff

The Chairman of the Joint Chiefs of Staff is the principal military advisor to the President, the National Security Council, and the Secretary of Defense. If confirmed, I intend to work closely with the Chairman to assure his full participation in the leadership team of the Department of Defense.

E. The Vice Chairman of the Joint Chiefs of Staff

The Vice Chairman of the Joint Chiefs of Staff has a vital role in developing and implementing joint plans, programs, and policies for the Services. If confirmed, I anticipate working very closely with the Vice Chairman.

F. The Secretaries of the Military Departments

The Secretaries of the Military Departments carry out the policies of the President and the Secretary of Defense in their respective Military Departments and make recommendations to the Secretary and to the Congress relating to their Military Departments and the Department of Defense. If confirmed, I intend to work closely with the Secretaries of the Military Departments. I will assure that they are aware of the President's and the Secretary's policies and priorities and assist them in contributing to the successful development and implementation of effective DoD policies and programs. This includes assuring that the recommendations of the Secretaries of the Military Departments are brought to the Secretary of Defense and that they understand his policies.

G. The Chiefs of Staff of the Services

The Chiefs of Staff provide advice to the Secretaries of their respective Military Departments and other senior officials, and carry out the policies of the Secretaries of their respective Military Departments and the Secretary of Defense. My relationship with the Service Chiefs will follow the model outlined above, but with the extra dimension that my relationship will be in the context of my overarching relationship with the Military Departments and the Joint Chiefs of Staff.

H. The Service Acquisition Executives

The Service Acquisition Executives are most directly involved with their respective Service Secretaries and the Under Secretary of Defense for Acquisition, Technology, and Logistics. In the role of chief operating officer of the Department, I will, if confirmed, promote the successful involvement of the Service Acquisition Executives in the development and execution of the policies and initiatives of the Secretary of Defense in the acquisition field.

I. The Inspector General

As the Department's chief operating officer, I consider it my responsibility to support the Department of Defense Inspector General (DoDIG) in carrying out his or her duties as set forth in the Inspector General Act.

3. Qualifications

Section 132 of title 10, United States Code, provides that the duties of the

Deputy Secretary of Defense are to be prescribed by the Secretary of Defense.

A. Assuming you are confirmed, what duties do you expect that Secretary Rumsfeld will prescribe for you?

In general, if confirmed, I expect to be the chief operating officer of the Department while the Secretary fulfills the role of the chief executive officer. It will be my duty to execute the policies of the President and the Secretary within the Department and, where necessary, to present well-reasoned advice when policy must be changed or modified. If confirmed, I will endeavor to establish close and effective relationships with the Congress and to insist that responsible officials in the Office of the Secretary of Defense and the Military Departments do likewise.

B. What background and expertise do you possess that you believe qualifies you to perform these duties?

If confirmed, this will be my third senior position in the Department of Defense and the second one that requires confirmation by the Senate. I served as Deputy Assistant Secretary of Defense for Regional Programs from 1977-1980 and as Under Secretary of Defense for Policy from 1989-1993. This latter position covered a period of time that included the end of the Cold War, the revision of our national strategy, and the planning for and conduct of major military operations in Panama and the Persian Gulf region. In addition to these positions, I have held senior management positions as Assistant Secretary of State for East Asian and Pacific Affairs, and served as U.S. Ambassador to Indonesia, running one of the most important U.S. embassies in Asia. Finally, for the last 7 years I have managed a school of international affairs that entailed the development of fiscal and academic programs for 750 students on campuses in Washington, D.C.; Nanjing, China; and Bologna, Italy. The school is a \$30 million dollar per year operation. While in the job, I also supervised a team that more than doubled the school's endowment.

C. Do you believe that there are any steps you need to take to enhance your expertise to perform the duties of Deputy Secretary of Defense?

I believe that I have an excellent, general base of experience for this position. Without presuming confirmation, I have already begun to benefit from excellent information briefings from the SASC Staff, various offices within the Office of the Secretary of Defense, and the Joint Staff. Courtesy calls with over a dozen Members of this Committee have been invaluable. I believe if confirmed, I am ready to assume the duties of the position of Deputy Secretary of Defense, which will remain a learning experience, as long as I hold the office.

4. Budgetary Impact of Contingency Operations

Over the past several years, military units have been increasingly deployed to contingency operations around the world. While participation in these operations

may improve discipline, unit cohesion and leadership skills that are not generally possible to develop during normal garrison activities, they disrupt operating budgets, cause lost training opportunities, and accelerate wear and tear on equipment. Additionally, increased OPTEMPO impacts quality of life and could jeopardize retention of high-quality people. Finally, unless funded through timely emergency supplemental appropriations, they divert funds from programs designed for needed readiness or modernization.

A. Do you have any ideas as to how to reduce the impact of these operations on both near and long-term readiness and modernization programs?

Near term, contingency operations – regardless of their intrinsic merits – can damage readiness by interrupting needed training for wartime operations, accelerating wear and tear on equipment, and eroding the quality of life of military personnel and their families. However, that damage can be minimized through careful management, and whatever damage is unavoidable can sometimes be offset by benefits to the units participating in these operations. Key to avoiding damage is robust funding for readiness accounts, so that readiness needs can be met before, during, and after contingency operations. Looking long-term, damage to modernization programs is best prevented by timely funding so that the Department does not have to disrupt procurement and RDT&E programs. Especially key is accurate DoD projections of operational costs and timely congressional approval of supplemental appropriations that are needed for unbudgeted contingency operations.

5. Preparation for Future Threats

We have heard a great deal recently about the fact that Russia no longer poses the threat to U.S. interests that the Soviet Union and the Warsaw Pact once did. Because of this, many argue that we can continue to cut back on defense spending and force structure beyond that which we have already achieved. Recognizing the need for a comprehensive examination of our national security requirements, the Congress passed legislation last year that would make permanent the requirement for the Department of Defense to conduct the Quadrennial Defense Review (QDR). As a result of the last QDR, the Department recommended a reduction in military personnel levels despite the recognition that we will continue to engage in numerous peacekeeping activities. This, in part, led the National Defense Panel to state that "there is insufficient connectivity between the strategy on the one hand, and force structure, operational concepts, and procurement decisions on the other."

A. Do you believe that the Two Major Theater War scenario continues to be the most appropriate basis for determining force structure, operational concepts and procurement decisions for U.S. armed forces?

Modern history suggests that the United States has often faced more than one security contingency at a time. With that history in mind, preparations are appropriate. The

increasing diversification of current and emerging threats requires that we build forces and operational concepts aimed at fashioning a new approach to deterrence. The manner in which the United States underwrites deterrence – for example, how we posture our military to be able to respond to multiple contingencies – is an issue of military strategy and operations and the adequacy of available resources at the time. This issue will be examined in the strategic review.

B. Do you believe that the force structure, operational concepts, and procurement decisions recommended by the QDR are sufficient to provide the capability to engage in overlapping Major Theater Wars today, and to prepare for the potential military threats of the future?

No answer →
It is important that we shape and prepare the armed forces to respond to whatever national security challenges may confront us. We must ensure that the military has the tools it needs to fight and win, should that be necessary. The technological revolution makes possible new forces and concepts of operations that can transform the way we fight in the future. These matters will be among those examined in the strategic review.

C. What are the principal threats to U.S. vital national security interests that you believe the Department should examine both in the near and long term?

The centrifugal forces in world politics have created a more diverse and less predictable set of potential adversaries, whose aspirations for regional influence and whose willingness to use military force will produce challenges to important U.S. interests and to those of our friends and allies. Modern technology and its proliferation also confront us with an expansion of unconventional threats, including nuclear, biological, and chemical (NBC) weapons, missiles, terrorism, and the newer threats against space assets and information systems. At the same time, we have traditional responsibilities to existing allies in key strategic theaters that remain in our vital interests.

D. Would you agree that the uncertainty which we face in the future requires us to maintain a military which is both strong and flexible?

In addition to fielding strong, flexible military forces for an uncertain future, the United States can help build a new national security environment by integrating the economic, technological, and diplomatic tools at our disposal, maintaining and strengthening our alliances, and promoting continued market and democratic reforms around the world. By providing for a military that is second-to-none and equipped to meet the newer challenges of the 21st century, I believe we can best ensure a peaceful strategic environment that advances U.S. national security interests and those of our friends and allies. The goal is to assure that our country has the new capabilities necessary to deter and defend in this new security environment so we are able to contribute to lasting peace and stability.

6. Readiness Indicators

Over the past several years, the Committee has observed discrepancies

between the readiness reports we receive from the Pentagon and the information we receive from the operational forces. Many of these discrepancies are attributed to a readiness reporting system including the SORTS data which is designed to provide a snapshot of the current state of readiness rather than a projection of the future.

A. If confirmed as the Deputy Secretary of Defense, will you work with the Services to try to develop a better system of measuring and reporting readiness, including a way to predict future readiness, so that we have an adequate understanding of any readiness problems within the operational forces?

At its core, our readiness reporting system centers on the readiness of our forces for high intensity combat operations. While the current system is useful, I know that it can be improved, and I support efforts to do so. The basic position as developed in this Committee and others and as outlined by President Bush remains clear: we have an urgent need to address any decline in operational readiness.

7. Plan Colombia

The United States is heavily involved in resourcing and training Colombian security forces that are fighting the growth and processing of coca leaves and the transport of refined cocaine. U.S. forces are specifically precluded, by policy, from taking a direct part in any such operations.

A. Do you favor continuing U.S. support for Colombian security forces in this effort?

The Department's counterdrug programs and policies are currently under review. This is a process in which I will participate if confirmed. At this point, however, it would be premature on my part to comment on this review until it is completed.

B. Are you committed to maintaining the policy that precludes U.S. forces from taking a direct part in these operations?

comment
As with all other Department policies, if confirmed I will reserve the right to review the existing policy and make my recommendations to the Secretary. However, in principle, I support the policy which prohibits DoD personnel from accompanying drug law enforcement and foreign military forces on counterdrug field operations.

C. Would you favor increasing U.S. assistance to the countries bordering Columbia to prevent a relocation of coca growth elsewhere?

U.S. counterdrug policy relative to programs in the region is currently under review within the interagency, to include the Department of Defense. It would be premature on my part to speculate on the outcome of these reviews.

8. Maintaining our infrastructure

The Department of Defense maintains the world's largest infrastructure, with a physical plant value exceeding \$500 million. It is widely acknowledged that much of this infrastructure is in poor condition and therefore impacts quality of life and readiness.

A. What are the most critical infrastructure issues facing the Department of Defense?

Our physical plant is too big, too old, and too often in poor condition. The Department faces the daunting task of rationalizing its infrastructure and finding the resources to properly sustain, restore and modernize the facilities and installations we will keep. Improving the quality of life and workplaces for our servicemembers and their families is critical to readiness and retention. The Department believes that it has excess facility capacity and infrastructure in the wrong locations. We will address these issues during our planned review and the months thereafter.

The Military Housing Privatization Initiative was enacted to provide a means for solving the military services' housing crisis.

B. Has the initiative lived up to its expectations? If not, what actions would you advocate to assure the success of the program?

The Military Housing Privatization Initiative was slow to start, but with nine projects now awarded, it has demonstrated that it is a powerful and important tool to solve our housing shortfall. Enthusiasm is high in the Military Services to do more, but the success of the program depends on capturing lessons learned at the initial projects and applying them as we move forward.

9. Defense Health Funding

As you are aware from your current position, the Department of Defense has identified a core program shortfall in the Defense Health Program of \$6 billion from FY 02-05. These figures do not include any expansion of the Department's capabilities or resources to meet the commitment to the over 65 military retiree population and their families.

A. If confirmed as Deputy Secretary of Defense, how do you plan to address this shortfall?

Addressing this or any other major program funding shortfall will be our task once the DoD strategic review is completed and used to set guidelines for future spending. Additionally, however, we will be scrutinizing processes and management – including those in the Defense Health Program – to make improvements, increase efficiency, and save money.

10. Aviation Modernization Programs

In a recent presentation, the Air Force Chief of Staff stated that if all of our current aviation modernization programs execute as planned, in fifteen years the average age of aircraft in the inventory will be 30 years. Specifically there has been much speculation that the current tactical aviation modernization plan is not affordable.

A. Is this a viable program?

The requirements and timing of the tactical fighter programs are subjects in the on-going review which Secretary Rumsfeld has initiated. Although a major investment, the modernization of U.S. tactical fighters is of immense importance and deserves careful review.

B. With the cost of individual platforms escalating, will we ever be able to rejuvenate our fleet of aircraft without a significant increase in our modernization budgets?

Given the aging of the current fighter force structure, replacement aircraft must be procured. Once the review is complete, we will be in a position to address the budget necessary to satisfy the required future force structure.

C. How do you expect the development of unmanned aerial vehicles to impact our requirements for manned platforms over this period?

Our unmanned aerial vehicles have demonstrated their value as intelligence, surveillance, and reconnaissance assets. As the quantity and capability of these unmanned systems increase, we expect them to pick up more of these roles, complementing our heavily tasked, manned intelligence surveillance and reconnaissance fleet. We also have technology programs to begin to develop combat roles for unmanned aerial vehicles. If the technologies prove successful, these unmanned systems will complement our manned combat fleet.

11. Readiness

Over the last few years we have seen increasing evidence that the readiness of the U.S. Armed Forces has begun to deteriorate as a result of the over-commitment of an under-resourced Department of Defense. Whether you look at the comments of Army Training and Doctrine Command commanders, the testimony of the Service Chiefs, or reports of severe shortages aboard deployed Naval vessels, all point to a pending readiness crisis. Many have argued that we are approaching a readiness death spiral where maintaining today's aging equipment and facilities is preventing the modernization necessary to maintain readiness in the future.

A. What do you view as the major readiness challenges that will have to be addressed by the Bush Administration, and, if confirmed, how will you approach these issues?

Our new administration faces a number of readiness challenges across the military. These include the classic "unit readiness" concerns of robust manning, functioning equipment, and realistic training so that our military is prepared to defend the vital national interests of the United States. Our war fighting commanders around the world must have the assets to synchronize and use their units in effective joint and coalition forces. This "joint readiness" requires effective command, control, communications and computer (C4) systems; robust intelligence, surveillance and reconnaissance (ISR) systems; sufficient lift to mobilize forces and equipment; interoperability; and healthy logistics practices and sustainment stocks. I believe that the U.S. also needs to be better prepared for the growing threats posed by terrorism, weapons of mass destruction (WMD), threats to critical information and other infrastructure systems, and vulnerable space assets. Some of the more pressing concerns lie in the condition of equipment, or more broadly, the materiel readiness of the forces. Of particular concern is the readiness of our aviation forces. They continue to struggle to overcome the ill effects of higher-than-planned use and inadequate parts support that have accrued since the end of the Cold War. While increased funding in the past two years has had some positive effect on materiel readiness, there is more work to be done. DoD's equipment is growing older, and we will be continually challenged to keep our existing forces ready while preparing for the threats of the future. Our National Guard and Reserve forces also have a number of unique challenges in meeting their mission requirements upon deployment that require our immediate attention. As we undertake a thorough review of the National Military Strategy, we will address these concerns.

12. Readiness Supplemental Funding Requirement

The military services have provided this Committee with a list of \$4.5 billion in near-term readiness requirements, such as spare parts and equipment maintenance, and another \$2.5 billion for emergency personnel and modernization programs, that they have identified for this fiscal year.

A. Have you taken a look at the military services Fiscal Year 2001 emergency requirements and will the Administration submit a supplemental budget request to fund these items?

I have not studied in detail the service's unfunded FY 2001 requirements. The Administration's position is that DoD's strategic review must be completed before any decision on submitting an FY01 supplemental appropriations request is made.

13. Vieques

Over the past 18 months Naval forces deploying from the East Coast of the United States have been prevented from conducting live-fire training on the Navy's

training range on Vieques, Puerto Rico, which has had a significant impact on the readiness of these forces to execute their wartime missions. An agreement was reached with the then-Governor of Puerto Rico, and legislation passed to implement that agreement, which will provide economic incentives to the people of Vieques in return for their cooperation in the restoration of live-fire training. Unfortunately, the current Governor has stated that she will not abide by the terms of this agreement and that she will insist the Navy cease operations immediately.

A. If confirmed, what actions will you take to achieve the restoration of live-fire training on Vieques?

It is my understanding that Vieques is a superior site for rehearsing amphibious operations, the only site currently used for aerial mine warfare training, and is the only location currently available on the East Coast where aircraft, naval surface ships, and ground forces can employ combined arms training with live ammunition under realistic conditions. It is also the only range currently available on the East Coast that allows the Navy and Marine Corps to conduct naval gunfire training. I understand that to date no alternative sites, providing the ability to conduct combined arms training with live ammunition under realistic conditions, have been located. If confirmed, I will work with Secretary Rumsfeld and the Department of the Navy to explore all possible options for solutions that best meet the national interest.

14. Outsourcing of Commercial Activities

A. Do you believe that the military services need to retain a core capability to perform certain activities such as equipment maintenance, and what approach you take to allocate workloads between the public and private sector?

The size and composition of DoD's facilities to perform equipment maintenance is an important aspect of the overall readiness of the armed forces. The appropriate balance between government and private sector facilities must be struck in a manner that assures the equipment employed by the armed forces will be ready for use when needed. This balance in turn will be affected over time by the nature of the technology used in military equipment. A balance will be reviewed to assure that capabilities essential to national defense that cannot reliably be provided by the private sector will be provided by the government sector. Moreover, critical capabilities will be maintained in the government sector.

B. Do you believe that significant savings can be achieved through outsourcing, and if so, do you have any data that would be applicable to those activities which you would outsource?

I believe significant savings can be achieved by competing the Department's non-core activities with the private sector. While there has been some debate over the actual magnitude of the savings, recent studies have all agreed that savings are substantial. I

believe specific functions should be identified for study where the most potential for savings and efficiency improvement exists. For example, past studies indicate base operating support functions achieve above average savings. I would review all functional areas to identify and target those commercial activities that offer the most promise for competition with the private sector.

15. Commercial vs Military Requirements for Frequency Spectrum

A. If confirmed, what actions will you take to review the Department's total spectrum requirements and ensure that new systems are designed to ensure efficient spectrum utilization by the Department of Defense?

I understand the Department has reviewed its current and long-term electromagnetic spectrum needs, and will continue to re-assess these regularly. The Department has also revised its acquisition regulations to mandate more stringent procedures for determining and validating, prior to production decision, the requirements for and availability of spectrum for all equipment and systems to be utilized by the Department. If confirmed, I plan to support these efforts and ensure that the Department continues to investigate new technologies for the more efficient use of the electromagnetic spectrum such as software programmable radio technology.

B. If confirmed, what actions will you take if the study currently being conducted within the Department of Defense determines that there will be a significant cost and operational impact if the military services surrender the 1755 - 1850 MHz band of frequencies?

If confirmed, I will need to be thoroughly briefed on the study to fully appreciate its findings. The Department will continue to work closely with the National Telecommunication and Information Administration and the Federal Communications Commission in determining the best decision for the Nation, balancing national security and economic development, in identifying spectrum for the next generation of wireless systems while understanding that the Department's readiness must not be comprised. I know that Secretary Rumsfeld assigns a very high priority to this. I would also like to acknowledge the tremendous support the Department has received from this Committee in supporting the Department's assured access to the electromagnetic spectrum.

16. Base Realignment and Closure

The previous Administration insisted that another round of base closures was needed to streamline the defense budget and to shift resources into personnel programs and weapons procurement. However, when asked if in the absence of an additional base closure round they would provide, for congressional consideration, a list of those facilities that they consider excess and eligible for closure, they have been unable, or unwilling, to do so.

A. Do you believe that we have excess defense facilities and, if so, where does

this excess capacity exist?

See response to D. below.

B. Would you recommend additional rounds of base closures?

See response to D. below.

C. Would you provide a list of those facilities for congressional consideration absent the authorization of another round of base closure?

See response to D. below.

D. Would you support another round of BRAC but limited to where excess capacity exists?

As Secretary Rumsfeld noted in his response to Advance Policy Questions from this committee, we will withhold an assessment of this issue until after the completion of the defense review.

17. Policy toward Iraq

Ten years after the successful conclusion of Operation Desert Storm, tens of thousands of U.S. troops remain in the Persian Gulf region -- at a cost of \$1 billion per year -- to enforce the current U.S. policy of containing Saddam Hussein. Despite our efforts, Saddam remains in power in Iraq, his weapons programs unchecked; the international coalition that repelled him from Kuwait has virtually collapsed; and our friends and allies in Europe and the Gulf region are reestablishing diplomatic ties with Iraq.

A. What steps do you think the United States should take to reinvigorate the international community's efforts to ensure Iraqi compliance with the obligations Iraq accepted at the end of the Gulf War -- particularly those obligations related to disarmament?

The Administration is in the process of reviewing all the elements of U.S. policy toward Iraq. This review will have to address whether more can be done to secure Baghdad's compliance with the conditions laid down by the United Nations, particularly its obligation to foreswear the pursuit of weapons of mass destruction. It will also have to address the complex task of rebuilding support for an effective policy in the region and in the international community.

B. What role do you believe the Iraqi opposition can play in these efforts?

This is an issue that the Iraq policy review now underway will have to address. It would be inappropriate for me to comment on it at this time.

C. Do you believe that sanctions are an effective tool against Saddam Hussein?

Sanctions can be a part of an effective policy, but they are not a substitute for a policy. The Administration is reviewing whether any adjustments are needed in the U.S. approach to administering the sanctions. It is important to remember that the focus of the sanctions is not the Iraqi people but preventing Saddam Hussein from developing and using weapons of mass destruction against his own people or his neighbors, as he has done before.

18. U.S. Military Presence in Bosnia

Last December marked the five-year anniversary of the NATO military presence in Bosnia. Although reduced from its early high of about 60,000 troops, the international community, under NATO leadership, today maintains a force of over 20,000 troops in Bosnia, almost 4,600 of whom are American. Despite over five years of an international military presence in Bosnia, we are far from achieving the goal of a unified, multi-ethnic nation, as envisioned in the Dayton Accords which ended the war. In fact, during the most recent nation-wide elections in Bosnia, the nationalists -- those who oppose the aims of Dayton -- made surprising gains.

A. What should the United States do to break the stalemate in Bosnia and help create the conditions for the withdrawal of U.S. troops?

NATO is currently assessing options. It would be inappropriate for me to comment further.

B. Should we consider a renegotiation of the Dayton Accords?

Dayton has served the central purpose of stopping the war. The Dayton Accords include procedures for making changes. Whether any changes are made is ultimately a matter for the Bosnians themselves to decide.

19. North Korea

A. What is your view of the agreed framework between the United States and North Korea?

The Agreed Framework is one element of an overall effort by the U.S. and its democratic allies, the Republic of Korea and Japan, to prevent war and reduce the level of confrontation on the Korean Peninsula. It is important to remember that their overall problem is not only a nuclear one but also involves a large North Korean conventional military threat and a long record of North Korean hostility toward the South. The historic summit between Kim Dae-Jung and Kim Jong-Il is a significant positive step, but we need to proceed with caution. We also need to make sure that North Korea honors its commitments as we live up to ours.

B. What steps can the United States take to reduce the risks from North Korea's weapons proliferation activities?

The risks posed by North Korea fall in three areas: the potential to build an ICBM capable of hitting U.S. territory; the continued domestic deployment of missiles that put our allies at risk; and the export of long-range missiles and missile technology to world trouble spots that heighten regional tensions. The Administration is committed to the deployment of an effective national missile defense as soon as it is technologically feasible. Given the widespread deployment of North Korean derived theater range ballistic missiles and the threat those missiles pose to deployed U.S. forces as well as our friends and allies, the Administration would attach a high priority to the development and deployment of effective theater missile defense systems in a timely and efficient manner. It is in the U.S. interest that the North Koreans terminate their programs and stop exporting missile technology to other countries. The Administration will pursue that objective – the precise means would likely be determined following a review of U.S. policy toward North Korea and its proliferation policies.

20. Africa

The Defense Department is currently involved in a number of initiatives in Africa to help certain nations be better prepared to provide their own regional peacekeeping forces and humanitarian missions. The African Crisis Response Initiative and the ongoing training of several Nigerian army battalions for peacekeeping duty in Sierra Leone are two examples of this policy.

A. Do you support such initiatives which are aimed at helping African nations be better prepared to respond to a regional crisis?

Yes. The current strategy to develop peace operations and humanitarian response capacity in Sub-Saharan Africa includes two key objectives: to develop defense partnerships with important states, and to actively engage sub-regional organizations. One of these important states is Nigeria, with whom the U.S. is currently implementing peace operations training in support of UNAMSIL in Sierra Leone (Operation FOCUS RELIEF, or OFR).

21. Export Controls

The domestic satellite industry has complained that it has lost a significant amount of market share, and billions of dollars, as a result of the satellite licensing provisions that were enacted as part of the National Defense Authorization Act for Fiscal Year 1999.

A. What is your view of these complaints?

Let me start by saying that the satellite industry is an important industry for national defense. We must ensure that government processes are not unnecessarily impeding legitimate exports of satellites that provide the critical revenues for the industry to continue to invest in advancing the state of the art. The satellite industry itself has released information suggesting that competitive pressures facing the industry are the result of a number of factors including launch failures, competition from land-based communications systems, and growing capabilities of foreign suppliers. All of these factors must be reviewed in the course of establishing an appropriate policy on the export of satellites. National security must always be of paramount consideration.

B. Do you believe that the Congress should revisit the issue of how we license exports of satellite technology?

I believe that the Administration will be examining this issue carefully (including any statutory or regulatory changes that might be required), and will consult closely with Congress as this review proceeds. Any review must be undertaken in a manner that preserves fundamental national security interests.

Over the past two years, 16 ambassadors from NATO countries have written to the Secretary of State expressing their deep frustration with the U.S. export control system. Deputy Secretary of Defense Hamre initiated an effort to streamline export control process without weakening controls. What is your view of Secretary Hamre's reforms?

C. Do you believe that further streamlining is required?

The Administration will be reviewing this issue.

D. What policies and procedures do you believe need to be changed in the export license control process that would reflect the right balance between national security and commercial interests?

Exports of sensitive high technology affect U.S. national security interests in many ways. First, we must protect our military personnel and our security interests by ensuring that sensitive technologies are not exported to potential adversaries or to foreign entities that represent a significant diversion risk. Second, we must have sensible and effective policies and procedures to ensure that appropriate transfers of military and commercial systems and technologies that support our coalition warfighting objectives are permitted. Finally, we must be mindful that the U.S. is not the only country with advanced military and commercial technology. Efforts to control exports can sometimes become counterproductive if they weaken American technical capacity without protecting truly critical technologies. Thus, we need to work aggressively with our allies and friends to ensure that our policies and approaches toward the export of such technologies meet our mutual security interests. The Department of Defense has an essential role to play in designing export control policies and implementing the principles I have outlined. We

will be working closely with the Congress and the other Executive Departments on these important matters.

E. Do you believe the Department of Defense should play a greater role in the export licensing process than it currently does in determining whether sensitive technologies should be exported overseas?

The Defense Department must play a strong role in the export control policy process. Defense has a tremendous amount of technical expertise in the export control area and should have the ability to apply these assets to the overall export control process. I will be reviewing whether there are specific changes that should be proposed concerning DoD participation in these processes.

F. What critical military technologies do you believe the United States should not license for export overseas and why?

There are obviously a number of critical military and dual-use systems and technologies that must be export controlled to preserve U.S. military technological advantages and to ensure that these items do not fall into the wrong hands. This is a changing picture as military capabilities advance and technology become diffuse worldwide. We must ensure that we have a system in place that regularly reviews the specifics to make sure that we are controlling the most important items and that we are not controlling items that cannot be effectively controlled because of widespread availability.

Senator Gramm recently reintroduced his bill to reauthorize the Export Administration Act. Senator Gramm has characterized his bill as an effort to build a higher fence around a smaller number of items, the export of which would have a detrimental impact on our national security. Others have expressed concern that the bill does not pay sufficient attention to national security concerns.

G. What is your view of Senator Gramm's bill?

I have not studied the bill but will do so as soon as possible.

H. Do you support the reauthorization of the Export Administration Act?

It is my understanding that the Administration is in the process of reviewing the bill and will have some comments soon.

22. Technological Capabilities of Terrorists

A key disadvantage of the proliferation of information technology is that potential and acknowledged adversaries can now gather data, imagery, and intelligence updates from many of the same sources and means that the U.S. military uses. Keeping a step ahead of these capabilities is a great concern for this committee.

A. What would you propose the Department of Defense do to address this concern?

While greater access to multiple sources of data has many advantages for the U.S., it is also true that our adversaries can use commercial imagery and other burgeoning information technologies to monitor and target U.S. interests. While we cannot prevent commercial capabilities from becoming more sophisticated and widespread, we do have the ability, with the proper blend of resources, personnel and processes, to enhance the likelihood that the U.S. will continue to maintain the information advantage it needs. Furthermore, the control of certain technologies remains an issue of significant concern to the Department. We will continue to review each export license request and appropriately apply conditions and provisos to those licenses to protect our national security interests. As you know, the Secretary has made it clear that information superiority is one of his top priorities. If confirmed, I intend to fully support these efforts.

According to the Department of Defense's most recent annual report to Congress entitled "Worldwide NBC Weapons and Missile Threat", "technology to improve the delivery of nuclear, biological, and chemical weapons is becoming more advanced and in some cases more available. Some countries are focused on the production of better missile guidance and control mechanisms and countermeasures to defeat ballistic missile defense systems."

B. What options should the Department of Defense pursue to address the threat posed by this growing capability?

The Department of Defense needs to continue to support U.S. Government nonproliferation efforts intended to prevent or reverse the proliferation of nuclear, chemical, and biological weapons, their means of delivery, and associated technologies. It needs to press ahead with its counterproliferation programs to ensure that U.S. forces are prepared to fight and win in chemical and biological weapons environments. It must develop and deploy missile defenses that are effective against current and emerging ballistic missile threats. We also must strive to build stronger international non-proliferation regimes and simultaneously look for opportunities for cooperative programs with like-minded Defense Ministries.

23. Cooperative Threat Reduction (CTR)

Last month Secretary Rumsfeld told the Committee that "we need to be aware of the fact that Russia, in particular, claims to lack the financial resources to eliminate weapons of mass destruction, but continues to invest scarce resources in the development of newer, more sophisticated ICBMs and other weapons. We would not want the U.S. investment in the [DOD] CTR program to become the means by which Russia frees up resources to finance its military modernization programs. A review of ongoing [DOD] CTR projects and their respective national security benefits would be appropriate."

A. What are the most important factors that should be considered during this review?

The most important factor for this review should be the extent to which the assistance provided to the eligible states of the former Soviet Union enhances the security of the United States. Each eligible state is unique and that will also be an important consideration. Russia is the only eligible state that is permitted by international treaty to retain and modernize its nuclear forces. Therefore, an important factor for review should be whether the Department's CTR Program is structured to prevent support for Russian military modernization programs.

B. Do you agree that the CTR program serves the U.S. national interests by reducing the threat from former Soviet weapons of mass destruction?

Certainly the elimination of former Soviet strategic and tactical nuclear weapons and their delivery vehicles that the CTR program has funded has benefited US national security. As the previous answer indicates, we need to monitor the details of implementation to insure that those purposes continue to be achieved.

24. Reserve Components

Although the Department of Defense is committed to the "Total Force," as recently demonstrated by the deployment of the 49th Armored Division of the Texas Army National Guard to Bosnia, there is concern among the reserve community that this commitment to the "Total Force" is only "lip service." Those who question the Department's support of the reserve components point out the reserves do not receive an appropriate share of the defense budget for modernization and military construction. A specific issue was that the fiscal year 2000 military construction program. While the request for the National Guard amounted to about 3 percent of its critical needs, the active-component funding request covered nearly 20 percent of their critical needs.

A. What role should our reserve components have in the post-Cold War era?

Over the last several years, the National Guard and Reserves have been transformed from a Cold War force held in reserve to an essential force serving in the "front lines" daily. For example, during each of the past five years, Reserve Component personnel have performed between 12.5 and 13.5 million workdays per year supporting the Active force. The Total Force Policy is now a fundamental principle guiding the restructuring and reorientation of our nation's military forces. At the same time, though, we must be careful not to place too much of the burden of our national security objectives on the Guard and Reserve. These are immensely capable forces that play a critical but well-defined role in our force structure. As such, the role of our Reserve Components will be examined, along with our other armed forces, during the review of the overall defense strategy.

B. Do you believe the reserve components are fully integrated into the "Total Force?" If not, what further steps should be taken to make the integration a reality?

The integration of the Reserve Components has improved steadily. Although barriers to full integration into the Total Force have been reduced or eliminated, work remains. For example, quality of life programs are needed to recruit and retain Reserve Component forces. We need to work together to address employers' concerns and provide family support programs.

C. What should be the basis for level of funding in the Administration's budget request for the reserve components?

Keeping the required force trained and ready remains our top priority. The basis for the level of funding for the Reserve components in the Administration's budget request should be based on the readiness requirements placed on the Reserve components by the National Military Strategy, the ongoing strategic review being undertaken by Secretary Rumsfeld at the President's direction, the FY01 QDR, and other missions assigned by the Services. The Reserve components should then be resourced to ensure interoperability to meet the requirements identified by those mandates.

Due to the leaner active-duty military and greater number of operational commitments, the Department of Defense has increasingly called on the reserves and National Guard. In 1989, reservists and members of the Guard recorded one million days of duty. In each of the past three years, that figure has averaged 13 million days. This increased workload has had an impact on the individual reservist and on his civilian employer. As a result, retention and recruiting are impacted and in extreme cases the relationship between the reservist and his employer.

D. In your judgement, is it realistic to expect the reserve components to assume an increasing role in operational deployments and in the "Total Force" without adverse impact on their civilian jobs?

The Reserve Forces are a major and integral part of our National Defense team. The key to their effective use is maintaining the proper balance of utilizing their capabilities without overusing any specific segment of the force. We will endeavor to seek a level of participation for our reservists that maximizes the investments made in their training and equipping while mediating the potential for inadvertent harm done by their overuse.

E. What can the Department do to mitigate the impact of increasing reserve deployments on the civilian employers?

The key to mitigating the impact of Reserve component deployments on civilian employers is early notification, a predictable return of the Reserve component member, and not calling upon the same individual too often. We will continue to improve our

ability to return reservists from deployments when they are scheduled to return. Work needs to be done to ensure that the force structure contains sufficient high demand units so the same reservists are not used too frequently.

The reserve components represent a great asset to our nation as they support the national military strategy while also serving to link our military forces to hometown populations where they serve. These forces also provide state governments with a critical ability to respond to natural disasters and are available to be the first responders to homeland defense mission requirements. Unfortunately, a significant portion of these forces appear to be improperly structured as there are a number of medium and heavy divisions in the reserve components that have not been required or assigned to support warfighting requirements. These forces are similarly not equipped to properly support state missions. Tanks and mechanized infantry units are of little utility to governors who need these forces to respond to natural disasters. Modernizing these forces with combat support and combat service support equipment appears to be the most appropriate course to follow but would require Department of Defense oversight and a significant investment in resources.

F. How do you believe this issue should be addressed and what will you do to restructure our reserve components to be in a better position to support both federal and state mission requirements?

The National Guard and Reserve forces play an essential role within today's force in supporting the day-to-day operations, at home and abroad. It is also my understanding that today's Guard and Reserve force structure provides a significant portion of the Total Force's combat support/combat service support capability, which coincidentally, is also likely to be needed to help mitigate the consequences of a domestic Weapons of Mass Destruction event. While we anticipate that the Guard and Reserve will continue to play an important role in supporting our homeland security for the reasons you have articulated, it is important to note that the President and his key national security advisors are in the process of developing a new National Security Strategy. The President has already asked the Secretary of Defense to be prepared to undertake appropriate actions to reshape and restructure our force to meet that strategy. Therefore, it would be premature to predict with any precision what changes in structure are appropriate at this time.

25. Privatization of services

The Department is relying increasingly on the private sector to provide critical services. Among the most significant privatization efforts are the areas of military family housing and utility systems.

A. What are your views on the ever-increasing reliance by the Department of Defense on the private sector to provide essential services to our military personnel?

I believe the Department should seek out private sector performance for non-core

functions where they are more cost effective and efficient.

B. If you support additional privatization of defense activities, what are they?

Following the success of housing and utility privatization, other defense activities should be reviewed as possible privatization candidates. This is an issue that, if confirmed, I will have to study in further detail.

Although initial privatization efforts have resulted in near term savings, there is concern that over the long term there will be no savings.

C. What are your expectations of the long term benefits from these privatization initiatives?

All of our privatization efforts require analysis of life cycle savings to ensure they benefit the government over the long term. My understanding is that analysis of specific competitive sourcing competitions indicates that initial savings do, in fact, hold up over the life of the contract. In addition to savings, privatization supports the rapid infusion of best business practices, and attracts private sector capital to augment Department resources.

26. Management Issues

A. During your tenure as Deputy Secretary, what key management performance goals do you want to accomplish, and how would this Committee be able to judge whether you have accomplished them?

If confirmed, I plan to work with Secretary Rumsfeld to establish key management performance goals. At this point, it would be premature for me to offer specific performance initiatives, but in general, one of our primary goals should be to hire, support, and retain military and civilian personnel with the necessary skills to meet our mission needs. As we establish our goals, we must carefully consider the results of our ongoing strategic reviews as well as the QDR process, and look to closely tie DoD's strategic plans to our desired mission outcome. We also need to establish financial management operations that provide reliable information and foster accountability. Finally, we must look to reform our acquisition processes, establishing business practices that are more efficient and effective. I look forward to working with this Committee and the Congress as we strive to reduce or eliminate bureaucratic redundancies in the Department of Defense and streamline our management practices.

To successfully lead an organization, a leader must be able to create and share a vision that inspires people to follow.

B. In your past experience, what specific steps have you taken to successfully create a vision for an organization, and how did you make sure that the entire organization had a common understanding of the mission and was aligned so that it could be

accomplished?

In previous questions and in many documents supplied to the committee, I have outlined my work history and the many organizations that I have run. I have always believed that the importance of leadership and management jobs is measured not by the title but by the results that the whole organization achieves. Perhaps most telling in the area of establishing a vision were my positions as Under Secretary for Policy, and my work as Dean at the Paul H. Nitze School of Advanced International Studies (SAIS), The Johns Hopkins University. In OSD Policy from 1989-93, I redrew the organization, picked new people, and held numerous team building sessions to drive home my vision for how policy would operate. I don't want to say that my team did it all alone. Indeed, working closely with the Congress, the Military Departments, the Joint Chiefs of Staff, and our allies were integral parts of our standard operating procedures. I hope that the results – a new strategy and force structure, success in the Gulf War and in Panama, improved relations with our allies, highly successful arms control initiatives, and a whole set of new defense relationships with former adversaries – validated my approach. At SAIS, I followed the same organizational strategies and was very pleased with the results – we doubled the goal for the school's five-year capital campaign, focused it on the school's top priorities and then reached our goal in two and a half years (eventually reaching almost four times the original goal by the end of the campaign). Through a combined team effort, we were able to not only achieve significant increases in the school's endowment, but also created new and up-to-date programs, better faculty, improved facilities, and improved communications with the central university administration in Baltimore. In both cases, the keys to success were setting sensible objectives that could inspire support, clear communications, good people, and lots of hard work. I agree strongly with someone who once said that good government is a team sport. If confirmed by the Senate, that is the spirit I will bring to my duties as Deputy Secretary of Defense.

C. What steps do you intend to take to accomplish these objectives at the Department of Defense?

As noted above, it would be premature for me to offer specific performance initiatives at this time. If confirmed, I will work with Secretary Rumsfeld to establish key management performance goals. I look forward to working with this Committee and the Congress as we move ahead.

The Government Performance and Results Act (GPRA) is intended to provide managers with a disciplined approach – developing a strategic plan, establishing annual goals, measuring performance, and reporting on the results – for improving the performance and internal management of an organization.

D. What are your views on this law and your experience with it, as well as your preliminary ideas on how this law might be implemented?

Congress enacted GPRA in 1993 to strengthen performance management within the federal government. At the time GPRA was enacted, most federal agencies did not

routinely use strategic planning or performance management to shape resource decisions. DoD was a major exception, having relied for more than four decades on the Planning, Programming, and Budgeting System (PPBS) to guide program development and resource-allocation decisions. The PPBS is well aligned, in structure and intent, with the results-oriented mandate of GPRA. Instead of introducing a new data reporting or management system to implement GPRA, DoD has elected to use GPRA reporting to provide an executive-level overview of how the Secretary employs PPBS performance objectives to manage the Department's resources.

E. Are you familiar with the strategic plan, annual performance plans, annual accountability report, and financial statements of the Department of Defense?

Yes, I'm familiar with these plans and reports, which are an important part of communicating the President's and the Secretary's priorities to the Department, the Congress, and in a larger sense, to the American people. GPRA requires each federal agency to produce a strategic plan every three years, to submit a performance plan with each budget, and to publish a performance report at the end of each budget year, summarizing progress in implementing the performance plan. In the case of DoD, Congress subsequently passed legislation establishing the Report on the Quadrennial Defense Review as DoD's strategic plan. DoD's annual performance plans and reports are structured to track progress in executing the defense strategy. In the next month or two, the Department will forward its FY 2000 performance report to Congress. If confirmed, I will give it close attention.

F. What do you consider to be the most important priorities and challenges facing DOD as it strives to achieve these management goals?

Fundamentally, I believe the Department has effective processes in place for developing its strategic plan, establishing goals and measuring performance, and reporting the results. The challenge is to make sure that the substantive results of those processes reflect the true needs of U.S. national security in the 21st Century and that goals are clearly articulated. Overall, the quality of the data we use to monitor performance has allowed us to measure and report our progress in meeting annual goals. In those cases where data is lacking, we are working to improve the underlying data support systems. Over the past several years, the Department has worked closely with the Congress, the General Accounting Office, and the DoD Inspector General to enhance the performance of its internal management systems. In that process, several challenges have been identified, including the effective management of information technology investments and the need to streamline and improve the efficiency of financial management systems. The Secretary has made the modernization of these financial management systems one of his priorities, and I certainly support that objective.

G. What changes, if any, do you feel might be necessary in these plans?

With the change of administration, the Department will revise its strategic plan and annual performance plans to reflect the priorities of President Bush and Secretary

Rumsfeld as informed in the ongoing strategic reviews. We will continue to work with the Congress as we present future GPRA strategic plans, performance plans, and performance reports to ensure that our GPRA activities reflect a full and effective implementation of the law.

H. What are your views on the importance and role of financial information in managing operations and holding managers accountable?

These are immensely important. Accurate financial information is critical to evaluating outputs, services, costs, efficiency, productivity, and other essential management indicators. Such information is a vital tool for holding managers accountable.

I. How would you address a situation in which you found that reliable, useful, and timely financial information was not routinely available for these purposes?

I would move decisively to improve the system or get a different one that works. It is my understanding that given the financial challenges we are facing, systems will need to be replaced over time.

J. What is your view of the importance and role of internal controls (i.e., management controls) in ensuring the reliability of financial information?

Internal controls are very important. Their most critical role is to hold managers accountable for results and the wise use of resources. Also, these controls are essential to ensuring the proper allocation, disbursement, and accounting of funds and to prevent waste, fraud, and abuse.

K. How would you determine whether the Department has in place the key information management processes required by law, including a detailed architecture, an investment control process, and appropriate information security plans?

If confirmed, I will look to the DoD Chief Information Officer to advise the Secretary and me on what information management initiatives are currently in place and what additional steps need to be taken to ensure that information technology investments are consistent with plans, process change requirements, architectures, and other information management guidance. I believe that the Department already has laid the foundation for a structured and systematic process for determining whether the key information management processes required by law are in place.

L. What role do you envision you would play in managing or providing oversight over these processes?

As I indicated above, if confirmed I will look to the DoD Chief Information Officer to provide guidance for DoD information management and to spearhead the coordination of information technology activities across the Department. As such, I intend to fully

support the DoD Chief Information Officer in these and other information technology management efforts.

M. How would you go about implementing or improving these processes?

It would be premature for me to make any recommendations until I have had more time to study this area. However, if confirmed I intend to work closely with the DoD Chief Information Officer and other senior leaders in the Department to identify opportunities to improve existing information technology and management processes, and to achieve those improvements.

The Government Performance and Results Act (GPRA) envisions that agencies will link their human capital planning with their strategic and annual plans.

N. Can you describe your experience in building and maintaining the human capital needed to achieve results (getting the right employees for the job and providing the training, structure, incentives, and accountability to work effectively)?

Attracting the right people, matching “faces with spaces,” ensuring professional development, and rewarding outstanding performance have been essential parts of every management job that I have ever held. Indeed, I believe that recruiting the right people for the right jobs and motivating them to perform are the most important keys to effective management. In government and in the academic world, where I have managed medium to large organizations, there are fewer tangible incentives to offer for performance and less flexibility to hire and fire. That means that one has to pay more attention, not less, to how you motivate people and provide as much intangible job satisfaction as possible, most importantly by empowering capable performers and entrusting them with meaningful responsibilities. Given our tight labor market, the Department of Defense’s senior leadership and personnel managers will have to become more people-centric and rethink our incentive structure. If confirmed by the Senate, I pledge to make personnel issues – military and civilian – a central concern for senior departmental management.

The DOD workforce has undergone significant downsizing in the past several years, and with the current tight labor market, it is becoming increasingly difficult to attract and retain talent.

O. How would you work to attract and retain individuals with the experience, education, and skills needed throughout the Department of Defense?

The issues facing DoD in recruiting, developing, and retaining an excellent civilian workforce require a multi-faceted approach. I believe we begin by determining carefully what future workforce needs will be. Armed with that information, we need to strengthen or put into place the appropriate accession and retention strategies, including policies, legislation, and compensation. We also need to offer development opportunities, both as key accession and retention tools and as insurance that we are growing the cadre of

leaders and managers necessary to implement our Defense strategy. Finally, we must continue to manage the workforce transition effectively.

To become a high-performance organization, an agency needs senior leaders who are drivers of continuous improvement.

P. What is your approach to motivating career employees to achieve excellence?

Career civil servants represent the core of operations, as they provide the continuity and institutional knowledge that support all of our military operations. Therefore, I believe in recognizing that value and rewarding excellence. One of the most important things is to communicate clearly the importance of the mission and an understanding of how their work contributes to the mission. Another way of doing so is to provide the education and training necessary to meet the increasingly complex mission. If confirmed, I will review existing education and training programs to ensure that they give current and prospective leaders the tools they need to manage effectively in the highly complex Defense environment. I will also make every effort to ensure that our career employees are appropriately compensated for all they do and would encourage public recognition of excellence.

27. Science and Technology

The Department of Defense Science and Technology program is at a 20-year low. The Strom Thurmond National Defense Authorization Bill for Fiscal Year 1999 established the goal of increasing the budget for the defense science and technology program by at least 2% over inflation for each of the Fiscal Years 2000 to 2008. This goal has not been met in the fiscal year 2000 nor the fiscal year 2001 budget request submitted by President Clinton. In President-elect Bush's speech at the Citadel he spoke of his support for a strong and stable technology base.

A. If confirmed, how will you reflect this support in the defense budget?

One of my goals will be to fund the Science and Technology (S&T) program at a level adequate to ensure the technological superiority of our armed forces. A downsized military needs a technological edge now more than ever. President Bush has committed to increasing defense R&D by at least \$20 billion between Fiscal Years 2001-2006. The S&T accounts should receive a substantial share of this increase.

The defense laboratories are facing a future of continued reductions in research and support personnel. This trend, if unchecked, could result in a loss of "critical mass" in research efforts across a number of areas critical to future programs. This situation is further complicated by the fact that in the current economy the Department is vying with industry for the best and the brightest high tech personnel, but is unable to compete on salary and quality of work. And, finally, the process for hiring can take up to 18 months as opposed to direct hiring in industry.

B. If confirmed, how will you attract and retain scientists and engineers in the Department of Defense?

This is an important issue, central to transformation. Unfortunately, I do not yet know enough about it to give you a complete answer. If confirmed, I will ensure that attracting and retaining scientists and engineers is a key priority of the Department of Defense.

28. Modernization

Last fall, the Congressional Budget Office estimated that if the Department were to execute just the current procurement plans, at the rates included in the approved acquisition strategy, that an additional \$30 billion a year would be required in the procurement accounts alone.

A. Do you agree that the procurement accounts are not executable unless there is an infusion of additional funds?

The CBO estimate is based on the assumption that the currently approved plans are appropriate. The ongoing defense review directed by Secretary Rumsfeld will specify where shortfalls lie and what must be done to address those shortfalls. If confirmed, I will actively support that review.

B. Do you believe that significant changes are needed in the Department's current procurement plans?

See previous answer.

C. If confirmed, how do you intend to address this shortfall, if it in fact exists?

The aforementioned review of the U.S. national security strategy will result in consideration of which capabilities to modernize, upgrade or replace with new technology. Properly conducted, this process would address the Department's procurement plans.

Even if all of the current aircraft modernization programs execute as planned, the average age of the tactical, strategic, and tanker fleet will increase. Aging aircraft require ever-increasing maintenance, but even with these increasing maintenance costs, readiness levels continue to decline.

D. How can both the maintenance of the legacy force and the modernization efforts be affordable at anywhere near the current budget levels?

I look at Secretary Rumsfeld's ongoing defense review as the first step to addressing these issues. That review should clarify the appropriate balance between legacy forces and modernization efforts.

and modernization efforts.

29. Department of Defense Organization

In the 50 years of DOD's existence, there has grown up a substantial bureaucracy, much of which duplicates functions in the military departments.

A. In your opinion, are there areas where functions should be centralized in DOD, at the expense of the military departments, or should functions be devolved from DOD to those departments? Please give examples.

Without a more careful internal review, it would be premature for me at this point to offer any thoughts on administrative restructuring. If confirmed, I will work with Secretary Rumsfeld and the Service Secretaries to identify redundancies in our bureaucratic infrastructure and to streamline our operations where possible.

30. Major Challenges

A. In your view, what are the major challenges confronting the next Deputy Secretary of Defense?

We will need to consider a number of issues in evaluating our National Security Strategy and National Military Strategy. Our goal is to assure that our country has the new capabilities necessary to deter threats and defend our national security interests and contribute to peace and stability. This will involve transforming our U.S. military into a 21st Century force, modernizing the intelligence and command, control, and communications infrastructure, and reforming DoD structures, processes, and organizations. In addition, our new capabilities and readiness must be sustainable. Balancing limited resources – even in an atmosphere of projected budget surpluses – is always a challenge. Properly outfitting our forces today, while at the same time ensuring we sustain robust modernization for the future, will be a key challenge for the new administration. Specific quality of life issues – such as morale, recruiting and retention, health care and benefits – will also be important.

B. If confirmed, what plans do you have for addressing these challenges?

These issues and others will be considered in the defense review and the QDR. Through these reviews, we will examine priorities and consider the fiscal implications associated with those priorities.

31. Most Serious Problems

A. What do you consider to be the most serious problems in the performance of the functions of the Department of Defense?

As Secretary Rumsfeld has noted, institutional change across the board – in the executive

branch, the legislative branch, the private sector, as well as our allies – will present a great challenge. If confirmed, I plan to work with Secretary Rumsfeld to establish key management performance goals and to reduce or eliminate bureaucratic redundancies in the Department of Defense and streamline our management practices.

B. What management actions and time lines would you establish to address these problems?

It is too early to establish time lines. If confirmed, I look forward to working with this Committee and the Congress as we address current problems in the Department of Defense.

32. Congressional Oversight

In order to exercise its legislative and oversight responsibilities, it is important that this Committee and other appropriate committees of the Congress are able to receive testimony, briefings, and other communications of information.

A. Do you agree, if confirmed for this high position, to appear before this Committee and other appropriate committees of the Congress?

Yes.

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

Yes.

C. Do you agree, if confirmed, to appear before this Committee, or designated members of this Committee, and provide information, subject to appropriate and necessary security protection, with respect to your responsibilities as the Deputy Secretary of Defense?

Yes.

D. Do you agree to ensure that testimony, briefings and other communications of information are provided to this Committee and its staff and other appropriate Committees?

Yes.