

**Opening Statement of U.S. Senator Jack Reed
Ranking Member, Senate Armed Services Committee**

**Room SH-216
Hart Senate Office Building
Tuesday, March 3, 2015**

**To receive testimony in review of the Defense Authorization Request
for Fiscal Year 2016 and the Future Years Defense Program
(As Prepared for Delivery)**

Thank you Mr. Chairman, and I want to join you in welcoming our witnesses. Secretary Carter, Chairman Dempsey, Mr. McCord, I appreciate your willingness to be here today to discuss the President's FY2016 budget request, which I want to note is \$38 billion above the Budget Control Act discretionary funding caps. These BCA caps, coupled with the imminent threat of sequestration level cuts and the lack of budget stability necessary for military planning, create an urgent and growing strategic problem that we simply must address.

On January 28th, this Committee heard stark testimony from each of the Service Chiefs about the impact of reduced funding levels. All of the Services are working hard to maintain near term readiness to meet the "fight tonight" requirement, but only by assuming increased risk in the form of cuts and delays to training, maintenance, modernization, and infrastructure sustainment, and by curtailing quality of life programs. As Air Force Chief of Staff General Welsh, eloquently stated, "When the bugle calls, we will win. But the vulnerabilities sequestration introduces into our force will encourage our adversaries, worry our allies, limit the number of concurrent operations we can conduct and increase risk to the men and women who fight America's next war." The Services are the backbone of our nation's defense, and they are under great strain. I am interested in the witnesses' testimony on how the Defense Department will continue to manage this problem while a solution is not yet on the horizon. If you do not get the \$38 billion over the BCA that is requested in the President's Budget, what must be cut? And if sequestration is not avoided, what else must be cut? And what is your timeline for beginning to implement these cuts?

As I stated earlier, the Services are focused on near term readiness – and they need to be—because they are actively engaged around the world, fighting significant challenges to U.S. national security interests. In Afghanistan, the Commander of U.S. Forces, General Campbell, believes he has the resources and authorities he needs for the 2015 fighting season, but the Taliban remain resilient despite coming under pressure on both sides of the Afghanistan-Pakistan border. Operations against ISIS in Iraq and Syria continue at a pace that is rolling back their territorial gains of last year and providing the time and space needed for advise-and-assist programs. But this critical campaign must continue unabated if it is going to succeed against such a dangerous

enemy. In Europe, the post-Cold War international order is under threat from a Russia that seeks to dominate Ukraine and intimidate its other neighbors, including by conducting increasingly aggressive military activities both within and outside its borders. Turmoil in Yemen and Libya provide safe havens for terrorists and must be closely watched. And China's actions continue to make its neighbors uneasy. Meeting all of these threats requires ready troops and adequate funding – and I am interested in the witnesses' views on how you are prioritizing.

In addition to ongoing operations, there are emerging threats which will require immediate and significant investments. The recent cyber attack on Sony by North Korea illustrates that even a relatively small and weak rogue nation can cause extensive damage to a U.S.-based economic target through cyberspace. The U.S. must work to counter this threat. In addition, I also understand that efforts are now underway to protect our space assets from hostile acts – an equally serious asymmetric threat – and one that will require substantial funding. And in focusing on emerging threats, we cannot disregard the significant funding necessary for the maintenance and modernization of our nuclear enterprise, including the Ohio replacement. I am interested in hearing how the Department will balance new threats with legacy programs.

Clearly the Defense Department has many bills to pay, and they cannot do it without the help of Congress. Military personnel costs consume approximately 1/3 of the Department's budget. The Department has once again submitted several proposals aimed at slowing the growth of military personnel costs. This committee must carefully consider these proposals, as well as the recommendations of the Military Compensation and Retirement Modernization Commission, in order to provide the Defense Department with flexibility in these areas. With regard to BRAC, I understand the Department is again requesting an additional base realignment and closure, or BRAC, round in 2017. While BRAC has been controversial in the past, I do believe that we need to consider efforts to allow the Defense Department to shed the excess infrastructure it does not need and invest funding instead in higher priorities. I would appreciate the witnesses' views on how Congress can be helpful in providing relief in these and other areas.

While the focus today is on the defense budget, the Pentagon simply cannot meet all these national security challenges without the help of other government departments and agencies—including State, Justice, Homeland Security, and Intelligence. I would ask the witnesses to please provide examples of how you partner with these other government agencies – and how your burden would grow if they were not adequately funded as well.

I commend our witnesses for working hard to present a budget that prioritizes immediate threats while also managing the growing risks caused by fiscal constraints. I look forward to your testimony.