Mr. Chairman and Members of the Committee, it is my pleasure to appear before you today and represent the Department of Defense on the critical issue of Iranian missile developments and our programs to meet this, as well as other, emerging missile threats.

I know the Committee has just received a detailed presentation from members of the Intelligence Community on the Iranian medium-range ballistic missile program. The Department is very concerned about the accelerated development of such a medium-range missile capability - especially in the hands of a rogue nation. I want to clearly emphasize that while this specific Iranian capability appears to be emerging more quickly than previously expected, this is exactly the type and range of threat that we have based our Theater Missile Defense (TMD) program on for quite some time. In fact, our specific TMD architecture has been designed to address and counter this emerging threat. I might also add that this is not a new threat - we have seen it developing on the Korean peninsula for some time. What is new is its rapid emergence in the Middle East.

A medium-range ballistic missile threat, combined with existing SCUD-like systems, is the reason why the Department has embarked on - and I believe why the Congress has consistently supported - a TMD "family of systems" approach that utilizes highly interoperable, upper- and lower-tier missile defense systems. I know the Members of this Committee are keenly aware of these programs: the Patriot PAC-3, Navy Area Defense, THAAD, and Navy Theater Wide systems. These four systems comprise our "Core" TMD efforts. Our plan is to ensure that these four defensive systems can work together as a "family of systems" and therefore create a highly effective and highly interoperable defensive capability to protect U.S. and coalition military forces, as well as friends and allies.

Our TMD major defense acquisition programs are progressing as fast as they can given technical constraints and fiscal prudence. The PAC-3 system will begin fielding in Fiscal Year 1999. The Navy Area Defense system is to be incorporated into the Aegis fleet beginning in Fiscal Year 2000. Both these lower tier systems will inherently have some capability to defend against the medium-range threat potentially posed by Iran. These systems are, of course, optimized to defend against shorter-range systems, such as the SCUD-class missiles already in the missile inventories of several nations around the world. However, there is a "force-multiplier" effect and additional capability gained when we link them architecturally with other TMD systems, sensors, radars, etc. which is the essence of Interoperability and our "Family of Systems."

As my predecessor and I have both testified in the past, when we deploy the PAC-3, Navy Area Defense, and THAAD and Navy Upper Tier systems, we will have what the Congress has described as robust and effective missile defenses to meet the emerging missile capabilities we see around the world. However, although
designed for a shorter range of threat, we project both PAC-3 and Navy Area Defense systems to have a capability against medium-range missiles and will give us a hedge against such threats until the Upper Tier systems are in our inventory. We are currently optimizing the lower-tier systems by improving their ability to net data, receive advanced cueing and improve their overall interoperability within the TMD family of systems. Thus, one initiative we are interested in is to test those systems against longer-range threat-representative targets.

The development of upper-tier systems, such as THAAD and Navy Theater Wide, is of course our planned response to longer-range theater-class ballistic missiles. Upper-tier systems engage enemy ballistic missiles further down-range - away from the target - and at higher altitudes than lower-tier TMD systems. In addition, layered defenses - the combination of upper- and lower-tiered systems - allow us to increase overall system effectiveness by reducing the number of "leakers." This enhances our ability to protect our forces, friends and allies.

However, as recent testing has shown, our upper-tier TMD systems are very technically challenging. As the Committee is well aware, both systems have been experiencing difficulties in their development as well as on the test range.

The THAAD system has been very successful in every aspect except the very critical end-game during our four intercept attempts. We are working toward the next flight early next year after having thoroughly evaluated the technical and management aspects of the THAAD program and incorporated fixes -- and in my assessment it will be a successful test. Moreover, the Theater Wide program is still at the beginning stages of our acquisition process. Its current schedule does not call for a system level intercept attempt until Fiscal Year 2000. Though I, like the NTW Program Manager, am committed to an evolutionary acquisition strategy that would allow us to field NTW as quickly as possible, perhaps without all of its full capabilities. Currently, we are incorporating lessons learned from our THAAD experience across the board in our upper-tier systems in an attempt to make sure they are technically sound and can maintain or exceed their current schedules.

Again, Mr. Chairman, I feel our core programs are proceeding as fast as they can through the acquisition process. As the Committee and DOD consider appropriate responses to the Iranian missile program, we must carefully evaluate the options and not just try to accelerate these programs until they have fully demonstrated their ability to meet performance and cost baselines and achieve existing schedules.

(SEE ATTACHED 3 CHARTS - DEFENDED FOOTPRINTS)

Finally, Mr. Chairman, as the Committee is aware, we have been cooperatively developing the Arrow system with Israel since 1988. We have recently begun work on the third and final phase of the program with Israel - called the Arrow Deployability Program (ADP) - which is intended to expand Israel's effort to integrate the various components (radar, command/control and interceptor) with the Arrow weapons system to be fielded mutually toward the end of this decade. Our interest in the Arrow system has been twofold: First, many of the components of Arrow are similar to those in U.S. TMD systems and we both have learned vital lessons during the Arrow system's testing. Second, we are keenly interested in the interoperability of the Arrow system and U.S. TMD systems. We have been engaged with the Israelis to ensure that our TMD systems can operate side-by-side in future contingencies and
can share information in a manner that improves our overall defense of U.S. and coalition military forces, as well as friends and allies.

While the Arrow Weapon System will provide Israel a formidable missile defense capability against regional threats, the development and near-term deployment of longer-range ballistic missiles from Iran does pose an increased threat to Israel and to military forces of the United States and its allies in the region. In that regard, we have already initiated action to expand our on-going interoperability program with Israel to specifically address the emerging medium-range ballistic missile threat from Iran. Our bi-lateral assessment will examine a number of options for enhancing Israel's missile defense, ranging from improved warning and cueing, to additional Arrow missiles and other programmatic or technical options that could make Israel's defensive capability more robust. This effort as I stated, expands work already underway to ensure the interoperability of U.S. and Israeli missile defense forces.

Mr. Chairman, in closing, the Department is very concerned about this emerging situation in Iran - as well as the development of any missile program among the rogue states. We are progressing as rapidly as possible with our active TMD programs. We are working to ensure those systems can operate effectively and efficiently as a "family of systems." We recognize that we have not yet made that giant leap forward in defending against theater-class ballistic missiles since the Gulf War, but we are on the verge of doing so. These TMD systems are technically challenging in that they require a substantial amount of engineering development and integration. Finally, they require proof on the test range - proof that they can reliably hit and kill incoming ballistic missiles and their warheads. While I am confident that these systems will succeed, we have to prove it before we begin fielding them. In the meantime, there are options open to us to continue to improve our posture for rapidly fielding highly effective and interoperable TMD systems. The Department will review those TMD options, as well as other program and policy options available. Mr. Chairman, I look forward to returning to the Committee once that review is completed and to share the Department's recommendations with the Committee.

Mr. Chairman, that completes my opening statement. I look forward to answering the Committee's questions.