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COMMITTEE ON
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UNITED STATES SENATE

HEARING TO RECEIVE TESTIMONY ON ALTERNATIVE APPROACHES TO DEFENSE STRATEGY AND FORCE STRUCTURE

Thursday, October 29, 2015

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U.S. Senate
Committee on Armed Services
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The committee met, pursuant to notice, at 9:32 a.m. in Room SD-G50, Dirksen Senate Office Building, Hon. John McCain, chairman of the committee, presiding.

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

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

Chairman McCain: Well, good morning. We're pleased to have with us today a group of witnesses that will present a variety of alternatives on how to reimagine, reshape, and realize, and resize our military for the future.

And, before I go further, I'd like to just mention to members of the committee that, now that, hopefully, we will have completed our work, assuming that the agreement will be passed by both Senate and House, and signed by the President, on the NDAA, I intend to embark, with, hopefully, the participation of every member of the committee, on extensive examination of our force structure, of our challenges in the future, our need for reforms in every area of national defense. And I would seek and urge both subcommittee chairmen and ranking members, as well as all members, to engage in a series of examinations of national defense in every -- all of its aspects and so that we can come up with a continued reform package to follow on the modest beginnings in this year's NDAA.

I know that Senator Reed is committed to the same prospect, and I know that we can embark on this odyssey in a completely bipartisan fashion. I think the men and women who are serving deserve it, but I think, more than that, America deserves a thorough examination of how we can best

equip our military in the ability to defend this Nation in very turbulent times. So, I'll be having a meeting of the committee next week so that we can discuss this in greater detail.

So, we are pleased to have Thomas Donnelly, Resident Fellow and Co-Director of the Marilyn Ware Center for Security Studies at the American Enterprise Institute; Shawn Brimley, Executive Vice President and Director of Studies at the Center for a New American Security; Andrew Krepinevich, President of the Center for Strategic and Budgetary Assessments; Christopher Preble, Vice President for Defense and Foreign Policy Studies at the Cato Institute; and Dakota Wood, Senior Research Fellow for Defense Programs at the Heritage Foundation.

I welcome all of you today.

Last week, former Secretary of Defense Robert Gates echoed what senior national security leaders have testified to this committee all year, that, while we should not forget or downplay the dangers we faced in earlier times, the current global threat environment is uniquely challenging, complex, and uncertain. Many of our adversaries have spent the past decade, and more, investing billions to build up and reshape their militaries and developing technologies to thwart America's military advantages. As we'll hear today, many of the technologies that made America the unparalleled

global military power just 15 to 25 years ago, such as precision-guided munitions and stealth, are proliferating to others at a dangerous speed and scale. Our adversaries are also finding new -- fielding new technologies from cyber to counterspace in order to defeat our traditional military advantages asymmetrically.

At the same time, we face growing networks of violent Islamist extremists that will engage us in a low-technology conflict of ideas and wills for years, even decades, to come. As the Bipartisan National Defense Panel warned, in future, quote, "conflicts are likely to unfold more rapidly, battlefields will be more lethal, operational sanctuary for U.S. forces will be scarce and often fleeting, asymmetric conflict will be the norm. In this rapidly changing environment, U.S. military superiority is not a given."

And yet, since the end of the Cold War, now a quarter century ago, the United States has maintained a similar, but ever shrinking, version of the military we built during the 1980s. In constant dollars, we're spending almost the same amount on defense now as we were 30 years ago. But, for this money today, we're getting 35 percent fewer combat brigades, 53 percent fewer ships, 63 percent fewer combat air squadrons, and a lot more bureaucracy and overhead. Yes, our forces are now more capable than ever, but they are not capable of being in multiple places at once. Capacity

still matters, especially given the numerous potential contingencies we face around the world. What's more, our adversaries are more capable, too -- many, significantly so. Our military technological advantage is eroding fast. Add that to the years of arbitrary defense spending cuts and foolish cuts imposed by the Budget Control Act and sequestration, and we are now facing the dual problem of a quantitative and qualitative erosion of our military edge.

At the level of strategy, we are now living through an all-too-familiar pattern in American history. A period of international exertion is followed by the desire to cut defense spending and research from the --- and retrench from the world. That inevitably goes too far, and we end up courting disaster through inaction and self-imposed harm done to our ability to project power and influence. That is where we are today: relearning that underreaching can be as dangerous as overreaching, if not more so.

Now more than ever, we need a clear strategy, or strategies plural, to guide our actions and defense investments. Unfortunately, all too often senior leaders in our government do not even seem able to define the concept. When pressed for a strategy, they offer objectives and general interest inputs and means, hopes and dreams, but not a strategy, not a description of the way they will marshal limited means to achieve their ends. That's how we heard --

and let's get -- we get what we heard on Tuesday, "the three R's." What's worse, the national security strategy has become a speechwriting exercise designed to please all constituencies. It tells us preciously little about strategy, as does the Quadrennial Defense Review, which, as many of -- our witness told us last Thursday, has become more of a sustained explanation of the program of record.

Strategy, like governing, is to choose. We must set priorities, we must determine what missions are more important than others, what capabilities we must have at the expense of others, and there are no shortcuts around strategy. Doing more with less is often just a rationalization for doing less. And, while we need more money for defense, more money spent in the wrong ways and on the wrong things will still fail if we think we can succeed with business as usual. We cannot.

That is why defense reform is so important, not merely as a cost-saving measure, although there are certainly costs to save at the Department of Defense, but because we need to be smarter and more innovative about how we prioritize our national security interests, how we use our military power to achieve our policy objectives, and what size and shape our military must be to succeed now and in the future.

The choices entailed here will not always be popular in all quarters of the defense establishment, but these are the

choices we must make to ensure our military is built and postured to deter and, if necessary, defeat our adversaries.

That is the purpose of today's hearings and hearings in the future. And I look forward to the testimony of our witnesses.

Senator Reed.

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

Senator Reed: Well, thank you very much, Mr. Chairman.

Let me join you in thanking the witnesses for being here today.

Gentlemen, your expertise, your insights, are particularly important as we cope with the issues the Chairman has laid out. Thank you very much.

And again, let me thank the Chairman for providing the committee with this opportunity to take a deliberate and holistic review of the Defense Department organization, structure, missions, and, essentially, look forward very creatively and thoughtfully. So, thank you, Mr. Chairman.

And, as the Chairman pointed out, last week we were privileged to have former Secretary of Defense Bob Gates and a host of other experts, former officials, historians, academicians. And they talked about the Defense Department, the strategic context, and going forward. And it is worthwhile, as the Chairman has done, to quote Dr. Gates. He said, "Americans, including all too often our leaders, regard international crises and military conflict as aberrations, when, in fact, and sad to say, they are the norm." Dr. Gates also repeated his conclusion, informed by more than four decades of public service, that our record in predicting the future remains perfect: We have never gotten

it right. Because of this, Dr. Gates said, "We must place a premium on acquiring equipment and providing training that give our forces the most versatile possible capabilities across the broadest possible spectrum of conflict."

Now, following Dr. Gates' testimony, we heard comments from several of last week's panelists about outdated DOD processes and the way in which our strategic guidance is crafted, including the National Security Strategy and the Quadrennial Defense Review. Among other things, our witnesses highlighted that these documents consume significant energy and resources, and are frequently overtaken by global developments by the time they are published. And I would be interested in hearing each of our witnesses' comments about this process and how it can be improved.

Another theme of Dr. Gates' testimony was the need for strong civilian leadership in the Department, particularly by the Secretary. While this point is self-evident, Dr. Gates emphasized that, "Satisfying critical operational and battlefield needs cannot depend solely on the intense personal involvement of the Secretary." He continued, "The challenge is how to institutionalize a culture and incentive structure that encourages wartime urgency simultaneously with long-term planning and acquisition as a matter of course."

Now, several of our witnesses today have previously stated that the Department's organization and processes are outdated. And, once again, I'd be interested in updating and giving us more insights on these particularly important issues.

Given the dynamic and evolving security challenges facing our Nation today, and nearly 30 years after the passage of Goldwater-Nichols, it is appropriate to ask what missions our military should perform in the future, how that military should be structured and postured to most effectively carry out such tasks, and how we might reform the development of strategic defense guidance to make those products more relevant to planning and budgeting efforts.

And I commend the Chairman for leading us in this effort.

Thank you.

Chairman McCain: Dr. Krepinevich.

STATEMENT OF ANDREW KREPINEVICH, PRESIDENT, THE CENTER FOR STRATEGIC AND BUDGETARY ASSESSMENTS

Dr. Krepinevich: Thank you, Mr. Chairman, Senator Reed, members of the committee. Thank you for inviting me to appear before you here today to present my views on this important topic.

Given limited time, I would like to summarize my testimony by making five points.

Chairman McCain: Could I just say, all witnesses' complete statement will be made part of the record.

Dr. Krepinevich: Thank you, Mr. Chairman.

And again, it's in the context of, I would guess -- I would say, a medical analogy. First, you need a good diagnosis of the environment you're in before writing the prescription. And a lot of times, I think we like to go from the threat environment to talking about forces and equipment and the defense program. But, as you pointed out, Mr. Chairman and Senator Reed, the key connective tissue really is the strategy that tells us how we're going to develop a defense program that most effectively helps protect our interests and achieve our objectives.

My first point is that we are now in a period where we face threats that are growing in scale and shifting in form from those against which we've spent most of the last quarter century planning for. There are three revisionist

powers in three key regions of the world, regions that Presidents of both parties, going back decades, have declared to be vital to our security. And these powers are interested in overturning, in significant ways, the rules-based international order that has benefited us and our allies and partners over an extended period of time. Aside from these three revisionist powers -- China, Russia, and Iran -- we also see the rise and empowerment of radical nonstate groups and entities.

And in terms of the scale of the problem, we're also seeing a shift in the form of the challenges they present. Any good strategy involves developing sources of advantage that you can use to exploit your enemies' weaknesses. And we've seen this, in part, through the diffusion of advanced military technology. So, for example, the Chinese, in particular, focusing on the tendency we've had to operate in permissive environments, areas where our operations aren't contested. And so, developing capabilities to go after our battle networks and also our forward bases and large mobile platforms, like aircraft carriers.

Second, if our adversaries can't take us on directly, in those cases, they've gone more toward the protracted warfare. They've also engaged in acts of ambiguous aggression, whether it's "the little green men" in the Ukraine, proxy warfare that Iran has waged against us

throughout the Middle East for over 30 years, and also paramilitary forces in the form of organizations like China's coast guard that are pushing and advancing its interest to overturn the international order in East Asia.

We also find the potential for ambiguous aggression in new warfare domains -- space, cyberspace, and the undersea -- where it may be very difficult for us to detect acts of aggression, or attribute them once we have detected them.

And finally, there's a -- what is called "the second nuclear age," which I think really could be better described as a new age of strategic warfare. If you look at Russian and Chinese military writings, not only do they talk about nuclear weapons, but they talk about new kinds of nuclear weapons, with specified effects, very low-yield weapons, using weapons in warfare, where, in many cases, we consider nuclear weapons to be nonusable, but also the role that -- conventional capabilities. The Chinese talk about the United States' global conventional strategic strike capabilities, something that perhaps we haven't really thought through in detail. There's also the issue of cyberwarfare and the ability of cyberweapons to hold certain targets at risk that perhaps were once reserved only for nuclear weapons. So, an array of new challenges on a greater scale and presented to us in a different form.

Now, in confronting these challenges, we confront them

with diminished resources. As a percentage of our gross domestic product, our defense budgets are declining over time. In terms of the budget itself, we have rising personnel costs. The cost per servicemember since 9/11, in real terms, has gone up over 50 percent. This means, over time, if the budget doesn't outgrow the rate of personnel cost growth, what you have are diminished resources for things like training, equipping, modernization of the force, and readiness.

We also find that our capital stock, our inventory of planes, tanks, ships, and guns, while more formidable than that possessed by any other power in the world, may depreciate at an accelerated rate if the form of the challenges presented to us is shifting. And, in fact, it is. So, our emphasis on -- for example, on forward deploying forces to large bases, when you have adversaries that are mastering the revolution in precision warfare, increasingly able to target these bases with high accuracy may make what was once a source of reassurance to our allies and partners a source of, actually, anxiety and lack of assurance.

Finally, if there's an arms race going on between ourselves and our allies and partners, it's more of a disarmament race, or a race to the bottom. Our allies and partners, particularly in Europe, have failed, in most

cases, to meet the NATO standard for 2 percent of GDP deployed -- or invested in defense. Japan, which, under the Abe government -- another one of our powerful allies, potentially powerful allies -- has said some impressive things recently, and adopted some very, I think, forward-looking policies. But, again, we've yet to see Japan break through that 1-percent-of-GDP barrier.

So, again, we're not just restricted to our budget, in terms of how we respond to threats and the increasing scale and shifting form of the challenges we face, but, in terms of the budget itself, how the budget is distributed, our capital stock, and the ability or the willingness of our allies and partners to step up when they're needed, I think there's a growing disconnect between the threats we face and the means we have to address them.

And consequently, I think there is a need for a well-designed strategy, one that employs our resources most effectively to maximize the effect of these limited resources. Unfortunately, I think we have lost a great deal of our competence to do strategy well. I don't think this is a military problem or a civilian problem. I don't think it's a Republican problem or a Democrat problem. I think it's a problem that's developed since the end of the Cold War. In the '90s, when we didn't have a threat, we didn't have to focus very much on strategy. After 9/11, when, as

Secretary Gates said, the tap was open, in terms of defense spending, we didn't, again, have to make tough choices. And now we're in that kind of period again, where resources are limited, and perhaps diminishing, where the threats are growing. And it is about time that we begin to focus on strategy.

One final comment. In terms of the size and scope of our military, in terms of the forces we have and the mix of where they're positioned around the world, we have to come up with a strategy before we can make informed decisions about those kinds of issues. How are we going to deter China from advancing its revisionist aims in the Far East? Is our objective to defend the first island chain? Have we made that public? Have we made that clear? If we have, are we going to defend it by positioning forces there in what would be called a forward defense posture? There are arguments, called offshore control, that we ought to limit our focus to simply blockading China as a way of discouraging and deterring acts of aggression or coercion. That has an enormous effect on the kinds of forces, where you position them, what we ask of our allies. So, first, you have to come up with that strategy.

And I'll close with a quote from a British admiral, Jackie Fisher, who, along with Nelson, is regarded by many Brits as their two greatest admirals. And Fisher said, "A

lot of members of Parliament ask me what kind of a navy do we need, and how many ships, and of what type, and I tell them, the first thing you have to do is make up your mind how you're going to fight." Or, as we would say, how you're going to deter and fight if you need to. He said, "How many of us have made up our minds?" And then, famously, he said, "And how many admirals even have minds?"

Thank you, Mr. Chairman.

[The prepared statement of Dr. Krepinevich follows:]

Chairman McCain: I'll take that as a personal insult.

[Laughter.]

Dr. Krepinevich: Maybe.

Chairman McCain: Mr. Wood.

STATEMENT OF DAKOTA WOOD, SENIOR RESEARCH FELLOW, DEFENSE PROGRAMS, THE HERITAGE FOUNDATION

Mr. Wood: Chairman McCain, Ranking Member Reed, members of this committee, thank you for this opportunity to contribute to your effort to better understand factors that shape the U.S. military.

My remarks today are a more concise summation of the submitted testimony.

I'm delighted to know that this committee is challenging all aspects of defense -- U.S. defense policy. And this session on force-sizing rationales and military capabilities is an important step in that process.

Obviously, there are differing opinions on how and why the military should be postured and equipped to defend U.S. interests. With Russia in Ukraine and Syria and threatening NATO, Iran deeply involved in operations across the Middle East and expanding its military portfolio, China behaving ever more provocatively in the Asia-Pacific region, and North Korea developing longer-range, presumably nuclear-capable, missiles with the assessed ability to reach the United States, having the right forces in sufficient quantity is critically important.

In recent work with which I've been involved as editor of the Heritage Foundation's Index of U.S. Military Strength, we took a different approach to considering how

might -- how one might think about sizing U.S. military and posturing it for the future. Instead of trying to predict where forces might be needed, and for what type of conflict, we chose to look at what history tells us about the actual use of military force. We also reviewed other top-level studies on national defense requirements, to include the bottom-up review in 1992 in the QDR and NDP reports. What we found was that, from the Korean War onward, the United States has found itself in a major war every 15 to 20 years, and, in each instance, used roughly the same size force. Further, each of the nine major studies came to roughly the same recommendations for end strength, major platforms, and large unit formations. In general, the historical record in these studies indicate the U.S. needs an Active Army of about 50 brigade combat teams, a Navy approaching 350 ships, an Air Force of at least 1200 fighter attack aircraft, and a Marine Corps based on 36 battalions. This size force would provide the U.S. the ability to fight a major war or handle a major sustained contingency, while also having sufficient capacity to sustain large-scale commitments elsewhere and respond to an emergent crisis, should a major competitor try to take advantage of a perceived window of opportunity. In other words, the force enables the country to handle one major crisis while deterring competitors from acting opportunistically.

This historical record spans 65 years, encompassing decades of technological advancements, various geographic regions, enemy forces, economic conditions, and even shifts in political control of the executive and legislative branches of the U.S. Government.

There are practical realities in the use of force that also override nearly all other factors. The nature of war and the operating spaces within which it is waged require large forces to control territory or to deny such to an enemy force. Numbers really do matter. Sustained stability operations require a large rotational base. Conventional combat operations require sizable forces to replace combat losses and to rotate fresh units into battle. Small numbers of exquisitely equipped forces are inadequate to such situations and can lead to a force that is overly sensitive to combat losses or is quickly worn down by numerous deployments in rapid succession.

Numbers also matter in preparing for the future. When the force is small and is already hard-pressed to meet current operational demands, little capacity is available to prepare for the future. If we truly believe that new ways are needed to maintain a competitive advantage over opponents, then a portion of the force must be available for experimentation, whether by reducing current demands on the force or enlarging the force so that it can do all the

things being demanded of it. Instead, we continue to see further reductions and increased workload.

Former Secretary of Defense Robert Gates recently appeared before this committee, as has been noted. One of his major points was that the U.S. continually cycles between ramping up for a crisis that no one predicted or believed would happen, and then cutting the force to some bare minimum once the crisis is over, with folks blithely assuming that another crisis won't come along in short order or that we will somehow be able to predict when, where, and against whom it will occur.

Modern technologies do provide U.S. forces core advantages in many areas, especially against similarly equipped opponents. But, they are usually expensive and can come at a cost and capacity. We should continue to explore the advantages of unmanned systems, advanced C4ISR networks, and precision-guided munitions, but should not lose sight of the fact that numbers matter more, especially when combat losses remain a feature.

On our current modernization path at existing levels of funding, we are likely to find ourselves with a military equipped with state-of-the-art capabilities, yet incapable of conducting sustained operations against a credible opponent. This potential outcome is quite troubling and is something this committee should seriously consider.

So, to sum it up, I'd emphasize that numbers matter, the capacity of our military for a great variety of operations is at least as important as how it is equipped, if not more so. The overall size of the force, and how much of it is used in major contingencies, appears to be independent of technology, perhaps even strategy, internal organization, or force-sizing rationale. And too small a force has profound consequences for its readiness, health, and strategic value.

Once again, I thank you for the opportunity, and I look forward to answering your questions.

[The prepared statement of Mr. Wood follows:]

Chairman McCain: Dr. Preble.

STATEMENT OF CHRISTOPHER PREBLE, VICE PRESIDENT FOR DEFENSE AND FOREIGN POLICY STUDIES, THE CATO INSTITUTE

Dr. Preble: Thank you, Senator McCain, Senator Reed, distinguished members of the committee. It's an honor to be here.

I would like to focus on how current U.S. national security strategy shapes the international system, and discuss an alternative strategy for the future. I'll then briefly address a few of the military capabilities required under this new strategy.

The single word that best describes U.S. foreign policy today is "primacy," a strategy that hinges on a forward-deployed military poised to stop prospective threats before they materialize. Primacy reassures our allies, thus discouraging them from taking steps to defend themselves and their interests. As one government document explained, our preponderant military power aims to deter potential competitors from even aspiring to a larger global or regional role.

Leaving aside the question of whether the strategy is actually preventing rivals from challenging U.S. power -- and Dr. Krepinevich suggest that it's not -- the costs have been considerable. The American taxpayers, and especially American troops, have borne the burdens of primacy, while U.S. allies have been content to focus on domestic

priorities as their underfunded defenses languish. Going forward, we should ask more of our security partners. We shouldn't merely expect them to support us when we use force abroad. Rather, we should expect them to address urgent threats to their security before they become regional or global ones.

What are these threats? We are quite good at identifying a dizzying array of them, but far less proficient at prioritizing among them. Under primacy, the United States is expected to address all threats in all vital regions at all times. A more resilient world would not be so overly dependent upon the military power of a single country. Restraining our impulse to use the U.S. military when our vital interests are not directly threatened would move us in that direction.

Reluctance to use our military power allows for a smaller one, but we must first revisit our security relationships. Alliances that advance common interests are acceptable. The current arrangement, whereby we agree to defend our allies, and they agree to let us, is not.

Let me turn now to three aspects of the overall force structure consistent with a foreign policy of self-reliance and restraint: a capable Navy, a credible nuclear deterrent, and a flexible mobile Army.

I'm very proud to have served the United States Navy.

I have a great naval name. Plus, I grew up in Maine, where, you might have heard, they build ships. So, yes, I'm a Navy partisan. But, my support for a strong and capable Navy is more than just parochial, it is integral to a strategy of restraint. In thinking about the missions that our Navy may be expected to perform, and the ships that it will need to perform them, we shouldn't focus on numbers of ships in the fleet today, but, rather, on the cost and capabilities of those of the future. Investing a substantial share of the shipbuilding budget on just a few aircraft carriers -- for example, exquisite technologies, as Mr. Wood said -- leaves less money for small surface combatants. And where do submarines fit in the mix? The budget must also account for them. Understanding these tradeoffs is crucial.

We should not build our fleet around the supposition that it will be continuously engaged in offensive operations all around the world. The U.S. Navy should be a surge force capable of deploying if local actors fail to address threats, not a permanent-presence force committed to preventing bad things from happening all the time and everywhere.

What about our nuclear deterrent? Maintaining a credible nuclear deterrent is a key component of U.S. national security policy, under restraint, but does not require nearly 1600 nuclear warheads deployed on a triad of

delivery vehicles. A smaller nuclear force, based entirely on submarines, would be more than sufficient. The triad grew up during the Cold War, but it's not clear, in retrospect, that it was ever actually required to deter Soviet attacks against the United States. The case for the triad today is even more dubious. No adversary can destroy all U.S. ballistic missile submarines, let alone all three types of delivery vehicles, and there would be time to change if the circumstances did.

Lastly, what about our ground forces? Our troops are overtaxed. We've asked much of them, and they have responded honorably, but they cannot do everything, and they cannot be everywhere. More troops is not the answer. A more judicious use of those that we already have is.

In that context, we should consider the wisdom of armed nation-building -- a.k.a. counterinsurgency, or COIN. To observe that the United States is ill-suited to such missions is not the fault of the U.S. military. The American people will support missions to strike our enemies with a vengeance, but most doubt that nation-building is worth the effort. The public skepticism is warranted. The crucial factors for success in COIN are beyond the capacity of outside forces to control, and the track record of democratic powers pacifying uprisings in foreign lands is abysmal.

Then again, Americans are accustomed to doing the impossible, if that's what's required. The real reason why we will not master state-building is that it's not needed. We should deal with threats as they arise, and drop the pretense that we must succeed at nation-building abroad in order to be safe here at home.

If we revisit the other possible rationales for a large standing Army, if we reduce our permanent overseas presence, and encourage other countries to defend themselves, we could rely more heavily on reservists here at home, here stateside.

In conclusion, it's generally assumed that the roles and missions that we assign to our military will grow more onerous. It is unreasonable to expect our military to do more with less. Many would solve this means/ends mismatch by increasing the means. We should reconsider the ends, as well.

The military's roles and missions are not handed down on stone tablets from Heaven, they are chosen by policymakers right here on Earth. Strategy must take account of the resources that can be made available to execute it. Increasing the military budget in order to implement a primacy strategy entails telling the American people to accept cuts in popular domestic programs, higher taxes, or both, so that our allies can neglect their

defenses. It seems unlikely that Americans will embrace such an approach. The best recourse, therefore, is to reconsider our global policing role, encourage other countries to defend themselves and their interests, and bring the object of our foreign policy in line with the public's wishes.

Thank you.

[The prepared statement of Dr. Preble follows:]

Chairman McCain: Mr. Donnelly.

STATEMENT OF THOMAS DONNELLY, RESIDENT FELLOW AND CO-DIRECTOR OF THE MARILYN WARE CENTER FOR SECURITY STUDIES, THE AMERICAN ENTERPRISE INSTITUTE

Mr. Donnelly: I would like to reiterate my thanks to the Chairman, to the Ranking Member, and to the committee for this opportunity. This is, indeed, a really critical topic.

As many people have said before me, defense planning is strategy. On the other hand, strategy is not the place that we should be starting, I don't believe. Nor should we be starting with threats, nor operational capabilities. The place to start is really with a reflection upon the internal or -- not internal, but continuing security interests of the United States. This is a lesson that I learned while serving as a staff scribe to the National Defense Panel and the QDR Independent Panel before that. The distinguished members of those panels took all the QDR briefings that were available, and then began to scratch their heads. They found themselves deeply dissatisfied with what they heard. But, what they came away from simply -- not by taking the briefings or reading any documents, but by reflecting on the behavior of the United States since 1945, if not before -- was that there was a consistent pattern of American behavior, and this they both consolidated in a remarkably concise way. They said -- and it's in both reports -- that

the principal security interests of the United States are having a secure homeland, by which we mean not just North America, but the Caribbean basin, access to, commercially, and the ability to militarily exploit the commons -- that is the seas, the skies, cyberspace, and space -- and a favorable balance of power across the three critical theaters in Eurasia -- Europe, East Asia, and the Middle East -- and finally, that, because we were Americans, it was important to us to preserve a decent quality of international life. When there was a humanitarian crisis or the threat of a genocide, the United States could not stand by idly, and would be willing to use military force to intervene.

So, if those are the purposes of our power, then we can ask the how-to strategy question. But, without that azimuth to orient on, it's -- then any strategy will do, any set of capabilities will do, and any size force will do, as we have heard from the previous three witnesses. On the other hand, if you want to preserve the international system as it exists, which I think is not only wise, possible, but something of a moral obligation, our children would not look kindly on us, would hold us accountable, if we failed to prevent the remarkable post-Cold-War peace that's now beginning to slip away. It's been remarkably peaceful. There hasn't been a great power war. It's been remarkably

prosperous. There are more middle-class people on this planet than there have been in any previous period of history. And, most of all, it's the freest international system that anyone can record. So, it has great benefits. It's fundamentally sound. But, it requires us to reengage now. I believe that time in defense planning, in strategy-making, is equally as important as numbers of troops or the quality of weapon systems.

So, I have just four basic yardsticks that I want to suggest that you should consider in appraising defense strategies. They are derived, in a moment of shameless commerce, from the report that we just put out a couple of weeks ago. But, there are really four fundamental tenets in that.

First of all, the force-sizing construct really needs to be a three-theater construct, not a two-war construct or a one-and-a-half-war construct, as recent defense reviews have framed them, but something that's relevant to the international politics of the moment. As I said, the principal driver of military force structures is preserving this favorable balance of power in the Middle East, in East Asia, and in Europe. That's possible for us to do. Deterring Russia and China is not an impossible task, but it requires us to be not simply capable of establishing supremacy in combat, but deterring them from crossing of the

line in the first place. Therefore, we must be present.

And there is no status quo to preserving the Middle East that's worth the cost. So, if you're going to be responsive to the situation that we, you know, read about every day in the newspapers, we want to reverse the course of events. The trends are negative, and accelerating. So, simple deterrence is not likely to be acceptable in those theaters. Those theaters are all very different in character and geography. Land-based forces in Europe, but obviously play the central role. Likewise, in the Pacific, my maps show a lot of blue there, so maritime forces are at least critical for presence. And in the Middle East, probably all sorts of forces are necessary.

So, we need to balance and a variety of forces. If we make strategic choices and geopolitical choices by accentuating one form of military power over another, then we'll find ourselves behind the eight ball, as we have found ourselves in the last two decades.

Secondly, capacity matters. That's the most immediate problem that the military faces. I look at the history of the past 15 years, and my takeaway was that we did not have sufficient force, despite belatedly expanding the Active Duty Army and the Marine Corps, despite employing Reserve-component forces at record numbers, and despite employing Marine -- or, pardon me, naval and Air Force officers in

ground missions, to successfully prosecute campaigns in Iraq and Afghanistan simultaneously. We did not meet our own two-war standard. And those wars were relatively small wars, by historical standards. So, the first thing, and the thing that we can do in a timely way to meet the crisis of the moment, is to increase the capacity of the force that we have.

That said, I agree completely with the testimony of people like Andy Krepinevich that new capabilities are needed. However, I think the time factor needs to be applied in this regard, as well. As much as it would be great to have warp drives and photon torpedoes, and cloaking devices and all the things that American and international science can invent, it's important to field new capabilities now. We have a very few number of programs that we can throw money at. This is not like the Reagan years, where there was a warm and diverse defense industrial base that could digest a lot of money rapidly. Ronald Reagan decided not to build either the B-1 or the B-2, but to build both. We won't have -- even though we've just chosen the company team to build a new bomber, that is not likely to be actually fielded within the span of the next administration. So, we have to put money where it can show some return. We can't afford to wait another 10 years to get new capabilities into the field.

And finally, we have to pay the price. Reforms are important, no doubt. And I would urge the committee to focus on structural reforms, like the Goldwater-Nichols Act, which was an ideal way of fighting the Cold War and was passed into law just as things began -- just as the Soviet Union passed into the dustbin of history. It's remarkable that we can support combat outposts deep in Afghanistan or Iraq with F-18s from a carrier, but it's not the most efficient or effective way to do that.

There are things that we can do now, and we need to be able to have a sustained increase in our defense establishment. Many people, including the NDP report, have talked about getting back to the Gates baseline budget of 2012. Well, that's not going to be sufficient, for sure. That's a good first step. But, getting back to something like a 4-percent base, which is affordable, sustainable, and is the kind of spending that would be necessary to build the force that would be sufficient to protect and defend and advance our geopolitical interests and allow the United States to continue to be the leader of the free world.

Thank you.

[The prepared statement of Mr. Donnelly follows:]

Chairman McCain: Mr. Brimley.

STATEMENT OF SHAWN BRIMLEY, EXECUTIVE VICE PRESIDENT AND DIRECTOR OF STUDIES, THE CENTER FOR A NEW AMERICAN SECURITY

Mr. Brimley: Thank you, Mr. Chairman, Ranking Member Reed, and distinguished members of the committee. I'm truly honored to be -- to appear before you today, and also to testify along with my distinguished colleagues.

In my statement, I argue that America's Armed Forces are the most highly trained, equipped, and experienced in the world, yet the margin of their battlefield superiority is eroding. I believe we are seeing the slow but steady erosion of America's military technical superiority. Unless that trend is arrested, and arrested soon, America's Armed Forces will find it more difficult to prevail in future conflicts.

Modern U.S. military strategy depends on technological superiority. This was a consistent pillar of strategy during the Cold War, the inter-war years that followed, and even the wars of the post-9/11 era. This edge was the product of intentional Cold War strategy designed to increase the quality of U.S. forces to help offset Soviet numerical advantages. And this strategy ultimately resulted in capabilities, like the GPS constellation of satellites, stealth aircraft, and precision-guided munitions. The resulting monopoly on these technologies that we enjoyed is

among the reasons the United States stood alone and triumphant at the end of the Cold War. The erosion in American military technical superiority is occurring because the technologies that underwrote that position are rapidly proliferating across the world, and there's nothing that we can do to stop it. The same technologies that U.S. forces enjoyed a monopoly on for decades are now central to the defense strategies of our competitors. This development, alone, is shaking the foundations of U.S. defense strategy and planning.

In my statement, I describe at some length how the velocity of global change, coupled with the accelerating diffusion of military power, is shaping the contours of tomorrow's likely battlefields in three important ways:

First, precision munitions will dominate battlefields. These weapons have now proliferated so extensively that nearly any actor who desires to employ them can do so effectively on the battlefield. And we have only just begun, as a community, to grapple with a world in which even nonstate actors will be able to hit anything they aim at.

Second, the sizes of battlefields will expand. The proliferation of precision munitions and the ISR networks that support their employment are increasing the effective range of military units. Our adversaries will not only be able to hit what they can see, but also strike U.S. forces

accurately over longer and longer distances.

Third, concealing military forces will become more difficult. More actors are developing sophisticated capabilities designed to find and target their adversaries. On future battlefields, finding the enemy will be much easier than hiding from him.

I believe these features of the operating environment -- ubiquitous precision munitions, larger engagement zones, and more transparent battlefields -- are clearly apparent today. For instance, the obvious hesitancy on the administration's part to assert freedom-of-navigation rights in the South China Sea, in my mind, is due, at least in part, to China's multi-decade investment in long-range guided anti-ship ballistic and cruise missiles. We see Russia deploying and reinforcing what our top military commander in Europe, General Breedlove, calls anti-access bubbles over parts of Ukraine and Syria, or even the way nonstate actors, like Hezbollah and some inside Syria today, are using advanced anti-tank guided munitions. The logical extension of these trends into the future should concern us all.

In order to better prepare for this emerging reality, we need to demand creative thinking from the Pentagon and across the entire defense community concerning how to change operational concepts. These are the things which guide how

U.S. forces plan to engage adversaries in different plausible contingencies. Core operational concepts will need to focus more on enhancing our abilities to strike at range, persist inside contested areas for long periods of time, disperse our forces over wide geographic areas, while still retaining the ability to consolidate or amass our firepower, when needed. And I describe these ideas at some length in my written statement.

If our operational concepts begin to evolve along these lines, I believe it will help guide us towards a defense investment portfolio that does three fundamental things:

First, shore up our air and maritime power projection capabilities by employing land- and particularly carrier-based unmanned strike platforms -- and I note the Chairman's leadership in this regard; emphasizing submarines that can attack from concealed positions; developing dispersed undersea sensor grids and unmanned attack platforms that can persist inside an adversary's contested maritime zones for long periods of time; and, as we heard the other day, ensuring the new long-range strategic bomber is procured in numbers large enough -- so 100 planes is very important, I think -- to constitute a credible sustained power-projection ability.

Second, we need to ensure U.S. ground forces are rapidly adapting to guided munitions warfare by pushing

guided munitions down into the squad and even the individual level for our ground forces; experimenting robustly with robotic ground systems and air systems that can obviate the need to risk human beings in some high-risk missions; and developing platforms that can deploy alongside our dismounted units to provide them some protection from adversaries' guided munitions.

Third, and finally, ensure our forward bases and deployed forces can defend against guided munitions by more aggressively funding research and development of directed energy systems and exploring innovative basing concepts that can disperse U.S. military forces across larger geographic areas.

Mr. Chairman, America's finely honed military technical edge is eroding, and U.S. policymakers have a closing window of opportunity to arrest this trend. For decades, our adversaries were convinced that U.S. forces would be able to see them first and shoot them first, due to our overwhelming advantage in precision-guided munitions and the means to deliver them at a time and place of our choosing. If this erosion is allowed to continue, the credible deterrent power of the United States will erode, as well, causing significant disruptions to the global balance of power. And we must not let that happen.

Thank you for the great honor of testifying before you.

[The prepared statement of Mr. Brimley follows:]

Chairman McCain: Well, I thank the witnesses. And I think it's very important, and I hope that all of our witnesses will read your written statements, which I think are very important, as well.

I'll tell the witnesses, a little over a year from now, very little over a year from now, we're going to have a new President of the United States. And let's suppose that you are called over to see the incoming President of the United States, and he -- he or she wants to talk about defense. What's your first recommendation to the new President of the United States?

We'll begin with you, Mr. Brimley.

Mr. Brimley: Thank you, Mr. Chairman.

My advice would be to invest his or her political capital early on, working with Members of Congress, to reestablish a baseline defense budget that is robust enough to fund what the Pentagon's been arguing for some time, along with your leadership and the leadership of others. And, as I said in my written statement, I think the erosion of our qualitative military edge has to be addressed. Size is important. The quantity is important. But, I worry that, unless the -- if we allow this erosion of our military technical edge to continue at this pace, it will pose great danger to our men and women we will ask, and the future Commander in Chief would ask, to put in harm's way, at some

point.

Chairman McCain: Mr. Donnelly?

Mr. Donnelly: I would suggest that the President try to reposture American forces farther forward, particularly in the Pacific, particularly in the South Pacific, but also in Europe, in the Middle East. That's something that he or she could do, even with the force that will be inherited, and it is an important first step towards reassuring our allies that the United States is serious about preserving the world that we live in today.

Chairman McCain: Out of curiosity, Dr. Preble, are you related?

Dr. Preble: Very distantly, sir. I did the research, years ago. It's about as distant as you possibly can get, so -- but, 12 generations away, so --

Chairman McCain: Still a great name.

Dr. Preble: It is a great name. Thank you, sir.

My advice to the new President -- it gets back to strategy. Strategy is about choosing. And that means setting priorities. We have not done a very good job of that. Now, I understand that when you articulate those priorities, you send signals, some of which are not necessarily welcome, some of which are necessary. And I do think it's important to send a quite different message to our allies that we will forever have their back, forever and

ever, and that they're not expected to do anything to assist us. I don't think that's wise. I don't think that's, over the long term, going to be effective. I just -- I don't believe that it's -- that the United States has the ability to foresee, for many, many other countries, what their security priorities are better than they can.

Chairman McCain: Mr. Wood.

Mr. Wood: Thank you, Mr. Chairman.

I believe that the President needs to clearly define U.S. national security interests, and then resource those commensurate with those interests. I mean, how could you do otherwise? So, if you're not willing to devote the resources necessary to serve, then you have to recast your interests and the role you want to play in the world. We have seen the impact of a baseline budget of 500 billion with erosion, Army dropping from 520,000 down to 490-, 450-, potentially lower than that. We've seen the degradation in readiness. We've seen the shrinkage of capacity for U.S. military forces to do things. So, if we want to maintain a primary role in the world, the leading primary role in the world, then we need to resource that, commensurate with those level of interests.

And so, I think the recent budget deal, where we're got, what, 607 billion, I think, when it's all added up, is merely to stem the erosion that we have seen. It's not

going to buy back significant numbers of readiness, you're not going to rebuild brigade combat teams, where we've seen them drop from 45 down to 32. So, that's a bare minimum that folks have been able to agree to.

So, I think the funding needs to increase. The services themselves will figure out how to solve operational challenges. They need that breadth of capability and capacity to do the experimentation, the testing, see how new technologies are brought into it. But, if they don't have the capacity to do that, with capacity made possible by adequate funding, then we're not going to be able to get ahead of that curve, and we'd better have a terrible record of trying to predict what the next war will be, against who, what the characteristics of it will be, what symmetries or asymmetries will be actually in that mix, in that current conflict. But, to have that kind of ability to test those kinds of things, capacity, I think, is the overarching need, and it's finding the adequate funding to have the military, commensurate, again, with the U.S. role in the world.

Chairman McCain: Dr. Krepinevich?

Dr. Krepinevich: I think the first order of business, assuming we continue to sustain the vital interests that we've established for ourselves in the Middle East, the Far East, and Europe, is to come up with a strategy to deal with the three revisionist powers, to describe what the priority

is among those three, not only in the near term, but over time, so it's a time-sensitive strategy. I think my going-in position would be that, in the Far East, we need a defense posture, a strategy of forward defense; I think in the Middle East, it has to be low footprint combined with expeditionary posture; and I think in Eastern Europe, it would be a tripwire force, with the potential for reinforcement, if necessary. And I think, finally, we need to come up with a strategy to address the problem of what I would call modern strategic warfare that involves not only nuclear weapons now, but advanced nuclear weapons, defenses against missiles and cruise missiles, cyberweapons, and advanced conventional weapons capable of attacking targets that were once reserved only for nuclear weapons.

Chairman McCain: My time is expired, but I would ask the witnesses to give me a written response to what you think is the future of the aircraft carrier.

[The information referred to follows:]

[COMMITTEE INSERT]

Chairman McCain: I ask that, because the aircraft carrier has been the backbone of the Navy, as we all know, since World War II, and there's significant questions about the carrier itself, its size, the air wing, the role. And so, I would appreciate that answer. That's one of the issues that we're going to be grappling with when we're talking about a $10- or $12 billion weapon system.

I thank the witnesses.

Senator Reed.

Senator Reed: Well, thank you very much, Mr. Chairman.

I, too, want to thank the witnesses for very thoughtful and insightful comments.

Let me ask all of you a question. And it's been highlighted in all of your comments. One of the most rapid areas of change is technological innovation, which is worldwide. It's affecting ourselves and it's affecting our competitors. And the other dynamic which I'd ask you to focus on is, a lot of this -- the technological change is taking place outside formal government procurement channels, defense industries, you know, military installations, its private sector. And how do we sort of fit that into our operations in DOD?

So, let me start with Dr. Krepinevich and go right down, Mr. Wood, down the panel.

Dr. Krepinevich: I think that's integral to the so-

called third offset strategy. And my sense is, as some of my colleagues have mentioned, that the advantage we have developed for ourselves in battle networks and precision warfare that was based on the decision in the 1970s to exploit information technologies as a source of competitive advantage, that advantage is now a wasting asset. And so, where do we go next?

And if you look, as you said, Senator, where technology is going today, whether it's big data or robotics or directed energy, those technologies are widely diffused, they're available to anyone with the resources to buy them and develop them. And so, historically speaking, I don't think, as my former colleague Bob Work and I have discussed -- you look back at the 1950s or the 1970s, you actually have to look back at the inter-war period, the period in the 1920s and '30s. And in that period, you had a number of great powers. And I have mentioned the revisionist powers we're dealing with now. And technologies that were moving very quickly then -- in the automotive industry, in radio, radar, aviation -- were available to us, the Germans, the Japanese, the Brits, and so on.

What made the difference in World War II were two things. Number one, operational concepts, who figured out how best to employ those emerging technologies. So, when it came to mechanization, aviation, radio, the Germans

developed blitzkrieg based on that. The French didn't. Okay, 6 weeks. And you look at other aspects, the first integrated air defense system, that was the British. The Germans were a little bit behind on that. So, it was a combination of figuring out best to leverage that new technology to deal with the problems that you identified. And it was also the speed at which you could develop and apply that. So, we start World War II with eight aircraft carriers. We end the war with 99 -- 99 aircraft carriers of all types.

And this gets, I think, back to the issue of time. How effectively can exploit time? And I think that's one of the reasons I would certainly commend the committee for its focus on defense reform, because we are a terrible competitor when it comes to exploiting time. And the better you can exploit time, the less standing military capability you need. The better you can exploit time, the more range of possibilities that are open to you. The better you can exploit time, the more uncertainty you generate in the minds of your adversaries because of the potential directions you can go in.

So, I think, in terms of, you know, your point about "technology is widely diffusing" -- I think those are going to be the two critical discriminators. Who develops the best operational concepts, and who can do it fast?

Senator Reed: Dr. Wood. And my time is diminishing.

Mr. Wood: Very quickly, then. I think we need to have units and formations available to incorporate or experiment with these things as they come in, because the change is so rapid. So, what residual -- what capability do we have that's free enough to do the type of experimentation that Dr. Krepinevich mentioned in that inter-war period? Secondly, we need formations that are able to operate independently. We've become critically dependent on a massive interconnected system that, if the enemy compromises, the entire formation is now vulnerable. So, distributed operations with dispersed units that can operate independently, GPS, independent kinds of precision munitions, closed-loop kinds of com systems. You know, those kinds of things, where, when one part of the formation can take a hit, and the rest of the force can continue on.

Senator Reed: Thank you very much.

And again, my time is diminished.

Dr. Preble, it's a comment?

Dr. Preble: Very quickly. The -- I'm concerned about the proliferation of technology down to nonstate actors and non- -- you know, weak states, and especially -- it brings us into an era, it seems to me, of defensive dominance, which does then raise issues of, Will we risk truly exquisite platforms, exquisite technologies, and risk large

numbers of lives if we're projecting power into other people's areas. So, this new era of defensive dominance.

Senator Reed: Thank you.

And, Mr. Donnelly, then Mr. Brimley.

Mr. Donnelly: Okay, sorry. Red means go.

Again, I think our principal task is to understand what our geopolitical purposes are. Technologies, as Dr. Krepinevich suggested, mean different things to different people in different circumstances. So, we have to figure out what elements of this technology are essential to us, and our job is -- still will be, as it was in 1942, to figure out how to have an effect on the far side. We do not want to, you know, experience another, sort of, Pearl Harbor-like event. And our purposes are quite different than they were in 1941. We are trying to preserve an international system, not build one from scratch.

Senator Reed: And finally, Mr. Brimley.

Mr. Brimley: Thank you, sir. And, very quickly, I'd just, number one, associate myself entirely with Dr. Krepinevich's comments. And the only thing I'd add to those is, I understand that this committee is holding a hearing on the Goldwater-Nichols Act. And I think -- looking at that piece of legislation in particular, I think the 1986 or '87 Nunn-Cohen amendment to that Act that created Special Operations Command -- SOCOM has unique acquisition

authorities that it has used pretty well to go direct into the commercial industry and pull things and experiment with them and bypass a lot of the acquisition bureaucracy. I think, you know, investigating deeper into those kinds of authorities, how they've been used, and how they might be replicated across the force would be a very interesting discussion.

Senator Reed [presiding]: Well, thank you very -- again, thank you very much for your testimony, gentlemen. It was superb.

And, on behalf of Chairman McCain, let me recognize Senator Inhofe.

Senator Inhofe: Thank you very much.

Well, first of all, just an observation here. I think you already observed this, that we've had a lot of great hearings on this condition, on the subject of today. They kind of fall into two categories. We had hearings with the uniforms present, with a lot of those people who were responsible for the mess that we're in right now. And then we've had the others, who are the outside experts. And that's -- certainly, you fall in that category. We, last week, had five professors, and that was really, really useful, to see from the outside. You know, we're hanging around here, and we listen to each other. I like to listen to those who are outside.

I would also kind of single out one individual. That's Dakota Wood. He's -- certainly has spent time -- what, two decades in the Marine Corps, and is -- has been an outstanding leader in America. And, far more significant than that, he's from Claremore, Oklahoma, and he is -- and that's one of the homes of Will Rogers, so you see a lot of the characteristics that he exhibits are similar to those of Will Rogers.

So, let me read something. And this is 30-35 years ago, but -- you go back, compare what -- the criteria that was set out in developing a defense budget under the Reagan administration with what's happening today. And I'll ask you to respond. Of course, Dakota, you've already read this.

He said -- and this is 1983 -- he said, quote, "We start by considering what must be done to maintain peace and review all the possible threats against our security." Okay? "Then a strategy for strengthening peace and defending against those threats has to be agreed upon. And finally, our defense establishment must be evaluated to see what is necessary to protect against any and all of the potential threats. The cost of the -- achieving these ends is totaled up, and the result is the budget for national defense."

What do you think about that strategy, Mr. Wood?

Mr. Wood: Well, I think we have -- as many members here have already noted previously, that we -- this has been a budget-driven exercise, and so it's, How much money do we want to spend on defense? And then we try to make do with that. So, I think what was -- what Ronald Reagan was getting at with that is figuring out what it is that you want to be in the world, where your priorities are at, and then resourcing that, commensurate with those interests.

So, it should be strategy-driven. It should be U.S. interests-driven. And then, if you want to shoulder that burden, you have to find, you know, the funding and the resources to be able to do that.

Senator Inhofe: But, to do that, it has -- you have prioritize where it is. Now, I think most of us up here -- I can't speak for the -- all of the rest of them -- that's our number-one priority of what we're supposed to be doing here. I mean, that's -- even the Constitution agreed. Anyone disagree with that?

Yes, sir.

Mr. Donnelly: It's the second part that I would disagree with. I've come to believe that -- particularly since the passage of the Budget Control Act, that, in effect, what we've seen over the last 5 years is, if not an articulated strategy, a de facto strategy, wherein the President and, say, the more libertarian members of the

House of Representatives agree that America is doing too much in the world, and that if we take away the means of mischief, that we'll get into less mischief. Again, I don't think that it's anything like in our -- in a formal strategic review process. But, there's broad consensus that -- for the United States to step back from its traditional engagement in the world --

Senator Inhofe: Yeah. Well, let me just get on record and tell you, I don't agree with that. And I have made it very clear to those individuals that you -- without naming them -- have this philosophy.

By the way, you were very specific in your written statement. I'd read that before you restated it here. And that is, we should -- one of the things we should do is to adopt a three-theater force construct. I agree with that. And I've watched it deteriorate down, as you've pointed out, to a two-theater, and one-and-one-half, and so forth.

I'd like to know what some of the rest of you think. What about you, Dr. Krepinevich?

Dr. Krepinevich: Senator, I believe that we don't have unlimited resources. And so, it's never going to be possible to eliminate every threat to our security. To a certain extent, the amount we spend on defense is a function of how -- of our risk tolerance. You know, the more we spend on defense, the more we can reduce the --

theoretically, the risk to our security.

Senator Inhofe: Yeah.

Dr. Krepinevich: But, we can't eliminate it, because we don't have enough resources to do that.

I think another factor you have to consider is, what can our allies contribute? And oftentimes, it seems the more we do, the less they do. So, how do we come up with strategies to encourage our allies to do more and be less free riders on the security provided by the American people?

I think there's an element of social choice in this. You know, we have chosen, as a country, as a society, to have an All-Volunteer Force. That costs a lot of money. Other militaries don't have all-volunteer forces, and, you know, when we had a draft-era force, our costs were correspondingly less. As a society, we place a very high value on human life. We spent over $40 billion on MRAPs, and another 20 billion on JDO, to minimize casualties. In World War II, the way the Russians cleared minefields was to move their infantry through it and consider it an artillery barrage. So, we've made a cultural and social choice that we are going to invest a great sum of money to minimize casualties.

And I think, finally, strategy. What -- you know, we -- this always comes back to strategy. A strategy that -- there's a group that advocates, as I mentioned, an offshore-

control strategy, in the event of -- as a way of discouraging conflict with China. And they call for a maritime distant blockade. That's a very different level of expenditure than what I've been talking about, which is archipelagic defense, which is quite a bit more costly.

Senator Inhofe: Yeah. I'm really sorry to interrupt you, but --

Dr. Krepinevich: Sure.

Senator Inhofe: -- I'm well over my time right now, and I -- let me just say, I kind of disagree in one area, because, in terms of the resources that we have out there, we have resources, and we don't have priorities. And, in fact, in your statement you made that very clear, as to the percentage of GDP that we had at one time, and how it's deteriorated over a period of time.

So, I would only say that if you give me a written response, each one of you, in terms of this, I would appreciate that very much, and I can get that for the record, as to how the reprioritizing is -- would give us the defense that we don't have now, and that we need.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator Inhofe: Thank you, Mr. Chairman.

Senator Reed: Thank you very much.

And, on behalf of Chairman McCain, let me recognize Senator Manchin.

Chairman McCain: Thank you, Mr. Chairman.

And, to all of you, thank you for being here and bringing your expertise, and sharing it with us.

And I'll start with you, Mr. Brimley, but I'd like all five of you to answer as quickly as you can, because we're really limited on time. But, if you could tell me what you think the greatest threat to our national security is, what -- in your mind, what our greatest threat to our national security is.

Mr. Brimley.

Mr. Brimley: Thank you, Senator.

At the risk of being, maybe, somewhat provocative, I'd say the number-one threat is, you know, our policymakers and the American people overestimating the ability -- the abilities of the U.S. military to close with and destroy and confront and deter our enemies. I think that there's a growing gap, as I talk about in my written statement, between what our forces are designed to do and what our adversaries can contest us with. And I think -- I would hate for the country to experience a level of strategic surprise --

Senator Manchin: You think we overreach --

Mr. Brimley: -- associated --

Senator Manchin: -- may be overreaching?

Mr. Brimley: I think there's an element of overreach, but, as the Chairman talked about in his opening statement, I think there's also an element of underreach, as we see, I would argue, in places like Syria and Iraq.

Senator Manchin: Mr. Donnelly?

Mr. Brimley: I think there's a balance there.

Mr. Donnelly: I would say the rise of Iran as a potential hegemon in the Middle East is really the --

Senator Manchin: Greatest threat we face?

Mr. Donnelly: Because the Middle East is such a mess, and it's so critical to the whole system. It's the --

Senator Manchin: Yeah.

Mr. Donnelly: -- the point of most likely failure. And again, Iran's bid for hegemony there is --

Senator Manchin: Dr. Preble?

Mr. Donnelly: -- is the thing.

Dr. Preble: I think the greatest threat is what threatens our greatest strength, which is our ability to mobilize power through a strong, vibrant economy. And therefore, the greatest threat to our country is some -- are the things that undermine the strength of our economy and reduce our ability to mobilize in the future.

Senator Manchin: Mr. Wood?

Mr. Wood: Two different types. One is actors that can operate at scale, so when you have somebody like Russia or China, profound implications that dominate entire regions with very deep nuclear magazines. That's a different kind of threat than a North Korea or Iran, which can be very sharp and erratic, and very pointed.

Senator Manchin: I'm just talking our national security, the greatest threat. So, you think Russia, with --

Mr. Wood: I do. I think the more profound, enduring kinds of challenges are Russia and China.

Senator Manchin: Dr. Krepinevich?

Dr. Krepinevich: I would agree with Dakota Wood, in that I think the threats that could destroy us as a society, as a country, emanate from Russia and China. I think it's -- the existential threat is nuclear conflict, although I would expand that to say that there is a blurring between nuclear and conventional weapons that's been occurring for the last 15-20 years or so, lower-yield nuclear weapons, more powerful conventional weapons, not clear. When you have a Russian military doctrine that says you escalate to nuclear use to de-escalate a conflict, that worries me.

Senator Manchin: Let me take this to another level now, if I may, sir. I'm so sorry to cut you off. Our time

is so short up here.

I asked this question 5 years ago, and I had Joint Chiefs of Staff before me, and I'm brand new, 5 years ago, coming into the Senate. And I asked the question. And I was -- Admiral Mullen, we asked -- it was asked of Admiral Mullen, and I was intently listening, and everybody -- "You all give me your opinion." He never blinked an eye, and he said, "The debt of this Nation is the greatest threat that we face." The debt of this Nation is the greatest threat we face.

So, Dr. Preble, I would say to you, Do you believe that we have enough money in the system -- in the system, Department of Defense -- if we can make the changes? Or are we unwilling to make the changes because we're going down a path where, if you throw more money -- and I'm going to put it to you this way. I asked my grandfather one time, I said, "Hey, Papa, what's the difference between a Democrat and Republican?" "Oh," he says, "No problem, honey, I can explain that to you. If you put a pile of money on the middle of the table, tax dollars, they'll both spend it all, probably because they'll feel bad about it, but they'll all, above all, spend it." So, with that, I don't think we can print enough money.

Tell me if we can make -- if we just have to make sure we have enough.

Dr. Preble: We could, if we chose, fund our military at the level that Mr. Donnelly is talking about, or more, 4 percent, 5 percent, or more.

Senator Manchin: Sure.

Dr. Preble: We could. I don't think it's wise to do so. In real-dollar terms, because our economy has grown so much over the years, thankfully -- in real-dollar terms, what we're spending now on our military is higher than the Cold War average in inflation-adjusted terms. So, we have --

Senator Manchin: So, we're not getting the bang for a buck.

Dr. Preble: Correct.

Senator Manchin: Gotcha.

What -- I mean, so you're saying that we make some adjustments. It's not that we're -- taxpayers are -- I want to make sure we're giving our military everything we've got.

Dr. Preble: Right.

Senator Manchin: I totally committed to the military. But, people question about the money we're throwing at it, or the money that they're demanding, because I don't think you can print enough.

Dr. Preble: That's right, sir.

Senator Manchin: And you think it could be revamped.

Dr. Preble: Yes, sir.

Senator Manchin: And still protect our Nation. And still be a superpower of the world.

Dr. Preble: Yes, sir. All true. All the above.

Senator Manchin: Do any of you have any comments to that?

Dr. Krepinevich: Just a quick comment. If you look at the Cold War era, we spent an average of over 6 percent a year of our GDP on defense. We're on a path now to go below 3 percent. That's not the ultimate metric. A lot of that has to do with how wisely is the money spent, how great is the threat? My point was, the threats are growing --

Senator Manchin: Well, you all are using different parameters. I --

Dr. Krepinevich: Right. But --

Senator Manchin: You're using a different -- Mr. Preble, and he's --

Dr. Krepinevich: Right.

Senator Manchin: -- using GDP. And you're --

Dr. Krepinevich: Right. Well, the --

Senator Manchin: -- using basically --

Dr. Krepinevich: -- the point I want to make is, in terms of our overall national wealth, we are not in financial trouble because we're spending too much money on defense.

Senator Manchin: Gotcha.

Dr. Krepinevich: Paul Kennedy once spoke of imperial overstretch, the decline of great powers because they spent too much on defense. We are in the throes of entitlement overstretch and a -- an unwillingness to fund those things that we actually want. And so, we're deferring that -- we're deferring that burden to the next generation, and sticking them with the bill for what we're unwilling to pay for now.

Senator Manchin: Mr. Preble.

Dr. Preble: May I say, Senator, that I do think you will find a rare area of agreement of all five of us, to what he just said. We are not in fiscal distress because of the money we spend on our military.

Senator Manchin: Gotcha.

Dr. Preble: But, raising money -- to increase the amount of money we spend on the military is constrained by the other things that we are spending on.

Senator Manchin: Thank you, Mr. Chairman.

Chairman McCain [presiding]: I will be showing the committee the decline in the size of our military in the number of ships, in the number of brigade combat teams, in the -- and also commensurate decline in capabilities, Dr. Preble. I know of no one who believes that we have sufficient capabilities to meet the challenges that we face today, which have been outlined, at this percent of our

gross domestic product. We just have an honest disagreement.

Senator Sessions.

Senator Sessions: Thank you, Mr. Chairman, for your opening comments and those of Senator Reed. I believe they're very wise and raise some very important questions that all of us need to think a lot about.

With regard to the question of debt being the greatest threat, well, I think the Admiral, in one sense, if you take it in this sense, was correct, that the larger our debt, you get to a point where you can't function anymore, and everything gets squeezed. So, if he's trying to maintain a certain defense budget, as long as our defense -- our debt continues to surge, then it does inevitably squeeze the defense budget. Wish it weren't so, but it does. So, we tried to fund an increase in the defense budget this year, on the Republican side, based on the dangers that have surged around the world, and the President insisted that we equally defend -- raise the same amount of money for nondefense. I mean, so at double the cost. This doesn't help us.

I believe, Mr. Krepinevich, you mentioned our allies' contributions. Met with some Germans recently, and we were in Estonia. Estonia is at 2 percent of GDP on defense. Germany is at 1.3. The German presiding officer here, with

a good delegation, stood up and said, "I agree," when I raised this question, "that it is unacceptable that the United States spends 70 percent of the cost of NATO. You are correct, Senator," basically is what he told me. Secretary Gates, last week, talked about his plea, demand to Europe that they do a better job. And you, I believe, indicated that sometimes when we raise our spending, our allies reduce their spending. How do we deal with this?

Dr. Krepinevich: I think, Senator, we have inherited, or we have, right now, an alliance portfolio that we constructed in the 1950s, in a very different time, with a very different security environment. I think, if you look at the situation now, as we revise our strategy, I think it's also time to revise our alliance portfolio. Not to say that we dismiss long-term allies with whom we still have security interests, but I think, for example, in the case of Europe, we're going to have to look more to the eastern European countries and less to those of our traditional western European allies. I think, in the Middle East, obviously, Israeli is -- the Israelis are, in a sense, a -- you know, almost a de facto ally. There are other countries in the region, like the UAE, for example, that show an increasing interest in stepping up and providing for the regional defense.

Japan -- I was in Kyushu, a few months back, their

western army command. I was amazed at the level of effort they have going on right now on Kyushu and in the Ryukyu Islands in implementing what I call archipelagic defense. And I think the Abe government is gradually moving toward a more robust defense posture. We have non-allies, for example, like Singapore. The level of interest in contact between Japan and India is striking. So, I think part of it is to look at countries who live in dangerous neighborhoods. I mean, I think, to a certain extent, West Europeans haven't come to realize that their neighborhood is still dangerous.

Senator Sessions: Well, I think it's a problem. We need to keep the pressure on.

Mr. Donnelly, it seems to me that a big change has occurred -- I'll ask you, from your experience, to comment -- in the Middle East if Iran gets a nuclear weapon. I mean, there's not a country in the Middle East that this United States military couldn't topple its government in short order. But, is there a historic alteration of those circumstances that -- if Iran would obtain a nuclear weapon?

Mr. Donnelly: I think Iran is already getting the benefits of threatening to have a nuclear weapon. Again, I would offer that Iran's goal is regional hegemony. And then the nuclear question is -- was a means, first of all, to deter us, but, secondly -- so, they're getting the things that they wanted, and they're actually enjoying a run of

success, as one might say, without -- and they have the prospect of possibly having a legal nuclear capability within 10 years. So, they have a very clear path to becoming the dominant power in the Middle East without even having to cross the nuclear threshold, at this point. So, I think we kind of find ourselves in a worst-of-both-worlds situation, where the Iranians are getting what they want, and we're acquiescing on that, if not enabling it.

Senator Sessions: Well, thank you.

We're talking about strategy. I'll just -- my time's up, but I notice Secretary Gates, last week, when he talked with us, said, "My concern is, we don't have an overriding strategy on the part of the United States in this complex challenge over the next 20 to 30 years." He says, "We seem to be thinking strictly in a -- sort of month-to-month terms." I think that's a tremendously devastating comment by the Secretary of Defense that served in this administration and a previous administration, a man of great wisdom and experience. I don't believe we do have a strategy. And I think it's important -- and I think it's possible to do it in a bipartisan basis.

Thank you.

Chairman McCain: Senator Shaheen.

Senator Shaheen: Thank you, gentlemen, for your very thought-provoking testimony this morning.

I've been in several countries in Europe in the last 4 or 5 months, and one of the things that I heard everywhere I went was concern about our inability to respond to the propaganda that's being put both by Russia and by ISIS, and the impact that that is having on the potential for us to be successful in eastern Europe, in the Baltics, in Latvia, and we know the numbers around recruiting that ISIS has done in the Middle East. But, I was interested that none of you mentioned that, even though former Secretary Gates, last week, talked about our failure, that we have even dismantled USIA in the '90s because we thought it was no longer needed. I wonder if anyone would like to comment on the need to do a better job, and the role that the Department of Defense should have in our response to the propaganda that's coming out of Russia and other opponents that we face.

Dr. Preble, you wanted to go first?

Dr. Preble: Senator, if I may, just quickly. I'm not -- to your last point, I'm not convinced this is the right field for the Department of Defense. I'm not convinced of that. But, what I think we're seeing, strangely, is, in the same way that I talked about the proliferation of technology to nonstate actors, we're also seeing the proliferation of information and the ability of nonstate actors and weak states to control the information in a way that, not so long ago, was controlled exclusively by states.

Now, we recognize that there is a double-edged sword there, because state-controlled media also has its problems. And so, I think we just have to recognize that we are in a different environment in which it is far harder for a single large entity, even as large and as powerful as the United States, to shape that narrative. We have to rely on many more sources of information to sort of drown out that of ISIS or Russia, as the case may be.

Senator Shaheen: Mr. Donnelly?

Mr. Donnelly: I think the problem is the message, not the means. I mean, young men with very few prospects respond to the spectacular violence that is in the ISIS videos. Vladimir Putin takes his shirt off and tries to look at virile as possible. So, our problem is that we don't have a message of strength, which is not the only message that we should be committing, but -- communicating, but one that we must communicate. And it's just not very convincing. Because there's a proliferation of means of communication, I'm sure we would win this battle, and that it wouldn't require much government intervention to, you know, get the message out. It would just be nice to have a better message to try to communicate.

Senator Shaheen: Well, it's not clear to me that we're communicating much of a message at all at this point.

Mr. Donnelly: I think we are communicating a message.

I think we're communicating a message of withdrawal and retreat, loud and clear.

Senator Shaheen: But, I mean, we don't have a strategy and a means by which we are actively looking at responding to the propaganda that's coming out of Russia and ISIS.

Mr. Donnelly: Again, I would just offer that the way to defeat their propaganda is to defeat their narrative, and we don't have a convincing story to tell at this point.

Senator Shaheen: Anyone else want to respond to that?

Mr. Wood: Well, I agree with the general tenor of the discussions here. To counter propaganda, you have to be confident of who you are, what you represent, and why what you're offering is better than the other guy, right? So, what we're seeing is a lack of confidence, a lack of clarity of message, and a lack of assertiveness in saying that the United States, our value systems, and what we represent is a better path, that it's something better than the opposition. But, I think what we have been focusing on was actually the core idea of this particular panel. It had to do with military capabilities, force structure --

Senator Shaheen: Well, I -- no, I understand that that was the idea, but I'm suggesting that we're missing a critical element of what should be part of our military -- or at least our national security strategy.

Dr. Krepinevich?

Dr. Krepinevich: Just -- and I'm not an expert on this by any means -- but, it seems to me, fundamentally, we're talking about the old story of hearts and minds. If you're trying to mobilize people, can you win their hearts? Can you, you know, convince them that you're going to provide a better future for them than the other side? And then minds. You can win my heart, but if, in my mind, I think the other side's going to win and I'm going to have to live with them, then you've lost me. So, hearts and minds. The -- so, it's important to have the good narrative to win the hearts, but it's also to -- also have the capability and a strategy that convinces them that, ultimately, you're going to succeed.

There's also a problem with the way the message is communicated. You know, the Russians present one problem, because it's state-based media. Groups like Daesh, you know, they take advantage of modern technologies to reach mass audiences that -- you know, 20-30 years ago, a nonstate entity couldn't dream of reaching. And so, you're looking at mass audiences, you're looking at a lot of microclimates, where you -- it's almost a highly segmented market. And I think we're at square one on a lot of these issues. And it's -- I think strategic communication is going to be -- I don't know if it's a mission for the military. We used to call it propaganda. But, I do think it's going to be a mission for the U.S. Government, and an important one,

because of the -- what I would call the democratization of destruction, the concentration of greater and greater destructive power in the hands of small groups.

Senator Shaheen: I certainly agree with that.

And my time is up, but I would just make an observation as you talk about what kind of message are we communicating. As we watch the tens of thousands of refugees who are fleeing the Middle East, and conflicts in Afghanistan and Iran and Syria, they aren't fleeing to Russia or Iran. They're fleeing to the West, because they want to live in countries that have strong economies and have values that support -- democratic values. And so, I would say we have a strong message. We're just not doing a very good job of communicating that.

Thank you, Mr. Chairman.

Chairman McCain: Senator Ernst.

Senator Ernst: Thank you, Mr. Chair.

Gentlemen, thank you for being here today. This has been a very interesting discussion as we talk about strategy and force structure.

December 13th, 1636. That's the birth date of our modern National Guard. And, of course, I'm very proud of our National Guard's capabilities. And we have seen the National Guard participate in conflicts all around the globe, as well as in support roles in places such as Kosovo

and Honduras and many other types of exercises around the world. And I would like to hear a little bit from all of you about what role that you think the Army National Guard should play. As I mentioned, we've been in support, combat sustainment roles, but we've also served in combat roles, as well. Just recently, our 2nd Brigade Combat Team from Iowa actually occupied battlespace in Afghanistan. So, there is an increasing reliance upon the Army National Guard, and they respond quite well, I believe, to the needs of the United States and our forces.

I would like to know that -- if you believe the Army National Guard should be designated as an operational reserve of the Army, and if so, why, or, if not, why not?

Dr. -- excuse me -- Krepinevich? Say that for me, please.

Dr. Krepinevich: You said it right, Senator.

Senator Ernst: Okay, fantastic.

Dr. Krepinevich: Thank you. Thank you so much.

Senator Ernst: Thank you. I apologize.

Dr. Krepinevich: No, no, no.

Again, I think that gets back to Admiral Fisher's question, you know, "Tell me how you're going to fight. Tell me how you're going to deter." I think one of the big growth areas -- if I could -- if it's Krepinevich's strategy, I think, over the next 20 years, the big growth

area in ground forces is going to be in rocket artillery, air defense, missile defense, coastal defense, and strike. I think that's going to be essential to have an effective defense of the first island chain. So, I think, in terms of an operational reserve or a second wave force or a reinforcing force, I think the National Guard could perform a function there.

In the Persian Gulf, if we were -- I think the Guard, of course, has many capabilities that would support a low footprint mission, but also, if we had to have an expeditionary force there, obviously you're going to have to mobilize a certain amount of force. Again, I think a support -- major growth area for there would be rocket artillery in its various forms.

And then, in eastern Europe, if you buy my idea that a tripwire force is what we're going to need because of limits on, you know, finances and manpower and so on, if we were to develop our own anti-access area-denial bubbles in eastern Europe, we would be relying on a lot of those kinds of systems, as well.

So, to the extent that the Guard -- and I worked with the Guard a long time ago, in -- when we had something called ARADCOM, the Army Air Defense Command --

Senator Ernst: Correct.

Dr. Krepinevich: -- and they were off the charts, in

terms of their capability and expertise in that area. So, I think certainly it's an operational reserve for those kinds of tasks. I think the Guard could perform a valuable function.

Senator Ernst: Wonderful. Thank you. I appreciate that.

Mr. Wood?

Mr. Wood: I view it more as a strategic reserve, selected operational reinforcement of Active Army formations. And we've talked about the proliferation of technology, the increasing complexities of military operations, especially when you're coordinating and synchronizing operations at higher levels, when we talk about distributed operations -- I mean, there's a skill set that becomes ever more complex and takes a lot of time to develop competencies in those areas. And so, I think the Active component, doing that 24/7, is a force of choice to go off and do these kinds of things that we're talking about, but you only have so much of that, so I think the strategic reserve capability, and then, in selected skill sets, where you could have Army Reserve, other service Reserves and National Guard units that would develop those kinds of things so it would plug into a larger structure. So --

Senator Ernst: Very good. Thank you.

Dr. Preble?

Dr. Preble: Quickly. I've spoken a little bit to this question in the written testimony. I have traditionally thought of the Reserves as a strategic reserve. And that was, of course, the intent when we moved away from the conscripted force to a volunteer force, that is to augment that smaller Active Duty well-trained force.

I do see value in engaging the public and communities in a way, when we wage war abroad and there are people from their community that are drawn away from their jobs and their families in a way that they weren't intending, because they're not full-time Active Duty, then it seems, at a minimum, we should have had a debate, or then we are having a debate, over where exactly are we fighting, and why. So, if it were -- if we were to move to an operational reserve, and it also engendered a debate over the wars that we're fighting, and why, then I would support it.

Senator Ernst: Okay. And very briefly -- my time is expiring -- Mr. Donnelly.

Mr. Donnelly: I would tend to more agree with -- well, actually, both Andy and Dakota. You know, there used to be a National Guard artillery brigade that had long-term associations with every Army division. We got rid of those some time ago. So, there are roles that the Guard can play for early deployment, and so on and so forth, but if we find

ourselves in a situation as we found ourselves, say, in 2006-2007, where we were using anything that looked -- wore a uniform as a soldier, that is a testament to bad strategic planning and bad force planning.

Senator Ernst: Yes. Thank you.

Mr. Brimley?

Mr. Donnelly: And not a knock on the Guard at all.

Senator Ernst: Mr. Brimley.

Mr. Brimley: I would just quickly say, Senator, that the Guard is an operational reserve. They've been used that way for the last 10-plus years. And so, in my mind, I see them that way. I think there's value there. There's hundreds of thousands of former Active Duty troops who are now populating the National Guard. So, now is the time to think through, if they're to be used that way, how to do so.

I would just say that I'm a little bit -- I've been frustrated to see relations between the Active Army and the Army National Guard deteriorate in recent years. I think there's -- and there's a lot of blame to go around, there. But, I've been frustrated that the Active Army doesn't seem to think about the Total Army. It seems to think, first and foremost, about the Active Army, and then, and only then, do we think about the Army National Guard, and, to a lesser degree, the Army Reserve. I think, as you think about looking at Goldwater-Nichols, one of the questions we should

be asking is, Has the elevation of the Chair of the National Guard to four-star status inside the formal Joint Chiefs of Staff -- has that had second- and third-order effects that have complicated the relations between what should be a cohesive Total Army?

Senator Ernst: Yes. And that is a debate that we have had in recent months, as well. I do see an effort by General Milley and General Grass to repair some of the conflict that we've had in the past.

So, thank you, gentlemen, very much.

Thank you, Mr. Chair.

Chairman McCain: Senator Hirono.

Senator Hirono: Thank you, Mr. Chairman.

And thank all of the panelists.

I do agree, Mr. Brimley, that we should have a close relationship -- strong relationship between the Active Army and the National Guard.

You noted, in your testimony, that we have focused, militarily, on the quality of our military, and that we had -- we held a technological edge, which is being eroded. And I do think that, when we lose our technological edge, then numbers begin to matter more, because, when you look at China and their modernization of its military, they will have more ships, more planes, et cetera. And, while they may not have the technological capability in these assets

that we do, at some point their superiority in numbers shift and becomes a qualitative advantage.

So, when we focus on the technological edge that we need to retain, what would you suggest that we do? What specific things should we do to retain and regain our technological edge?

Mr. Brimley: In my written -- thank you, Senator -- in my written statement, I outline some ideas in some depth. I would highlight two things for you now. One is to really make sure that all the services are embracing, truly embracing, the shift to unmanned systems and unmanned robotic systems. Some services are doing better than others. One of the debates that Chairman McCain is engaged on is the future of the carrier air wing, and the debate surrounding what unmanned aircraft from the carrier ought to look like, what would their roles be, how much -- and what would their missions be. And I think that's an area where the Navy really needs to be pushed hard. Anytime you have emerging technology that fundamentally calls into question the role of traditional, say, pilots in this regard, you'll get a lot of natural bureaucratic tension and friction. And I think that's an area where civilians can really play a strong role, both inside the Pentagon and also in Congress.

Senator Hirono: Mr. Donnelly, you noted, in your testimony, that you recommended the three-theater construct

involving Europe, the Middle East, and East Asia. And in your looking at what we do in East Asia, could you elaborate a bit more on what we're doing with regard to an East Asia strategy, construct, and what more we should be doing there?

Mr. Donnelly: Well, the policy of this administration has been to pivot to East Asia. And that's problematic, to begin with. Global powers don't pivot. It's not a kiddie soccer game, where everybody sort of follows the bouncing ball. But, I would say that it's notable where the Chinese are probing, in southeast Asia, where we are most absent. They are much more cautious when it comes to poking the Japanese, for example, in northeast Asia. So, despite the fact -- I mean, I would agree that the development of Chinese military power is an important element and an essential issue for defense planning. But, the first order of business is get some presence there. Secretary Carter made a big deal the other day about the fact that we were sending a destroyer to, you know, reestablish freedom of navigation. Again, the striking thing about that, to me, was not what was being done, which was very welcome, but the fact that it had taken so long to do it and that it required a couple-billion-dollar Arleigh Burke destroyer to safely go in those waters again. If we had been there over the course of the past couple of decades, maybe the reefs wouldn't have been paved into an airfield --

Senator Hirono: So --

Mr. Donnelly: -- in the first place.

Senator Hirono: Excuse me. Are you suggesting that we need a stronger forward presence in East Asia?

Mr. Donnelly: Absolutely.

Senator Hirono: And also to work --

Mr. Donnelly: -- southeast Asia.

Senator Hirono: -- a lot more closely with our allies in this area?

Mr. Donnelly: Absolutely. The Filipinos are desperate to have us return to the region. Again, in this conversation about allies, we should focus on the allies. They were really front-line states, and they're the ones who are, again, most interested in having us return. And what they provide, which is a battlefield, is something that is very hard to put a pricetag on.

Senator Hirono: For Dr. Preble and Dr. -- Mr. Donnelly, I'd like your reaction to -- a recent hearing, Dr. Thomas Mahnken, from the School of Advanced International Studies, stated that, "Strategy is all about how to mitigate and manage risk." And he feels that the U.S. has grown "unused to having to take risks and bear costs." Do you believe that we, as a Nation, have become too risk-averse? To both of you, to Dr. Preble and Mr. Donnelly.

Dr. Preble: I wouldn't say risk-averse. I would agree

with the rest of the statement, which we have become less capable or adept at prioritizing. I think that, when we do see great risk-aversion, especially in the admirable desire to not see American soldiers be killed overseas, the question is, is the mission vital to U.S. national security? And I think you're much more risk-averse and much more averse to casualties when there isn't a clear sense of how that mission is serving U.S. national security interests.

Senator Hirono: Very briefly, Mr. Donnelly?

Mr. Donnelly: I would have a different definition to strategy, that is to achieve our national security goals, not so much to mitigate risk, per se. But, I do not believe that this Nation is risk-averse, if properly led.

Senator Hirono: Thank you.

Thank you, Mr. Chairman.

Chairman McCain: Senator King.

Senator King: Mr. Chairman, before I begin my questioning, an inquiry of the Chair or perhaps of staff. What is the budget agreement due to the unfortunate veto of the national defense bill? Do we know?

Chairman McCain: I think the deal is -- would entail a $5 billion reduction that we, on the committee, are trying to work through; instead of 612 billion, it would be 607-.

Senator King: But, would the veto still -- do we have to act on the veto, or is it withdrawn, or -- what's the

procedural situation?

Chairman McCain: I -- you know, I don't think you can withdraw a veto. I think we -- I think we're going to have go through the drill again. Isn't that your understanding, Jack?

Senator Reed: I do think so, sir.

Chairman McCain: Yeah. I think we have to go through it again.

Senator King: You mean repass the bill or override the veto?

Chairman McCain: I think what we have to do is readjust the authorization by looking at the elimination of about $5 billion out of authorizing, then move it through the process again, I'm afraid. I hope not, but I'm afraid that --

Senator King: I hope not, as well.

Chairman McCain: Yeah.

Senator King: I'm going to ask some fairly narrow and specific questions. I was surprised when you all said what you thought the most serious threat was. To me, the most serious threat is capability plus will. And what makes me lose sleep is North Korea. They certainly are developing the capability, and their will is unpredictable, as opposed to Russia or China, that have some semblance of a rational calculation of their interests.

Mr. Brimley, your thoughts about -- I just don't want to wake up and say, "Who knew the -- North Korea was going to fire a nuclear weapon at the West Coast?"

Mr. Brimley: Thank you, Senator. I think that's an excellent observation. Certainly, in the near term, that is a huge strategic concern. I think the longer-term threat that is somewhat typified by your comment is the marriage of increased capability.

Senator King: That's right.

Mr. Brimley: Ten, 15 years ago, in North Korea, to have an intercontinental ballistic missile that they could mate with a nuclear warhead that could target the continental United States would have been unthinkable.

Senator King: And, of course, the follow-on question is, jihadists with a nuclear weapon in the hold of a tramp steamer.

Mr. Brimley: Indeed. In 2004, Fareed Zakaria wrote a book called "The Future of Freedom," where he talked about the democratization of violence. And that's essentially what's happening in the international system. And what most concerns me in that world is, when precision-guided munitions are available to all of these actors, it's very scary.

Senator King: Well, what bothers me about North Korea is that we all seem to be commenting and saying, "Oh, yes,

they're developing nuclear weapons, they're developing a missile," and my question -- and I'd like to take this for the record -- is, What should we be doing about it, if anything? What are our alternatives?

[The information referred to follows:]

[COMMITTEE INSERT]

Senator King: Second point, on the issue of the budget and Joe Manchin's questions, and Senator Sessions. I did a little quick calculation. If interest rates return to historic levels of 5.5 percent, the differential -- the increase of 3 and a half percent between what we're running now -- would exactly equal the current entire defense budget. It would be over -- it would be something like $630 billion, just in the increased in interest charges. So, I think the national debt is a threat, not to define our defense budget -- I'm not arguing that we should reduce it because of that. The real problem with the national debt is increasing demographics and healthcare costs. That's where the problem is. But, I think we have to be cognizant of it as a national security threat.

Number three, Mr. Preble, you talked about submarines as the possible -- instead of the triad submarines -- question is, How vulnerable are submarines to detection? My concern is that we not fall into the Maginot line trap.

Dr. Preble: Thank you, Senator. This has been a longstanding concern since we start -- since the third leg of the triad, after all, was submarine-launched ballistic missiles in the late 1950s, and, from the very beginning, concern about the ability to detect them and undermining their capabilities. I think that, generally speaking, those concerns have been proved wrong, so far, over time, that

each time that people claim that there is some exquisite technology or new technology that significantly undermines the stealthiness of our submarines, that they continue to perform extremely well.

As I pointed out in my statement, however, is that if that circumstance were to change, then we still have the flexibility to adapt other forces. But, for now, the combination of stealth and precision and other improvements in technology make ballistic missiles the best of the three platforms for --

Senator King: But, you would agree that the key word there is "stealth."

Dr. Preble: Yes, sir.

Senator King: And if their technological --

Dr. Preble: Yes, sir.

Senator King: -- erosion of that quality, then that creates a problem we need to be attentive to.

Dr. Preble: We need to be very attentive to it, yes, sir.

Senator King: A question for the record for all of you is, How do we enforce the 2-percent standard? You all have mentioned it. We are carrying too much of the burden. What -- I'd like some suggestions as to how that is carried out, rather than -- in ways other than just imprecations to our allies.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator King: Finally -- I'm not even going to -- I'm going to screw up the pronunciation, as we all have -- Krepinevich, how's that? Pretty close? Dr. Krepinevich, I think you made a really important point: time is an issue. Senator Inhofe has a chart that shows the average time now to put a new aircraft in the field is 23 years. I would submit that if that had been the case with radar in the Manhattan Project, we'd probably be speaking another language here today. We have to be able to field new technologies faster. Cost is obviously a question. But, to talk about a new bomber that probably won't be built for 10 or 12 years, maybe not even then -- I mean, we have to deal with this issue of time. I --

Dr. Krepinevich: Time is a resource every much as manpower is or, you know, technology is, or defense dollars.

Senator King: Are we overthinking these new weapon systems, in terms of making them so complex that it becomes just -- time just wastes --

Dr. Krepinevich: I think Secretary Gates had it almost right. He talked about performance characteristics, and he said, "We want everything that's possible, and a lot of things that aren't possible, in a new system." He talked about cost, and he said, "We treat cost as though cost is no object," and he talked about time and said, you know, time -- again, everything is subordinate to performance. So, we

sacrifice cost, in terms of no limits on cost; we sacrifice time, in terms of we seem to be willing to wait forever; and I think this is also -- time is also linked to relevance, because it's a lot easier to know what kind of security challenges you're going to face in 2 or 3 years than in 20 or 30.

Senator King: It --

Dr. Krepinevich: And so, his point was, "I'd rather have an 80-percent solution that you can give me within a reasonable cost and get on the ramp, or wherever, in a reasonable amount of time that's relevant to the threat." And that's why he canceled systems like airborne laser and future combat system, and so on.

Senator King: I agree with that. And it seems to me that the message is exactly as you stated it, plus design and build these systems so that they can be upgraded over time, as -- but get the system online.

Thank you very much, Mr. Chair.

Chairman McCain: Thank you.

Dr. Krepinevich, known to many as "Andy" --

[Laughter.]

Senator Reed: Mr. Chairman, we have a famous Coach K, and we have a famous Dr. K, from where I come from.

[Laughter.]

Chairman McCain: Senator Blumenthal.

Senator Blumenthal: Thank you, Mr. Chairman.

I'm -- I am more sympathetic, maybe, to the pronunciation of names, having a more difficult one to pronounce than Reed, McCain, and King. But, thank you all for being here. This has been an excellent discussion, and I have been following it in the midst of doing other duties.

And I think that, just to pursue a line of questioning that Senator King raised on stealth or, as Mr. Brimley referred to it as concealment, and just to quote one sentence in your testimony, "The nature" -- quote, "The nature of an actor's awareness of adversary forces will differ, but it seems clear that, on future battlefields, finding the enemy will be easier than hiding from him." Senator King rightly identified the advantage of submarines as their versatility and their stealth. The Ohio-class replacement promises to be far stealthier than any submarine now known, or perhaps imagined. But, I wonder, in terms of both your point, Dr. Preble, in relying on a smaller nuclear deterrent that may consist only of submarines, whether, in fact, we can pursue that objective, in light of the plausible point that finding our submarines will be, in fact, easier than hiding them. And obviously, we're at a loss here, because we can't talk about the technology in this setting. And, in fact, I might be at a loss to talk about the technology in any setting, in terms of my

scientific or engineering expertise. But, maybe you could just expand on that point.

Dr. Preble: The -- on the question of survivability as a function of concealment or stealth for the submarines, of course it's not nearly that our submarines are well hid, and continued improvements have made them, you know, kind of leaps ahead, but it is that there are many of them. When we talk about one leg of the triad, of course, it's not just one boat. It's 12 or 14 or 16. And so, we would have to believe that the advance in technology that made it so much easier to find those submarines was made without our knowledge and then sprung on us in a moment of surprise in which all of those vessels were all held vulnerable at the same time. I think that highly unlikely. Therefore, that's why -- we wrote a whole paper on this subject. I'd be happy to share a copy, Senator. But, that is why we believe that, while some of the earlier arguments against the submarine in the early days of the triad were valid, those have been overcome over time through a combination of technological advances and changes in nuclear-use doctrine, which also explain why they are a suitable platform.

Senator Blumenthal: The -- I think that point is very powerful and convincing, certainly for the first 10 or 20 years, but the Ohio replacement is a sub that's going to last well into this century, and it may not be sprung on us

in the first 5 years or even 10 years, but at some point one wonders whether that technology can't be developed.

Dr. Preble: Which I think speaks to the other conversation we've been having today about the essence of time and the length of time it takes to develop new technologies, and our seeming inability to adapt over time, which, of course, is not true. We are capable of adapting and revising technology in an iterative process. But, investing so much in a single platform, on the assumption that it will retain its technological edge for 40 or 50 years, I agree with you, is unreasonable.

Senator Blumenthal: And, Mr. Brimley, I happen, by the way, to agree with you that we should never have a fair fight against an adversary, and -- and I'm quoting you -- one of our first steps should be to, quote, "shore up maritime power projection by emphasizing submarines that can attack an adversary from concealed positions, ideally with platforms with larger payload capacities, et cetera." And I wonder if you could, given the point that you made about concealment, expand on that thought.

Mr. Brimley: Thank you, Senator, very much, for your -- for quoting my written testimony.

I would just quickly expand on it by saying that there are fascinating levels of research that the Office of Naval Research is doing, but also DARPA. I think part of the

solution to this challenge is -- like I said earlier, is to fully invest in the unmanned regime. So, in a world where stealth starts to erode, or our ability to sort of keep pace with those technologies comes into question, I think one of the investment ways we're going to have to deal with that is, get fully unmanned, into unmanned submarines, to the point where we can answer a little bit of the erosion of the qualitative edge with our enhanced ability to both generate more, in terms of quantity, but also take more risk with those platforms because they're -- they will be unmanned. That's got to be a huge area. I take some solace by the fact that people like Secretary Bob Work, Secretary Carter, they are looking at this very closely, because I think it's -- there's an agreement that this is an area of potentially large advantage for us if we invest in it.

Senator Blumenthal: My time is expired. But, again, I thank all of you for this very thoughtful discussion.

Thank you, Mr. Chairman.

Senator Reed [presiding]: On behalf of Chairman McCain, let me recognize Senator Sullivan.

Senator Sullivan: Thank you, Mr. Chairman.

And I appreciate the panelists coming and providing us with important insights on some issues.

I wanted to focus, Mr. Brimley, but really any of the panelists, on the issue of energy. And, you know, we've had

a number of members of the administration -- Secretary Carter, for example -- but then other experts -- General Jones, you know, the former NATO Commander, Marine Corps Commandant -- they've all talked about this as a -- really kind of an incredible new instrument of American power that, 10 years ago, we weren't focused on, because we really didn't believe we had it as something that was important. But, it is, and it's pretty remarkable that we're now the world's largest producer of gas, largest producer of oil, largest producer of renewables. Not by any real help from the Federal Government, all through the innovations in private sector.

So, would you care to comment on that, as how we should take advantage of that, and how the Federal Government can help -- being from a State where energy is very important; we're a big producer of energy, looking to produce more -- we have a large-scale -- actually, a huge LNG project that the State of Alaska's working on that would help our citizens with low-cost energy, but certainly would help, in terms of our strategic -- the strategic benefits for our allies in Asia who need LNG -- even the Chinese need LNG. So, I would just welcome comments on that. I know, Mr. Brimley, you talked about it in your testimony, but I welcome that for any other panelist.

Mr. Brimley: Thank you, Senator. Very quickly.

I would just say, from a defense -- as a defense analyst, I would say I'm very pleased by the fact that potentially by the end of this decade, North America will become sort of, quote/unquote, "energy independent."

Senator Sullivan: It's a remarkable development.

Mr. Brimley: It is remarkable, although I would say that that's not a panacea; it's a global market. We will even -- you know, we will still be importing and participating in the global market. We will have national interests that are intimately bound up in the security situations of other regions -- Europe, the Middle East, et cetera. But, I would say, though, the geopolitics of this is going to be interesting, fascinating, potentially destabilizing. In a world where the exports from the Middle East are coming out of the Persian Gulf and they're not going west across the Atlantic, but they're going east into the Pacific, all sorts of, I would say, interesting dynamics will develop. The role of India and its forward defense posture. The role of China, how it invests in forward access points as it starts to invest in its global posture into the Persian Gulf. We need to be thinking very, very seriously about how to track these activities and how to react to them, because I think they will potentially be destabilizing.

Senator Sullivan: Any other thoughts? And

particularly, what the Federal Government should be doing to encourage the ability to seize this opportunity. Everybody -- every panelist we've had in the last 9 months has talked about, "This is a new instrument of American power, in terms of our foreign policy and national security." And yet, we -- it's true, we do not have an administration that seems even remotely interested in it. They seem to don't like the term "hydrocarbons," and they don't want to recognize what is something that's pretty remarkable, in terms of a benefit to our country.

Mr. Donnelly: I would caution about over- -- I mean, making everything a national security issue both devalues the meaning of "security" and provides a temptation for everybody to try to make everything a national security --

Senator Sullivan: But, if you look globally and historically, there's a lot of --

Mr. Donnelly: How --

Senator Sullivan: -- a lot of conflicts have started and been resolved due to energy.

Mr. Donnelly: And it's likely to continue to be that way. Look, I would agree that, say, becoming a stable source of energy for Japan would be a very important strategic plus for the United States.

Senator Sullivan: Or Korea.

Mr. Donnelly: Or Korea. And, you know, other East

Asian -- you know, the TPP countries -- having an alternative route of supply for those countries would be critically important.

Senator Sullivan: How about for Ukraine?

Mr. Donnelly: If we could get it there in a timely way, you bet.

On the other hand, to sort of echo Shawn, there are bound to be destabilizing -- there are already destabilizing aspects from the changes that are affecting the Middle East. The Saudis are spending down their cash reserves at a extraordinary rate to try to underbid, you know, fracking sources and stuff -- also to offset Iran. But, what that will mean for the internal stability of the kingdom is a pretty good question that probably has a host of answers, but all of which are bad. So, changing this regime that has been in place for a number of decades now is going to have international political effects that almost certainly will have security implications for the United States, not all of them good.

Dr. Preble: I would just agree that the ability of U.S. energy producers to reach a global market should be as unencumbered as possible. And, to the extent the Federal law limits export of various products, that's --

Senator Sullivan: Or delays development --

Dr. Preble: Or delays development, it's also a

problem, correct. But, I -- the last point I'd make is that I -- I would agree, here, with Tom -- is that just because there are benefits economically does not make it, necessarily, a national security issue. I think we need to recognize it distinctly. And also, for many years, myself and my colleagues were frustrated by the talk that when or if we become energy independent, it will have a huge impact on our strategy. We said, for a long time, that should never the standard, because we can never be energy independent, we trade into a global marketplace, et cetera, et cetera. Now that that is happening, and I think soon will happen, I would like to see that particular argument taken off the table as why it is we behave the way we do, especially in the Middle East.

Senator Sullivan: Thank you, Mr. Chairman.

Senator Reed: Well, thank you, Senator Sullivan.

On behalf of Chairman McCain, let me thank you, gentlemen, for extraordinarily insightful testimony, which is going to be a superb foundation for the hearings that the Chairman is envisioning leading up to, we hope, recommendations with respect to Goldwater-Nichols, but of many, many other aspects. A truly, truly impressive and helpful hearing.

Thank you very much, gentlemen.

And, with -- again, at the direction of the Chairman,

the hearing is adjourned.

[Whereupon, at 11:36 a.m., the hearing was adjourned.]