

Stenographic Transcript
Before the

COMMITTEE ON
ARMED SERVICES

UNITED STATES SENATE

HEARING TO RECEIVE TESTIMONY
IN REVIEW OF THE DEFENSE AUTHORIZATION REQUEST
FOR FISCAL YEAR 2016 AND THE FUTURE YEARS DEFENSE PROGRAM
Tuesday, March 3, 2015

Washington, D.C.

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Tuesday, March 3, 2015

U.S. Senate
Committee on Armed Services
Washington, D.C.

The committee met, pursuant to notice, at 2:43 p.m. in Room SH-216, Hart Senate Office Building, Hon. John McCain, chairman of the committee, presiding.

Committee Members Present: Senators McCain [presiding], Inhofe, Wicker, Ayotte, Fischer, Cotton, Rounds, Ernst, Tillis, Sullivan, Lee, Graham, Reed, Nelson, Manchin, Shaheen, Gillibrand, Blumenthal, Donnelly, Hirono, Kaine, King, and Heinrich.

1 OPENING STATEMENT OF HON. JOHN McCAIN, U.S. SENATOR
2 FROM ARIZONA

3 Chairman McCain: Good afternoon. I want to apologize
4 for keeping you waiting, Secretary Carter and General
5 Dempsey and Secretary McCord. We had a vote, and members
6 will be arriving.

7 The committee meets today to receive testimony on the
8 Department of Defense's fiscal year 2016 budget request, the
9 associated Future Years Defense Programs, and the posture of
10 U.S. Armed Forces.

11 Let me start by thanking each of you for your service
12 to our Nation and to the soldiers, sailors, airmen, and
13 marines here at home and in harm's way around the globe, and
14 to their families.

15 Over just the past 6 weeks, this committee has
16 undertaken a serious and rigorous review of the present
17 global challenges we face, as well a review of the United
18 States National Security Strategy.

19 We have received testimony from some of America's most
20 experienced statesmen and leading strategic thinkers. A
21 unified and alarming assessment has emerged from these
22 national leaders.

23 As former Secretary of State Dr. Kissinger testified on
24 January 29, "The United States has not faced a more diverse
25 and complex array of crises since the end of the Second

1 World War."

2 Given the accumulating dangers we face, it is notable
3 that the President supported the Department of Defense in
4 requesting a level of defense spending that is roughly \$38
5 billion above the caps imposed by the Budget Control Act and
6 sequestration, which mandates nearly \$1 trillion in defense
7 cuts over 10 years. In light of recent events, I think this
8 approach was more than justified.

9 With each passing year since the BCA was enacted in
10 2011, and with the United States slashing its defense
11 spending as a result, the world has become more dangerous
12 and threats to our Nation have grown. I don't think that is
13 purely a coincidence.

14 The President's budget request responds to many
15 critical priorities, particularly addressing cyber and space
16 vulnerabilities, military readiness shortfalls, and
17 essential long-term modernization initiatives.

18 At the same time, the President's request reflects
19 budget-driven policy decisions that would reduce some
20 critical military capabilities, either through the early
21 retirement or cancellation of existing systems, deferred
22 development or procurement of new systems, or withheld
23 funding for proven requirements.

24 This committee will closely scrutinize these decisions
25 and seek to meet urgent and legitimate military needs, where

1 possible.

2 As for meeting our growing national security
3 requirements, General Dempsey's prepared testimony this
4 afternoon states that the President's request is "at the
5 lower ragged edge of manageable risk" and leaves "no slack,
6 no margin left for error or strategic surprise."

7 I would go further. I question whether the Defense
8 Department's current strategy, which was released in January
9 2012, has not been overtaken by world events, which would
10 suggest the need for new strategic guidance and even more
11 defense spending than the President's request.

12 Just consider the events of the past year alone.
13 Russia has challenged core principles of the postwar order
14 in Europe by invading and annexing the territory of another
15 sovereign Nation. A terrorist army that has proclaimed its
16 desire to attack America and its allies now controls a vast
17 swath of territory in the heart of the Middle East. Iran
18 continues its pursuit of nuclear weapons while expanding its
19 malign influence across the region. North Korea mounted the
20 most brazen cyberattack ever on our territory. And China
21 has stepped up its coercive behavior in Asia, backed by its
22 rapid military modernization.

23 The findings of last year's National Defense Panel cast
24 serious doubt on whether our military can fulfill even the
25 current strategy at acceptable risk. This bipartisan group

1 of military commanders and policymakers stated that the
2 defense spending cuts imposed by the BCA and sequestration
3 "constitute a serious strategic misstep." More ominously,
4 the panel concluded that, "In the extreme, the United States
5 could find itself in a position where it must either abandon
6 an important national interest or enter a conflict for which
7 it is not fully prepared."

8 Based on its findings, the National Defense Panel
9 recommended unanimously that Congress and the President
10 immediately repeal the BCA and return, at a minimum, to the
11 last strategy-driven budget proposed by former Secretary of
12 Defense Robert Gates in 2011. That would mean \$611 billion
13 for the discretionary base budget for the Defense Department
14 in fiscal year 2016.

15 But here, too, I would note that the world has changed
16 significantly since 2011, and this recommendation is more
17 likely a floor, not a ceiling, of what we as a Nation should
18 be considering for our own defense.

19 While Senator Reed and I support the National Defense
20 Panel's recommendations, we recognize that \$611 billion for
21 defense is neither realistic in the current political
22 environment, nor is it likely that the department could
23 responsibly execute this funding in fiscal year 2016. That
24 is why Senator Reed and I came together in the Views and
25 Estimates letter that we sent last week to the Budget

1 Committee to propose an objective that, I hope, could be a
2 new basis for bipartisan unity: ending sequestration for
3 defense by allocating \$577 billion in discretionary base
4 budget authority for fiscal year 2016.

5 I recognize there are differences of opinion over
6 broader fiscal questions, especially how to approach
7 nondefense discretionary spending, but continuing to live
8 with the unacceptable effects of sequestration is a choice.

9 Sequestration is the law, but Congress makes the laws.
10 We can choose to end the debilitating effects of
11 sequestration, and we must, because at sequestration levels,
12 it is impossible to meet our constitutional responsibility
13 to provide for our national defense.

14 We look forward to the witnesses' testimony today and
15 hope that they will cover a broad spectrum of the policy and
16 resource issues the department confronts. I would also ask
17 our witnesses to share their views on the current situations
18 in Ukraine, Syria, and Iraq.

19 I want to thank Senator Reed for his continued
20 bipartisan cooperation that has characterized our
21 relationship for many years, especially on this joint letter
22 to the Budget Committee. I thank you.

23 Senator Reed?

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1 STATEMENT OF HON. JACK REED, U.S. SENATOR FROM RHODE
2 ISLAND

3 Senator Reed: Thank you, Mr. Chairman. Let me join
4 you in welcoming Secretary Carter, Chairman Dempsey, and Mr.
5 McCord.

6 Gentlemen, I appreciate your willingness to be here
7 today to talk about the President's fiscal year 2016 budget
8 request, which the chairman has noted is \$38 billion above
9 the Budget Control Act discretionary funding caps. But also
10 as the chairman noted, these BCA caps, coupled with the
11 imminent threat of sequestration level cuts and the lack of
12 budget stability necessary for military planning, create an
13 urgent and growing strategic problem that we simply must
14 address.

15 Indeed, in my view, it creates a problem for every
16 Federal agency and department. And I think sequestration,
17 across-the-board, must be ended.

18 On January 28, this committee heard stark testimony
19 from each of the service chiefs about the impact of reduced
20 funding levels. All of the services are working hard to
21 maintain near-term readiness to meet the "fight tonight"
22 requirement, but only by assuming increased risk in the form
23 of cuts and delays to training, maintenance, modernization,
24 and infrastructure sustainment, and by curtailing quality-
25 of-life programs.

1 As Air Force Chief of Staff General Welsh eloquently
2 stated, "When the bugle calls, we will win. But the
3 vulnerabilities sequestration introduces into our forces
4 will encourage our adversaries, worry our allies, limit the
5 number of concurrent operations we can conduct, and increase
6 risk to the men and women who fight America's next war."

7 The services, the men and women in uniform, are the
8 backbone of our Nation's defense, and they are under great
9 strain. I am, certainly, interested in the witnesses'
10 testimony on how the Department of Defense will continue to
11 manage this problem while a solution is not yet on the
12 horizon.

13 If you do not get the \$38 billion over the BCA, that is
14 the President's request -- again, Senator McCain and I are
15 urging even more -- what must be cut? And if sequestration
16 is not avoided, what else must be cut? And what is your
17 timetable for beginning to implement these cuts?

18 As I stated earlier, the services are focused on near-
19 term readiness, and they need to be, because they are
20 actively engaged around the world, fighting significant
21 challenges to U.S. national security interests.

22 In Afghanistan, the commanding general of U.S. Forces,
23 General Campbell, believes he has the resources and
24 authorities he needs for the 2015 fighting season, but the
25 Taliban remain resilient despite coming under pressure on

1 both sides of the Afghanistan-Pakistan border.

2 Operations against ISIS in Iraq and Syria continue at a
3 pace that appears to be rolling back their territorial gains
4 of last year and providing the time and space needed for
5 advise-and-assist programs. But this critical campaign must
6 continue unabated if it is going to be successful against
7 such a dangerous enemy. And the fight will be harder, each
8 and every day, especially as Iraqi forces try to enter urban
9 centers like Mosul.

10 In Europe, the post-Cold War international order is
11 under threat from a Russia that seeks to dominate Ukraine
12 and intimidate its other neighbors, including by conducting
13 increasingly aggressive military activities both within and
14 outside its borders. Turmoil in Yemen and Libya provide
15 safe havens for terrorists and must be closely watched. And
16 China's actions continue to make its neighbors uneasy.

17 Meeting all of these threats requires ready troops and
18 adequate funding, and I am interested in the witnesses'
19 views on how you are prioritizing this funding.

20 In addition to ongoing operations, there are emerging
21 threats, which will require immediate and significant
22 investments.

23 The recent cyberattack on Sony by North Korea
24 illustrates that even a relatively small and weak rogue
25 nation can cause extensive damage to U.S.-based economic

1 targets through cyberspace. The U.S. must work to counter
2 this threat.

3 In addition, I also understand that efforts are now
4 underway to protect our space assets from hostile acts, an
5 equally serious asymmetric threat and one that will require
6 substantial funding.

7 And in focusing on emerging threats, we cannot
8 disregard the significant funding necessary for the
9 maintenance and modernization of our nuclear enterprise,
10 including the Ohio-class replacement submarine.

11 I am interested in hearing how the department will
12 balance new threats with legacy programs. Clearly, the
13 department has many bills to pay, and they cannot do it
14 without the help of Congress.

15 Military personnel costs consume approximately a third
16 of the department's budget. The department has once again
17 submitted several proposals aimed at slowing the growth of
18 military personnel costs. This committee must carefully
19 consider these proposals, as well as the recommendations of
20 the Military Compensation and Retirement Modernization
21 Commission, in order to provide the Defense Department with
22 flexibility in these areas.

23 With regard to BRAC, I understand the department is
24 again requesting an additional base realignment and closure,
25 or BRAC, round in 2017. While BRAC has been controversial

1 in the past, I do believe that we need to consider efforts
2 to allow the Defense Department to shed what may be as much
3 as 25 percent in excess infrastructure it does not
4 necessarily need, and use these resources to invest in
5 higher priorities.

6 Again, I would appreciate your views on this matter.

7 While the focus today is on the defense budget, the
8 Pentagon simply cannot meet all these national security
9 challenges without the help of other government departments
10 and agencies, including State, Justice, Homeland Security,
11 and the intelligence community.

12 So, again, I would ask, as you speak, to comment on the
13 interagency necessities that are facing the department.

14 Let me commend all our witnesses for working hard. Let
15 me commend the chairman for his efforts, particularly in
16 leading our mutual letter to the Budget Committee.

17 I look forward to your testimony.

18 Chairman McCain: Secretary Carter?

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1 STATEMENT OF HON. ASHTON B. CARTER, SECRETARY OF
2 DEFENSE, ACCOMPANIED BY HON. MIKE McCORD, UNDER SECRETARY OF
3 DEFENSE (COMPTROLLER) AND CHIEF FINANCIAL OFFICER

4 Secretary Carter: Thank you, Mr. Chairman, Ranking
5 Member Reed, all the members of the committee. Thank you
6 for inviting me to be here today with you, and thank you for
7 confirming me as Secretary of Defense. I am honored by the
8 trust and confidence of President Obama in appointing me,
9 and the Senate in confirming me.

10 My care and respect for the men and women of the finest
11 fighting force the world has ever known is as boundless as
12 their skill and devotion. I know this committee shares the
13 same devotion to them and shares responsibility for them and
14 for the defense of our great country. And I hope that my
15 tenure as Secretary of Defense will be marked by partnership
16 with you on their behalf.

17 I am here to present the President's budget for the
18 Department of Defense for fiscal year 2016. Since I have
19 been on the job for exactly 2 weeks, it is plain that I did
20 not have a role in shaping this budget. But I have studied
21 it carefully, and I am fully prepared to answer your
22 questions about it and to work with you to find common
23 ground where you have concerns.

24 Most importantly, I strongly support the President in
25 requesting a defense budget above the artificial caps of the

1 Budget Control Act, above the so-called sequester levels,
2 next year and in the years thereafter. I share the
3 President's desire to find a way forward that upholds the
4 fundamental principles behind the bipartisan Budget Act of
5 2013, and I support the President's commitment to vetoing
6 any bill that locks in sequestration, because to do
7 otherwise would be both unsafe and wasteful.

8 Before I turn to the budget to explain what I mean by
9 that, allow me to share some observations from my short time
10 on the job, observations that help reinforce my testimony
11 here. Shortly after I was sworn in, I spoke to the people
12 of the Department of Defense -- military, civilian, and
13 contractor -- and told them I had three commitments as
14 Secretary of Defense.

15 The first is to them and their families, to their
16 safety, their welfare, and their effectiveness, and equally
17 to those who came before them and to those who will come
18 after them.

19 The second commitment is to assist the President as he
20 makes difficult decisions about how to defend the country in
21 a turbulent world, and then to carry out those decisions
22 where they involve the use of military force.

23 And the third commitment is to the future, to make sure
24 our military remains the very best in an ever-changing world
25 amidst fast-moving technological and commercial change, and

1 as we seek to attract new generations to the mission of
2 national security.

3 Because of those commitments, I traveled at the end of
4 my first week on the job to Afghanistan to visit our troops
5 and commanders, and also the leaders of Afghanistan and some
6 of their military leaders. I wanted to assess the
7 conditions on the ground there as we enter a new phase of
8 our long campaign and as we carry out the transition to an
9 enduring presence that will ensure, as the President says,
10 our progress in Afghanistan sticks.

11 Next, I traveled to Kuwait where I met with the emir
12 before convening senior American diplomats and military
13 leaders from throughout the region; Ambassadors from several
14 countries; our commanders from CENTCOM, EUCOM, AFRICOM, and
15 SOCOM; and the commanders of the campaign in Iraq and Syria
16 against ISIL. I wanted to hear directly from them about the
17 complex political and military situation in the region and
18 about the best approaches to leveraging U.S. leadership of
19 the broad coalition combating this ugly scourge. And this
20 afternoon, I would be pleased to discuss these challenges or
21 any others -- the chairman mentioned Ukraine -- in addition
22 to the budget.

23 The point is that in these regions of the world, just
24 as in the Asia-Pacific in Europe and elsewhere, it is
25 America's leadership and America's men and women in uniform

1 who frequently stand between order and disorder, who stand
2 up to malicious and destabilizing actors while standing with
3 those who believe with us in a more secure, just, and
4 prosperous future for all of our children.

5 But this Congress will determine whether our troops can
6 continue to do so. The administration is proposing to
7 increase the defense budget in line with the projection
8 submitted to Congress last year. By halting the decline in
9 defense spending imposed by the Budget Control Act, the
10 President's budget would give us the resources we need to
11 execute our Nation's defense strategy.

12 But, and I want to be clear about this, under
13 sequestration, which is set to return in 212 days, our
14 Nation would be less secure.

15 Mr. Chairman, as you yourself have reminded Congress,
16 sequestration threatens our military readiness, the size of
17 us our warfighting forces, the capabilities of our air and
18 naval fleets, and, ultimately, the lives of our men and
19 women in uniform.

20 The Joint Chiefs have said the same before this
21 committee, and they could not have been more clear in their
22 assessment of the damage sequestration would do to our
23 national security.

24 I want to commend you and thank you, Mr. Chairman,
25 Ranking Member Reed, for your very thoughtful letter to the

1 leadership of the Senate Budget Committee about the dangers
2 the sequestration, and I completely agree with you that the
3 threat of sequestration is, as you said, "a national
4 security crisis of the first order."

5 The great tragedy is that this corrosive damage to our
6 national security is not the result of objective factors,
7 logic, or reason. It is not that we have some new
8 breakthrough in military technology or some novel strategic
9 insight that somehow provides the same security for a
10 smaller budget. It is not that sequester is forced upon us
11 by economic emergency or dire recession that makes taking
12 grave security risks absolutely necessary. It is surely not
13 the case that the world has suddenly become more stable or
14 that America has less to do to keep it safe, allowing us to
15 take a peace dividend. It is not even that these cuts solve
16 the Nation's overall fiscal challenges, because the sad math
17 is that they are large and sudden enough to damage defense
18 but fail to resolve our long-term fiscal issues and the real
19 drivers of the deficit and debt.

20 Sequester was not the result of objective factors.
21 Sequester is purely the fallout of political gridlock. Its
22 purpose was to compel prudent compromise on our long-term
23 fiscal challenges, compromise that never came. This has
24 been compounded in recent years because the Defense
25 Department has suffered a double whammy, the worst of both

1 worlds, that has coupled mindless sequestration with
2 constraints on our ability to reform.

3 We need your help with both. I know that Chairman
4 McCain, Senator Reed, and others on this committee are as
5 committed to reform as I am, and I look forward to working
6 with you on new reforms.

7 We at the Pentagon can and must do better at getting
8 value for the defense dollar. Taxpayers have trouble
9 comprehending, let alone supporting, the defense budget when
10 they hear about cost overruns, insufficient accounting and
11 accountability, needless overhead, excess infrastructure,
12 and the like.

13 There are significant savings to be found through new
14 reforms across DOD, reforms that we are committed to
15 pursuing. But sequester cuts don't help us achieve any of
16 them. In fact, the nature of sequester frequently leads to
17 waste as, for example, when it forces a reduction in
18 contract production rates driving up unit costs.

19 But at the same time that I am committed to new and
20 further reforms, I must note that, in the past several
21 years, painful but necessary reforms proposed by DOD,
22 reforms involving elimination of overhead and unneeded
23 infrastructure, retirement of older force structure, and
24 reasonable adjustments and compensation, have been denied by
25 Congress.

1 I need your help with these reforms, which have been
2 frustrated at the same time sequester looms and at the same
3 time as we make new reforms. I will work with Congress to
4 resolve concerns and find common ground, but we must have
5 your help.

6 If confronted with sequester-level budgets and
7 continued obstacles to reform, I do not believe that we can
8 simply keep making incremental cuts while maintaining the
9 same general set of objectives that have anchored our
10 defense strategy. We would have to change the shape and not
11 just the size of our military, significantly impacting parts
12 of our defense strategy. We cannot meet sequester with
13 further half measures.

14 As Secretary of Defense, I will not send our troops
15 into a fight with outdated equipment, inadequate readiness,
16 or ineffective doctrine. But everything else is on the
17 table, including parts of our budget that have long been
18 considered inviolate.

19 This may lead to decisions that no Americans, including
20 Members of Congress, want us to make.

21 I'm not afraid to ask the difficult questions, but if
22 we are stuck with sequestration's budget cuts over the long
23 term, our entire Nation will have to live with the answers.

24 So instead of sequestration, I urge you to urge your
25 colleagues to embrace the alternative: building the force

1 of the future powerful enough to underwrite our strategy,
2 equipped with boldly new technology; leading in domains like
3 cyber and space, as the Chairman and Senator Reed said;
4 attracting and retaining the best Americans to our mission;
5 being lean and efficient throughout our enterprise; and
6 showing resolve to friends and potential foes alike.

7 I think we can all agree that the world in 2014 was
8 more complicated than anyone could've predicted. Given
9 today's security environment, the President's proposed
10 increase in defense spending over last year's budget is
11 responsible, and it's prudent.

12 I earnestly hope we can come together behind a long-
13 term budget approach that dispels sequester and provides
14 stability, rather than doing this one year at a time.

15 I hope we can again unite behind what our great Nation
16 should and must do to protect our people and make a better
17 world. And I hope we can provide our magnificent men and
18 women of the Department of Defense, who make up the greatest
19 fighting force the world has ever known, what they need and
20 what they fully deserve.

21 Thank you, Mr. Chairman, and I look forward to your
22 questions.

23 [The prepared statement of Secretary Carter follows:]
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1 Chairman McCain: Thank you, Mr. Secretary. I hope
2 that every Member of Congress is able to hear that message
3 that you have just conveyed. Thank you.

4 General Dempsey?

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1 STATEMENT OF GENERAL MARTIN E. DEMPSEY, USA, CHAIRMAN,
2 JOINT CHIEFS OF STAFF

3 General Dempsey: Thank you, Chairman, Ranking Member
4 Reed, other distinguished members of this committee. I
5 appreciate the opportunity to provide you an update on our
6 Armed Forces and to discuss our defense budget for 2016.

7 I would ask that my written statement be submitted for
8 the record. I will touch on just a few points of emphasis.

9 Our military remains strong today. However, with
10 threats proliferating, resources declining, and
11 sequestration just months away, our ability to assure our
12 allies is in question and our advantages over our
13 adversaries are shrinking.

14 This is a major strategic challenge, affecting not only
15 our military, but ultimately America's leadership in the
16 global world order. We face the reemergence of nation
17 states with the capability, and potentially the intent, to
18 constrain us. In space and cyberspace, our adversaries are
19 rapidly leveling the playing field. And we face an
20 increasingly capable network of non state actors, including
21 the Islamic State in Iraq and the Levant, who threaten our
22 national security interests both overseas and at home.

23 Our strategy against ISIL integrates and balances nine
24 lines of effort, only two of which are military. ISIL's
25 threat is transregional and will require a sustainable level

1 of effort over an extended period of time to create an
2 environment in which they will be expelled and ultimately
3 defeated.

4 In Europe, Russia seeks to reduce NATO and European
5 Union influence in Eastern Europe and generate disagreement
6 among our NATO allies on the very future of Europe. Russian
7 leaders have chosen a very dangerous path to achieve their
8 strategic objectives, lighting a fire of ethnicity and
9 nationalism not seen in Europe in 65 years, and it may burn
10 out of control. Our strategy is to reassure and reinforce
11 our NATO allies while considering other instruments of
12 national power to counter Russian aggression.

13 Altogether, the global security environment is as
14 uncertain as I have seen it in my 40 years of service. And
15 we are at a point where our national aspirations are at risk
16 of exceeding our available resources.

17 And that brings me to the budget. We have heard the
18 Congress loud and clear as over the years it has challenged
19 us to become more efficient and to determine the minimum
20 essential requirements we need to do what the Nation asks us
21 to do. PB16 is that answer.

22 In my judgment, this budget represents a responsible
23 combination of capability, capacity, and readiness
24 investment. It is what we need to remain, however, at the
25 bottom edge of manageable risk to our national defense. As

1 the chairman said, there is no slack, there is no margin
2 left for error, nor for response to strategic surprise.

3 Funding lower than PB16, and a lack of flexibility in
4 making the internal reforms necessary, could and will, in
5 fact, put us in a situation where our National Defense
6 Strategy will simply no longer be viable.

7 For the past 25 years, the United States military has
8 secured the global commons. We have deterred adversaries,
9 reassured allies, and responded to crises and to conflict by
10 maintaining our presence abroad. It has been our strategy
11 to shape the international security environment by our
12 forward presence and by building relationships among
13 regional partners.

14 In general terms, one third of the force is forward-
15 deployed, one third has just returned, and one third is
16 preparing to deploy. Of necessity, certain capabilities
17 actually operate with half of our forces deployed and the
18 other half recovering. This puts a significant strain on
19 our men and women in uniform and on their families.

20 Sequestration will fundamentally and significantly
21 change the way we deploy the force and shape the security
22 environment. We will be almost 20 percent smaller but our
23 forward presence will be reduced by more than a third. We
24 will have less influence, and we will be less responsive.
25 Conflict will take longer to resolve and will be more

1 costly, both in terms of dollars and in casualties.

2 In an age when we are less certain about what will
3 happen next, but quite certain that it will happen more
4 quickly, we will be further away and less ready than we need
5 to be.

6 Simply stated, sequestration will result in a dramatic
7 change in how we protect our Nation and how we promote our
8 national interests.

9 Mr. Chairman, members of this committee, our men and
10 women in uniform are performing around the globe with
11 extraordinary courage, character, and professionalism. We
12 owe them and their families clarity and, importantly,
13 predictability on everything from policy to compensation,
14 health care, equipment, training, and readiness.

15 Settling down this uncertainty in our decision-making
16 processes will help keep the right people, our decisive
17 edge, in our all-volunteer force and maintain the military
18 that the American people deserve and expect.

19 I am grateful for the continued support to our men and
20 women in uniform from this committee and this Congress, and
21 I look forward to your questions.

22 [The prepared statement of General Dempsey follows:]

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1 Chairman McCain: Thank you very much.

2 Chairman Dempsey, in front of the House Armed Services
3 Committee on February 25, General Breedlove testified, "I
4 think, first and foremost, Mr. Putin has not accomplished
5 his objectives in Ukraine, so next is probably more action
6 in Ukraine."

7 In your professional military opinion, do you think
8 General Breedlove is correct, that Putin will continue
9 kinetic military operations in Ukraine and places like
10 Mariupol because he has not yet accomplished his objectives?

11 General Dempsey: Chairman, in an April 2014 speech,
12 President Putin actually referred to a concept he described
13 as Novorossiia, which is New Russia, that stretches across
14 eight oblasts in Ukraine, essentially the eastern, southern
15 oblasts of Ukraine, and up into Transnistria.

16 He said that was what his intention was to do. And to
17 this point, their actions seem to suggest to me that they
18 may actually be intent on accomplishing it.

19 Chairman McCain: Does that convince you or give you
20 the view that we should be providing defensive weaponry to
21 Ukraine?

22 General Dempsey: Chairman, as you know, we have
23 provided about \$100 million in other kinds of aid. We have
24 a program to provide training.

25 Chairman McCain: My question is, do you believe that

1 we should provide defensive weaponry to Ukraine?

2 General Dempsey: If I could, Senator, the --

3 Chairman McCain: I know what you have done.

4 General Dempsey: Right.

5 Chairman McCain: Not enough. Go ahead.

6 General Dempsey: I think we should absolutely consider
7 providing lethal aid, and it ought to be in the context of
8 our NATO allies, because Putin's ultimate objective is to
9 fracture NATO.

10 Chairman McCain: I thank you, General.

11 Today in Tikrit, Secretary Carter, the Shia militia
12 with the Iranian Revolutionary Guard leader, among others,
13 and Iranian air, is now attacking Tikrit, the hometown of
14 Saddam Hussein, as we recall. And the majority of that
15 effort, with a couple thousand Iraqis, is being undertaken
16 by the Shia militia, the same militia that we fought against
17 in the surge, the same militia that, according to estimates,
18 manufactured the IEDs, which directly resulted in the deaths
19 of some 1,000 or 2,000 young Americans.

20 Are you concerned that Iran is basically taking over
21 the fight? And according to the Wall Street Journal this
22 morning, we are observing that operation. Does that ring an
23 alarm bell with you, Mr. Secretary?

24 Secretary Carter: It does. It does. Our approach to
25 combating ISIL in Iraq is to work with the Iraqi security

1 forces and a multisectarian government that takes a
2 multisectarian approach to defeating ISIL and regaining
3 control of its own territory.

4 Sectarianism is what brought us to the point where we
5 are, and so I do look at it with concern. We are watching
6 it very closely. The Shia militia is involved. Also, the
7 Iraqi security force is involved. Some Sunni forces are
8 involved.

9 And I would note that some Sunni tribal leaders in
10 Tikrit, and this is important, have signaled their support
11 for this offensive. And if that is true, it is good news,
12 because it suggests that this is not purely a Shia on Sunni
13 thing.

14 But this is the problem that brought Iraq low, so I am
15 looking at it with great concern.

16 Chairman McCain: And, of course, there are well-
17 documented human rights violations, significant, by Shia
18 militia on Sunni, as we all know.

19 Secretary Carter, you just returned from Afghanistan,
20 an excellent visit, from all reports. And my understanding
21 from media reports is that you will be reevaluating the
22 calendar-driven plan for withdrawal from Afghanistan.

23 Is that true? And can you tell us what recommendations
24 you have in mind?

25 And by the way, we have been hearing about these

1 recommendations for a year or 2 now. Do you have any
2 timeline as to when a decision may be made, because
3 according to the calendar-driven plan that is now a place,
4 we are going to have to be withdrawing troops very soon.

5 Can you update us on that?

6 Secretary Carter: I, certainly, can. That was the
7 reason that I went to Afghanistan, second only to the
8 primary reason, which is to see our fantastic people who are
9 there and let them know that we are all with them and think
10 about them every day.

11 But I had an opportunity to assess conditions on the
12 ground there, to discuss them with President Ghani, and I
13 will share my observations.

14 But just to get to the answer to your question, I think
15 the phrase I used when I came before you last was, we have a
16 plan, but a plan is a plan, and a plan is something you
17 adjust over time. So I think we can adjust our plan over
18 the next year or 2.

19 I did discuss that with President Ghani. I have
20 discussed that here in Washington. I don't know what
21 decisions the President will make in that regard or the
22 timetable on which he will make them, but I, certainly, have
23 had the opportunity to acquaint myself with them.

24 And one other thing I would like to say is that
25 President Ghani gave me a very articulate depiction of

1 conditions and how they changed, and what the good things
2 have been and what the bad things have been. I don't want
3 to take too much time, but I just wanted to tell everybody
4 on this committee that the first thing he said to me when he
5 saw me was, would you please go home and tell everyone
6 there, and especially the troops, that I know that almost 1
7 million Americans have come through here in the last decade
8 to help my country, and that thousands of them have been
9 killed and wounded, and I want you to know, thank you.

10 I just wanted to tell you that, because I haven't heard
11 that for a long time.

12 Chairman McCain: But it is your opinion that the
13 present plan needs to be revised?

14 Secretary Carter: I think that there are going to be
15 respects in which the President is going to want to consider
16 the conditions that have changed. I will give you some
17 examples of that.

18 Chairman McCain: I understand the examples. But do
19 you want to stick with the calendar-driven plan as it is
20 now, or do you want it to be revised?

21 Secretary Carter: No, I think we need to do
22 conditions. In any military plan, we have to be conditions-
23 based, absolutely, firmly.

24 Chairman McCain: I thank you. I thank both of you for
25 your testimony.

1 Secretary McCord, do you want to add anything?

2 Mr. McCord: Not on the subject of Afghanistan. Thank
3 you.

4 Chairman McCain: Thank you.

5 Senator Reed?

6 Senator Reed: Thank you, Mr. Chairman, and thank you,
7 gentlemen, for your testimony, for your service.

8 Just quickly following up, Mr. Secretary, you have been
9 to Afghanistan, Iraq, and the region, and also been in
10 communication with foreign leaders, your counterparts across
11 the globe. Are they aware of the impending sort of
12 budgetary train wreck in the United States? And does this
13 create anxiety and the conclusion that we won't have the
14 resources, even if we have the resolve?

15 Secretary Carter: Well, in general, they are polite
16 enough not to raise this question, but when I have had
17 conversations with foreign leaders, I think it is
18 distressing to me because they hear everything we say, and
19 they see everything we do, and they get a very clear picture
20 of the dangers of sequester. They probably get an outsized
21 picture of our lack of will.

22 But this is not good, for our friends. Of course, I am
23 only talking to our friends, so I can only imagine what our
24 foes are thinking. But they are probably thinking the same
25 thing, "What are these guys doing to themselves?"

1 And this is why it's not only a substantive matter, but
2 it is a matter of appearances and deterrence that we get our
3 act together with respect to sequester.

4 Senator Reed: So, essentially, this goes beyond just
5 the numbers in the budget and what programs we are going to
6 fund. This goes to the perception of the world of the
7 United States being both capable and resourced to carry out
8 a strategy to support their allies and oppose their
9 adversaries. Is that accurate?

10 Secretary Carter: That is exactly right.

11 Senator Reed: And the other side of this coin, too,
12 is, we are not in a situation where our allies seem to be
13 stepping up to the plate to fill in the gaps, either the
14 NATO countries or even our gulf allies.

15 Secretary Carter: Amen to that. You mentioned the
16 Europeans. Europeans, our NATO partners, made a pledge to
17 take steps that would, for most of them, involve an increase
18 in defense spending. And they really need to take that
19 step, because we can't be the only one on our team with
20 military potential in that theater, which, as you and the
21 chairman have mentioned with respect to Ukraine, is a very
22 dangerous one.

23 Senator Reed: I don't want to beat a dead horse, but
24 their enthusiasm to raise their defense budget is probably
25 affected by our lack of will to raise ours, not just the

1 defense budget, but other budgets. Is that correct?

2 Secretary Carter: That well could be, and it is yet
3 another reason for us to get it together here.

4 Senator Reed: General Dempsey, you mentioned there are
5 nine lines of operation against ISIL, and the Department of
6 Defense has I think you said two. So there are seven lines
7 being funded outside the DOD budget. Is that accurate?

8 General Dempsey: Yes. Some of the lines, for example,
9 counter messaging, reside partially within our budget, but
10 generally, the answer to that is yes.

11 Senator Reed: So that even if we were to restore some
12 significant funding to the Department of Defense on the
13 ground, you would still be without the resources you need to
14 defeat ISIL and degrade ISIL?

15 General Dempsey: Yes, sir. If what you mean is that
16 we need the whole-of-government here, absolutely.

17 Senator Reed: State, Homeland Security.

18 General Dempsey: Right.

19 Senator Reed: And when you talk about the situation
20 with Ebola recently.

21 General Dempsey: Counter-foreign-financing, which
22 works through Treasury.

23 Senator Reed: The Treasury Department, et cetera, et
24 cetera.

25 So there is not a nice, neat separation between our

1 national security and DOD and the rest of government.

2 General Dempsey: Not on the ISIL campaign, no, sir.

3 Senator Reed: Secretary Carter, just doubling back
4 here for a moment, let's assume the worst and we don't move
5 above the BCA and sequestration, how does this affect our
6 overseas OCO accounts? Is there an effect you see on our
7 ability to fund them? Do you have to borrow from Peter to
8 pay Paul?

9 Secretary Carter: You mean if we are denied what we
10 are asking for in the base budget? Well, we also have an
11 OCO budget, as you say. There isn't slack in the OCO
12 budget. That is money being spent for real things.

13 It is being spent for the campaign against ISIL. It is
14 being spent in Afghanistan. It is being spent in the Horn
15 of Africa.

16 So OCO is committed to the here-and-now ways that we
17 are protecting our security, and we can't rob Peter to pay
18 Paul.

19 Senator Reed: And just in that same vein, General
20 Dempsey, another way to approach the problem, how are you
21 going to manage the strategic risk if we have the situation
22 of sequestration in place, and the Budget Control Act?

23 General Dempsey: As you know, sir, I have submitted
24 the chairman's risk assessment, which establishes the fact
25 that we are at significant risk against the strategy as it

1 was conceived in 2012 already. What we have been doing is
2 we have been increasing risk over the past 3 or 4 years.

3 What I would tell you now is that if we don't get
4 funded at the PB16 level, and if we don't get the reforms
5 inside of the budget, because it is \$4.2 billion for this
6 year, but it accrues to, I think, \$40 billion over the FYDP,
7 if we don't get that, the strategy is going to have to
8 change.

9 So if you are asking me how I am going to manage the
10 current strategy, it is unmanageable.

11 Senator Reed: Thank you, Mr. Chairman.

12 Senator Inhofe: Secretary Carter, you heard the answer
13 General Dempsey just gave. Do you agree with his statement?

14 Secretary Carter: I do.

15 Senator Inhofe: You know, I wasn't here. I am sorry I
16 missed your opening statement, and I didn't have the benefit
17 of reading it. But I think it is worthwhile getting on the
18 record again -- you have heard many times the statements of
19 James Clapper and others.

20 The Clapper statement: "Looking back over my now half
21 century of intelligence, I have not experienced a time when
22 we have been beset by more crises." He repeated that in a
23 different way later.

24 And, of course, just last week, we had General Stewart
25 saying essentially the same thing.

1 Now I assume that you agree with those statements?

2 Secretary Carter: I do. When I started in this
3 business, there was one problem, which was the Soviet Union.

4 Senator Inhofe: Those were the good old days, weren't
5 they? I can say that.

6 Secretary Carter: I remember enough not to be too
7 nostalgic. It was pretty serious. But the world is so much
8 more complicated, so much more is happening, exactly as you
9 say.

10 Senator Inhofe: Hearing Prime Minister Netanyahu this
11 morning, that just drove that home. I was thinking how easy
12 that was. Yes, the threat was terrible. We had two
13 superpowers. We knew what they had, and they knew what we
14 had. They were predictable. We were predictable. Mutual
15 assured destruction meant something. It doesn't mean
16 anything anymore.

17 And I was just thinking about that, how different that
18 is today.

19 The other thing I wanted to mention is that, General
20 Odierno, Admiral Greenert, General Welsh, and General
21 Dunford all testified, and they talked about if sequester is
22 coming in. Now you said something that I think is even more
23 significant. You said even with the fiscal year 2016
24 budget, the Army, Navy, and Marine Corps won't reach their
25 readiness goals until 2020 and the Air Force until 2023. Is

1 that accurate?

2 So what you are saying there is even our budget,
3 without the sequestration, you are saying that threat is
4 there.

5 Secretary Carter: What is going on there is digging
6 ourselves out of a hole of sequester in the past,
7 particularly the 2013 budget, the year in which the shutdown
8 occurred, and so forth.

9 The thing about readiness is that it is easy to have it
10 fall off, but then it takes time to build it back. I think
11 what the chiefs are saying absolutely accurately is we lost
12 a lot of readiness through the turmoil of the last few
13 years. Even if we are given the opportunity, as we hope
14 with this budget, to start building back, it is just in the
15 nature, it is in the nature of training, that it takes a
16 while to get that readiness back. So I do agree with them.

17 Senator Inhofe: Secretary Carter, you were over there.
18 Of course, this is the first time you have appeared before
19 this committee in this capacity. When you were over there
20 and you apparently had some time, good quality time with
21 President Ghani, when you were there, and it was observed, I
22 think by General Dempsey, that we don't operate in a vacuum
23 here. What we are saying the whole world knows. Is there
24 anything you want to add with our relationship with
25 President Ghani that would be beneficial to have the whole

1 world know, or those who are participating in that theater?

2 Secretary Carter: Yes. One thing, which is that he is
3 a partner in a way that we have been looking for and without
4 whom the sacrifice that we have made over these last 10
5 years can't be successful.

6 He understands what we have tried to do for him. He
7 knows that it has been a great benefit to his country and
8 not just to protect our country, which, of course, it has,
9 and was why we went there in the first place, to protect
10 ourselves from the breeding ground of the 9/11 attacks on
11 our own country.

12 I think everybody who participated in this campaign
13 ought to know that around the world and in our coalition,
14 that we have now in President Ghani somebody who really gets
15 the sacrifice that we have all made on behalf of
16 Afghanistan, and is committed to making the progress that we
17 made there stick. That is what I would say.

18 Senator Inhofe: Okay. That's good. I appreciate
19 that.

20 Senator Reed talked about our limited resources now,
21 and I wasn't sure I understood your answer there. Do you
22 think people are out there -- it doesn't matter where they
23 are. It can be the Ukraine. It can be Georgia. It can be
24 anyplace. Do they recognize that we don't have the
25 resources we have historically had, and we are not able to

1 do what we historically have done?

2 Secretary Carter: Well, they hear us saying that, and
3 they hear us debating that. You know, I hope, and this is
4 something I try to say, and I am sure you all try to say,
5 which is yes, we are having internal debates and so forth,
6 and we don't like what is going on here, and I have,
7 certainly, said that today. But don't underestimate the
8 will and the power of the United States. I hope people
9 understand that as well, because we still have the greatest
10 fighting force the world has ever seen.

11 Senator Inhofe: Yes, I understand that. And we are
12 aiming that toward others. People look at us, and yes, we
13 do. But looking here at home, when even you admit that with
14 the current budget, even without sequestration, our risk
15 level is going to increase, right?

16 Secretary Carter: That risk as measured in the
17 readiness that needs to be restored, as you mentioned, yes.

18 Senator Inhofe: Risk means lives, doesn't it?

19 General Dempsey, should Congress pass AUMF without
20 restrictions?

21 General Dempsey: I am the military guy in the room,
22 and I would always seek to preserve all of our options. I
23 was consulted on the document passed in the Congress, and it
24 will allow us to meet the campaign as we've designed it.
25 You say without restriction. That really now becomes a

1 decision between you and your colleagues.

2 Senator Inhofe: All right. Secretary Carter?

3 Secretary Carter: Exactly the same answer. Key to us
4 is, can we do our campaign?

5 Senator Inhofe: Okay, thank you, Mr. Chairman.

6 Senator Reed: [presiding] Senator Hirono, please.

7 Senator Hirono: Thank you, Mr. Chairman.

8 Thank you, gentlemen, for your service and your
9 testimony.

10 Secretary Carter, as the department continues to
11 rebalance our military forces in the Asia Pacific and the
12 Middle East, there are, clearly, challenges, in terms of
13 available resources. I know from our January meeting that
14 you agree that stability in the Asia-Pacific region is
15 critical to our national security, even as there is
16 instability in so many other parts of the world.

17 So you mentioned today once again in your testimony
18 that one of the priorities is to continue our commitment to
19 the rebalance to the Asia Pacific. So I did want to
20 highlight one related issue that I would like to continue to
21 discuss with you, and that is, there are plans in place to
22 shift a number of military personnel and assets from Hawaii
23 to include naval vessels, aircraft, Air Force tankers, back
24 to the continental U.S. by 2020.

25 I am concerned about how moving these kinds of

1 significant capabilities away from the region, while we are
2 supposed to be committed to the rebalance to the Asia
3 Pacific, will look to our allies and to our adversaries. So
4 I would like to continue this discussion with you, as we go
5 forward.

6 This is a question relating to energy security. In
7 April 2014, there was a DOD directive to all of our service
8 entities. It was signed by the acting Deputy Secretary of
9 Defense. This was a new energy directive to enhance
10 capabilities while improving energy security and mitigating
11 costs, because we all acknowledge that the DOD is the
12 largest user of energy in our country.

13 Can you tell us where DOD stands in regards to
14 implementing this directive, which, by the way, goes to
15 2024? And how is it supported in the President's budget?

16 Secretary Carter: Thank you, Senator.

17 On the first point, I agree with you entirely. The
18 Asia-Pacific rebalance is a critical part of our strategy
19 going forward. We can't forget, as we are embroiled in the
20 conflict against ISIL, which we must win, that it is a big
21 world out there. We have interests and friends and
22 challenges throughout the world, and the Asia-Pacific is
23 where half the world's population and half the world's
24 economy resides.

25 So I agree with you, and I would be happy to discuss

1 that. We have done that before, and that is a continuing
2 commitment not only of mine and yours, but of our country.
3 So I would be happy to talk to you about that.

4 With respect to energy, a very important point. And
5 the energy landscape is changing a lot, and the Defense
6 Department is, as you say, the largest user of energy in the
7 Federal Government, by far, and, therefore, has a real stake
8 in where we go with respect to energy and a role to play in
9 getting us there.

10 I signify, if I may, two ways in which we do that. One
11 is R&D in areas that are particularly important to defense,
12 where because of our particular needs, we may be an early
13 adopter of technology. That is a longstanding role of the
14 Department of Defense in many things, like the Internet and
15 everything else. We are doing it for defense, but it has
16 spinoffs.

17 And the other way we play a role is in the country's
18 overall energy strategy. And obviously, that is Secretary
19 Moniz's responsibility, and the President's, but we try to
20 make sure that what we are doing is aligned with them.

21 And, of course, finally -- I don't want to go on too
22 long -- overall, our energy situation has improved
23 tremendously in the last couple years, and our opportunities
24 have widened. And that has been good for defense, because
25 we are, for example, a huge user of fuel. And when oil

1 prices come down, we benefit from it. Thank you.

2 Senator Hirono: Thank you for your continuing
3 commitment.

4 General Dempsey, there was a recent RAND workplace
5 survey report that indicated that 62 percent of women who
6 reported an unwanted sexual contact to military authorities
7 indicated that they experienced at least one form of
8 retaliation. A significant number of these retaliations
9 came from coworkers, not from the command structure.

10 So this is a difficult situation, and I would like to
11 know what your thoughts are on this type of retaliation and
12 how it can be curtailed within the service.

13 General Dempsey: Well, it is absolutely unacceptable.
14 There were 12 metrics that we have established to track
15 progress toward ridding the professional force from this
16 stain. Ten of them trended positively, two of them
17 negatively. One was the retribution issue.

18 Thankfully, a companion piece was that the vast
19 majority of respondents -- and by the way, we had an unusual
20 number of respondents for a survey -- expressed faith in the
21 chain of command. So we actually have been able to isolate
22 the issue to peer-on-peer retribution.

23 Senator Hirono: Yes.

24 General Dempsey: And so you ask what we are doing
25 about it. Well, based on that survey, actually, we have had

1 several meetings. The Secretary convenes a meeting every 2
2 weeks, I think it is. We had one yesterday. That is the
3 topic. We are looking to get after that, but we actually
4 are encouraged that we have been able to turn the trendline
5 on 10 out of 12. We have to go to work on the other two,
6 and keep our eye on the first 10.

7 Senator Hirono: Yes, there will be continuing, I
8 think, interest on the part of most members, many members of
9 this committee --

10 General Dempsey: As there should be.

11 Senator Hirono: -- on how you are doing on the peer-
12 to-peer.

13 General Dempsey: We don't mind that a bit. We have to
14 work on this.

15 Senator Hirono: Thank you.

16 Thank you, Mr. Chairman.

17 Senator Reed: Senator Wicker, please.

18 Senator Wicker: Thank you.

19 Secretary Carter and General Dempsey, I want to ask
20 first about the big picture. And in the 6 minutes that we
21 have, I would like to drill down a little on Afghanistan.

22 Last week, Director of National Intelligence James
23 Clapper spoke to us, and he said, among other things,
24 unpredictable instability is the new normal. And, Secretary
25 Carter, I think this is what you and Senator Inhofe were

1 talking about when you said we used to know the exact
2 threats, and it was one big threat, and now it is unstable
3 and unpredictable.

4 General Clapper also said this. He noted that, last
5 year, there were more deaths from state-sponsored mass
6 killings, more people displaced from their homes, and a
7 higher rate of political instability than we have seen in
8 decades. It was the most lethal year for global terrorism
9 in 45 years. That is Director Clapper.

10 Now, only a few days before, Secretary of State Kerry
11 told the House Foreign Affairs Committee that we are
12 actually living in a period of less daily threat to
13 Americans and to people in the world than normally, less
14 deaths, less violent deaths today than through the last
15 century.

16 Now, Secretary Carter, are we living in a period of
17 less daily threats to Americans?

18 Secretary Carter: Senator, I haven't seen that
19 particular comment of Secretary Kerry --

20 Senator Wicker: That is the exact quote.

21 Secretary Carter: -- with what the context of that
22 was.

23 But I would say two things. One is, to get back to
24 what Director Clapper said about an uncertain world and one
25 in which new and different threats are constantly emerging,

1 I would agree with that completely. I just simply don't
2 know what Secretary Kerry said in that particular instance,
3 Senator, what the context for it was.

4 But we, certainly, have serious threats to the United
5 States around the world. I guess it is a good thing that we
6 have combated terrorism as vigorously as we have since 2001,
7 and we have made a lot of changes, a new Department of
8 Homeland Security, a lot of changes in intelligence in the
9 Department of Defense. So I think we have upped our game
10 considerably.

11 At the same time, our opponents, both state opponents
12 and terrorists, continue to be pretty ingenious.

13 Senator Wicker: Mr. Secretary, I would just observe,
14 in terms of the level of threat, it is hard to square the
15 two statements coming from two members of the same
16 administration. Either we are living in a time of higher
17 instability and more deaths from state-sponsored mass
18 killings, or we are in a period of less daily threats to
19 Americans, this second statement coming from our chief
20 negotiator with the Iranian regime.

21 And I will have to say to you, it causes me concern
22 that Secretary Kerry would feel this way while at the same
23 time trying to negotiate a nuclear deal with this terrorist
24 nation.

25 General Dempsey, if the Secretary of State is correct,

1 perhaps we don't have to avoid sequestration, if we are
2 living a period of less daily threats to American, less
3 threats to the people of the world, than normally. Perhaps
4 we could stick with sequestration, if that is the case.
5 Wouldn't you agree?

6 General Dempsey: Well, you know, I would say this,
7 Senator, one of the ways the military actually contributes
8 to this argument is by being forward-deployed, so that we
9 can shape and influence the future.

10 You may have heard me say in the past the last thing we
11 want to do is play a home game. If you sequester us, we
12 will be playing a home game.

13 Senator Wicker: Well, you know where I stand on
14 sequestration.

15 General Dempsey: I do, sir.

16 Senator Wicker: And I am doing everything I can,
17 working with the bipartisan leadership of this committee.

18 And I appreciate your testimony on page 3, General
19 Dempsey, that threats are proliferating. It seems to me
20 that that is what is obvious out there.

21 It does concern me, though, when the Secretary of State
22 completely misses the point, as demonstrated by the
23 juxtaposition of Director Clapper's statement and the
24 Secretary of State's statement.

25 Now, Secretary Carter, on the first page of your

1 testimony, thank you for commending our troops. You say, in
2 Afghanistan, our soldiers, sailors, airmen, and marines are
3 helping cement progress made toward a more secure, stable,
4 and prosperous future.

5 I want to salute you for saying that we have made
6 progress. It seems to me that there are some people out
7 there listening, maybe to the network news or some of the
8 talking heads, who would conclude that things have gone to
9 hell in Afghanistan.

10 As a matter of fact, as you pointed out, in response to
11 Senator Inhofe's question, President Ghani and his chief
12 opposition leader are in a partnership. They appreciate our
13 presence there, and we have made progress. Things are headed
14 in the right direction. And 10 years' worth of blood and
15 sacrifice has gotten us to where we are.

16 You say they are working to ensure that Afghanistan
17 never again becomes a safe haven for attacks on our homeland
18 or our partners and allies.

19 I think 6 years ago, you might have been able to say
20 that about Iraq. And I just wonder what lessons we have
21 learned from Iraq and what assurances you can give with the
22 plan the administration has, with the President's plan for a
23 drawdown of troops in Afghanistan, that we won't lose the
24 progress that we have made that you have talked about, to
25 cement the progress toward a more secure, stable, and

1 prosperous future in Afghanistan, and toss that all away, as
2 we have elsewhere.

3 Secretary Carter: Thank you, Senator. And we do have
4 the opportunity to cement it. You said, what is the
5 difference between Iraq and Afghanistan? They are very
6 different situations in the following two ways.

7 The first is that we, as President Ghani clearly
8 indicated to me, but he has said this publicly, he wants us
9 there. We have a willing partner. We have a bilateral
10 security agreement, which we didn't get with Iraq, welcoming
11 us to stay in Afghanistan. That is the first thing.

12 And the second thing is that we have a partner in
13 President Ghani. And you mentioned Dr. Abdullah, the chief
14 executive officer, and that is an important point, as you
15 note.

16 They are working together. I saw both of them. I saw
17 both of them together. I kind of watched their
18 relationship. And they have agreed to work together in a
19 multisectarian, if I can use that phrase, way, which is
20 exactly what didn't happen in Iraq, the devolution to
21 sectarianism. And that is what led to the opportunity the
22 cruel force of ISIL exploited and to the situation we are
23 now in.

24 So we have an opportunity in Afghanistan, for those two
25 critical reasons that are so different from Iraq, to get an

1 outcome that really is cemented.

2 Senator Wicker: General, would you like to comment on
3 that?

4 General Dempsey: There is a terrorist network that
5 stretches from Afghanistan to Nigeria, and we have to keep
6 pressure on it along its entire length. And I think
7 Afghanistan is and will remain an anchor point for that
8 pressure.

9 Senator Wicker: Thank you.

10 Thank you, Mr. Chairman.

11 Senator Reed: Senator Blumenthal, please.

12 Senator Blumenthal: Thanks, Mr. Chairman.

13 I want to shift to an area where both of you have
14 demonstrated a lot of attentiveness and caring, which is the
15 well-being of the extraordinary men and women whom you
16 command while they serve under you and afterward when they
17 become veterans. I know that both of you have shown that,
18 indeed, Mr. Secretary, in your prior life, when you worked
19 as Undersecretary. And, General Dempsey, I was privileged
20 to watch you perform at a recent event sponsored by the
21 Woodruff Foundation, so I know how active you are in support
22 of our troops and our wounded warriors.

23 I want to focus on the connections between the DOD and
24 the V.A., having now seen it from the perspective of the
25 V.A., the Veterans Administration, in my capacity as ranking

1 member. I am struck by the need for better information.
2 The health electronics records have been a point of
3 contention, but so have the formulary issue, the drug
4 formulary issue. There are a variety of areas where there
5 needs to be simply better coordination. That is a
6 Washington word, "coordination," "collaboration."

7 But can you see ways that we can improve the flow of
8 information and the help that veterans get, particularly our
9 veterans who suffer from posttraumatic stress and traumatic
10 brain injury, which, as you know, both Chairman McCain and I
11 have addressed in the Clay Hunt Veterans Suicide Prevention
12 bill that we cosponsored and that recently passed. But that
13 is just a beginning, a down payment.

14 And I wonder what more we can do in that area. I know
15 we have talked about it a little bit, and I wonder if you
16 could address that in the context of the budget.

17 Secretary Carter: I can, and thank you for that. We
18 did discuss it. And accordingly, I have tried to see where
19 things stand and assess it.

20 I have a great partner in the Secretary of Veterans
21 Affairs, and I have talked to him. To the soldier, sailor,
22 airman, and marine, they shouldn't have to worry that there
23 are two Cabinet departments that are responsible for taking
24 care of them. They shouldn't have to worry about that. We
25 should have to make it knit together.

1 You mentioned IEHR, the Integrated Electronic Health
2 Record program, formulary issues, which have to do with
3 pharmacies and what they call drugs and so forth. So, yes,
4 we do need to stay closely knitted, and we will.

5 I wanted to particularly note your work on PTS, simply
6 because that is one of these things that we have learned
7 through sad experience in the last decade or so is a serious
8 thing that can also be treated. And I think you have been
9 the one championing, and I thank you for that. And we will
10 do it, making sure that veterans who came along before there
11 was this awareness and before there were these treatments
12 are given the benefits of this awareness and given the
13 benefits of this treatment.

14 I have looked into that since you and I have talked. I
15 can say more about that and we can talk about it privately,
16 but I understand exactly the need that you were pointing me
17 to, and I think I see a way that we can address that. That
18 is really important for our older veterans.

19 Senator Blumenthal: Well, I appreciate those comments.
20 And you are absolutely right. The diagnosis for PTS began
21 in the 1980s, but troops were suffering from it way before
22 then. And part of the challenge is to not only care for
23 them, and you mentioned there are treatments, but in many
24 ways, PTS is still a mystery. There are centers of
25 excellence that the V.A. has established. One of them

1 happens to be at the V.A. facility in West Haven, in
2 Connecticut, under the aegis of Yale New Haven and the
3 psychiatrists and so forth there, and they are doing some
4 great work.

5 But with proper support, and I hope it will come from
6 the Department of Defense as well as the V.A., so much more
7 can be done and more effective treatment, which we are just
8 beginning to discover, as you observed.

9 Let me just conclude by going through some of the
10 procurement issues that I think are important.

11 The Joint Strike Fighter, I am pleased to see the
12 increase there from 38 to 57, which, going back again to
13 your prior service in the Department of Defense, might not
14 have been predicted at that time, the, in effect, vote of
15 confidence. I don't want to speak too strongly, but it
16 looks to me like that procurement program is proceeding
17 well. Am I correct?

18 Secretary Carter: I think we have stability in the
19 Joint Strike Fighter program, compared to 5 years ago. And
20 that is the basis on which the ramp-up of production is a
21 prudent thing to do. And that is a good opportunity for us,
22 that the program is running that way.

23 Senator Blumenthal: And I am very pleased to see that
24 both the Virginia class and the Ohio replacement are moving
25 ahead on a very good pace.

1 Secretary Carter: True. Both necessary.

2 Senator Blumenthal: Thank you. Thank you, Mr.

3 Secretary. Thank you, General.

4 Secretary Carter: Thank you.

5 Senator Reed: Senator Ayotte?

6 Senator Ayotte: I want to thank the chair.

7 I want to thank all of you for what you do for the

8 country.

9 And, Secretary Carter, I want to thank you very much
10 for so quickly after your confirmation following through and
11 meeting with the JTACs to hear their perspective on close
12 air support on Friday, and for including me in that meeting.

13 I appreciate your commitment to review the Air Force's
14 decisions on the A-10 and appreciate your willingness to do
15 that. So thank you very much.

16 Secretary Carter: Thank you.

17 Senator Ayotte: I wanted to follow up on the issue of
18 Ukraine, on a different topic, and that is the issue of U.S.
19 intelligence sharing, because there were reports recently in
20 the Wall Street Journal that really troubled me about what
21 we are doing to help the Ukrainians in terms of their
22 defense, the information we can share with them to be able
23 to minimize their casualties and defend their territory.

24 In that article, basically what it said is that images
25 are being significantly degraded to avoid provoking Russia

1 and that what it was doing, in terms of Ukrainian officials,
2 they said it has really hampered their ability of their
3 forces to counter separatists because it is a 24-hour delay,
4 in terms of intelligence sharing, and that they are actually
5 approaching other countries like Canada because of these
6 intelligence gaps.

7 So can you help me understand, if we are not going to
8 give them arms to defend themselves, because we haven't done
9 that yet -- and I appreciate that I hear from General
10 Dempsey and you as well that this is something that you are
11 very open to -- at least we can share information with them
12 because they are obviously dying by the thousands defending
13 their own territory.

14 So can you help me understand this issue of, can we
15 share intelligence with them so they can defend themselves?

16 Secretary Carter: I can help you in a limited way,
17 because that is not a decision that either the chairman or I
18 are involved in. This is an intelligence community thing,
19 and it has to do with the sharing arrangement that we have
20 with Ukraine. And I think there are other considerations
21 that they take into account when making that determination.

22 But I think your larger point, which is that there are
23 things that we can do to help the Ukrainians help themselves
24 -- and, of course, the main effort there is the political
25 and economic ones, sanctions and so forth. But on the

1 military side, there are ways that we can help the
2 Ukrainians to help themselves. And we are, as you say,
3 working through them now.

4 But I am afraid I can't speak to the intelligence. The
5 intelligence community will have to answer that.

6 General Dempsey: It is sources and methods, Senator.
7 It has nothing to do with the fact that we are worried about
8 angering Russia.

9 I can assure you that both the Secretary and I are
10 committed to finding ways to help Ukraine defend its
11 sovereign territory and reduce the casualties. There is a
12 disproportionate number of casualties on the Ukraine side.
13 And you are right, both the Europeans and us should be
14 active in trying to help them.

15 Senator Ayotte: So think about if you, General
16 Dempsey, with all of your military experience, if you are
17 fighting an enemy and you weren't getting intelligence in
18 real time. A 24-hour delay is like a lifetime in a wartime
19 setting.

20 So I guess the real-time intelligence, to me, there has
21 to be a way to protect our sources and methods. But 24
22 hours later in an intelligence context is like a lifetime.

23 So I really hope we will get them real-time
24 intelligence, so that they can defend themselves. They have
25 suffered too many casualties, and anything we can do to

1 prevent those casualties, I think we have some
2 responsibility here, given we were signatories to the
3 Budapest Memorandum, too, and this is just outright
4 aggression of one nation upon another. So I appreciate
5 that.

6 I wanted to ask as well about ISIL's activities beyond
7 Iraq and Syria. We are hearing a lot about ISIL's
8 activities in Libya.

9 Can you help me understand what we see ISIL doing even
10 beyond the grave challenges that we face of their
11 establishing a caliphate along Iraq and Syria, in places
12 like Libya? And where else are we seeing their presence?
13 And what are we going to do about it?

14 Secretary Carter: Thank you, Senator. I will say
15 something, and then the chairman might want to add in.

16 We are seeing it. We are seeing it throughout North
17 Africa. We are seeing it in the gulf area. I had a lengthy
18 conversation, to get back to the previous conversation we
19 were having on Afghanistan, with President Ghani, about it
20 showing up in Afghanistan. And then we see people in
21 Europe, individuals who are joining up, and so forth.

22 I will give you the perspective I learned by talking to
23 our folks over in the meeting I held in Kuwait last week,
24 what I learned about it, which is, one, ISIL is attractive
25 to younger members of older movements, where the leadership

1 has gotten a little older. Maybe they have gotten a little
2 staid. And the younger guys who have more steam or are more
3 deluded are attracted to this newer, more radical thing.

4 And the second thing I learned is that this is a social
5 media-fueled terrorism group in a way that we haven't seen
6 yet. So people who are very distant from any battlefield,
7 very distant from any experience of radicalism, suddenly
8 becoming enticed through social media.

9 In terms of what we do about it, I think this is why I
10 wanted people to come from all over the region and, indeed,
11 in the case of Special Operations Command, all over the
12 world. We need to be prepared for this, in terms of
13 protecting our own people.

14 I think it is also true the diplomatic and nondefense
15 people who were in this conference have this knowledge and
16 responsibility. But it is something that we need to combat
17 in the information domain as well. And that is going to be
18 challenging, because this is a social media -- if bin Laden
19 was the Internet terrorist, these guys are the social media
20 terrorists. And I think that we will see people running up
21 that flag or saying that they are attracted to that movement
22 all over the world.

23 And by the way, and this is the last thing I will say,
24 that is why it is important to inflict defeat upon ISIL. We
25 have to take the steam out of this thing. These guys aren't

1 invincible, and we have to make that clear.

2 General Dempsey: The only thing I would add, Senator,
3 in addition to what the Secretary said about it, the radical
4 nature of its ideology makes it attractive to a population
5 where governance has collapsed broadly across the region.
6 And they are extraordinarily in the social media. So we
7 really are taking and continue to refine a transregional,
8 sustainable, persistent approach to this.

9 And as I said, it stretches from al Qaeda in Iraq and
10 Pakistan all the way over to Boko Haram. At different times
11 and in different places, they syndicate with each other. We
12 have to see it that way, in order to deal with it.

13 Senator Ayotte: Thank you.

14 Chairman McCain: [presiding] Senator Manchin, and
15 following Senator Manchin, at the request of Secretary
16 Carter, he would like to take about a 15-minute break after
17 Senator Manchin, and the committee will stand in recess for
18 15 minutes following Senator Manchin's questioning.

19 Senator Manchin?

20 Senator Manchin: Thank you, Mr. Chairman.

21 And thank all of you for your great service to the
22 country. I appreciate very much what you do every day.

23 There is not a person that I know of in my State of
24 West Virginia who doesn't support everything you do, doesn't
25 support the military, how they fight. They will do anything

1 you ask them to do.

2 But they still ask questions about why we spend so much
3 money on military, why we spend more than eight of the next
4 countries put together. So we have to be always gaining
5 their trust, if you will.

6 I know in procurement, we are not the best in
7 procurement. We are not the best in developing weapons, as
8 far as the costliness. Eisenhower said beware of the
9 military-industrial complex. I think we all are in tune
10 with all of this.

11 So I know how detrimental sequestering is. We talked
12 about flexibility at one time. Flexibility by itself won't
13 do it. I understand that.

14 Secretary Carter, you and I had a nice conversation. I
15 think Secretary Hagel was trying to look at the budgets,
16 reducing them by 20 percent and everything. But basically,
17 it really comes down to the auditing, knowing where we are.
18 And I have talked about contracting. I have talked about
19 the effectiveness of our National Guard. I have even asked
20 the question, tell me the difference between the Reserve and
21 the Guard, why do we have duplication? There is so much
22 going on here.

23 Are we allowing you to do everything that you need to
24 do to run a very effective and efficient and cost-effective
25 military for our country? The people in West Virginia are

1 willing to spend their taxes and invest their taxes into the
2 defense of this country. But with that, they would like to
3 make sure they are getting pretty good bang for their buck,
4 too, and not just throwing a lot of it away.

5 So how do we do this? How do we help you? We ought to
6 have an audit. We have been talking about that, and I know
7 that the chairman here has been very much concerned about
8 that, and developing our arsenal, if you will, making sure
9 we are able to get that to market, do what we are supposed
10 to do, and get it there as quick as possible.

11 So anybody on the panel, Secretary, if you wanted to
12 start with that, and, General, chime in.

13 Secretary Carter: Well, I think your constituents are
14 very logical. They are saying, hey, look, I am willing to
15 pay for defense, but I want to make sure that every dollar
16 is spent well. So we need to pair our request for the funds
17 that we need to defend our country with the assurances that
18 we are using it well.

19 And we know we are not always using every dollar of the
20 defense budget well. And that is why I think Senator
21 McCain, Chairman Reed, and this entire committee has been
22 urging a movement toward reform, one I very much support and
23 would like to partner with you on, because I think the
24 taxpayer will find it easier to support what we are trying
25 to do to defend ourselves if they also see us vigorously

1 getting the best value for every tax dollar.

2 And you mentioned audit. Audit is, as you indicate,
3 key. And we have a plan for audit readiness for the
4 department. You and I have discussed that. Secretary
5 McCord is in charge of that effort. But I am completely
6 committed to its success.

7 Senator Manchin: Sorry to interrupt, sir. Just one
8 thing, every time we hear about reduction in force, it is
9 always on our frontline. It is always the people we are
10 depending on to be on the frontline, fighting and defending
11 us.

12 But when you look at, basically, the size of the
13 staffs, it is just overwhelming the size of the staff keeps
14 growing, but we always continue to talk about the reduction
15 in force of the people we need out front.

16 What can we do to help you there, to get control of
17 that, reduce that staff proportionately?

18 Secretary Carter: Well, you are absolutely right. And
19 I hope you will support and continue to support us as we get
20 rid of excess infrastructure and shed excess staffs.

21 This is the kind of thing we have to do, if we are
22 going to go forward here with resources that are still going
23 to be under pressure. They are going to be under pressure,
24 so we have to make sure every dollar counts.

25 And, Senator, while I am speaking, before I ask the

1 chairman to comment on the same thing, let me just say, Mr.
2 Chairman, I appreciate your consideration. This is about my
3 healing up my back, and I thank you. However, I am doing
4 fine, so since everybody is here, unless others want to take
5 it, I am okay going on. I very much appreciate your
6 consideration.

7 Chairman McCain: Well, I was trying to prevent you
8 from having to be interrogated by Senator Fischer. She's
9 next.

10 [Laughter.]

11 Chairman McCain: If you are ready for that.

12 Secretary Carter: I just got another pang.

13 General Dempsey: Yes, thanks, Senator.

14 First, it is probably worth remembering that when I
15 became the Chief of Staff of the Army, we were tasked to
16 find \$487 billion in the budget. We did. When I became the
17 chairman, I think I am actually jinx, but we were then asked
18 to achieve that level, an additional \$520 billion -- roughly
19 speaking, a little over \$1 trillion. We have actually found
20 \$750 billion of it. What we are debating now is the last
21 \$250 billion over the next 6 years.

22 I think we have done pretty darn well, to be honest
23 with you, Senator.

24 In terms of what you can tell the people in West
25 Virginia, they are going to see those Mountaineers, the

1 20th-ranked Mountaineers, playing basketball, and they don't
2 have to worry about getting blown up while they are watching
3 a basketball game. We are doing okay at the away game.

4 And last but not least, I would venture to tell you all
5 that this group at JCS, the chiefs, have proposed some of
6 the most controversial and emotional changes in terms of
7 paid compensation, health care, basing, weapons systems,
8 than any group in my memory in 40 years.

9 And if we get some help with that, and we get some
10 topline, as the chairman mentioned, for things that were
11 unforecasted -- for example, space, nuclear weapons, the
12 emerging threats -- we can actually manage it and look the
13 American people in the eye, as I do my own family, and tell
14 them that we are spending your money wisely.

15 Senator Manchin: Thank you, Mr. Chairman.

16 Senator Reed: [presiding] Senator Fischer?

17 Senator Fischer: Thank you, Mr. Chairman.

18 And thank you, gentlemen, for being here today. I do
19 appreciate your service.

20 Secretary Carter, I appreciate your fortitude to stay,
21 so you can have my questions.

22 A lot of my colleagues have drilled down on some
23 issues, and I have about three different areas I would like
24 to touch on, if I may.

25 As we look at the situation in Ukraine, and we see that

1 the separatist forces are having success on the battlefield,
2 do you believe that that may incentivize Putin to become
3 more ambitious in Ukraine, so that he maybe would look at
4 more ambitious goals with regard to that country?

5 Secretary Carter: I am concerned about that. And I
6 think he has made his goals pretty clear. He speaks about
7 them openly, which is to have all around him states that are
8 in his orbit, rather than pursuing their own futures, their
9 own independent futures. And Ukraine is an example of that.

10 And I think that if we don't remain united on the
11 political and economic pressure, which is having a real
12 effect in Russia, and if we don't remain united in standing
13 up for NATO in Europe, and if we don't remain united in
14 sticking up for the ability of the Ukrainian Government and
15 Ukraine to plot an independent path for itself, Putin will
16 just keep pushing and keep pushing. My read of him is that
17 that is the kind of guy he is.

18 Senator Fischer: I would say, right now, that we are
19 united. But I have fears for the future and how we move
20 forward in this area. You mentioned NATO and our commitment
21 there and the commitment that we have.

22 What effect is it on the world when they see that we
23 are not helping a country, Ukraine, with more lethal force
24 to defend themselves when we signed an agreement that we
25 would? What message does that send to our NATO allies and

1 to the institution of NATO itself?

2 Secretary Carter: As it happens, I was in Budapest in
3 1994 when that agreement was signed, the very one that
4 Vladimir Putin's Russia is violating, so I know it well.

5 It was not a NATO-type agreement. But in it, Russia
6 pledged to respect to the territorial integrity of Ukraine,
7 which it clearly has not done.

8 And insofar as NATO is concerned, as you say, I think
9 the point of our so-called reassurance initiative, but it
10 basically means rotating more forces into Europe and taking
11 steps to strengthen our presence in Europe, that is a way of
12 saying, which I think we have to do, to NATO that we are
13 with you in a very serious kind of obligation that we have
14 under the NATO treaty.

15 We have an obligation to Ukraine also. And to get to
16 your other point, I think that assisting them politically,
17 economically, and we talked before about the military being
18 something also under consideration, that is very important.

19 Senator Fischer: As we look at Russia, they are not
20 honoring the assurances that they gave to Ukraine. As you
21 mentioned, that was an agreement. They have been in
22 violation of the INF treaty, which they don't admit to. But
23 as has been discussed, they have been in violation of that
24 treaty.

25 How long does the United States wait before we start

1 exploring options, not just with regard to Ukraine but with
2 regard to Russia's blatant violations of a treaty agreement
3 with our country?

4 Secretary Carter: We haven't waited. We shouldn't
5 wait. We haven't waited to explore alternatives. The INF
6 treaty is a two-sided treaty. They said they wouldn't do
7 something. We said we wouldn't do something. And they have
8 done what they weren't supposed to do. So that means that
9 we can react, in various ways.

10 So if they don't get back into compliance, we can take
11 steps that are defensive, in terms of defending ourselves,
12 that are deterrent steps, and that are aimed at countering
13 the effects of this weapons system that violates the INF
14 treaty that they are working on.

15 And I think they need to understand that the United
16 States can react to this kind of thing. It was a two-way
17 street. So it is not something that we asked them to do and
18 they give us for free. It is something that we have. It is
19 a two-way street, and we have begun to think about things we
20 can do now.

21 I mean, we signed the treaty because we thought it was,
22 on the whole, best for both of us not to do that. That was
23 the logic behind the treaty. I think that logic is still
24 fine. But you can't be one-sided about it.

25 Senator Fischer: I totally agree. I appreciate that

1 you are looking for options. I hope you can be more public
2 about that and also very firm publicly in that the United
3 States will react to treaty violations, especially when they
4 are violations on treaties with our country. Thank you.

5 Senator Reed: Senator Donnelly?

6 Senator Donnelly: Thank you, Mr. Chairman.

7 And thank you all for your service.

8 General Dempsey, Secretary Carter, are you looking into
9 how our plan for Mosul got out and what is going on with
10 that?

11 Secretary Carter: I have spoken to General Austin. The
12 chairman has as well. And, clearly, that was an instance of
13 speculation that, certainly, doesn't reflect what we need to
14 be thinking, with respect to an offensive against Mosul,
15 which is, we will conduct an offensive against Mosul when
16 the Iraqi security forces can lead such an offensive helped
17 by us, because it is important that that offensive succeed.
18 So it will happen when it can succeed.

19 Senator Donnelly: And this would be for either you or
20 General Dempsey. How do we make sure this doesn't happen
21 again? And what is being done to prevent it?

22 General Dempsey: As the Secretary mentioned, General
23 Austin and I have been in contact. He is conducting an
24 internal inquiry into it. I know he will take the
25 appropriate action.

1 Senator Donnelly: Thank you.

2 Let me ask you this, and these are obviously not
3 classified sources or whatever. These are newspapers you
4 read, this and that. They said this morning, in the effort
5 that is going on in Tikrit, that we are really kind of
6 peripheral players in this and that General Soleimani from
7 Iran is on the frontlines with the Shiite militia.

8 What is going on there?

9 Secretary Carter: This gets back to the point made
10 earlier.

11 Senator Donnelly: I apologize, if it was already
12 mentioned.

13 Secretary Carter: No, it is fine. I am sorry. Your
14 question is right on.

15 We operate in Iraq in support of the Iraqi Government.
16 The Iraqi Government, in this case, did not ask for our
17 support, in this particular operation. And I think that we
18 need to be watchful, together with the Iraqi Government, as
19 we take back territory from ISIL, that we continue to
20 conduct this campaign in a multisectarian way, because we
21 have been down the road of sectarianism in Iraq, and it is
22 important that the Government of Iraq today not go down that
23 road again.

24 So we need to have success against ISIL. But we need
25 to have it in a way that doesn't inflame sectarianism again.

1 That is why we are watching this so closely.

2 General Dempsey: If I could add, Senator, the
3 Soleimani report, by the way, is a pull off of social media.
4 I have seen pictures myself. And our intel community will
5 now go to work to decide whether he was personally there or
6 not.

7 But it is worth reminding ourselves that Iran and its
8 proxies have been inside Iraq since 2004. This is the most
9 overt conduct of Iranian support in the form of artillery
10 and other things. Frankly, it will only be a problem if it
11 results in sectarianism, as the Secretary said.

12 So of the size of the force going to Tikrit, about a
13 third of it is Iraqi security forces, the Fifth Division
14 normally based just north of Taji, and then the other two-
15 thirds are Shia militia from the Popular Mobilization
16 Committee.

17 If they perform in a credible way, rid the city of
18 Tikrit, turn it back over to its inhabitants, then it will,
19 in the main, have been a positive thing in terms of the
20 counter-ISIL campaign.

21 At this point, as the Secretary has mentioned, it is
22 supported by the Sunni members of parliament and the local
23 leaders. But that is dependent on the behavior of the
24 militia as they conduct this campaign.

25 And by the way, we are watching.

1 Senator Donnelly: I was going to say, I am sure, like
2 you, my concern is that these Sunni tribal leaders look up
3 and go, these are the same people who have been working us
4 over for years. At what point do they say, where's the good
5 option here of these sides?

6 Secretary Carter: That is exactly the concern. They
7 did, as we understand it, make a statement today, the tribal
8 leaders in the area, that they supported the offensive. I
9 hope that is true, because what is very important is that we
10 all be behind defeating ISIL and that sectarianism not raise
11 its ugly head again, because that is what brought us to this
12 place in the first place.

13 Senator Donnelly: Let me ask one last question,
14 because I have about a minute, and I know it will take up
15 that much time.

16 It has been mentioned in Syria that we plan to reduce
17 ISIS, get rid of them. How do you bring Assad to the table?

18 Secretary Carter: In Syria, it is a very good
19 question. I will offer the following. He needs to come to
20 the table in order to discuss his own receding from the
21 scene in Syria.

22 Senator Donnelly: Right.

23 Secretary Carter: And for that to occur, he needs to
24 see the right combination of the doom of the strategy that
25 he has set his country's course on, set the course of his

1 country on, and also I believe the pressure from Russia and
2 Iran, both of whom are supporting him. And they need to
3 withdraw their support of him, because of what he has done
4 to his country. And when he sees that combination, it seems
5 to me that may cause him to recede.

6 But no doubt on our point of view, which is he has done
7 things to his people by this time that put him outside the
8 pale, and he has to go.

9 Senator Donnelly: Thank you, Mr. Chairman.

10 Senator Reed: Senator Sullivan, please.

11 Senator Sullivan: Thank you, Mr. Chairman.

12 And, Secretary Carter, it is good to see you again.

13 Congratulations.

14 General Dempsey, others, thank you for your service.

15 I want to go back to a theme that we discussed during
16 your confirmation hearing, and that is this broader theme of
17 leveling with the American people on our threats. I think
18 that you are seeing -- I would call it a pretty general
19 bipartisan concern that there is a disconnect sometimes
20 between what we are hearing from the uniformed military and
21 what we are hearing from the intelligence services and
22 agencies, and, importantly, what we are hearing from the
23 leadership of the country, the President. Senator Wicker
24 was talking about the Secretary of State.

25 You know, I think there is growing agreement,

1 certainly, here about the importance of defense spending,
2 and how we, certainly, think, I think most Americans think,
3 we face a lot of threats in the world. And defense spending
4 is a function of these threats.

5 But when we hear kind of the disconnect between
6 different members of the administration on what the threat
7 levels are, and how the President in many ways paints a very
8 benign picture of what is going on in the world and how we
9 are making progress in a lot of areas, it undermines
10 credibility in what we all are trying to do with regard to
11 bolstering our national defense.

12 So again, I am not going to go into the specific quotes
13 from Secretary Kerry, the President's State of the Union,
14 all of which seemed to tell Americans, hey, don't worry,
15 everything is looking great. Things aren't looking great,
16 and I think that you and the members of the military
17 recognize that.

18 What would you see right now as the top three biggest
19 threats that the United States is facing, both of you,
20 Secretary Carter and General Dempsey?

21 Secretary Carter: Before I get to the top three, to
22 your first point, I think that the President is requesting
23 in this budget an end to sequester and more money than would
24 be called for by sequester.

25 Senator Sullivan: I recognize that. But it is harder

1 to get through the Congress, if the President in his next
2 breath or the Secretary, in his next breath, of State, says
3 that, don't worry, everything is fine in the international
4 world. The threat level is decreasing. The moment of
5 crisis has passed. We are making progress with ISIS. I
6 mean, I don't think any of those statements are accurate.

7 Secretary Carter: Well, the only thing I would say is
8 that I think the reason why we need the resources that we
9 are requesting, both in the base budget and in the OCO
10 budget, is because we are being asked to respond to and
11 defend the country against a great variety of threats.

12 I will do a stab at three of them, but it is very hard
13 to rank things, because they are all important, otherwise we
14 wouldn't be doing them. But just to pick the things that we
15 are requesting additional funds for, that is OCO funds this
16 year, which are new things. I think you have to count ISIL
17 as one. And we are requesting funds specifically in
18 addition to the base budget for combating ISIL. I think the
19 same is true of the European Reassurance Initiative, which
20 is connected with the behavior of Russia in Europe and our
21 NATO and other obligations in Europe. We are requesting
22 extra money for that in the OCO budget. And we are
23 requesting, of course, funds for Afghanistan, to make sure
24 that our success there can stick.

25 So I don't know those are the most important things,

1 but they are very important things. And there are other
2 reasons why we are requesting the amount of money that we
3 think the country needs, which is above the sequester level.

4 Senator Sullivan: So, General Dempsey, do you
5 generally agree with those top three?

6 And I am going to get to a couple other questions.

7 General Dempsey: I might package them a little
8 differently. I am actually concerned about European
9 security for reasons we talked about earlier and, in
10 particular, because -- and it is not just about Russia. It
11 is what Russia has done, as I mentioned. It has started a
12 fire of ethnicity and nationalism. It may, actually, burn
13 out of their control.

14 So European security, for the first time in 20 years,
15 concerns me.

16 Secondly, the threat network that, as I mentioned, runs
17 from Afghanistan, Pakistan, all the way to Boko Haram. We
18 can't just deal with one of those groups. We have to deal
19 with them in the aggregate. We have all kinds of tools,
20 direct action, building partners, enabling others like we
21 are doing with the French in Mali. But we have to keep the
22 pressure on that entire network.

23 And the last one is one I would have to discuss in a
24 closed session, and that would be on narrowing technological
25 gaps in certain key areas.

1 Senator Sullivan: Okay, thank you.

2 I want to switch, gentlemen, to the Arctic and the
3 strategic posture that we have up there.

4 Mr. Secretary, in your last hearing here, you did
5 mention that you agreed with me that Alaska occupied the
6 most strategic place in the world, according to Billy
7 Mitchell. I just want to straighten the record with the
8 chairman and the ranking member. Billy Mitchell was court-
9 martialed, but he was court-martialed for insubordination
10 after accusing Army and Navy leaders of "almost treasonable
11 administration of national defense" for investing in
12 battleships as opposed to aircraft carriers. He was later
13 given a Congressional Medal of Honor by the Congress. So I
14 think he has been vindicated, but I am going to ask a
15 question that follows up on that.

16 You put out a strategy on the Arctic, and yet the
17 Russians are making huge moves in the Arctic with regard to
18 new bases, with regard to new airfields, new Arctic command,
19 claiming territory over huge swaths of the Arctic. We had
20 big support in Alaska the last week, the Army task force
21 that was up looking at potential force reductions, looking
22 at two brigade combat teams potentially being moved out of
23 Alaska.

24 If the Army eliminated even one brigade combat team in
25 Alaska, how do you think Kim Jong-Il or Vladimir Putin or

1 our allies in Japan, Korea, Singapore, would react to that,
2 given how important the Arctic is, given how important this
3 new part of the country is? And to be honest, we have a 13-
4 page paper. The Russians are putting major, major troops
5 and infrastructure in the Arctic.

6 Does that concern you? And should we be looking at
7 removing brigade combat teams, our only airborne brigade in
8 the Pacific?

9 Sorry, Mr. Chairman. I went on a little longer.

10 Secretary Carter: I think both of your points are very
11 important. The Arctic is going to be a place of growing
12 strategic importance. The Russians are active there. We
13 are, as your State is right on the point of, an Arctic
14 power. And that needs to be part of our strategy. It needs
15 to be more than, and I think it is, more than a pamphlet, as
16 you say.

17 And the other thing you raised with Kim Jong-Il's
18 thinking, and so forth, this is why, whether we continue to
19 invest in the defense that we need, whether it be BCTs, as
20 you say, or any other part of our force, is something that
21 others are watching. It is important, if we ever have to
22 use it. But it is also important in ensuring that it is
23 less likely that we will have to use it.

24 And I do worry about our foes being encouraged or
25 heartened when they see us debate whether we should spend

1 enough money on our defense. That is just yet another
2 reason why I really hope we get the support for the defense
3 spending we need.

4 General Dempsey: I won't speak to the number of Army
5 BCTs, brigade combat teams. But I will say the Russians
6 have just taken a decision to activate six new brigades, and
7 four of them will be in the Arctic.

8 Chairman McCain: [presiding] Thank you.

9 Some of us still believe in battleships, and we are not
10 sure that Alaska should have ever been made a State.

11 [Laughter.]

12 Chairman McCain: Senator King?

13 Senator King: With some trepidation, Mr. Chairman, I
14 want to associate myself actually with the Senator from
15 Alaska's questions, because the Arctic is emerging as an
16 enormously important and strategic area. Just one of the
17 simplest measurements is, we have one heavy icebreaker and
18 one medium icebreaker. The estimates are that the Russians
19 have seven to 10 icebreakers. That is just basic
20 infrastructure. And the resources up there, and the
21 strategic implications, are enormous. So I appreciate the
22 Senator raising that question.

23 I think one of the things we have to do is put this
24 discussion into context, in terms of your budget. This
25 chart, which I am sure you are familiar with, is the last 50

1 years of defense spending as a percentage of GDP. Starting
2 in 1962 at about 9 percent, today it is at 3.3 percent and
3 headed down at a time of increasing threat and peril for our
4 country.

5 Often, we get confused about the absolute dollar
6 amounts, but a percent of GDP is a way of comparing apples
7 to apples throughout recent history. And we are reducing
8 the defense function dramatically -- dramatically -- at a
9 time, as I say, of increasing threat.

10 General Dempsey, I want to put a fine point on your
11 testimony. You talked about numbers of deployments and
12 readiness. If we aren't able to avoid the sequester, are
13 American lives being put at risk?

14 General Dempsey: Yes.

15 Senator King: That is an eloquent answer, General. I
16 appreciate it.

17 Secretary Carter, I do want to talk about an area of
18 your budget in a little more detail. \$5.5 billion is
19 scheduled for increased activities in cyber. I am extremely
20 concerned about cyber. I think it is the next frontier of
21 warfare. We have had plenty of warning shots across our bow
22 in the last couple years. And yet Congress hasn't acted. I
23 commend you for taking this initiative.

24 Here's my concern, however. News reports are that the
25 CIA is expanding their cyber capability. And, of course,

1 NSA has a substantial cyber capability. And you are
2 building a substantial cyber capability. I don't want to
3 return to the post-9/11 days when we had a lot of
4 intelligence capability, but they weren't talking to each
5 other.

6 Please assure me that you will be coordinating with CIA
7 and NSA, so that we are not duplicating, overlapping,
8 spending more of the taxpayers' money than we have to, and,
9 worst of all, not sharing whatever information is being
10 derived in this field.

11 Secretary Carter: Well, thank you. And you are
12 absolutely right. This is a terribly important DOD mission,
13 and that is why both I and, I think, the chairman has been a
14 great leader in this as well, and are so determined to do
15 more.

16 But this is one of these things that, just like you
17 analogized it to the war on terrorism before 9/11, it
18 requires us to stitch together the efforts of different
19 parts of the government. And to the list you named, I would
20 add also the FBI, which has some capabilities and some
21 authorities in this area; DHS, which has capabilities and
22 authorities in this area. We have to make the whole greater
23 than the sum of the parts.

24 So even as we in DOD move out and make the investments
25 we need to, we need to coordinate with the others.

1 Our investments are in two categories. One is to make
2 sure that our networks are secure, because our forces depend
3 for their effectiveness upon information networks. So the
4 buying of planes, ships, and tanks doesn't get us anywhere
5 unless we have the networks to go with them. And they don't
6 do any good in warfare, unless the networks are survivable
7 and able to avoid penetration.

8 And also, another thing we need to do is build cyber-
9 weapons as weapons of war, because war comes out of being a
10 dimension of future warfare, as many have noted.

11 We also play a role --

12 Senator King: Let me interrupt you there, if I might.
13 I am concerned that our cyber-defense system is just that,
14 it is defense, and that we don't have an offensive
15 capability. Or if we do, it is not broadly known. And
16 therefore, particularly nation states who act against our
17 cyber, we are very vulnerable, because we are such a wired
18 country. There is no price to be paid.

19 I wonder if we shouldn't be developing a theory of
20 deterrence similar to nuclear deterrence in the 1950s,
21 1960s, and 1970s, which served us well, actually, until
22 today, so that people understand that if they come against
23 our cyber-infrastructure, they are going to pay a price. Is
24 that something that I hope you can consider?

25 Secretary Carter: I think that is very wise, so I

1 appreciate that thought.

2 I think that is something that we need to think through
3 better than we have. What does doctrine mean, what does
4 deterrence mean, in this new domain?

5 So at the same time we build capabilities, we have to
6 build doctrine as well. So I think that is a very, very
7 wise point.

8 Senator King: Thank you.

9 Final question, and I am running out of time, so I will
10 really ask you to respond to this perhaps on the record.

11 That is, you have identified as a priority acquisition
12 reform. I know that you once held that job, and I hope you
13 will hold to that. I would like to see a little more detail
14 about how you are going to tackle that.

15 I know the chairman has expressed this concern. How do
16 we get at procurement not only in terms of cost, but in
17 terms of timeliness, that we are not taking literally
18 decades to develop a new aircraft, but that we have a more
19 timely procurement process?

20 So you don't have to respond now, but I would
21 appreciate seeing something on that, because I think that is
22 a very important part of your mission, going into this job.

23 And by the way, I am delighted that you are here with
24 us today. Thank you.

25 Secretary Carter: Thank you. And will do. I will

1 respond.

2 Senator King: Thank you, Mr. Chair.

3 Chairman McCain: Senator Ernst?

4 Senator Ernst: Thank you, Mr. Chair.

5 Thank you, Secretary Carter, General Dempsey, for being
6 here with us. We appreciate your service and your testimony
7 today.

8 Secretary Carter, in the beginning of your testimony,
9 you had given quite an extensive list of the trips that you
10 have taken, the people that you have met, the places you
11 have been, and the impact with equipping and training our
12 soldiers. So I can tell that is very important to you.

13 Do I understand correctly that you also took a trip to
14 Arlington?

15 Secretary Carter: I did the morning I was sworn in,
16 with my wife.

17 Senator Ernst: I appreciate that so much, Secretary.
18 That tells a lot about a person, that not only are you
19 recognizing the sacrifice that the blue star families give
20 to their loved ones who are serving overseas right now, but
21 also to those gold star families that have left someone
22 behind.

23 Secretary Carter: Thank you.

24 Senator Ernst: So thank you for doing that.

25 Secretary Carter: Thank you.

1 Senator Ernst: I learned of that, and I was
2 significantly impressed that you would take the time to do
3 that. So thank you.

4 I do want to talk a little bit about, we have talked
5 about this all day, with the Shia militia. I know Senator
6 McCain had spoken about this earlier. In the fiscal year
7 2015 budget, we had \$1.6 billion that we used for the Iraq
8 train and equip fund, and that was to train and equip the
9 Iraqi security forces, the Kurdish Peshmerga, and Sunni
10 tribes and, of course, other local forces. And now in this
11 fiscal year 2016 budget, you are requesting \$700 million for
12 this fund.

13 I do support this effort. I think we should be
14 training and equipping the Kurdish Peshmerga. I think they
15 have been important allies in the pushback against ISIS and
16 others. But what I am concerned about, though, is the
17 relationship between the Iraqi security forces, Iran, which
18 has been the sidebar topic of many conversations today, and
19 the Shia militia forces.

20 During the Iraq war, IEDs were a huge concern to
21 American troops. And I think as Senator McCain alluded to
22 earlier, there were some types of IEDs, the EFPs,
23 explosively formed projectiles, that were used. They were
24 devastating to our men and women, left many gold star
25 families out there.

1 We know that those EFPs, a lot of those came from Iran.
2 And so right now, what I would like to hear from you is, are
3 American taxpayer dollars going to the Shia militia that
4 once were fighting against American soldiers? And how can
5 we assure the American taxpayer that these dollars going to
6 this fund to train and equip Iraqi forces will not be used
7 against us, as we move forward?

8 Secretary Carter, if you can address that?

9 Secretary Carter: Thank you. And then chairman
10 Dempsey.

11 First of all, I share your concern about the Shia
12 militias and the face of sectarianism looming again in Iraq,
13 which, as you know extremely well from your own service, is
14 the principal challenge that the Government of Iraq faces
15 going forward.

16 Our training and equipping is to Iraqi security forces
17 through the Government of Iraq. And our assistance, by the
18 way, also to Peshmerga is through the Government of Iraq.
19 That reflects the view that a multisectarian Iraqi
20 Government is the best way to keep Iraq together and to
21 defeat ISIL in Iraq, and ultimately drive them out of the
22 country.

23 But I say I share your concern because what we have
24 seen in the last few years has been sectarianism eroding the
25 capabilities of the Iraqi security forces. That is why they

1 collapsed in the face of ISIL.

2 So I absolutely share your concern about EFPs. You
3 know that extremely well from your own service. We have had
4 that experience before.

5 And, General Dempsey, who was there also in Iraq, does
6 as well, so let me ask him to join in.

7 General Dempsey: I will just express my own concern as
8 well. I think if General Austin were here -- I guess he
9 will be here, actually -- he would tell you that the reason
10 his campaign plan is deliberate is that one of the lines of
11 effort -- I mentioned there were nine -- is Iraqi
12 governance. And if the central government of Iraq does not
13 achieve, let's call it reconciliation, because that is
14 probably the right word, with the Shia and the Kurds, then
15 it does put our campaign at risk. So I am concerned about
16 that.

17 As far as the weapons that we have been issuing to the
18 ISF, as well as to the Peshmerga through the Government of
19 Iraq, we have confidence that those are going into the right
20 hands.

21 Some of the weapons you have seen in the hands of the
22 Shia militia, because you can see it on YouTube and on
23 Twitter and places, are things that were procured by the
24 Iraqis through our foreign military sales process that they
25 bought a couple years ago, 2 or 3 years ago. But we are

1 monitoring it as well as we can.

2 Senator Ernst: I thank you very much.

3 Senator McCain, thank you.

4 Chairman McCain: Senator Kaine?

5 Senator Kaine: Thank you, Mr. Chairman.

6 And thank you to the witnesses for this excellent
7 testimony. I want to ask about two items, sequester and the
8 ISIL AUMF.

9 On sequester, I received a letter last week as a member
10 of the Budget Committee from Chairman McCain and Ranking
11 Member Reed that I would ask unanimous consent that it be
12 entered into the record.

13 Chairman McCain: Without objection.

14 [The information referred to follows:]

15 [COMMITTEE INSERT]

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1 Senator Kaine: Highly important letter for Budget
2 Committee members and all of us, and I just want to read one
3 sentence to you and ask if you agree with it.

4 "If we continue on our current path, i.e., sequester,
5 we risk undermining the central pillars of our all-volunteer
6 force and with it the foundations of international peace and
7 security, of which the United States military has been the
8 most reliable guarantor since the end of World War II."

9 Do you agree with that statement?

10 Secretary Carter: I do.

11 Senator Kaine: General Dempsey?

12 General Dempsey: I do, Senator.

13 Senator Kaine: It strikes me, could we send up any
14 sort of clearer white flag at the beginning of a partial
15 disarmament than to place a vote on the BCA from August 2011
16 as a higher priority for the Nation than our security in a
17 world that has changed and put new threats on the board
18 since then? Could we do anything that would send a worse
19 message to our allies about our weakening resolve?

20 Secretary Carter: I am very concerned about what our
21 internal budget debates look like to friends and foes alike
22 internationally. It is yet another reason why we really
23 need to knock it off and get ourselves on a stable budget
24 path that gives us enough to defend ourselves properly.

25 Senator Kaine: Let me just say that we have had an

1 interesting set of discussions about Afghanistan. I think
2 the committee has come to the position we should be
3 conditions-based, not calendar-based. Let me apply that
4 same analogy to our sequester issues.

5 Shouldn't we be conditions-based? I mean, are we
6 really going to elevate a BCA cap that we voted on in August
7 2011 before North Korea's cyberattack, before Putin went
8 into the Ukraine, before ISIL was grabbing acres? Are we
9 really going to elevate that above a conditions-based
10 national defense? For the same reasons that we shouldn't
11 elevate a calendar over the conditions in Afghanistan, we
12 shouldn't elevate an August 2011 vote over the conditions of
13 security that faces the country.

14 I took that as the point of the letter, and I recommend
15 it to all of my colleagues.

16 With respect to the ISIL AUMF, an area where I sort of
17 have disagreed sometimes with the chairman, but where the
18 back-and-forth has made me think about my position, is the
19 question about the issue of ground troops as part of the
20 ISIL AUMF. In listening to the chairman about this, what I
21 have realized is that my concern is not really about
22 language, and it is not really about sort of the
23 constitutional allocation of power. It is really about the
24 definition of the mission. I would like to ask you a
25 question on this.

1 We have heard in last 3 weeks, in meetings with the
2 Foreign Relations Committee by, first, King Abdullah of
3 Jordan, and then the emir of Qatar last week, about the
4 battle against ISIL in the region. Both of them said to us,
5 essentially, U.S. ground troops aren't a good idea because
6 this has to be our fight against our terrorist threat. We
7 want your help. We want you to be deeply involved. But if
8 it gets pitched as the U.S. against ISIL, or even as the
9 West against ISIL, then it takes on a fundamentally
10 different tenor and could even become kind of a recruiting
11 bonanza for ISIL.

12 King Abdullah, in a very courageous way, and sadly, we
13 met with him on the very day that it was revealed that the
14 Jordanian pilot was so horribly murdered, burned, he said,
15 this is our fight and we have to show the world that this is
16 our fight. And if we are willing to do it, then we need all
17 kinds of help from you. But we have to be up front that
18 this is our fight. The United States didn't create ISIL.
19 It didn't create this extremist ideology. It was birthed in
20 our region by people claiming the mantle of the religious
21 tradition that we honor, and perverting it for a bad end.

22 So both of them have sort of guardedly advised us
23 against ground troops, but toward the big picture goal that
24 this battle against ISIL has to be the region policing
25 itself, not the U.S. trying to counter them.

1 As we think through this military mission, what is your
2 response to that sentiment? And again, it is not about
3 draftsmanship or about the allocation of power, but it is
4 about isn't there a compelling need for the region to show
5 that it will battle its own threat? And if so, we will help
6 them, rather than have it be the U.S. burden?

7 General Dempsey: Senator, that is exactly how the
8 campaign is designed. It is designed to leverage a
9 coalition of regional partners, assisted by those outside
10 the region, but very much relying upon those in the region
11 to lead the effort, requiring the Government of Iraq to lead
12 the effort, especially in terms of reaching out to form a
13 coalition within Iraq of Sunni tribal leaders and Kurdistan
14 Peshmerga.

15 So I would simply say that is exactly how the campaign
16 is designed.

17 Secretary Carter: I second that. That is how the
18 campaign is designed, and it is how it needs to be designed
19 for the two reasons you say. The first is that we don't
20 only seek the defeat of ISIL. We seek the lasting defeat of
21 ISIL. That means after they are defeated, they need to stay
22 defeated. That means somebody who is there ensuring that
23 defeat. And the second reason, that you also say, which is
24 that if it becomes our war, it becomes a harder war.

25 So for both of those reasons, we need to have others

1 involved. And that is, as the chairman says, what the
2 campaign calls for now.

3 Senator Kaine: Thank you so much.

4 Thank you, Mr. Chairman.

5 Chairman McCain: Senator Cotton?

6 Senator Cotton: Thank you.

7 Secretary Carter, welcome back in your capacity as
8 Secretary. I have to go back to something that we were
9 discussing a few series ago about the leak of our plans to
10 Mosul. I believe Secretary Carter said you are looking into
11 it. General Dempsey, I know you said you are looking into
12 it.

13 I don't understand what would take so long to get to
14 the bottom of it. This was not a leak. It was a planned
15 conference call with members of the media, if I understand
16 the reporting correctly.

17 Do I misunderstand something here?

18 Secretary Carter: No, that is my understanding as
19 well. And I just would say two things about this whole
20 incident.

21 The first is, Senator, that when an operation is
22 mounted against Mosul or anywhere else, it needs to be a
23 success, and it needs to be Iraqi led, supported by us, and
24 it has to be successful. And that is a little bit like the
25 conditions-based points that Senator Kaine --

1 Senator Cotton: Mr. Secretary, I agree fully. I agree
2 fully. I don't understand why announcing any timeline would
3 have contributed to any idea it would have been a success,
4 nor do I understand why it would take so long to understand
5 why an organized conference call with the media was held.

6 Secretary Carter: I will say something about that, and
7 let the chairman, who has also spoken to General Austin
8 about that.

9 That clearly was neither accurate information nor, had
10 it been accurate, would it have been information that should
11 have been blurted out to the press. So it is wrong on both
12 scores.

13 And the only thing I will say is that we try, as the
14 Department of Defense of a democracy, to be as open as we
15 can. So there are lots of people out there talking all the
16 time about what we are doing. And every once in a while,
17 somebody gets out in front of their skis.

18 But I also, even as we make sure that this particular
19 incident doesn't happen again, I think that it is important
20 that we be open as a department, not with military secrets
21 and not with war plans, which is the mistake made in this
22 case. But we do try to keep the country informed of what we
23 are doing. It is about protecting them. It is a democracy.

24 And so openness is important, but it has to have limits
25 when it comes to security matters. Those limits, obviously,

1 weren't respected in this case.

2 Chairman?

3 General Dempsey: Senators McCain and Graham have sent
4 a letter through the President to the Secretary to me to
5 General Austin, actually, to ask that very question. I must
6 suggest that I will wait until we respond to the letter.

7 Senator Cotton: Secretary Carter, during your
8 confirmation hearings, you had mentioned that U.S. options
9 to respond to the breach of INF treaty by Russia and, this
10 is a quote, and I think you alluded to this earlier when you
11 were speaking with Senator Fischer, active defenses to
12 counter intermediate-range ground-launch cruise missiles,
13 counterforce capabilities to prevent intermediate-range
14 ground-launch cruise missile attacks, and countervailing
15 strike capabilities to enhance U.S. or allied forces.

16 Could you elaborate on the size and scope of those
17 capabilities, and what you think the Russian Government's
18 reaction might be if we were to fund such capabilities?

19 Secretary Carter: I think in this setting, I would
20 like to limit the amount of detail that I go into. But I
21 will affirm what you just said, which is that we have three
22 kinds of options for responding to a violation of the INF
23 treaty. I think the Russians need to know that this is a
24 two-way street. They signed, we signed, and we can and will
25 react. And those are the three categories in which we could

1 react militarily: active defenses, which are to protect
2 ourselves and our allies and their territory against this
3 new threat; counterforce, which is a way of making sure that
4 if, God forbid, there is an actual military confrontation,
5 they can't be used; and the third is this opens up the
6 option for us to have systems which we decided to forgo in
7 the interest of this INF treaty years ago. We don't have to
8 forgo them anymore because a treaty is a two-way street.

9 With that, Chairman, do you want to add anything?

10 General Dempsey: The only thing I will add, Senator,
11 is that the development of capabilities to fit into the
12 categories that the Secretary mentions would be INF-
13 compliant. And that is the difference between the two of
14 us.

15 Senator Cotton: Okay.

16 This may be a question about military terms of art, so
17 I will start with the chairman, if that is okay, and let
18 Secretary Carter bat cleanup.

19 Mr. Chairman, what are "enduring offensive ground
20 combat operations"?

21 General Dempsey: I will tell you that as the one who
22 would have to assist in the implementation of that, I would
23 consider "enduring" to be mission-by-mission. So if we
24 were, for example, to decide that our advice to the
25 President would be that we would have to introduce ground

1 forces to accompany Iraqis into combat in Mosul because of
2 the complexity of the terrain, then we can do that, but it
3 would be mission-specific, as opposed to a temporal issue,
4 mission-specific rather than a temporal dimension, meaning 2
5 weeks or 2 years.

6 Senator Cotton: Secretary Carter, do you have anything
7 to add?

8 Secretary Carter: No, I think that is accurate.

9 I think the important thing about the language of the
10 AUMF, and however that discussion, debate, turns out from my
11 point of view is, first, that we have the flexibility to run
12 the campaign we need to defend the country. And the second
13 is that our troops see our government as a whole supporting
14 them.

15 Those are the two things that are important to me in
16 this whole debate.

17 Senator Cotton: Thank you.

18 Chairman McCain: General, you keep saying that if you
19 decide to recommend to the President. We would like to know
20 when you are going to decide to make that recommendation to
21 the President.

22 General Dempsey: Well, Senator, when the task at hand,
23 when I get the advice from CENTCOM, of course, General
24 Austin, and when the mission would require it. We have not
25 reached that point.

1 Chairman McCain: No, things are going fine.

2 Senator Nelson?

3 Senator Nelson: Thank you, Mr. Chairman.

4 Gentlemen, it is good to see you.

5 Mr. Chairman, in your professional military opinion, if
6 additional arms are not provided to Ukraine, you have a
7 little David fighting the Russian bear. Is it reasonable to
8 assume that Russia, through their subterfuge of the rebels,
9 would continue to advance right across the country?

10 General Dempsey: I am concerned about two things,
11 Senator. One is that it would be a Russian aspiration to do
12 so, and then, secondly, the separatists may on their own
13 decide to do so. There are capability gaps we have
14 identified.

15 Look, here's the other thing, Senator. If Russia wants
16 to take Ukraine, it is going to take it, because of its
17 geographic proximity and the size.

18 On the other hand, there are some capability gaps that
19 put the Ukraine forces at a real disadvantage. I think we
20 ought to look for opportunities to provide those
21 capabilities, so that on the chance that the Russians are
22 actually telling the truth, which, frankly, I doubt very
23 much, that the separatists and the sovereign state of
24 Ukraine can compete on a level think field.

25 Senator Nelson: Why do you think that the Russian

1 policy is such that -- as you say, if they decide to take
2 Ukraine, they could. Why are they not moving more
3 aggressively across Ukraine?

4 General Dempsey: This is probably now speculative
5 because the intelligence doesn't yet support it. I suspect
6 it will. I think that their pace is designed to create
7 uncertainty on the part of our European allies, because if
8 they can maintain that level of uncertainty, then they have
9 the potential to put friction inside of NATO, which is
10 actually their larger strategic goal.

11 Senator Nelson: And if successful in Ukraine, and
12 Russia wanted to continue to be aggressive, they could
13 suddenly mass on the borders of the three Baltic states.
14 There would be no match there, but now we have NATO members.

15 What do you think is the resolve of the European NATO
16 membership to stand and fight for the Baltics, if the
17 Russian bear comes across the line?

18 General Dempsey: That is the commitment they have made
19 as a member of NATO. They all agreed to live up to their
20 Article 5 responsibilities.

21 I will say that, based on the European Reassurance
22 Initiative, that NATO has taken rotational force, Baltic air
23 policing, establishment of a very high readiness joint task
24 force. NATO and Wales made some commitments that indicate
25 to me that they, all of them, take that responsibility

1 seriously.

2 The problem we could potentially have is the asymmetric
3 nature of it, where there might be a dispute about whether
4 it is actually happening. So we are working with our NATO
5 allies to work through that.

6 Senator Nelson: And, of course, the situation there
7 is, with those large Russian-speaking populations in the
8 Baltics, especially in Estonia, it could give him the same
9 excuse that he has tried to use with regard to Crimea.

10 Let me ask you about mental health. I have been
11 enormously impressed with some of our Special Operations
12 Forces, that they are now realizing that the stigma against
13 mental health counseling, they are really trying to turn it
14 around, because it is performance enhancement, not only the
15 body but the mind as well. To what degree are you all
16 trying to implement that same thing across-the-board of the
17 Department of Defense?

18 General Dempsey: To a great degree, because it
19 actually, when it started under Bill McRaven when he was the
20 SOCOM commander, now under Joe Votel, what they realized is
21 exactly what you said, that it is not enough just to say it
22 is not a stigma. So they found a way to turn it into a
23 positive. We would call it a combat multiplier.

24 So not only is it something you do after the fact but
25 you build in the kind of resiliency you need right from the

1 start. And all the services are learning lessons with each
2 other.

3 Senator Nelson: Final question for either of you,
4 training 500 a month or every 2 months for the Free Syrian
5 Army, is that really going to be productive?

6 Secretary Carter: I will take that first, if I may,
7 chairman.

8 That is a small number but grows over time. It is
9 paced by the throughput of the training centers. I think
10 that the U.S. effort needs to be just one effort. There
11 need to be others in the region who participate in this. It
12 gets back to something we were discussing earlier about the
13 need for the defeat of ISIL to be a lasting defeat and for
14 regional partners to be involved.

15 So the only thing I would say is that there need to be
16 other efforts beside the U.S. effort here, in accordance
17 with the discussion we were having earlier.

18 Chairman McCain: Senator Graham?

19 Oh, I am sorry. General, did you want to --

20 General Dempsey: Just to say that we need a partner on
21 the ground, and we need something we can have this coalition
22 coalesce around.

23 Chairman McCain: Senator Graham?

24 Senator Graham: Thank you. And I think Senator Lee is
25 allowing me to go ahead, and I appreciate it very, very

1 much.

2 Let's continue that thought.

3 Have you been told, General, by the Arab forces in the
4 region, the Arab leaders, that we are not going into Syria
5 unless we can get rid of Assad?

6 General Dempsey: There are some of them who say that,
7 and others who don't. But, yes, I have heard that.

8 Senator Graham: Well, the reason they are saying that
9 is they don't want to defeat ISIL and turn Syria over to
10 Iran, that Assad is a puppet of Iran. Do you agree with
11 that?

12 General Dempsey: I do.

13 Senator Graham: So a lot of Arabs are saying, I want
14 to destroy both enemies of the region, Assad as well as
15 ISIL. So I don't see any chance of a regional force until
16 you put Assad on the table.

17 The Authorization to Use Military Force, I have a very
18 specific question. The people we are training throughout
19 the region to go in and fight ISIL, the Free Syrian Army,
20 the young men who are going to join this cause, what would
21 happen if the Assad air force, the airpower through MiGs and
22 helicopters with barrel bombs, if they began to attack the
23 people we trained because Assad knows one day they will turn
24 on him.

25 Under the Authorization to Use Military Force, can we

1 protect the people we train against an attack by Assad?

2 Secretary Carter: Well, first of all, I think we have
3 an obligation to those we have trained to protect them. The
4 manner in which that would be done is something that is
5 being discussed. But in my view, we have an obligation to
6 do that. It goes with the training part.

7 Senator Graham: Do you agree with that, General?

8 General Dempsey: I do, Senator.

9 Senator Graham: Well, I agree with you both, and I
10 have asked the White House General Counsel this very
11 question and he told me very quickly, no, the Authorization
12 to Use Military Force would not allow us, the United States,
13 to engage the air forces of Assad. That is not included
14 within the authorization.

15 So that, to me, is a very important point. Could you
16 check with the White House and see where they come out on
17 this, at a later time?

18 If the sanctions were relieved tomorrow, if the
19 Iranians got sanction relief, General, what do you think
20 they would do with the money, given their behavior on the
21 ground today?

22 General Dempsey: I can't speak to that, Senator. But
23 here's what I will say, I am under no illusions that ending
24 their nuclear program ends the problems we have with Iran in
25 the region, whether it is surrogates and proxies, arms

1 trafficking, cyber.

2 So this is an adversary who, as someone pointed out
3 earlier, has actually led to the deaths of American
4 servicemen on the battlefield. And so I think we have to
5 keep an eye on them in that regard as well.

6 Senator Graham: Would you agree with me that the most
7 likely outcome, given their behavior today, is that they are
8 not going to build hospitals and schools. They are probably
9 going to put the money into their military?

10 General Dempsey: You know, Senator, I think they will
11 probably distribute their money like we do. I just hope
12 they don't sequester it.

13 Senator Graham: Well, I will tell you what, I just
14 hope we don't give them more cash, because I think they are
15 wreaking havoc as it is.

16 Secretary Carter, do you agree with me that the
17 Iranians as I speak are wreaking havoc throughout the region
18 without a nuclear weapon?

19 Secretary Carter: I do agree with that, Senator. You
20 look at Yemen, from Yemen to Syria and Iraq and Lebanon and
21 elsewhere, and that is why I think that it is important that
22 we remain vigilant and prepared, and I think we, in the
23 Department of Defense, need to and will be prepared for Iran
24 across a very wide front.

25 Senator Graham: Would you agree with the following

1 statement? The Iranians with a nuclear weapon would be the
2 most significant national security threat that Israel faces
3 and the United States would face.

4 Secretary Carter: Certainly, I would let the Israelis
5 speak for themselves.

6 Senator Graham: I think they have.

7 Secretary Carter: I think so, too.

8 The two things I would say is that we need to be
9 concerned about Iranian behavior beyond their nuclear
10 program.

11 Senator Graham: Well, let's look at it the other way.
12 Can you think of anything, off the top of your head, that
13 would beat out an Iran with nuclear weapons?

14 Secretary Carter: Well, there may be a close tie with
15 North Korea with nuclear weapons.

16 Senator Graham: Well, they already have nuclear
17 weapons.

18 Secretary Carter: I understand, but in terms of the
19 danger posed by a difficult state in the possession of
20 nuclear weapons.

21 Senator Graham: Well, let's look at that. Do you
22 think it is more destabilizing for Iran to get a nuclear
23 weapon than North Korea, in terms of the Mideast?

24 Secretary Carter: In terms of the Mideast, surely.

25 Senator Graham: Have you been told by Arab allies that

1 anything you give the Iranians on the nuclear front, we are
2 going to want the same thing or more? If the Iranians get a
3 nuclear capability, do you think the Arabs in the region
4 will want nuclear capability to match the Iranians?

5 Secretary Carter: There are those who have said that,
6 and that is one of the reasons why we oppose Iran getting a
7 nuclear weapon, because it could be the beginning of a
8 powder train that would encourage others in the region to
9 pursue a nuclear program as well. So that would just
10 unleash proliferation in the Middle East.

11 Senator Graham: So, the Prime Minister's warning in
12 that regard today is probably well-heeded?

13 Secretary Carter: I did not hear the Prime Minister
14 today, but I, certainly, think that the danger of a runaway
15 Iranian program stimulating runaway nuclear programs
16 elsewhere in the Middle East is a very serious one.

17 Senator Graham: Thank you, both, for your service.

18 Chairman McCain: Senator Lee?

19 Senator Lee: Thank you, Mr. Chairman.

20 Thanks to each of you for being here, and thanks for
21 all you do to keep our country safe.

22 Secretary Carter, the Department of Defense is calling
23 for a BRAC round in 2017, citing that it has nearly 20
24 percent more infrastructure than it finds necessary. Can
25 you give a more detailed explanation as to what the

1 department finds within its infrastructure that is
2 unnecessary or in excess, and why? And also, can you
3 describe to us what improvements you think need to be made
4 to the BRAC process to avoid the kind of cost overruns that
5 we experienced in the 2005 round?

6 Secretary Carter: Thank you. We are requesting
7 another round of BRAC. And the basis for that is a
8 measurement of our infrastructure against our current
9 holdings of equipment and our needs.

10 So, for example, it is aircraft fleets versus apron
11 space. It is that kind of analysis that measures the amount
12 of excess infrastructure that we are carrying.

13 With respect to BRAC rounds, the 2005 BRAC round was
14 not what we are seeking, that kind of BRAC round. We are
15 looking for the kind of BRAC that occurred in the 1990s,
16 where true savings occurred.

17 You might say, why didn't savings occur in the 2005
18 BRAC round? It is because when it came time to reconfigure
19 bases -- that was, by the way, at a time when the defense
20 budget was growing very rapidly -- the department decided at
21 the same time to modernize a lot of installations at the
22 same time it was consolidating others. That created far
23 fewer savings than a pure BRAC round would.

24 So we are seeking BRAC authority. I know that that is
25 not an easy thing to get, but we simply have to reduce tail,

1 or we have to take it out of tooth, and I don't think
2 anybody wants that.

3 Senator Lee: Okay.

4 A lot of Americans became frustrated last summer when
5 we saw the Iraqi security forces, on whom we had just spent
6 \$25 billion training and equipping over the course of the
7 last decade, quickly free from a much smaller and less well-
8 trained, less well-equipped ISIS force in northern Iraq,
9 giving up ground and leaving behind a lot of weapons and
10 leaving behind a lot of equipment that had been provided for
11 them, a lot of it by us.

12 So, Mr. Secretary, you just returned from a visit to
13 the Middle East to look into our strategy there and how
14 things are going there. Can you discuss with us a little
15 bit the oversight we exercise over the train and equip
16 missions in Iraq and in Syria, and tell us a little bit
17 about what is being done to make those forces accountable
18 for the training and equipment that we are giving them, just
19 to make sure that something similar doesn't happen, make
20 sure that our investment is not in vain?

21 Secretary Carter: Thank you, Senator. Let me give
22 that a start and then ask Chairman Dempsey to chime in,
23 also.

24 You exactly put your finger on it. What happened last
25 year was an unwillingness of the Iraqi security forces to

1 fight using the equipment and training that the United
2 States had given them. The reason for that was a political
3 failure on the part of their government to keep the promise
4 that had been made to the country to keep it a
5 multisectarian state. That is not what was happening under
6 Maliki. That is the reason why the forces folded.

7 So the most important thing we can do going forward is
8 to make sure that Iraq doesn't decline again into
9 sectarianism. So that is the most important thing we can
10 do, and it is a political thing rather than a technical
11 thing involving the training. But it is job one.

12 Insofar as their training is concerned, I will let the
13 chairman speak to that. But we are giving them training and
14 we are going to give them support when they go into battle.
15 And we are now, and we have been now for quite some time,
16 conducting a bombing campaign against ISIL in order to blunt
17 their offense and prepare the way for the counteroffensive.

18 Let me ask the chairman if he wants to add anything
19 there.

20 General Dempsey: Just in terms of the oversight,
21 Senator, four locations: Irbil in the north, al Asad in the
22 west, Taji just north of Baghdad, and Besmaya to the east of
23 Baghdad. So the training is centralized.

24 The oversight, once they deploy, is actually built
25 around the supply chain, so the things that we are giving

1 them, there is a tether that goes out to where they are
2 operating.

3 And to this point, our program is to take and pull some
4 units offline who exist, regroup them, put them back out, as
5 well as to help the Iraqis manage their own training base.

6 Does that answer the question?

7 Senator Lee: Yes, I think that is helpful.

8 As my clock is ticking down, if I can just ask one
9 other quick question that either one of you can answer.

10 How are U.S. defense and intelligence agencies adapting
11 to the collapse of the Yemeni Government, and the loss of
12 our primary counterterrorism partner against one of the most
13 capable al Qaeda offshoots? What are we doing in that
14 realm?

15 Secretary Carter: Well, I will start, and the chairman
16 can, please, add.

17 The first thing is that al Qaeda in the Arabian
18 Peninsula, which is in Yemen, is a very serious offshoot of
19 al Qaeda, very serious for us because they are determined to
20 attack us. They make that absolutely clear. And therefore,
21 our counterterrorism operations in Yemen are critically
22 important. And therefore, the restoration of a government
23 there that will cooperate with us is very important to us.

24 Now, we are trying to do everything we can to continue
25 to combat AQAP in the face of what is going on with the

1 Houthis and the government in Sana'a. But it will be much
2 better for us if we are able to reconstitute or assist in
3 the reconstitution of a government there in Sana'a.

4 I know our diplomatic colleagues are working on that,
5 but it is important to our counterterrorism effort.

6 Let me ask the chairman.

7 General Dempsey: Yes, what I would add, Senator, is
8 our diplomatic effort is to try to keep the country
9 together, but our counterterror effort is based mostly out
10 of Aden in the south.

11 We still have a partner there who has an interest in
12 keeping al Qaeda in the Arabian Peninsula under pressure.
13 Our fear is that if the country does devolve into civil war,
14 we lose that platform.

15 Senator Lee: Thank you. Thank you very much.

16 Thank you, Mr. Chairman.

17 Chairman McCain: I want to thank the witnesses for a
18 long afternoon of testimony. I believe that it is important
19 that all of our colleagues, as well as the American people,
20 understand your message, and that is that sequestration
21 cannot continue without, as you responded to Senator King,
22 without putting the lives of the men and women who are
23 serving in uniform today in danger.

24 I thank you for that frank and candid testimony. And I
25 thank you for being here this afternoon.

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Secretary Carter: Thank you.

General Dempsey: Thank you.

Chairman McCain: This hearing is adjourned.

[Whereupon, at 5:19 p.m., the hearing was adjourned.]