U.S. REPRESENTATIVE JIM NUSSLE (R-IA) HOLDS HEARING ON HOMELAND SECURITY NEEDS

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HOUSE BUDGET COMMITTEE HOLDS A HEARING ON HOMELAND

SECURITY NEEDS

FEBRUARY 16, 2005

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(JOINED IN PROGRESS DUE TO TECHNICAL DIFFICULTIES AT SOURCE)

SPRATT: … that is so significant, $440 billion nearly in 2006 plus a likely supplemental again in 2006. It should have been put in this particular budget, put in the base line. We shouldn't be looking for another extraordinary supplemental.

We have three years of cost experience now on which to base what the likely cost of our deployment in Iraq and Afghanistan is, and that should be in the 2006 budget.

And when it is included in the 2006 budget, the budget is well over a half trillion dollars.

So given the fact that our economy is the first instrument of national defense and that our deficits are becoming a problem for our economy, we've got to ask, where does it stop, where does it go from here, how much do we need to forecast over the next five, 10 years if we're going to realistically lay down a plan for getting a grip on the deficit?

For example, next year the administration, in its projection of the budget, says that we will have a deficit of $290 billion, but at the same time -- except for the outlay tale of this year'**s** supplemental lapping over into next year -- at the same time there is nothing included in the administration'**s** budget as laid out in the calculation of the $390 billion deficit to pay for the deployment of our troops in Afghanistan, Iraq and for enhanced North American security.

We know that it'**s** likely to be at least $50 billion to $60 billion based upon what we've been spending and our expectation for the gradual diminution of forces in the Iraqi theater. We know that'**s** going to be a substantial sum of money, and when it'**s** added to the admitted bottom line, $390 billion, the deficit for 2006 is going to be just as large

as the deficit for 2005, which means we're not moving in on -- we're not closing on the president'**s** stated objective to halve the deficit in five years.

We simply can't get there if we continue having these huge sums added outside the budget process every year in an emergency supplemental.

We also need to ask some questions because the Defense Department itself is recognizing that there are finite limits to how much the country can spend on national defense. They've just put through a $60 billion program budget decision.

Before they sent us the budget, they tried to say, I think, we're doing our part to at least whittle away some of the defense costs.

But we've got a lot on our plate. We've got a legacy force which is employed at an ops tempo ratio and to an extent that we've not seen in years. We've got modernization, which is necessary. Block obsolescence in many systems. We've got certain projects such, Mr. Gaffney, as ballistic missile defense, which are taking a big claim on the budget.

We've got transformation layered on top of modernization. They, to some extent, overlap and are the same, but modern transformation requires whole new systems for the ***United States*** Army, for example.

We've got problems with recruitment and retention. We've got the deputy secretary of defense complaining in the Wall Street Journal that the Congress has been much too aggressive in pushing personnel benefits, and fees are beginning to take a toll on the rest of the defense budget.

And we've got reconstitution, repair and replenishment. And much bigger sums, if you listen to the service chiefs off the record and in the news, as opposed to what they testify to and what'**s** put in the budget. We've got big bucks to come as a contingent liability for all of these things.

So we have here, number one, a deficit problem that is getting to be an extraordinary, monumental problem, and number two, the biggest account in it, outside the medical entitlements that is growing steadily, we have to ask, how can we get more bang for our buck, how can we both -- how can we bring the deficit to heal and also accommodate what are the legitimate national security needs of this country.

We want to spend everything we have to spend to see that this country is secure. We want to be unstinting in our support of troops when we've deployed them in the field, but at the same time, we don't want to spend a buck more than we absolutely have to for these purposes.

Thank you very much for taking the time to come and testify today.

BAIRD: Mr. Chairman? Mr. Chairman?

NUSSLE: Yes.

BAIRD: Before we -- can I ask a point of information…

NUSSLE: Sure.

BAIRD: I look forward to the testimony of these gentlemen, but it sounds to me like -- is it accurate that we're not going to have any administration Cabinet members come talk about the president'**s** budget for the remainder until we submit our House budget?

NUSSLE: Well, without looking at the schedule, I'm not sure I can answer the gentleman'**s** question. But we have administration witnesses all over the Hill, some have just been confirmed. The homeland security director was just sworn in this week.

So I'm not sure that he could provide as much information as maybe some of the rest of the people who are before us today on exactly what'**s** happening with the homeland security budget.

BAIRD: I respect that, and I understand that. We had Mr. Wolfowitz…

NUSSLE: We look for other opportunities for the administration to come up and…

BAIRD: Terrific.

NUSSLE: … we are on an expedited path here to getting the budget resolution completed, and we will do our best to provide and hold as many hearings as possible between now and the markup.

BAIRD: For the record, personally I would certainly like to be able to see Mr. Wolfowitz or Mr. Rumsfeld or others, who have been in the office a while and have given testimony in the past, address budgets such as this for the future and perhaps answer questions about their testimony from the last visit.

Thank you, Mr. Chairman.

NUSSLE: I thank the gentleman.

Let'**s** take a -- would it help to take a quick recess here?

We'll take a quick recess here so that we can do a sound check. I think we've maybe had a technical glitch that we'll be able to figure out, and then we'll proceed. It should only be a moment.

(BREAK)

NUSSLE: Thank you for bearing with us. We had a little technical glitch happen and I think we've taken ***care*** of it now.

We are pleased to have before us today -- and let me ask unanimous consent that all members be allowed to put a statement in the record at this point in the hearing.

We're pleased to have before us four expert witnesses with regard to national homeland security and meeting the needs that our country faces.

As I introduced them before, we will take them in that order.

And first on our panel is Frank Gaffney Jr., who is the president of the Center for Security Policy.

We welcome you before the committee.

Your written testimony -- and this is true for all of the witnesses -- your written testimony will be made part of the record, and you may summarize.

Mr. Gaffney, welcome.

There'**s** a button you need to push and hold down.

GAFFNEY: Thank you

NUSSLE: There you go.

GAFFNEY: Thank you.

I appreciate that. My voice is not as strong as usual so the amplification is appreciated.

There'**s** a lot to cover and not very much time.

I appreciate the opportunity to address you and other members of the committee about what is, I believe, the highest priority of the federal government (inaudible) providing for the common defense.

I commend the president in this budget for allocating scarce resources to meeting the urgent needs of the military and homeland defenders.

There are, of course, deeper reductions being made elsewhere in the government, but I fear that some of the cuts that are being made in this budget are going to have far-reaching and negative effects, and I'd like to concentrate particularly on some that I fear most in the Defense Department budget.

Clearly, the budget emphasizes meeting the near-term, and most especially, the combat-related requirements of the department. I think it does that fairly well, but not fully.

It falls short, however, in meeting what I think are the future needs. Congressman Spratt talked about the transformation and modernization challenges that we're going to confront over the next five to 10 years, perhaps, certainly longer.

Specifically, I'm worried that the budget is reflective of a growing focus on sizing and equipping the military to contend with unconventional conflicts and terrorist insurgencies.

It will be interesting to see whether that is modified as a result of the quadrennial defense review now under way, which I gather is going to be looking at the emergence of communist China as a threat.

But, in any event, it seems to me that cutting money from defense programs essential to our ability to dominate the future battle space against adversaries who will be armed with sophisticated weapon systems, in the interest of making the military more responsive to lesser threats, is neither penny-wise nor pound-sensible.

Indeed, history teaches that downscaling of this kind merely emboldens perspective foes.

And I must say, I think the trends with respect to China are such that we don't need to embolden them to be concerned about the prospect of a future conflict with them.

Of particular concern are the investments that need to be made, some of which have already been subjected to long overdue and much, too much, budgetary uncertainty, and I'll speak to four areas of particular concern in the Defense Department.

The first is the shrinking of the ***United States*** Navy.

As you know, there'***s*** a $1.7 billion cut in shipbuilding. We're down to four ships to be procured in this budget.

Against the backdrop of Admiral Vern Clark, the CNO, saying just last week we are, quote, "keeping a weather eye on increasing anti- access and sea-denial capabilities being developed by other nations in the world, particularly in the Middle East and Asia."

These are challenges to our sea control that we currently possess and that enables the ***United States*** military to operate freely around the globe -- his, I gather, being asked to contemplate a fleet of as few as 260 ships.

And I respectfully submit that such a fleet would be unable to maintain the sort of presence and power projection capability that we are likely to require around the world for the duration of this war on terror, particularly in places like the Middle East and Asia.

In the interest of time, I'll just touch on concerns about retiring another carrier and cutting back dramatically on submarine production.

I have to tell you that when we talk about weapons of mass destruction, we almost always talk about the weapons themselves. There is rampant proliferation in one of the delivery systems for those weapons, namely, advanced propulsion, very quiet submarines.

They are capable of putting on this country or other targets of concern to us chemical, biological, nuclear -- more traditional weapons of mass destruction, and I think should be viewed as such as well. And the only antidote we really have for this threat is our own potent, and hopefully numerous, fleet of nuclear submarines.

I trust you will be addressing, among other things, how to fund the larger shipbuilding program. I hope one of the things you'll consider is in the area of advanced appropriations.

Other federal departments are allowed to do this. It seems to me it may be the only way we can beef up our production of ships as we need to.

I realize the time is rapidly getting away from me.

Aircraft production is inadequate, particularly I have to tell you in the area of the FA-22, an aircraft that it seems to me is going to prove itself invaluable in the kinds of conflicts we will confront in the future.

It alone, among America'**s** fighter attack inventory, may be able to establish and maintain air superiority over territories increasingly defended by advanced anti-aircraft missile systems.

Other aircraft, as you know, are being affected as well. There'**s** an incomprehensible cut in the multiyear procurement just authorized last year of the C-130Js. The V-22 is being slipped. The modernization of existing helicopters is also at risk.

Congressman Spratt mentioned missile defense. I am, indeed, an advocate of missile defense. I am delighted that President Bush has seen fit to take steps to end our irresponsible vulnerability to the attack -- the prospect of attack by ballistic missiles.

Like other advocates, I am, of course, disappointed by some of the difficulties we've had with recent testing that is somewhat hardened by the fact that they appear to reflect not a problem with physics or the system themselves, but with some of the quality control. That needs to be fixed.

It also, I think, behooves us to augment and complement the ground-based missile defense system with sea-based missile defenses using the Navy'**s** substantial fleet of Aegis ships, air-borne laser, and I would like to see also missile defenses in the places where they will do us the most good, namely, space.

GAFFNEY: A fourth area of concern in this budget, Mr. Chairman, is the industrial base.

Congressman Hunter, last year, I think took some important steps in the Armed Services Committee to address our ill-advised, if not downright reckless, growing reliance on foreign sources to supply critical military equipment.

His efforts generated considerable controversy, and as I understand it, were dropped from the bill.

The problem has not gone away, and we confront, I am afraid, a situation where in the future we will increasingly find ourselves at the mercy of people who may not be willing or able to supply us components that are critical to our military'***s*** operations on a day-to- day basis, an intolerable situation needless to say.

A quick word, Mr. Chairman, about the Department of Homeland Security. Others here are more expert on some of its aspects than I.

I would just like to make a special plea to you: Pay attention to a commission report that was ***issued***, ill-advisedly, about the same time as the 9/11 Commission Report was ***issued***.

This was generated at the request, I believe, of Congressman Roscoe Bartlett to look at the danger posed to this country by electromagnetic pulse.

This is a phenomenon associated with a nuclear detonation that could be optimized by an attack high over the ***United States***. Its effects, according to this blue ribbon commission, could be catastrophic if we do not take steps to shield electronic devices, which are used, as you know, everywhere, both in our civil society and economy and in

our military, to the point where a single burst -- say, a North Korean or Iranian nuclear weapon is delivered by ballistic missile high over the ***United States*** could literally fry every piece of unshielded electronic gear in the country with -- I think catastrophic is not too strong a term -- effect.

I really encourage you to look at whether anybody in the Homeland Security Department is taking aboard the recommendations for corrective action identified by this commission and make it a priority, because clearly that is an Achilles heel that we cannot afford to live with.

Finally, Mr. Chairman, a word about the Department of Energy'**s** national security program -- something you all may not have otherwise thought you wanted to address -- but it is an important reason why I think we are as vulnerable to electromagnetic pulse attack as we are.

Because about 13 years ago, I think we stopped thinking very seriously about this problem, coincident with our decision to stop doing nuclear testing.

Underground nuclear testing was for years the principle means by which we established vulnerabilities and took corrective action against electromagnetic pulse.

I believe the test moratorium has had a myriad other very negative consequences for our nuclear deterrent. Indeed, it is ironic that today we are only nuclear power -- let me repeat that -- the only nuclear power that is incapable of producing nuclear weapons.

I do not think that is a responsible or sustainable position for this country at a time when proliferation is going forward at a pace, even without countries like North Korea and Iran doing nuclear tests.

In that regard, if I may, Mr. Chairman, I just have to say, one reason why we are in this state is I think the Congress has been ill- served by decisions taken sort of in the dark of night last year at the initiative of one of your colleagues, Congressman David Hobson, to cut important nuclear weapons-related initiatives the president has identified as critical to maintaining the future reliability, safety and effectiveness of our nuclear deterrent.

I hope these will be addressed, as well, in the course perhaps of your deliberations and that of other relevant committees in the Congress. It mustn't be allowed to stand.

And if so, I think you will go along way, together with other recommendations that I've made here, to meeting the needs for our homeland and national security.

Thank you, Mr. Chairman.

NUSSLE: Thank you for your testimony.

Next on our witness list is Dr. James J. Carafano, a senior research fellow from the Heritage Foundation.

Welcome, and we're pleased to receive your testimony.

CARAFANO: Thank you, Mr. Chairman.

And I commend the committee for grouping homeland security and defense together as a single ***issue***, because I think that type of dialogue and discussion is long overdue.

I think the analysis is just, but if you look at the spending on defense and homeland security as a percentage of GDP spending either in historic terms or in looking at the nature of the strategic challenges in the world today, I think you can argue that this year'**s** budgets are appropriate.

My concerns actually are slightly different.

One is the capacity to maintain adequate levels of defense and homeland security spending in the out-years, which I think is the real ***issue***; and the second is making sure that the spending in defense and homeland security is efficient and effective, and not just the right overall level.

And, there, I think the challenges of defense and homeland security are fundamentally different, and I'd just like in my opening statement to touch briefly on both of those.

I would just like to take a second to put the analysis in context. I think one of the things we should have done on September 12th is ask the question, which is, what does it take to win a long war, because this essentially will be another long protracted conflict? And there were options.

If you look through history, the way most countries fight long wars -- as wars get protractive, whether it'**s** the Peloponnesian War or whatever -- World War I -- what states tend to do is they tend to pull power to the center, because they're trying to generate the power to win. So they become more authoritative, they increase taxation, they're more directive, and it'**s** because they're trying to generate this power to win.

And the irony is that in the process of doing that, what they -- they eventually become less competitive and they generate less power because the states become less productive and less flexible.

And so, typically you see at the end of protracted conflicts, both sides are prostrate, and the question, is "who won?" and the answer is, "it doesn't matter."

There is the exception to that history, and one of the few exceptions is the ***United States*** during the Cold War, where the ***United States*** actually came out of a long protracted conflict in better shape within the economy or in terms of the protections and civil liberties of its citizens or national security interests than it did at the beginning. And the question is, what was done differently?

And I think you really go back to the Eisenhower years and look at some of the fundamental strategic choices Eisenhower tried to put in place in terms of the fundamental strategy that really suggests why what we did during the Cold War was different.

Eisenhower says you really need three things -- and really everybody kind of followed his lead after that.

First of all, one of the components of a long war strategy is you have to have security and you have to have offense. You can't let the enemy have the initiative in a war. You have to have the ability to take the initiative in any war. You've got to have an offensive component.

You have to have a defensive component, and certainly that'**s** true in the war on terrorism. We live in a world that thrives on the free exchange of goods and services, peoples' ideas -- we like it that way -- what makes the country strong, and we want to maintain that. But that always means that there are going to be threats to find ways to get to our shore and we have to defend against them. You have to have security.

Eisenhower said, you know, that'**s** not good enough. And he made the point -- for example when he responded to things such as the launch of Sputnik -- he said, you know, it'**s** guns and butter, stupid, because you have to have both.

A strong economy is the foundation of what allows a nation to compete over the long-term. So part of a long war strategy is, one, security, but at the same time, you have to have the promotion of economic growth.

And the third component is, you have to protect the civil liberties and privacies and freedoms of your citizens, both because that'**s** what makes you a stable nation and allows you to compete over the long-term. But I think -- forgot to mention is those civil liberties and protection of personal freedom, which in many cases are the ends of economic growth.

And so, what you really -- and in all our research what we have done is to say, we need security solutions that do all three, that we can't and shouldn't make tradeoffs if we really want to win a long war. We need security, both

offense and defense, we need policies that promote economic growth, and we need to protect the civil liberties and privacies of our citizens.

Addressing those challenges in defense and homeland security, I think are effectively different sets of problems. I think in defense we have a long tradition of understanding the tradeoffs that need to be made and we have frameworks for discussing them.

I think the problems in defense are really twofold, where I think the administration and the Congress really need to have kind of a joint strategic direction.

One is in the short-term spending. I certainly would make the argument that supplemental spending needs to be done outside the general budget, and I would argue that for two reasons, both really lessons from Vietnam.

One is, is when you put supplemental spending for ongoing operations inside the main budget, typically what happens is it begins it eat away at other operational activities within the main budget. This was certainly the problem in Vietnam, where war in Vietnam basically ate up everything. It ate up the modernization costs, it ate up the maintenance for the force in Europe, and it essentially drained everything else.

And the second reason, which I think is equally important, is it'**s** important to get the supplemental funding out, to get these monies out to these operational activities quickly and efficiently and as quickly as possible, and holding them up for the regular budget process only -- it costs months -- those are critical months in terms of spending the money efficiently and effectively.

And I certainly think in the short-term to prosecute the war effectively -- and that it'**s** important to keep supplemental funding outside the main budget.

And the second ***issue*** -- and I think the more important ***issue*** to address -- is really in the long-term.

When we came out of Vietnam in '73, what we immediately did was, "war'**s** over, let'**s** cut the budget."

And what immediately wound up with what they called the hollow force. And the hollow force -- is you have three main things you have to do: You have to maintain a trained and ready force, you have to modernize and you have to pay for current operations.

And if you don't have enough money to do all three -- you may have the numbers, you may have the flags, but you don't actually have the capacity to act.

And so, what you wound up with, for really a decade, was a force which was there in name only.

Those suppressions will certainly reappear when we come out of Iraq. I don't really worry about this year or next year. I worry about when -- actually when we come out of Iraq and the supplemental funding ends, everybody'**s** living in the top line, because then we're going to have to meet all three of these challenges. And if we don't have a robust defense budgets in the out-year, we will wind up right back in 1973 all over again.

Let me just very quickly turn to the question of homeland security. And there I think we really don't have a framework to really have a discussion. I think the problem there is basically efficient and effective spending for two reasons.

One is because we simply don't have the way to define the strategic requirements and the priorities in the way that we really are making sure that we're putting our money against the most important things.

And the second is, is we really don't have a metric for really figuring out where'**s** the biggest bang for the buck.

Let'**s** pick an ***issue*** -- if you take either border security or immigration security or transportation or supply chain, we really don't have a way to argue, if I can only spend a dollar, where am I going get my best payoff for the dollar?

And so, what we really have here is we have a lot of spending going in a lot of different things. And it's really spending by stakeholder as opposed to spending by strategy. The money is really going to the stakeholders, which can have the biggest play on the process, as opposed to necessarily what the most strategic spending is.

And to me that seems to be the real greatest trend at the level of homeland security spending, but actually whether it's actually making us safer or not.

Thank you.

NUSSLE: Thank you very much.

Next we'll hear from Colonel Randall Larsen, CEO of Homeland Security Associates.

Welcome, and we are pleased to receive your testimony.

LARSEN: Mr. Chairman…

(OFF-MIKE)

NUSSLE: You need to turn on your microphone, please.

LARSEN: The priorities I will give you today and that were in detail in my statement will remain constant regardless of what's on the next news cycle, regardless if Al Qaida hits a shopping mall today or a chemical plant tomorrow, because the priorities I gave you are strategic priorities not tactical.

We have spent far too much time working at the tactical level in defending our homeland since 9/11.

Now, what happens at the tactical level?

You end up with spending programs that are basically ready, shoot, aim.

That's understandable on the 12th of September in 2001. We had to take fast action to do things. We're three and a half years down the road now, and in my opinion, we don't have the proper strategy for defending this nation against terrorism.

Dr. Carafano talked about General Eisenhower's recommendations for the Cold War. I borrowed a strategy that I provided the Committee on Government Reform last year from George Kennan's containment. But it's different than when George Kennan talked about containment back in 1947.

We must have a strategy that will help us contain the capabilities, global reach and financial resources of terrorists and terrorist organizations. It's going to be here for a while -- the threat.

We must contain the proliferation of weapons of mass destruction, particularly those that threaten our survival -- that's nuclear and biological weapons -- and we must contain our response to these new threats. We must not overreact, either the ***U.S.*** Congress, the administration or the American public.

Now, I know the pressures that you're under every time you go back to your home district. I know that the people back there tell you we need to spend money to secure seaports, airports, train stations, shopping malls, government buildings, chemical plants and other critical infrastructure. And I understand that every fire department, sheriff's department, police department, emergency management agency and hospitals in your home district says I need more money. The demand is unlimited.

However, my recommendation to this committee is that you focus the spending of the Congress on threats, not targets and not organizations.

There's about 87,000 different jurisdictions out there involved in homeland security and all of them look to you for money.

So where do I think you should be focusing your spending? And where will we get -- Dr. Carafano talked about -- the best return on investment?

As a taxpayer that's certainly what I'm interested in -- that and security.

So let's talk quickly about the nuclear threat.

It's physically and economically impossible to harden America against an attack, and there is no effective response to a nuclear weapon in a ***U.S.*** city.

So our only option is to prevent Al Qaida from getting their hands on weapons-grade nuclear material.

On September 30th, 2004, at the end of the first presidential debate, both presidential candidates said if elected, their number one priority would be to prevent terrorists from getting their hands on weapons-grade nuclear materials.

Now, I know Mr. Gaffney likes a big band of missile defense, and primarily I think when they talk about missile defense, we talk about -- think about a nuclear weapon (inaudible) -- it's certainly not the way to deliver a biological weapon.

My concern is, is that there are many ways to deliver a nuclear weapon. Probably the easiest way to deliver a nuclear weapon to Washington, D.C., was to put it in the trunk of my car that I drove down here this morning.

I sometimes think we're spending too much money on delivery systems instead of the weapon, and the weapon that -- the other weapon where I think that you need to focus your spending -- the threat -- is the biological threat.

I'm afraid that too many people in this town do not understand that we cannot prevent the enemy -- Al Qaida or other terrorist organizations -- from building and using a biological weapon.

We have the means to prevent Al Qaida or terrorist organizations from building a nuclear weapon, with programs like the Nunn-Lugar program, to prevent them from getting their hands on the material.

I can build a nuclear weapon if I can get nine pounds of plutonium or about 80 pounds of highly enriched uranium.

By the way, the University of Wisconsin's research reactor has enough highly enriched uranium to make three Hiroshima bombs. There's about 140 of those facilities around the world.

But there is a way to do that. There's a simple answer. There is no simple answer for protecting this country against biological weapons. With modern technology it is far too easy to build one.

So therefore, we must have our spending on programs that will give us an effective response in mitigation to biological weapons.

Now, there's different types. There's those that affect people -- and Mr. Chairman, I know being from Iowa, you understand the threat of agri-terrorism.

The animal most susceptible to foot-and-mouth disease is the hog. In Iowa there are 5.3 hogs for every human being. That's the most advanced concentration of hogs in the ***United States***.

And I will tell you that foot-and-mouth disease will move through a swine feed lot like a prairie fire through dry grasslands.

Did an exercise a couple of years ago called Crimson Sky, where Senator Pat Roberts played the president of the ***United States***.

He had to order the killing of 50 million cloven-hoofed animals to get that under control.

And I'll never forget the question that the deputy EPA administrator asked the DOD rep: "Do you have 50 million bullets?"

Just imagine the enormity of having this -- it'**s** not a threat to human beings, but imagine the economic and psychological impact of doing something like that.

Our short-term goal for biological defense, whether we're talking about agri-terrorism or public health, is that we need information technology to provide improvements for mitigation and response capabilities.

We have no situational awareness today. If an attack happened today, we're not going to know what'**s** going on and we really don't know how to organize our response.

I've been in the business since 1994. I find that very frustrating that we've made very few improvements.

The mid-term goal should be the creation of a national system that can detect and respond to and mitigate catastrophic health ***care crises***, either whether it'**s** manmade or nationally occurring.

And long-term, two areas we've got to focus on: Something the Defense Science Board put out a few years ago called "Bug to Drug in 24 hours," to detect a new pathogen. We're going to have to deal with these genetically engineered pathogens in the future.

Bug to drug in 24 hours -- discover it, create a treatment for it -- all within a 24-hour period, which is doable in the long-term.

And then something called pre-clinical detection. That means that I could give you a test -- and you have no symptoms right now -- no test that I have right now could I give you if you don't have symptoms to discover you've been exposed to anthrax, smallpox or whatever. That technology is capable in the long-term to get that.

And imagine the dual benefit of those sorts of technologies in every day health ***care***. We all know early detection is the key.

Information is the other area and that'**s** very important. I see it as an asymmetric advantage over all of our enemies, and particularly terrorists.

Information is the weapon terrorists fear most -- finding out about them, detecting them when they travel. The 9/11 Commission Report made a very clear point of that.

I think a lot of the work that has been done by some think tanks in this town, particularly the Potomac Institute, looking at about how we can leverage information technology and at the same time protect civil liberties and privacy.

The one thing I know for sure about information is when my family and I get on an airplane, I'd like to know this guy sitting next to my daughter is not on a terrorist watch list.

The system we have today doesn't provide that, so we certainly must do something about that.

And I think the next time a major attack occurs, the American public is going to ask you, "Why don't we have a nationally standardized identity system in this country?"

Mr. Chairman, I speak to audiences all across the country from the private and public sector, and I go back to my thing: I know there'**s** enormous demands on you to spend money on a lot of different things. And I know we will. We're going to spend money on ports. We're going to spend money on a lot of things.

But I want you to keep this in mind when you make these decisions this year about your priorities and when you get done with the whole appropriation process, have we really set the right priorities in how we're spending our money?

I always give my audiences this perspective: Since 2001 not a single American has died from terrorism on our soil, but in the past three years 15,000 Americans have died of food poisoning, 120,000 from automobile accidents, 300,000 from medical mistakes, 1.5 million from cancer and two million from heart disease.

A nuclear weapon in an American city or a sophisticated biological attack on America would exceed all of those numbers combined.

There was the potential for killing more Americans with a nuclear weapon or a sophisticated biological weapon than all Americans that have died in 230 years of war since we've been around.

So when you sit down to think about your priorities, I suggest you look at the things that threaten us most -- nuclear weapons and biological weapons -- and the one piece that we have of our technology that gives us the greatest asymmetric advantage, and that'**s** information technology.

Thank you, Mr. Chairman.

NUSSLE: Colonel, thank you.

Next on our witness list is Dr. Michael O'Hanlon, a senior fellow from The Brookings Institution.

Welcome, and we're pleased to receive your testimony.

O'HANLON: Thank you, Mr. Chairman, Congressman Spratt, everyone else, and it'**s** a pleasure to be here and a privilege to be on this panel.

I want to offer a slightly different perspective on a couple of points, but wind up agreeing with the thrust of what I think all of us have been saying, that while we do need to be selective about how we spend more money on homeland security and national security, we're not going to be able to cut this area of the budget and it has to continue to be an area of growth.

I'm going to wind up agreeing, but also in the spirit of both your opening remarks, I want to talk about the need for economies, the need for a selective eye to some of the programs that we now have still in the budget because I think -- especially at a time when these budgets are going to keep growing so much -- it'**s** incumbent on all of us who work in the field to try to find programs that are somewhat less priority, somewhat less important -- at least have a debate about some of them before we quickly rubber stamp budgets that may need some more scrutiny.

So I will give a somewhat different perspective on a couple of DOD programs than Frank, recognizing that he'**s** advanced important arguments as well, but I just want to introduce a spirit of scrutiny on some of these programs.

I do think we have to consider ways, especially within DOD'**s** budget, to find a little bit of potential for savings to allow, in fact, some needs that have not yet been addressed, specifically the need for more Army and Marine troops to be pursued and for these additions to be made to our forces even as we try to keep the top line under some control.

Let me make a couple of points in regards to modernization accounts. I'm going to give a couple of thoughts on where I believe we actually could save more money than the administration itself has proposed, leaving aside the F-22 debate, where I actually think the administration'**s** proposal is smart because it provides enough airpower and air superiority fighters for a possible China threat, but it doesn't envision the need for that airplane against the possible North Korea or Syria or similar lower technology threat. I think that thinking is just about right.

We used to size the F-22 force for the two-war concept, the two- war framework. I don't think we need enough F-22s to fight two wars at once.

We need F-22s for a possible war against China, in particular, because China is the only potential enemy that has the possibility of large-scale modernization of its air force in the coming 10 to 20 years.

So I agree with the administration's approach there, but let me now turn to a couple of areas that have not been addressed in the administration's budget, where I think there's a potential for savings.

But again, I'm going to come back to the point that even if you do all these things, you're still going to need to preserve the administration's overall top line projection in order to fund the needed increase in ground troops that I think we face in a compelling way, as well as some of the needs that Randy Larsen just mentioned in homeland security.

Even if you're very selective about which programs to enhance and create, there still are a number that need more funds. You probably have to increase homeland security funding in the order of $5 billion a year, in my judgment, and that of the Brookings study that I'll be making reference to that was done a couple of years ago.

But going to these DOD programs -- let me take the V-22.

V-22, tilt rotor aircraft, the Osprey: Fascinating technology -- it does have promise. It would be much faster, a much longer range than even the most modern helicopters we have in the fleet today.

The Marine Corps clearly has fought for this airplane very hard for 15 years, even after Mr. Cheney tried to cancel it when he was secretary of defense.

The Congress and the Clinton administration and the Marine Corps brought it back.

I think Cheney was right. I would have liked to have seen it canceled at that time.

But given where we are today -- we've spent 15 years developing this technology, it's important to pursue it -- let's buy enough to see how well it works for special purposes where the sea and range are most critical -- the long-range commando operation, long-range search and rescue. Let's use it as a prototype, next technology. Let's buy 100.

But let's also acknowledge that a lot of the studies that have been done about the V-22 do not suggest that it would be all that much better in large-scale amphibious assaults and modern helicopters, which could be bought more quickly, give our Marines more dependable technology in the near-term instead of hoping we can make the V-22 work.

So that's the sort of philosophy I believe one could adopt. I don't want to get into a lot of detail on a program by program basis, but if you look at each of these major weapon systems that we still have in our account, there often is an argument for a somewhat more selective or a more limited approach to buying a modest number or delaying the technology or viewing it as a prototype technology that may some day be more useful, but right now it's still in the early stage of development.

The Joint Strike Fighter program: We're going to buy 2,500 manned airplanes in an era when unmanned airplanes are becoming more and more effective and when our current generation of airplanes are not seriously at risk from most of the enemies that we are facing on the battlefield today.

Again, I agree with Frank's point, we have to worry about possible future foes, some of them could be much higher in technology -- China in particular. We don't want to close our eyes and pretend that F-16s will suffice forever.

And, of course, the F-16s are getting old, and we're going to have to do something with them, F-16 carriers, other kinds of airplanes, that are in the existing stock.

So we do need an aircraft replacement strategy, but we don't necessarily need 2,500 manned airplanes bought over the next 20 years, by far the most expensive program in the history of the Pentagon, at a time when, again, we have so much promise from other kinds of future technology and so much capability still existing inside of our current aircraft fleet that have been modernized by better munitions, better electronics, better sensors, and so forth.

So I think you can go to a strategy where you refurbish or you rebuild or you buy additional quantities of airplanes like F-16s and you buy a more limited number of Joint Strike Fighter.

Perhaps you buy a thousand Joint Strike Fighters -- get the Navy out of this program -- they already have a pretty good airplane they're purchasing, the Super Hornet. I don't think they need also to be in the JSF.

I think maybe the Air Force will try to use and refurbish existing F-16s for a longer period of time and look for the day when they can have unmanned combat airplanes doing more of the air-to-ground attack role and don't put all the money into a JSF program, that is really just too big for this moment in our technological history. I think it'**s** an imprudently large and expensive program.

The Army'**s** future combat system: Again, there are a lot of good ideas in this program. You do want to try to digitize your Army divisions. You do want to try to link them through electronics. You do want to try to take advantage of better propulsion technology, better armor. But the Army is still hoping to do one thing that I believe is just simply technologically infeasible for the next 10 to 15, 20 years, which is to replace a 70-ton tank with something just as survivable, weighing only 20 tons. It'**s** just not in the cards at the moment.

You go out to the research labs, if you talk to the people who know the technology, we're not going to be able to do this. The Army'**s** plan is unrealistic.

I think the Army'**s** plan should be streamlined to focus more on sensors, more on networks and be a little more patient about buying that next generation named combat vehicle. It doesn't mean we can zero out the program. We should still be doing our basic research on a lot of the relevant technology, but I don't think this technology is right for spending nearly $5 billion a year, which is where we're headed in the very near-term if we keep on current trajectory.

And on nuclear weapons ***issues***, I have a somewhat different perspective than Frank. I think we actually don't need new capability, we don't need testing and we don't need a larger arsenal. In fact, we don't even need the size that we're now planning to keep under the Moscow Treaty.

But I will admit -- and I'll start now to make my transition to my final concluding overarching comment -- even if you make my recommended change in the Department of Energy'**s** nuclear capability, maybe you would save a half a billion dollars a year.

Even if you make the recommended change that I'm talking about in the Joint Strike Fighter program -- you still have to refurbish or replace your F-16 fleet, your Harrier fleet, your F-14 fleet and so forth -- maybe you save $3 billion, $4 billion a year.

Even if you go to a smaller F-22 program the way the administration has proposed, you maybe save $2 billion a year.

The future combat system, instead of being a $3 billion, $4 billion, $5 billion a year program, it probably will have to be $1 billion, $2 billion, or $3 billion program. But even so, you're spending a lot of money.

You add up all of these cuts, which I admit are easier to make in a Brookings book than in the halls of Congress or in the Pentagon, you still wind up saving maybe $10 billion a year in the modernization account, and that'**s** the kind of money I think we need to add to the personnel account to make a larger Army, which right now, in my judgment, is simply unconscionably small for the missions we have asked our brave soldiers and Marines to carry out.

It just is not, to my mind, conscionable to send back the same people who won the war two years ago in the invasion phase -- to send them back already -- and to have a policy that would require us to keep doing that same thing as long as the mission endures.

I just think we have dropped the ball on this. I think Mr. Rumsfeld'**s** arguments, with all due respect to many of his other good decisions, on this point are simply wrong, and we have too small of an army for the missions we are potentially going to be undertaking in the next few years, especially Iraq.

I'm actually a proponent of developing a modified, gradual exit strategy for Iraq. But even if you do that, you have to recognize that it'**s** going to take time, you're not going to go down to zero in the foreseeable future and events could change on the ground.

So even if you think we may be able to start talking about an exit strategy in the next year and getting out in large fraction within the next couple of years, I still think you need this debate about a larger army and a larger Marine Corps. We are simply sending people to do too much too often.

It'**s** one thing to ask a Marine or a soldier to risk their life for their country, but to ask them to be a stranger to their own country and to their own family, to be here for a year, and then go back overseas, and to stay at that pace of deployment as far out as the eye can see, I think is a mistake.

Likewise, I agree with a lot of the points my fellow panelists have made about the homeland security agenda where we have unmet needs and existing, enduring vulnerabilities.

You have to be very selective about which homeland security vulnerabilities you address. Not all of them can be addressed in an economical way. We should worry most about catastrophic threats -- I fully agree with Randy.

But even if you take that more discriminating and selective approach to dealing with our national vulnerabilities, you still need to add at least $5 billion a year above and beyond where the administration has so far budgeted, and you also are going to need to try to use some incentives on industries like the chemical industry to protect themselves better than they have so far.

It may not require a big government expense, but it does require some level of government involvement and maybe some tax incentives or other kinds of things like that.

Bottom line: The national security budget is not too big. It'**s** going to have to keep getting bigger, at least on the trajectory we're currently on.

The homeland security budget may need to get bigger than the administration itself has projected.

In the broad scheme of national security, I also think we need a serious way to deal with the long-term threat of the next generation of Al Qaida which means, for example, there'**s** a strong case to have an educational reform initiative inside of the foreign assistance account that would offer up funds for countries like Pakistan that might want to reform their educational system to try to reduce the influence of these madrassas and so we don't see a second generation of Al Qaida recruited and created at the same time we're trying to deal with the first generation.

Put all these things together -- just to ***underscore*** -- that even if you are a bit of a budget hawk on the defense modernization accounts, even if you look hard for savings inside the DOD budget, when you take a broad view of our overall national security requirements, it'**s** very hard to see how we can make do with less, and I think that'**s** an important point that we need to -- I think we've all made in one way or another and that I would subscribe to myself.

Thank you, Mr. Chairman.

NUSSLE: Thank you. And I thank all our witnesses for your testimony.

In part, what I wanted to be able to accomplish here today has been accomplished, and that is to begin a discussion about our priorities.

I understand the frustration on the part of my colleague, Mr. ***Baird***, who wanted the opportunity to grill one of the administration witnesses, and appropriately so. We'll have that opportunity.

But what I wanted to do was, opposed to the -- I'm not going to say this respectfully enough probably -- but as opposed to the happy talk defense of the budget that often comes from all of the administration witnesses, whether they be Republican or Democrat, I wanted to, particularly three, four years after the attacks of September 11th, begin a different discussion, because I'm not convinced -- well, I'm convinced on the size. I mean, we're all

probably convinced on the size, meaning we think we ought to spend a whole lot of money on defense and homeland security -- and I think that was the testimony that you have given us today is that, you know, in this instance size does matter and it is an important perspective that we have to gain, particularly vis-a-vis, the rest of the budget.

But what I have not been convinced about is how we're spending it, how well we're spending it, where the priorities are.

I'm a volunteer fireman -- I say to my friend, the colonel, who had mentioned this about fire departments -- I'm a volunteer fireman, and I understand their interest in getting a new truck and being able to claim it homeland security. And I've celebrated their victory in getting that new truck, along with probably a number of other departments across my district as I'm sure my colleagues here on both sides have had the opportunity to do. But I'm not convinced that'**s** the best use of homeland security dollars from the federal budget.

And while that was maybe something that needed to be done on the first day of the first week of these new threats, I'm not convinced that that'**s** the ongoing need.

Tactic versus strategy is a very important conversation, discussion, debate that we need to have, and I don't see it happening, and that'**s** why I wanted to do it -- wanted to have the hearing in this format so that we could at least begin the discussion.

I'm sure that we won't end it today, but the how much versus how well we're spending our money is the debate that I think we need to have in all areas, particularly homeland security and defense which have received some of the largest increases in spending over the last four to five years.

There'**s** no question that just prior to September 11th, we were holding hearings about the fact that the Defense Department was not doing a good job with its books and were wasting a lot of dollars and were not able to account for much of the money that was being spent.

My bet is that the same could be true of the Homeland Security Department today.

I want all of that being used in the best possible way, and Congress needs to have that debate.

We won't finish this today. There'**s** no question that it'**s** timely, however, and the how much will continue to probably take center stage, but how well we're spending the money needs to start taking a growing spotlight.

So that'**s** the reason for the method behind the hearing today. You've done an excellent job of setting the stage.

I'm sure if we let you continue and even allowed you to have interaction among yourselves, this would probably even be more interesting.

Unfortunately, we can only begin that process today.

I have thousands of questions and yet I don't think it'**s** probably worth me trying to get into even one of them at this point in time. I know there are other members who want to have a part in this discussion.

So I will pass for now and pick up at the very end, and I'll yield to Mr. Spratt for any questions he might have or comments.

SPRATT: Thank you, Mr. Chairman.

I'll say again, I think we need administration witnesses, but I commend our witnesses because you've come here today and have been very provocative and sort of shaken things up and given us a good perspective that spans a fair piece of the spectrum.

So thank you very much for your testimony.

Let me ask you a question: In the presidential debate -- I think it was the first debate -- there was at least one thing on which both candidates agreed, which Colonel Larsen diverted to, and that is that the gravest threat facing the ***United States*** is the threat of terrorists armed with nuclear weapons, even crude radiological weapons.

About five years ago, I believe, Howard Baker and Lloyd Cutler were the co-chairs of a commission that looked into the problem of nuclear proliferation. And the threat -- the one thing the terrorists need to have nuclear capacity is nuclear materials, fissile materials, plutonium and enriched uranium.

They came back and made a unanimous recommendation that we take the amount of money we're spending, which was then about $1 billion on cooperative threat reduction, Nunn-Lugar, and triple it over a period of several years.

Today, by my calculation, we're about where we were five years ago. We really have not increased that amount of spending at all even though both candidates agreed this is the gravest threat facing us.

One way, it seems to me, to pay for it would be to do something I know Mr. Gaffney wouldn't agree with, and that would be to cut back on the strategic forces, bring them down to the level that we have agreed upon in the SORT Treaty with the Russians closer to 2,200 warheads deployed and generate some savings that then would be used to deal strategically with the other end of the threat, namely, nuclear weapons in the hands of the world'**s** most dangerous people.

Would the whole panel respond to that idea?

Let'**s** start with Colonel Larsen since he broached the idea in the first place.

LARSEN: Yes, sir.

The idea of focus on delivery systems -- and in Mr. Gaffney'**s** opening comments he talked about new quiet submarines as a means to deliver biological weapons.

I'm telling you, we saw how they delivered biological weapons to the ***U.S.*** Capitol in October of 2001 -- used the ***U.S.*** mail. And there'**s** many ways.

So I worry less about delivery systems. Not that I'm against missile defense, I think it'**s** very important in a theater when we've got our troops deployed out there. We have to be able to do something about the scuds and other sorts of things that will be coming along.

But when talking about a national missile defense system, I think taking a percentage of that money and putting it on things that I see much more of a threat would certainly be, as a taxpayer and someone interested in national security, I think America will get a far better return on investment and be far more secure by what you say.

Even a more recent study done by the Nuclear Threat Initiative came back with the same sorts of recommendations you were talking about, is that we have to focus on that.

One point I would disagree on, when you talked about the radiological disposal device, that one'**s** out of the bag, sir. That one'**s** like biological weapons. I can go to hospitals in Washington, D.C., and get enough Cesium-137 to make a dirty bomb.

But that'**s** not going to kill a lot of people. That'**s** kind of like a hurricane hitting your town.

(CROSSTALK)

SPRATT: It'll make large areas uninhabitable for a long time.

LARSEN: Certainly could be, but the one that I worry about the most -- and there'**s** lots of threats here -- chemical plants and whatever -- but those two top ones, they are in a class by themselves, and that is that weapons-grade,

highly enriched uranium, and that one -- the one that frustrates me, sir, that's solvable. There's something to do about that. Do not let them get their hands on it, they can't enrich it.

SPRATT: Last year I offered an amendment in the markup of the defensive authorization bill, immediately $25 million to begin an effort.

I went over to the telephone and called the administrator, Admiral Lin -- you know who I'm talking about -- excuse me. Don't print this in the book because he won't like that I couldn't remember his -- Lin Brooks, excuse me -- "Do you support this?" "Absolutely." I'll make some telephone calls to supporters.

I went back in the committee, offered it, had an offset, didn't add a dime to the bottom line of the budget, the offset I thought was not objectionable -- didn't get approved.

That is a piece of low-hanging fruit if I ever saw one. We know the threat is there and for a relatively small sum of money, we could take ***care*** of that aspect of the threat.

Mr. Gaffney?

GAFFNEY: If I may just present, I guess, a little bit. It's not that there's not a threat here. The question is what can you do about the threat?

You know, I'm all for defending our troops against missile attack. I just think that the American people expect and deserve to be defended against it as well.

I consequently wouldn't recommend at this point cutting funding from that for these other purposes.

I'm not so much opposed to making changes in our strategic forces as I am trying to ensure that we still have them.

I invite this committee to take a hard look at what is happening to the nuclear arsenal of the ***United States***, and it is degrading. And the fact that we don't know how much it's degrading is a function of not having tested it.

Congressman Spratt and I have joined each other in debates for at least a decade about how rigorous we have to make our testing of missile defenses. There can't be an adequately rigorous test to ensure that these things actually will work the way they're supposed to.

And yet, the weapons that we have in substantial quantity, and upon which I continue to believe we rely, haven't been tested in 13 years, and they're changing out from under us.

So whether you can actually free up large amounts of money by limiting the number that we retain and stockpile or not I would leave for others to debate with you, Mr. Spratt, but I certainly would suggest to you that we need to be spending what it takes to ensure that whatever we hold in the stockpile works when we need it to work if, God forbid we do, and it doesn't work when we don't want it to.

But if I may, let me just address your other point, please.

The problem that I have with a lot of this scrambling around trying to prevent materials from falling into bad hands is, one, A.Q. Khan has been in the business of supplying this stuff to people -- the technology, the know-how and to some extent the materials -- and people in his network, outside of the former Soviet Union -- we've just heard about North Korean fissile material apparently migrating to Libya. This is going on. I'm afraid, you know, some of these cats are out of the bag.

I suggest to you that another problem is that the Nuclear Non- Proliferation Treaty facilitates this problem.

One of my colleagues has mentioned that we have these research reactors all over the place. Well, that's because the deal has been to give everybody the nuclear materials and nuclear technology they need to have nuclear weapons as long as they promise not to have a nuclear weapons. And if they lie, they still have all of that stuff.

And hence, you now see a number of these countries in the business all by themselves, again, without regard to what they might get from the former Soviet Union.

SPRATT: Look, look, you know why that is.

GAFFNEY: The problem…

SPRATT: In the NPT, the Nuclear Non-Proliferation Treaty, a grand bargain was struck…

(UNKNOWN): That's right.

SPRATT: … and countries which said they would forswear a nuclear weapons were induced to say so by the representation that they would still have nuclear material so they could have a nuclear fuel energy, they could do nuclear research, they wouldn't be left out of what was a vast new realm of science. They would still have that capacity.

Now, there's a problem there that you just touched upon -- and Bill Perry and Ashcart (ph) have both addressed it, and the president a month later addressed it in his speech on February 12, 2003, at the War College -- 2004 at the War College, that is the fuel cycle has an inherent contradiction in it.

How you get out of that problem is going to take some very deft diplomacy. But really we've got 184 signatories to the NPT. It's the most widely subscribed to treaty in the world.

Granted, there has been some cheating, sometimes with impunity, but it has succeeded by and large in preventing the spread of nuclear weapons all over the world.

GAFFNEY: Now, I would just say very quickly, it is not working in the places where we need it to work most.

And just on your last question, the danger of putting a lot of money into the former Soviet system to safeguard the stocks of enriched uranium that could be migrating to some of these very dangerous places is -- we're spending a lot of money on better padlocks and fences and security systems and yet the people running those may be part of the problem.

How many of these people are tied in with the KGB or Mafioso connections…

SPRATT: But believe me if you go somewhere like…

GAFFNEY: … actually part of the problem?

SPRATT: You go to Shchuchye or Vector or the old weapons facilities -- chemical weapons facilities and biological weapons facilities in Russia and see what's there today compared to what was there before -- used to be one strand of barbed wired; today we've got triple concertina we've got constant surveillance.

You may say these things are all -- can all be thwarted and they can, but it's still vastly superior to what was there before. I mean, you can't deny that.

GAFFNEY: But who has the key, Mr. Spratt? That's the question.

SPRATT: Well…

GAFFNEY: Who controls those facilities? And if it's in the wrong hands -- it's still in the wrong hands.

SPRATT: It's 98 percent better; there's a 2 percent risk. That's what I would say to you.

Mr. O'Hanlon, Colonel Larsen?

LARSEN: Just one thing. Those research reactors…

SPRATT: Yes, sir.

LARSEN: … they don't need 90 percent enriched uranium in them. We can replace it with 20 percent…

SPRATT: And it belongs to us.

LARSEN: … and you cannot make a bomb out of that.

SPRATT: But we can reclaim it, bring it back to Savannah River if you have to -- that's where most of it comes -- and store it. It does not have to be there.

O'HANLON: Congressman, I would simply add that I think one could have a fairly robust stewardship program within DOE and you may choose to simply rebuild some of these weapons without waiting to have it proven to you that they are going bad.

One way -- it's called engineering-based stewardship which is, just rebuild the weapons to original specifications with…

SPRATT: And that way you keep the generation and the next generation of scientists understanding how the weapons work, how they're put together from hands-on experience.

O'HANLON: Sir, on that point I suppose I disagree with Frank, but I still agree with him that there's not a lot of savings to be had here because just doing that takes a fair amount of money, but still you can get a few hundred million if maybe you shut down or partially consolidate one of the three major labs and that goes some of the way towards the added $2 billion a year you wanted for Nunn-Lugar.

In addition, I think we have too many Trident submarines and Minuteman missiles still today. I just don't see the need for 500 Minuteman and for 14 Trident subs carrying nuclear weapons. I think there's some operations…

SPRATT: That's why I was suggesting -- in systems deployed, we've run into 6,000 to 7,000 warheads. We can scale back prudently to the 2,200 level sooner than we committed in the SORT Treaty and save some money there that then might be redeployed to the nuclear threat.

O'HANLON: And in addition I think that we can rethink how we're deploying our ultimate aim point for the SORT Treaty. We don't necessarily need the same number of systems that the Pentagon has currently proposed. We could field 2,200 warheads at lower costs than now planned.

So in addition to doing it more quickly, we can actually find a cheaper way to do it, and I would support that. We may be able to free up some of those Trident submarines and convert them into conventional submarines -- partially address the problem Frank mentioned with an insufficiently large Navy shipbuilding budget, a point I totally agree with.

And so, I think when you look at all this together, there is a way to find a few hundred million in savings here, a few hundred million in savings there, maybe clip another billion a year off missile defense, which is still well above where Ronald Reagan ever had it in budgetary terms, even though the administration has come back somewhat.

I would like to see this current mid-core system fixed and deployable and operational, but I don't think we need to be spending $8.5 billion a year on missile defense. Something in the sevens, I think, is reasonable.

If you cut back a billion there, a half billion in DOE, maybe a half billion in your DOD operational costs for the Minuteman and the Trident, and you've got the $2 billion that you need for Nunn-Lugar.

So I think there are ways to do this that don't require radical change or unsafe change in our national security policy.

CARAFANO: I think the one thing we all agree on is that we all agree that for virtually every form of weapon of mass destruction, the cow's either out of the barn or closing the barn doors really, really hard.

So the question is very simple, if your goal is, how should I strategically invest my money to best to prevent catastrophic attacks, then the answer, I think, is really relatively simple.

First priority, number one, is you invest in counterterrorism systems both at seas and over -- overseas and at home that break up the networks that might want to do this. You go after the bad guys first. That should always be your number one funding priority.

Number two, is you fund things like the proliferation security initiative, proactive capabilities to go after people that are specifically -- might be using these kinds of weapons.

And then I think, quite frankly, with the money you have left over, you spend on cooperative threat reduction. It'**s** your third and lowest priority because it'**s** the least payoff for the buck.

And where does missile defense fit in the bag, in the quiver? And I think, quite frankly, is I don't understand why you wouldn't want a missile defense if you look at the -- I wouldn't understand why any country on the planet wouldn't want a ballistic defense system.

If you look at the proliferation of ballistic missile technologies and the leverage both diplomatic in its security terms that you have on the table, if you have the capability to defend yourself against the ballistic missile threat. It just seems to be the prudent component that you would want in any kind of combination of counterproliferation.

SPRATT: It assumes they're efficacious (ph), and that'**s** the big hurdle -- part of. And anyone perceived when it was first conceptualized by General Graham and others -- Frank and I have had a longstanding disagreement here; we won't tie up the rest of you with our debate -- but he did mention the problem of electromagnetic pulse.

And BMD, SDI and others came to the conclusion a long time ago, if we were assaulted with several hundred warheads at the same time -- a big wave coming out of a major power against us -- and if any of those were salvage-fused so that they would explode in the front impact in the exoatmosphere, you would have the very kind of electromagnetic pulse he'**s** worried about which, among other things, would thwart your further defensive system. It would blind your radar. It would make our sensors practically useless. And it would render the whole system in the second wave -- and really half way through the first wave -- useless.

So there is no full -- nobody'**s** even talking today about a complete umbrella that would totally protect you against nuclear systems -- against the Chinese today as they are equipped against the North Koreans, certainly we can do that. I'm in support of ground- based systems. I'm in support of trying to do the ship-based system. I'm also a skeptic as to whether or not we can win that technology.

We won't get into that debate today.

But thank you all for coming and, as I said earlier, for giving us a very provocative testimony.

NUSSLE: Mr. Garrett?

GARRETT: Thank you, Mr. Chairman.

Mr. Chairman, you start out by saying that normally we get a lot of happy talk. I would say that we've gotten no happy talk today -- quite the opposite, just a lot of ominous and dire predictions for the future that may perhaps put a lot of our other discussions that we have here on other spending programs, and when people say, "Gee, can't cut my little program and my pet project in my district for this or that" -- maybe it puts all those other things into perspective.

I just have a couple of questions that I'd like to run through.

Mr. Gaffney, you made a point of saying this one point -- you need to clarify in a sentence or two, when you said that our country is one of the few nuclear powers that is not able to produce nuclear weapons. You made a point of that.

GAFFNEY: I think it'**s** the only one…

GARRETT: Yes.

GAFFNEY: … at this point.

It is true that if you go out to one of the nuclear laboratories and ask them to hand-build you one -- that we have some vestigial capability to do that.

Randy may be doubling that capability if you give him the nuclear materials that he says he can use to put one together.

But in terms of a production capability, we have none. And as far as I know, we're the only nuclear power that that is true of.

SPRATT: Mr. Chairman, if you'd yield for just a second.

(OFF-MIKE)

Excuse me, I'm sorry. I just wanted to make the point.

Building TA-55 at Los Alamos has a (inaudible) capacity of about 55 warheads a year, and while that may be on the low end of what might be needed, with a second shift it could probably be augmented. And that'**s** a production capability.

GAFFNEY: Yes. To my knowledge, it is not a live, hot production capability.

SPRATT: Oh, it'***s*** active today. They've got a full shift. They're working warheads -- refurbishing warheads…

GAFFNEY: Refurbishing warheads, as you know, is different than building new nuclear devices.

And this is the point -- I guess I would just come back to you, if I may, under the time, sir -- you know, this idea that we can just sort of muddle through -- my colleague has suggested rebuilding things to existing specifications. That is illegal.

It is illegal. No, I'm just…

SPRATT: Muddling through is not a national ignition facility at billions of dollars of expense so we can better understand nuclear explosions at Livermore.

GAFFNEY: It'***s*** faith-based nuclear deterrent. It'***s*** not science- based.

GARRETT: I appreciate the question and the clarification, as well.

I have to go back on changing that topic to the homeland security ***issue***, as all of us do represent various unique states.

I come from the state of New Jersey, which is unique from a risk- base assessment. We have two major ports, a couple of international airports, petroleum processing plants, petroleum storage plants, chemical processing plants -- I mean, Amtrak and transit throughout that area. Much of the East Coast would be closed down as far as resources, as far as fuel is concerned, if we had a major attack in our state.

And whereas the rest of the country was not elevated, New Jersey was recently elevated in that level.

And from the practical, political sense when we go back to our states, such as ours, the question always is, is there something that we should be doing down here as members as far as changing the entire risk-based assessment of how we handle the funding that we get.

The chairman very nicely equated it to the -- you know, getting a new fire truck or, in some cases, just buying new hoses in the fire department.

Are we going down a totally wrong road as far as what we've done so far as risk-based assessment or lack of risk-based assessment in spending our dollars?

CARAFANO: Yes, we are.

And first of all, I'd like to vehemently disagree with Mike here. I don't think we should be spending $5 billion more on homeland security because I think right now we're already throwing money at the problem and just adding it doesn't really solve anything.

But we made a fundamental mistake after 9/11, which is that we assume that the purpose of federal dollars that would go to state and local governments for capacity-building, that we had to increase the capacity to help respond to terrorist attacks, and that was an enormously bad strategic choice because we can, quite honestly, pour money into that forever.

And I worked on the Council on Foreign Relations analysis, and we can up with $100 billion in unmet requirements, and that was just in preparedness, and it didn't even include police departments. So it's a bottomless pit.

So it was a fundamentally flawed strategic approach.

We should really go back and start over, and we should start with a fundamental premise: federal dollars should be spent to make all Americans safer -- not some, not in New Jersey, not in California, but all Americans.

And so, what does that mean?

I think it really means two things. One is the federal dollars should be there to help build a national system that everybody can plug into -- private sector, state and local -- so when we have to respond, we can make best and most efficient use of all the resources that we have throughout the nation as one brotherhood.

The second ***issue*** is catastrophic terrorism. Catastrophic terrorism will exceed the capacity of any state and local government to respond, so we do need to have, again, a national system that if we can't prevent a catastrophic terrorist attack, but the nation as a whole can respond efficiently and effectively to catastrophic terrorism.

I think that that really throws out the whole notion of a risk- and vulnerability-based system and moves to a system which is basically based on meeting national strategic needs as opposed to meeting state and local needs.

LARSEN: I really agree with that assessment. We'll go bankrupt trying to do that.

You know, when we buy a nuclear-powered aircraft carrier, it makes every American safer in terms of national security, but when we buy a new fire truck for, you know, a small town in New Jersey, it doesn't do anything for the people in Dallas or anywhere else.

And so, I think we have to go forward with that perspective.

The regional approach is though, however -- I do support exercises and equipment that when we fund exercises at the federal level is that it shouldn't be for a certain state or a district. It should be for the regions to work together.

I think Mayor Garza in San Antonio has done some great work on this. I don't need every fire department to have every piece of equipment I'd ever want, but I need to know within a few hundred mile radius where that equipment is and if I could get it in a ***crisis***.

And so, I think that's a much better approach.

O'HANLON: Congressman, I would just simply add that on this point I agree with my colleagues that the added expenditures I think we need in homeland security are not for first responders.

In fact, I strongly disagree with the Council on Foreign Relations report that proposed $20 billion a year more for that area.

I think the areas we need more capability are things like inspections for containers coming into this country, expediting our linking of databases and use of biometric indicators on various kinds of identification, thinking about how to better protect airplanes' cargo holes against explosives.

There are a number of areas that still require additional resources, but I would simply add and agree that this is not generally a problem where you throw money at the first responder community. That's not a very useful way to spend homeland security money.

LARSEN: I'd like to make one more comment: At the federal level we've got to stop wasting money.

(LAUGHTER)

TSA has a new program, and I don't like the way they're spending my taxpayers' money.

Now, right after 9/11 -- in the Patriot Act it said, let's fingerprint all those truck drivers out there -- I mean, let's check the names of all the truck drivers who carry hazardous cargo.

Well, that made sense right after 9/11 because we knew there were some Al Qaida people that went through big truck driver school. Didn't find many people, but it was a reasonable response at that tactical quick level.

Now there's a new program that's not directed by the ***U.S.*** Congress -- came up with it at TSA. They want to fingerprint all the people who have that little permit to carry hazardous cargo in the ***United States*** to see if we've got fingerprints on their bad people.

There are 2.7 million people that have that particular license to carry hazardous cargo. TSA estimates that it's going to be $100 a piece. That's $270 million we're going to have on this fingerprint program.

Now let me explain to you under DOT what hazardous cargo includes: fingernail polish remover, paint, coke syrup and Listerine.

Now, is that the best way to be spending $270 million for homeland security?

GAFFNEY: Congressman, I guess I would just add one point which may seem off the subject since we're talking about the federal budget here, but the one thing that strikes me is going woefully unaddressed, is what can we do to enlist the American people in a greater level of preparedness and awareness of the kinds of threats that we may be facing at the homeland security level.

You know, we've had some fits and starts in this area, notably the whole idea of having people provide tips as to things that they see that are out of place or suspicious or worrisome in their community.

But I sense, and I suspect each of you have as you go around your constituency, there's a yearning on the part of the public to feel as though they've got a role to play.

And I think in the area of emergency preparedness, particularly of the kind of larger catastrophic kind, having the public engaged in understanding what their communities are going to have to do -- you know, there's "24," the television show is running now -- broadcasting about meltdowns in nuclear plants around the country. Well, there's some plan that's trotted out to go get people out of the communities affected.

I suggest to you most of the people in this country haven't a clue what that plan would be if it were to be implemented today.

That's a place where I think for probably negligible funding something could be done that could actually make a material difference in how we will respond if, God forbid, one of these unhappy bits of news happens.

NUSSLE: Mr. ***Baird***?

BAIRD: I thank the gentleman.

One of my challenges as I look at these budgetary projections is the inaccuracy of projections we've heard in the past in this committee, and let me give you some examples.

In February of 2003, Secretary Wolfowitz said, in quotes, "Every time we go down on a briefing on the Iraq war, it immediately goes down six different branches of what a scenario might look like. If we costed every single one of them, we could maybe give you a cost range between $10 billion and $100 billion."

Well, we're approximating $200 billion already and the president'**s** got another $80 billion he'**s** asking for.

So I have a concern that there seems to be this exponential growth almost in the reality of some of these costs versus the projections -- and, again, I'm sorry the secretary can't be here. He made a similar kind of statement about the numbers of troops we would need.

So I would just preface the remarks I'm going to make with a concern about the validity and accuracy of some of the information we receive in this committee from the administration.

There'**s** something I didn't hear from your remarks -- and I understand it may be a different budgetary line -- but we have already waiting lists for our veterans when they're coming back, waiting lists in terms of who can get seen, et cetera. And I'm very concerned about that.

Last year, in this committee, we heard testimony that the president'**s** proposed budget was a couple billion dollars shy of needs. Myself and Darlene Hooley and some others have proposed a $1.3 billion addition to the $80 billion proposal by -- $82 billion proposal by the president.

Do you have any comments on the importance of making sure we take ***care*** of the soldiers?

It'**s** fun to talk about all the weapon systems and all the gizmos and whatnot, and how we need them and whatnot, but at some point troops on the ground matter and if the soldiers aren't taken ***care*** of when they come back, we're not going to have troops on the ground in the future.

Any thoughts about the role of veterans in this and taking ***care*** of them today so that the future needs of the soldiers can be met?

CARAFANO: Yes. I think that'**s** a reasonable point.

This is an all-volunteer force, and I think we should strive hard to keep it an all-volunteer force.

And it'**s** primarily an all-volunteer force because of economic reasons. People do this not just because they're patriotic, but also because they think they're getting a fair deal, and I think that that'**s** a reasonable cost of doing security.

As we look forward, where I really see this ***issue*** -- and I think here is a point where Mike and I disagree -- this notion about growing the military, I really think requires serious debate and discussion. Because if you grow the military in a volunteer force, basically you're bringing somebody on for 20 years, which intends all those costs that you talked about that are in cost and everything else.

That'**s** an enormous expense which, again, when you're trying to avoid a hollow force, modernization, current operations, trained and ready force, that'**s** going to put a lot of things in competition.

My problem with the notion of "let'**s** raise the force level," is you know, we still have a force structure which is still very much predicated on the Cold War. We have a reserve component which is still very much created and structured to fight World War III.

We have active forces which are still, if you look at the structure in Europe, for example, which is still structured for the last war.

If we just add people to the force, what we're going to -- and the reason why those things never got dealt with was because they were all politically difficult. Those were hard choices to make about restructuring Europe or Asia and restructuring reserve components. We just ignored them.

BAIRD: So you're point is -- I'm going to jump…

(CROSSTALK)

CARAFANO: Yes, but the point is very simple: If we just increase the size of the force, we're never going to go back and fix these inefficiencies.

And I think fixing the inefficiencies will give us just as much usable force structure -- guys in the foxhole -- as adding another 20,000 or 30,000.

That, I think, is a big part of the problem of keeping, you know, the defense entitlement ***issue*** under control, is keeping the force structure at a reasonable size and I think growing it -- particularly growing the active component is not the right answer.

BAIRD: My concern is that we don't tend to want to pay for the commitments we've made to these soldiers and that we're willing to send $82 billion over to the theater, but when the soldiers come back and they need health ***care***, they need prosthesis, they need all the other things, we may not have the resources here available in the real time now when they need it.

And if we postpone these, I think we'll pay greater costs in the long run.

Let me make two other quick comments.

One, Mr. Larsen -- and I think Mr. Gaffney also raised this -- Mr. Larsen, you talked about just bringing a nuclear weapon into this town. I have for several years now since the night of 9/11 tried to promote the ***issue*** that this Congress should be taking ***care*** of its own continuity.

In other words, what happens if they do bring that nuclear weapon into this town?

And Mr. Gaffney, you observed that people don't know about their own evacuation procedures. I would assert that neither do we in this body, and we might be considered somewhat of a high target.

Any comments on the potential that someone might actually one day do that -- bring a nuclear weapon into this town and get rid of us very quickly?

LARSEN: Sir, as a former military officer, I spent a lot of time in thinking how the enemy would think about doing it. This would clearly be my number one target.

In the House of Representatives, to the best of my knowledge, still doesn't have that plan about how they could quickly reconstitute if we lost the majority of it.

BAIRD: That'***s*** correct. We have a modified quorum rule that says as few as five or six people could constitute a congress and we have a mandatory 45-day election period.

Assuming it could be done, you'd have 45 days with no checks and balances. That'**s** the status in this institution today -- and a very ambiguous presidential succession line.

LARSEN: Yes, sir, I certainly think that should be addressed.

BAIRD: Thank you, sir.

I yield back my time.

NUSSLE: Thank you.

BAIRD: Thank you.

GAFFNEY: May I just respond as well since you mentioned me?

First of all, just on the veterans ***issue***, I am enormously admiring of the veterans and the people who have served at great cost, in many cases, for their country.

You've touched a very, very important point, though, and that is, can we afford the price tag associated, not just with their service but their post-service situation?

I don't envy you in this committee or, frankly, in any other committee of the Congress, the job of wrestling with these numbers. They are staggering.

I have to tell you, with the greatest of respect, that the price tag you've just saddled up to -- what is it? I think, $100,000 now for death benefits -- may look like it's something you can accommodate if the death rates that we incur stay about what we've been incurring, horrible as those are. But God help us if any of the kinds of calamities that we've been talking about here take place involving our forces.

On the second point…

BAIRD: I appreciate that but it's only $1.4 billion -- $1.5 billion right now -- relative to the costs of some of the systems you've advocated.

GAFFNEY: I understand.

I'm just saying to you, sir, if it grows by a factor of ten, which in most wars…

BAIRD: That's almost equal to the cost of one fighter.

GAFFNEY: … is what we incur in the cost of a battle. It's a staggering jump.

Again, I don't begrudge the people who've lost their loved ones. I'm just saying that the economics of this are incredibly important to understand.

I commend you for thinking and worrying about this succession ***issue***. Every time we get through an inauguration a few blocks from here or a State of the Union address, I'm holding my breath because it is such a soft and lucrative target.

I think the kind of work that needs to be done on this is being done, I gather, sort of piecemeal and episodically, but it's one of those things that we really don't want to think about, but it's like (inaudible) attack. One of the findings of this commission was our vulnerability to it invites the attack. Our inadequate preparation for succession invites an attack designed to trigger it.

BAIRD: That's precisely my concern. I thank the gentleman.

I thank the chairman for his indulgence.

NUSSLE: Not at all. Thank you.

The gentleman from California?

LUNGREN: Thank you, Mr. Chairman, and I want to thank the panelists for their presentation.

I mean the only reason that I came back is 9/11. I mean, I decided to change my life in response to that.

One of the concerns I have -- one of the disappointments that I have so far being in this body -- and I love being in this body -- is I don't see that 9/11 has essentially changed this institution.

If you would go three years and five months -- whatever it is -- after Pearl Harbor, it changed the Congress, it changed our defense structure, it changed our society.

Mr. Gaffney, you talked about the American people are waiting sort of to be involved in this. I frankly don't find that. I find that if you're 3,000 miles away from Ground Zero, as my constituents, are it'**s** difficult to understand we're in a war on terrorism.

When you hear suggestions that no matter what we've done, it hasn't done anything and it was just serendipitous that we haven't had an attack since 9/11, that does not encourage people to take it seriously nor to do anything.

One of the things I've always suggested when I was involved in law enforcement was you have to show the people that you represent that what you have done, the steps you have taken, have borne some fruit so that you can learn from those and do other things.

Mr. O'Hanlon, when you talk about increasing force structure, isn't what we really need is effective force structure?

Secretary Rumsfeld has suggested that we have tens of thousands of men and women in uniform who don't do military things, and that in order to turn those jobs over to non-military people, we have to change the civil service system as it affects the Defense Department. Yet, I don't hear anybody talking about that.

I hear people talking about how it'**s** a fight to try and destroy unions when, in fact, what we should be talking about is, how do you have affective force structure, and if the secretary of defense comes forward and says, "I've identified tens of thousands of people in uniform who aren't doing military things," and the way to change that is to get non-military people to do that and in order to have them do that effectively, they have to be more flexible than those under the (inaudible) civil service system, it is in the national interest to do that.

But we don't talk about that here. We talk about the fights between unions and the administration trying to dominate unions.

If there is a changed awareness in this society and in this institution, we may be thinking about things differently. I have not seen us think about these things differently. There is, at least in my judgment, a lack of an awareness and appreciation of what we're doing.

Being on this committee and on the Homeland Security Committee, one of the challenges we have is coming up with that structure, that schematic that we're going to place over all the funding that makes the most sense, and I'm struggling with that.

I've heard different things from the four of you.

Let me ask this question and ask for your response, and that is, it seems to me when we're trying to figure out how we husband our resources and place them toward the threat that'**s** out there, that ought we not to think about those kinds of attacks that would do almost permanent damage to the national psyche such that we would be willing to give up our civil liberties?

I don't want to be on an airplane that is filled with fuel and goes into a high rise.

But let me ask this question, if we are saying now through TSA and other things we are 97 percent protected against that of not happening, but the cost of moving from 97 percent to 100 percent, or 99.9 percent, is 10 times what we've already spent, would it not be wiser for us to spend that 10 times in dealing with the nuclear and the biological threat that is out there?

Because my thought is if we lose 3,000 people, that'**s** going to be a terrible tragedy. It'**s** going to shake this nation.

But if we have a nuclear or a biological attack in a major city that kills tens of thousands of people, renders the place uninhabitable for months, causes us to make excruciating decisions we've never made before, isn't that a situation which is more likely to shake the foundations of our society and change us from who we are to something else?

And if that be true, shouldn't we then be focusing our strategy on working against those things, and in the event we have a terrible tragedy like that, being able to sustain our society and have the protections that we won't change it?

CARAFANO: Specifically in DHS, I think it's a great question and the reason why DHS doesn't have a good solution to the problem is it's not a budget ***issue***. This is not a budget problem. This is an organizational problem.

I don't know if you've seen the report that we did at the Heritage Foundation did in cooperation with the Center for Strategic and International Studies, but what we did is we looked at the organizational inefficiencies of DHS and the inability to be strategic in its thinking and in the way it manages its resources.

And we found that that was really at the root of a lot of the problems of the department, both in setting priorities and being efficient.

And so, I think the answer to your question is not in the top line of the budget; the answer to your question is in the wiring diagram of DHS, the lack of, for example, an undersecretary for policy and planning that can really do the integrating function -- so it's the artificial distinctions in the system, for example, separating customs and border patrol, immigration and customs enforcement.

And I think these kind of organizational ***issues*** are the reason why we don't have better answers to your questions, not so much the way -- how much money is spent in the department.

O'HANLON: Sir, I agree with your conceptual framework, but I would add chemical plants. I think these are extremely dangerous as well, at least the 500 to 1,000 that carry the most toxic materials.

But I also would say -- that take your example and Randy's example of a biological attack -- well, what do you actually do robustly to protect against that? It's very difficult.

Obviously, the Congress has generously funded CDC, NIH, and you try to work on antidotes in case the attack occurs. That's a necessary fee.

But to protect a society from an attack when the materials already exist is very hard. And Randy has mentioned -- and we all know, the use of the mail, other mechanisms like that can distribute this sort of thing very quickly.

So it's a hard problem to get right.

In other words, it's true we should focus on the most threatening scenarios, but even once you agree to that point, it's somewhat difficult to figure out how to limit the problem thereafter.

A robust way to do this, for example, would be to require every large building in this country to have reversed overpressure so that there was less of the likelihood of a biological agent being distributed through the air circulation system. That's a very challenging and economically difficult thing to do.

My colleague at Brookings, Peter Orszag, wants to use the insurance market, require people of a certain size infrastructure who own that kind of infrastructure to carry terrorism insurance and let the terrorism insurance market encourage people through a graduated rate structure without sensible modernization, sensible protection, but not legislate it, not regulate it, not pretend that we can figure out a single solution, because it would be hideously expensive.

Or hospital bed capacity -- some people say we should have the ability to take in 10,000 victims in every major metropolitan area, above and beyond the capacity that already exists. But building hospital bed capacity is one of the most expensive things you can do.

So I agree with your framework, but even once you've established that, a catastrophic attack should be our greatest worry. It's still a very difficult problem and there are a lot of pieces you have to look at.

If I could just add one very quick point on force structure -- I'll be very quick. I agree with your point. I agree with Jim Carafano's point -- and I agree with Mr. Rumsfeld on this -- we do need to privatize.

Rumsfeld and Schoomaker do have a great plan to rebalance the Army, to change a lot of the positions, the (inaudible), but even if you do that, you're adding people, in my opinion, too slowly for the current needs we have, and I think we have to also use the mechanisms of trying to add more people.

Not a use number -- I'm not talking about getting the Army back to Cold War size, but another 50,000, in that ballpark, I think makes sense, and it's not inordinately expensive compared to what we're spending in Iraq to begin with.

GAFFNEY: Congressman Lungren, when I talked about public attitudes, obviously, that is a function of leadership, in part.

I sense it when I talk with people about the kinds of problems we're focusing on today -- there's a response.

In the absence of that kind of leadership or when -- and I'm a great supporter of the administration, but I think it's done a great disservice when it has essentially suggested to the public that what they need to do for the war effort is to shop. It's completely inadequate, and I think, in fact, something of an insult.

I will just tell you that if you want to think about something that's going to change the psychology of the American people try transforming a society from a 21st century one to an 18th century one instantaneously, which is no kidding what's been found is a distinct possibility -- in fact, as I said a moment ago -- being invited, given our present levels of vulnerability.

So if I were to suggest to you how to apply a scheme out or some level of prioritization, I would certainly say understanding this problem and fixing it ranks up there every bit as much as does the possibility that one of these nuclear weapons takes out a single city, or maybe even a couple of cities, or a biological attack affects a region. Those are terrible, horrible, scarring possibilities.

But this is a threat against which we could do something if we act now. If we have to do it after the fact, I'm not sure what we would do, to be honest with you.

Rebuilding a 21st century society without electronics at our beck and call is a truly stupefyingly large challenge.

This requires -- and I'm delighted, that you have both of these hats. I hope you'll take this up with Congressman Cox and other members of that committee as well.

LARSEN: The ***issue*** of, is 80 percent good enough for the screening at the airport.

You know, in my opinion, there was a big scandal in the papers a couple of years ago about how 20 percent of the phony guns and knives got through when they tested.

Well, if I were a terrorist that would tell me that there's an 80 percent chance I would get caught. That's not really a lucrative target.

And then we have sky marshals on airplanes. We now have more armed pilots, by the way, than we do sky marshals.

And then you have, like by 80-year-old mother who would attack anybody trying to get in the cockpit.

We've changed since 9/11, OK?

So an 80 percent level might be adequate in the airport, and I don't want to get to 99 percent level because it's going to take me about an hour to get through screening, instead of the five minutes that I go through now. So I think that's a good point.

The other one is simply…

LUNDGREN (?) : I don't know what airport you're getting through in five minutes, but I'd like to know about it.

LARSEN: Reagan, it's great. Maybe I fly at the right times.

Now, I don't know about California, but I bet the numbers are even larger, but we did a little study in Texas. There are 40,000 nurses in the state of Texas not working in health ***care*** today.

Can you imagine if we put them in a reserve corps, like what's been so successful in the military - a couple of weekends a month training, give them a little bit -- and I don't ***care*** if it's a hurricane or it's a biological attack, one phone call could get you 40,000 health ***care*** responders.

And you know what, that doesn't cost billions of dollars to do it.

You said we've got to change how we think. Maybe we need a reserve corps for homeland security. I think it would be a good investment of my money.

ALLEN: Thank you, Mr. Chairman, and thank you all for being here today.

I wanted to deal with one subject of great concern to the area where I come from, and I think to the country as a whole -- and Mr. Gaffney had touched on it -- and that's what's happening to shipbuilding.

It is true, I believe, as Mr. O'Hanlon said, that, you know, you can deal with a number of planes and you can expand or contract a number of planes we have, but at some point ships cost a lot more and we have a very serious industrial base ***issue***.

And so, I've looked at this budget. There are only four ships in the president's '06 budget. There's $5.6 billion. That's a third less money and half the number of ships than Congress appropriated last year.

And when you look at what's happened under the Bush administration, you've got -- the overall DOD budget has gone up by 34 percent since 2001, the procurement budget by 25 percent, but new ship construction has gone down by 47 percent.

And that risk -- we are basically risking the Navy of the future to -- I would say the Navy of the present, but I think it's really to the ongoing conflict in Iraq.

Independent analysts have said for years that without a steady construction rate of seven to 10 ships a year, you simply can't stop the Navy from going down to 200 ships, and this budget simply ignores the problem and makes it a lot worse.

For the first, there are zero surface combatants in the '06 budget -- the first time, zero. Bath Iron Works in my district has no ship in either '06 or '07.

So that part of the defense budget, I think, is being seriously affected by what's going on in terms of the budgeting, and it looks to me as if the Navy and the Air Force are being drained to pay for the cost of the conflict in Iraq, which is $1 billion or $1.5 billion a week.

When you look at that number, that is almost -- that is virtually a destroyer a week. And all of the -- you know, I don't intend to re- argue Iraq because we are there.

So if you have comments on that I would like to hear them.

I did want to just make a comment on some of the conversation earlier.

Two points -- one is, the money for first responders: It is one thing to say we're going to protect the country against another attack from Islamist terrorists, but we are probably not going to be successful doing that for over the next 10 or 20 years -- and probably, most people think, we'll get hit again at some point.

How will we respond is very significant. And I just want to say that the first responder money that'**s** flowed to my state has been used to markedly improve the local capacity to communicate with each other across municipal lines and county lines and across fire and police and the EMP, and it, frankly, I think has improved our capacity to minimize the damage, the injury from such an attack.

And finally I would say this: We can conjure up in our minds all sorts of risks. We still remain the strongest country on earth, the strongest militarily.

And it does seem to me while we can get our constituents all riled up, that they have a core common sense, and their common sense is that at all times, in all places in the history of the world, there are risks and we cannot simply protect against all of the risks that are out there without seriously undermining the communities in which we live, without undermining opportunity for people to go ahead and live their lives and get the education and the jobs they need.

This budget -- this defense budget is only part of an overall budget and it has -- the overall budget that we are responsible for has to reflect the values and the interests and concerns of people across the whole spectrum of their lives and not just for, you know, all of the threats that are on some scale of possibility that we have to deal with.

Anyway, any comments? I'd be glad to hear…

GAFFNEY: Well, I feel your pain, as they say, about the shipbuilding program, and particularly what it means for the handful of shipyards we still have left, one of which, of course, is Bath Iron Works.

It seems as though, at least those of us who've addressed this, all agree that left, right or center, this is an inadequate shipbuilding program.

And more to the point, it sets the trajectory or actually continues the trajectory toward a wholly deficient inventory of capital ships.

And this is another point I would just urge be thought about as you think about the appropriate budget levels here, it'**s** not just the numbers of ships that are, I think, wrong, it'**s** probably also going to be the case that it'**s** the kind of ships.

We are increasingly focusing on so-called brown water ships -- and I'm for being able to fight in brown water too.

It'**s** just that I think that as a maritime power, first and foremost, that is increasingly finding its ability to use the seas and to ensure that the freedom of navigation that we benefit so much from is assured will require us to have a continuing world-class blue water fleet.

And again, my point is as I said in my testimony, Mr. Chairman, is that the object of these budgetary decisions, it seems to me, has to be, how do you prevent a war, not just prevail in it once you get into one.

And I can think of few things that are more likely to induce a war than the perception that we no longer have the ability, especially for reasons that Michael O'Hanlon has talked about -- finding ourselves tied down, finding ourselves inadequately equipped to deploy ground forces to places that may go bad -- I think you have to count on them going bad in the future.

It means that you have to have the power of projection capabilities of your navy and, I would argue, of your air force to give you some swing or stop gap capacity, but better yet to dissuade people from thinking that they want to pick a fight with you at the same time that you're dealing with Iraq or other contingencies.

So I very much agree with that.

And I would add one point on the budget priorities. It certainly is true that we face other needs to the national budget and resources.

The problem with war today is, as you all, I know, are aware, asymmetric capabilities such as those we've been talking about today enable people to do harm to us that would have been unimaginable even with conventional forces of great pride in the past.

So we have to be mindful of that reality as we're calculating what do we do to try to prevent it from happening here.

And I would just say to you -- where I thought you were going with this, Mr. Allen, was that, you know, we don't want to have the risks be so great that we compromise our civil liberties in the pursuit of trying to protect ourselves against them.

I fear if one or more of these bad things eventuates that civil liberties will go over the side in a heartbeat as the public demands greater protection, and I think all of us want to prevent that from happening.

CARAFANO: Could I just offer one quick suggestion?

I think we all agree none of us are sanguine about the Department of Defense'***s*** answer on shipbuilding.

You know, we have a QDR coming out. Hopefully, the QDR will provide better insight or perhaps a better plan on how they can (inaudible) One recommendation I have made elsewhere -- and we have a paper coming at Heritage is -- it might be worth going back and really rethink this and maybe it would be worthwhile to go back and repeat what we had in the first QDR, which was an independent review, and then there was the national defense bill.

But it might be worthwhile to come back and have a national security review that was outside the Department of Defense, which among its requirements was to provide a second opinion on the QDR, and it should be specifically asked to address critical ***issues***, and I certainly think shipbuilding would be a good candidate.

The other thing that we argued is, you know, maybe it'***s*** time to implement something similar in the homeland security realm -- the Department of Homeland Security should have a quadrennial security review. And then one of the things that -- I think a one time the national defense panel might do would be look at both those things, look at the QDR and look at homeland security'***s*** QSR and really see, you know, do these add up together and provide kind of a second, independent assessment to Congress of kind of where we're going in the long-range in terms of resources and strategy and (inaudible).

ALLEN: Thank you very much.

Thank you, Mr. Chairman.

NUSSLE: The gentleman from Texas, Mr. Sessions?

SESSIONS: Somewhat delayed, but it came on there, didn't it, Dan. Thank you for your help.

Mr. Chairman, thank you so much for calling this hearing today.

And gentlemen, I appreciate not only what you've talked about to help us satisfy our goals today to understand more clearly those policy ***issues*** related to the budget that we need to provide, as well as making sure we look at the future -- future spending, as well as the effects on the budget.

One of the questions that I have is directly related to the changes that, I believe, the president and the secretary have discussed. But I have not seen very succinct goals or time frames related to moving our troop activity in Europe, as well as Korea.

And I'm interested in some discussion -- I've heard what your recommendations are on homeland security. I've heard your recommendations about blue water Navy. I've heard these other recommendations, but I have not heard that, specifically as it relates to what members should have in their mind about the gravity of this as well as the implications on the budget -- positive/negative, bringing people back home, moving people around, transferring assets and resources -- those sorts of things.

And so, I would welcome any opportunity that any of these panelists might have to answer that general question about bringing back a large number of people to the ***United States*** or taking them away from Europe and Korea.

Thank you.

O'HANLON: Thank you, Congressman.

I'll just quickly say that I'm a fairly strong supporter of Secretary Rumsfeld'**s** thinking on this point.

I don't think it'**s** quite as radically transformational of a repositioning as he sometimes wants to argue, but I think it makes good sense in the two theaters in question.

I'll give just a couple of words on each one.

In Korea: The South Koreans have gotten a lot stronger conventionally over the years. We're all obviously troubled by the North Korean nuclear program and as well as the continued amount of money they spend on their military.

But in conventional terms, I think we can view the South Korean ground forces as providing much more of the bulwark against initial assault.

And whether it'**s** two brigades or one brigade of the ***U.S.*** Army that'**s** present in Korea at the outset of any ***crisis***, I don't think it'**s** nearly as important as the quality of the South Korean ground forces and the quality of our airpower, as well as our ability to reinforce rapidly to bring to bear hundreds of thousands of troops should war occur.

And also moving the forces that remain further south on the peninsula is very good alliance management, even though Mr. Rumsfeld hasn't been given a lot of credit for his alliance management, diplomacy in general and, in fact, his relations with the South Koreans have been fairly mediocre.

So on substance, I think he'**s** right on this one, that we want to get our headquarters out of Seoul.

We have an amount of territory almost the size of Central Park in downtown Seoul. This is just no longer appropriate for the density of that city.

And so I think, again, the logic of his plan is generally very sound.

Going to Germany. You know, we've got a pretty good deal in Germany. The Germans, like many of our -- like the Japanese, like the Koreans -- help us with some host nation support. They let us do a lot of training.

But of course, the Germans have placed restrictions on our training. It'**s** a very densely populated country compared, for example, with much of our country, including your state where there are big opened Army bases and more opportunities for robust training.

And most soldiers I know don't mind being in Germany. It'**s** not a hardship post. But still it requires them to have a greater likelihood of redeploying from one place -- let'**s** say in Texas, over to Germany, back to New York. There'**s** thousands that can't keep jobs. Their kids have to move around in school.

And the Army, I think, has a good program to try to keep people'**s** lives more in one geographic zone for a longer period of time, which I support. I think the redeployment from Germany can help.

So I don't see it as a big money saver. I don't see it as a radically transformational strategic concept, but I think in regard to both Germany and Korea, it makes generally good sense.

SESSIONS: And you believe it'**s** wise that the secretary move forward on these plans?

O'HANLON: Yes, because I think it has to be linked to the base closure round. And so we have to have some sense of what we're doing abroad because…

SESSIONS: I do agree with that aspect, too.

Thank you.

LARSEN: As a retired military pilot, one comment I would make is the terrible problems with training in Germany right now -- when we can't fly at night, we can't -- I mean, when we deployed the Apaches down to the war in Bosnia and they had some accidents, of course.

They had to train them how to fly at night. That helicopter is designed to fly at night and kill tanks. But they weren't doing that in Germany. And I find the same is true for a lot of fighter pilots.

So the training is not sufficient there from an operational perspective.

CARAFANO: I agree with all of that.

I'm perhaps just a little frustrated that we're not moving faster. I mean, there'**s** enormous opportunity cost involved in all of this. Every day we delay it, we pay for the initial inefficiencies and we fail to gain the benefits of doing that.

So I would really think that if we could move as expeditiously as possible on this.

I do agree with Mike also that moving into BRAC rounds because it'**s** also a good time to do it while we're involved in Iraq because much as when we did the draw down in Europe that we used that opportunity to make a lot of our base realignment decisions overseas and gain the efficiencies of, you know, not sending the guy back to Schweinsberg (ph) if eventually he'**s** going to go back to, you know, Fort Hood anyway, that we take the opportunity while we're in transition in the Army in terms of modularity, while we're in transition in terms of moving forces around, meet needs in Iraq and Afghanistan, that we use these opportunities to implement whatever force structure changes we need to do.

So we should work, I think -- those should be on the fast track and I think that would -- in the end it would actually save money, perhaps more than just the restructuring…

GAFFNEY: I'd just add very quickly, it seems to me if you can do this in a way that preserves your ability to project power quickly, that'**s** the critical thing.

I mean, it'**s** not always worked brilliantly and there certainly are restrictions. We haven't seen restrictions I think on deployment so much as on training, but having the ability -- and I think this is built into the Pentagon'**s** plan, to ensure whether you're keeping a skeletal force in Germany or you're moving them even farther east, they remain available to you to go where you need them on short notice, which is the big advantage of having them there rather than having them…

(CROSSTALK)

GAFFNEY: That'**s** getting their families back…

SESSIONS: Well, I think it has to do with not only the quality of life, but the message that we send, vis-a-vis, the relationship with these other countries, but in particular I'm concerned about how that frees up, so to speak, the demands and the needs that we have from a growing perspective. And so, I appreciate that.

I yield back.

NUSSLE: The gentleman yields back.

Mr. Crenshaw?

CRENSHAW: I apologize for not being here -- being at another meeting -- but I understand that there was a discussion about -- or least a mention of the administration'**s** budget, reducing the number of aircraft carriers from 12 to 11.

And I heard somebody say, you build an aircraft carrier, that'**s** good for national defense; you buy a fire truck, that'**s** not as broad.

And so, I guess my question is, as I understand it -- going from 12 to 11 -- which I find a little bit amazing when were in the middle of Afghanistan, in the middle of Iraq. The last time there was a quadrennial defense review, said we need 12 aircraft carriers; Admiral Clark was quoted as saying we really need 15, but the budget constraints only allow us to have 12.

So it seems clear this is kind of a budget-driven decision.

And as I understand, there were $60 billion in cuts. They kind of looked for it in the Department of Defense. And again, as I understand, it'**s** like a $1.2 billion savings over five years when you get rid of one aircraft carrier, go from 12 to 11.

So it seems to me that that'**s** kind of the smallest amount of savings and yet poses the greatest strategic risk.

I mean, as we reduce our footprint around the world, it seems to me we need more platforms so we don't have to ask people'**s** permission to go across their borders, et cetera.

And so, I guess my question is, is two or three for one is, do you know how they arrive at the number of $1.2 billion savings when you retire an aircraft carrier -- that saves a billion to over five years -- how they get that number?

And number two, does that strike you, as it does me that it'**s** a small amount of savings for a huge impact on our, you know, national security and force structure?

Could you comment on those two questions?

GAFFNEY: Well, I spoke to this in my prepared testimony, and I abbreviated it a little bit, but I'd be happy to elaborate.

Obviously, if you do decide that we're going to fight only the kinds of wars we're in at the moment from here on out, you may tailor your forces somewhat differently than if you're going to fight -- I hope not, but we might -- somebody like China in the future.

It does seem to me under foreseeable circumstances at least that irrespective of whether you're going to fight, you know, the Al Qaida plus state sponsors of terror in your community or you're going to go after so-called strategic peer competitors, why aircraft carriers?

You want the kind of flexibility that they offer and, most especially -- as I was saying a moment ago -- the kind of power projection opportunities that they afford you.

As the best I can tell, you're absolutely right, this is purely driven by the budget. There'**s** not a strategic logic to it. There'**s** not a powerful argument even being advanced on the strategic level for it.

And worse, it sounds as though from, again, the trends that we're seeing, it looks as though they think they may get by with nine aircraft carrier battlegrounds in the future, which is, as I said in my testimony, I think is simply incompatible with the kind of global presence and power projection requirements we're going to need to have.

How they arrived at the amount of savings?

My sense is that the logic of this has gotten somewhat muddled, to put it charitably, by some of the changes that the Navy has been trying to effect in terms of what used to be called hot-bunking -- they now have a fancier term for it -- something swapping; I can't remember what it is -- but relying on fewer days out of service due to remanning a ship, postponing or scraping altogether in some cases overhauls and maintenance, and you can do that for a while, but none of those practices, I think, has been done with a view to excessive maintenance or excessive manning. They've been done because they have traditionally been established to be the kind of activities that are required to support these very capital-intensive ships and manpower- intensive ships over periods of time.

So I think I very much agree with the concerns you're expressing. I think it's neither penny-wise nor pound-sensible, and I think we will find ourselves -- when the next thing comes up, whether it's a tsunami or whether it's some other act of God or whether it's some conflict, let alone a major conflagration, doing what we've done since the invention of the carrier, which is asking, where are they and why don't we have more?

CRENSHAW: And I guess, too, wouldn't you think -- I mean, we were talking a lot about assets, et cetera, of airplanes. You know, you can slow down procurement, build one less airplane this year and catch up next year, but if you've only got 12 aircraft carriers and you take one out of service, it seems like that's fairly irreversible. I mean, you don't kind of turn it around.

So I mean, it seems to me we ought to go slow on that whole -- and I appreciate your comments.

Does anybody else have anything they want to say?

Yes, sir?

O'HANLON: Well, I'll be the skeptic.

Although I agree, Congressman, enough with the points you and Frank make, that I would not want to go to nine myself, but I do think we can go to 11 and I'll say why.

One is, in brief, the Mediterranean theater I think is no longer a theater we need to worry about having carriers deployed in very much. We used to, and that was one of the drivers for 15 when Admiral Clark was talking about that kind of number.

Secondly, even though the Persian Gulf is clearly still a dangerous environment, the Navy actually has benefited from the overthrow of Saddam Hussein in a way the Army and the Marine Corps have not yet. And that theater is now, at least temporarily -- and I grant one has to prognosticate about the future too -- but at least temporarily it's more stable.

Third, I think Admiral Clark's concept of surging carriers for a ***crisis***, for exercises, but not always maintaining the same level of forward deployment we have in the past, is generally a smart one.

It can't go so far for reasons that Frank Gaffney just mentioned as to lead you to a very small carrier fleet. There are limits on how far you can push that logic.

But I think there's enough potential there that if you want to get some savings to be able to build more ships of differing kinds and achieve other purposes -- and we were talking with Mr. Allen about the lack of destroyers and so forth -- I think you do have to look for smart economy.

Now, I personally would probably want to keep a carrier based in Florida and perhaps put one less in Newport or one less in San Diego in that region, because I do think there'**s** a benefit to diversification of our home porting for protecting the fleet.

But I still think, when I look at the numbers, 12 to 11 is something I can live with.

Again, there'**s** no reason to do it except to save money, and that'**s**, in this environment, a fairly important reason at least to consider it.

CRENSHAW: Thank you.

GAFFNEY: Mr. Chairman, could I ask your indulgence just on a quick point?

NUSSLE: Sure.

GAFFNEY: I find it very difficult to have confidence in the idea that the Persian Gulf is getting more stable.

We're looking at an Iran that is becoming more dangerous by the day, and if we're lucky, we will maintain a stable, peaceable, free and pro-Western Iraq as something of a counterweight.

It may or may not involve our having forces there, but what'**s** happening on the Iranian side and what may well portend in the Saudi side of the Persian Gulf makes it anything put an American lake -- and I don't want to say that Mike suggested that, but it certainly sounds as though if you're not concerned about having American carriers in the Med where they can get into that region quickly if they have to -- assuming the Egyptians will let us come through the canal -- or having people adequately staffed so that you can -- or carriers adequately staffed so that you can surge into the Gulf or into the Arabian Sea as need be, you know, I think you're making a mistake.

And frankly, if the CNO were here, I think he would say we're making a mistake if pressed. And other than budgetary constraints, I don't think he would do it.

The other point is just to back to something that Mr. Allen said. You know, I'm sure you're keenly aware of this; the industrial base is in jeopardy. We stop building ships for a year or two and it'**s** not just that the shipyards themselves are in trouble, but that entire tier upon tier upon tier of suppliers are gone.

So you ask the question, how fast do you turn around a decision to get rid of a carrier? Well, if it turned around by building another one, it'**s** not just going to be the six years or seven years or eight years it takes to build one, it'**s** going to be going back and re- qualifying, particularly nuclear suppliers, which is a very exacting business and may not be there any more, especially if compounded by the few number of nuclear-powered submarines that we're building.

Which brings me back just finally to the point that I made in my opening remarks, we look, I think, at the moment to be unduly reliant upon dubious sources of supply, and we keep doing this to very, very important industrial bases like the shipbuilding base and that problem will only become more acute.

And then a lot of these other ***issues*** that we have talked about here in the course of the day will sort of fall by the way because there isn't going to be much you can do about it. You can't buy, necessarily, somebody'**s** supply if they're not friendly toward you or they find it inexpedient to give you the supply when you need it. You may not be able to ramp up your production capability to meet a surge need.

But these are things that I just entreat this committee and certainly those of you would have other responsibilities on other committees to be taking a hard look at as you make these important budgetary decisions.

(UNKNOWN): Thank you.

And maybe I'll just use the prerogative of the chair, then, just to throw out one final question for the day, and that is since we're sitting on the Budget Committee -- and it goes to an ***issue*** that you raised on that point in the past --

what we're looking at in the budget that we will be considering for the '06 operating year as far as the Pentagon is concerned on so many of the programs that you've talked about, my understanding is this really began back in late '04 when someone put pen to paper and said, this is what we think we need as far as our needs at that point in time, and it only gets through the process to where we are today, two years later.

So going to the overall perspective, as far as reforming our budgetary process, reforming the procurement process within the Pentagon yourself, how do you address those ***issues*** relative to the point that Frank just raised just right now as well?

GAFFNEY: Well, I guess it falls to me to explain myself.

Look, you're absolutely right. There are long lead times. This quadrennial defense review, for example, is now in full gear but it**s** been in preparation since the last one stopped.

Your processes here, you know, are increasingly ponderous and have to look out multiple years, not just the one that**s** immediately at hand.

I don't think there**s** any easy answer to this except to say that we've just got to hope that people who we elect are able to look over the horizon and anticipate some of the problems that are clearly coming, even though perhaps some of our leaders don't want to talk about them at the moment or even though it**s** impolitic to worry about them because they're friends of ours in the war on terror or for some other reason.

But I really think you're on to something and that thinking these things through in a multiyear time frame, something I think Jim, especially was talking about, the long-term budget implications of some of our decisions is critical if we're going to maintain the defense we need and avoid getting into the kind of death-spiral that we've been in in the past when these things have gotten wildly out of sync -- the threats on the one hand and our budget assignments on the other.

LARSEN: I'd make a comment on homeland security about that.

At least we have the mechanism within DOD that we've had for a long time if we're to build this five-year plan in the budget of what we're going to do.

Nothing like that exists for securing our American homeland, nothing. So how can we have a strategic perspective?

And as was noted here in the opening remarks, only about 60 percent of the funding for homeland security even goes to DHS.

So who**s** in charge of protecting this nation against a biological attack, which I think most of us here on this panel agree is a rather likely thing in the next five/ten years?

Who**s** in charge?

No one.

Who**s** building the plan?

No one.

CARAFANO: Another idea that we've thrown out also which is totally heretical, which is perhaps is the notion of going to a biannual budget cycle and then alternating homeland security budgets and the defense budgets. You go on a two-year cycle as opposed to a one-year cycle -- take a little more thoughtful look at these ***issues***, spend a little more time on oversight and think through them in alternate years rather than trying to have the Congress eat both of them every year.

O'HANLON: I'll just add one more which is -- whether this idea flies or not, I definitely like Jay**s** earlier idea of a quadrennial review for the Department of Homeland Security -- and all players involved in the homeland security

mission. I think those reviews have really been very useful in the defense community and we've been doing them now for quite a while.

They get a little bit old in some ways, but they're always useful. And I think the DHS mission definitely needs them now.

NUSSLE: Right.

Well, gentlemen, I certainly appreciate your coming, your time and your testimony.

I think someone said in the opening remarks that what we deal with here as far as the defense of this nation and the security of the American people is the first and foremost responsibility of this Congress and of this administration, and it makes everything else we do pale in comparison.

I agree with what members have already said that we look forward that when we have someone from the administration be able to come, and you, certainly for myself, at least, have highlighted some questions that we'll be able to bring before the administration.

So I thank you for that.

And I also want to say that I ask unanimous consent that members be allowed seven days to submit statements or questions for the record, and without objection, we're adjourned.

END

Notes

[????] - Indicates Speaker Unknown

[--] - Indicates could not make out what was being said.[off mike] - Indicates could not make out what was being said.

Classification

Language: ENGLISH

Subject: US CONGRESS (90%); US DEMOCRATIC PARTY (89%)

Industry: BUDGETS (89%)

Person: PAUL RYAN (79%); ILEANA ROS-LEHTINEN (79%); JIM NUSSLE (78%); JIM COOPER (78%); JEB HENSARLING (73%); ROSA DELAURO (59%); ARTUR DAVIS (59%); LOIS CAPPS (59%); JO BONNER (59%); DANIEL E LUNGREN (59%); JOHN SPRATT (59%); ADAM PUTNAM (59%); THADDEUS G MCCOTTER (58%); CHET EDWARDS (58%); ROGER F WICKER (58%); MICHAEL K SIMPSON (58%); ALLYSON Y SCHWARTZ (58%); BRIAN ***BAIRD*** (58%); PATRICK T MCHENRY (58%); DENNIS MOORE (58%); J GRESHAM BARRETT (58%); THOMAS H ALLEN (58%); K MICHAEL CONAWAY (58%); RON KIND (58%); MARIO DIAZ-BALART (58%); ANDER CRENSHAW (58%); SCOTT GARRETT (58%); RICHARD E NEAL (58%); PETE SESSIONS (58%); ROB PORTMAN (58%); HENRY CUELLAR (58%); CONNIE MACK (58%); KENNY C HULSHOF (58%)

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