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(b)(3), (b)(6)

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Phoenix Base Camp, International Zone, Baghdad

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***Abstract***

(b)(3), (b)(6) gives a background on resource management in the 1990s, money shortages and capital deficits, transformation, funding operations in Iraq, executive-legislative confrontations over funding, and hard choices. Transcription priority: high for the topic of resource management.

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In the 1990s, BRAC led us toward closing places and reducing the force. We were trying to transition, but there were many divisions on how to handle resources. The peace dividend was not nearly as big as expected. Closing posts meant you had to spend money cleaning them up, and mothballing equipment meant you had to spend money getting it in shape, and you had to spend money shipping it wherever it was supposed to go. With the drawdown, there was the growth in the mission, from Rwanda, OSW, ONW, Bosnia, and Kosovo.

Technology offered us good equipment, but it was not coming fast enough. What matters more than the technology is the soldier. As long as you have trained soldiers, you can enable them with equipment and they will get things done. With the drawdown, many left. As a chief of staff said, we had the "best of the rest." The Army improved training, but then began taking away from the training base. Recruiters had to fight for resources. Basic training got reduced with the expectation that divisions would finish the training. Operations in Bosnia then reduced training opportunities and diverted more funds from training. RM had to fight for everything. The technology was useful, but it was just a tool. RM has always depended on computers, but we needed worker bees who could make the technology do what it was capable of doing.

We civilianized RM and almost all financial systems. We kept some finance personnel for when we go to war. Now Corps commanders' want bigger RM shops, and divisions only have a few RM personnel.

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In response to Rumsfeld's Transformation agenda and anti-bureaucratic campaign, the financial world is bureaucratic. Period. If it takes \$100 to run the Army, then payroll is \$25, the divisions are \$20 to \$25, \$20 needs to go to acquisitions, research, and development, and \$20 goes to training. In the 1990s, we did not have enough installation management funds, and commanders made do. 'Transformation' meant taking money from all of these programs, and getting rid of mid-level careerists helped because a young force is cheaper than an old force. Year-by-year, we had a growing capital deficit as installations' facilities aged without proper maintenance budgets.

Shinseki said you can't do it all at once: Bosnia, Housing, Stryker, etc, but "they" wanted to do everything. Some began talking of "just in time" funding, but we've been doing just-in-time budgeting for years. We have processes to obligate and de-obligate funding. We've learned to work very friendly with DFAS to turn documents quickly, the same day something has to hit the system.

As a result of being an RM (b)(3), (b)(7)(F) has learned about many different systems, including the supply system and building construction. Each process, such as MILCON, is very bureaucratic

In Iraq, RM is not hunky dory. Every account has its own color of money, and they can't mix. We can't move more than \$15 million without asking Congress. We have two-year money for FY 07-08 of \$5,542,000. We have a two-year security goal vis-à-vis the MoD and MoI. Iraq is at war, but the US is not at war (as seen by the resources we've committed to this).

The Iraqi Security Forces Fund is US only.

They (the Iraqis) are building their capacity to spend. The US Treasury Dept is working with them to automate their banking system. It is education as much as it is technology. They are making progress on spreadsheets, and trying to work on an "eministry." They are tying into IMF reports and trying to combat corruption. If you want to spend more than, about \$79, you have to get committee approval. Iraqi processes are very slow, but these are processes designed to combat corruption. My biggest religion is transparency. Everything is open.

This is the first job I've ever had where I will spend the entire year under investigation. GOA, SIGER, etc., they're all here. In accordance with Public Law 3303, I have to send a report in every quarter on what I've spent.

How do executive-legislative budget confrontations work out for RM?

The truth is relative to where you're standing. I think we're our own worst enemy sometimes, and I don't think it's because we're not telling the truth, it is because the truth changes over time because the assumptions change, as do requirements. The executive and legislative take different assumptions, forecast different things. No forecast holds up.

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It is [always] either way over budget, or way over program, and that's just the nature of the beast.

For example, I project a given amount to deploy a unit. The truth is, they don't need all the money I projected because their situation is better than I realized, or it is worse than I realized, and the actual requirement was much greater or much smaller than I had any way of knowing. I wish it was lying. It would be much simpler.

In last few months, we de-obligated \$900 million. It was a one-time thing. In the mid-90s, the RMs were forced to get creative, once. But you can only do it once. At 10th Mtn Div, the CG decided not to mow the grass, except around dining facilities and a few other places. The bureaucratic process has forced us to squeeze all flexibility out of the system. We've reduced manpower, equipment, infra structure. In 2001, we were on life-support in terms of infrastructure and equipment. We could not fix what had to be fixed.

Commanders are forced to make hard decisions because they don't have enough money for operations, missions, training, facilities, personnel, etc. There was not enough, and everything suffered. Then money showed up for Serbia, Kosovo, and now Iraq.

I don't know what the impact has been in the states, but I would be surprised if the infrastructure has been taken care of.

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