

Stenographic Transcript  
Before the

COMMITTEE ON  
ARMED SERVICES

## **UNITED STATES SENATE**

HEARING TO CONSIDER THE NOMINATIONS OF:  
HONORABLE MATTHEW P. DONOVAN  
TO BE UNDER SECRETARY OF DEFENSE  
FOR PERSONNEL AND READINESS;  
WILLIAM JORDAN GILLIS  
TO BE ASSISTANT SECRETARY OF DEFENSE  
FOR SUSTAINMENT; AND  
VICTOR G. MERCADO  
TO BE ASSISTANT SECRETARY OF DEFENSE  
FOR STRATEGY, PLANS, AND CAPABILITIES

Tuesday, March 10, 2020

Washington, D.C.

ALDERSON COURT REPORTING  
1111 14TH STREET NW  
SUITE 1050  
WASHINGTON, D.C. 20005  
(202) 289-2260  
[www.aldersonreporting.com](http://www.aldersonreporting.com)

1 HEARING TO CONSIDER THE NOMINATIONS OF:

2 HONORABLE MATTHEW P. DONOVAN

3 TO BE UNDER SECRETARY OF DEFENSE

4 FOR PERSONNEL AND READINESS;

5 WILLIAM JORDAN GILLIS

6 TO BE ASSISTANT SECRETARY OF DEFENSE

7 FOR SUSTAINMENT; AND

8 VICTOR G. MERCADO

9 TO BE ASSISTANT SECRETARY OF DEFENSE

10 FOR STRATEGY, PLANS, AND CAPABILITIES

11  
12 Tuesday, March 10, 2020

13  
14 U.S. Senate

15 Committee on Armed Services

16 Washington, D.C.

17  
18 The committee met, pursuant to notice, at 9:30 a.m. in  
19 Room SD-G50, Dirksen Senate Office Building, Hon. James M.  
20 Inhofe, chairman of the committee, presiding.

21 Committee Members Present: Senators Inhofe [presiding],  
22 Wicker, Fischer, Cotton, Rounds, Ernst, Tillis, Sullivan,  
23 Perdue, Scott, Blackburn, Hawley, Reed, Shaheen, Gillibrand,  
24 Blumenthal, Kaine, King, Heinrich, Warren, Peters, Manchin,  
25 Duckworth, and Jones.

1           OPENING STATEMENT OF HON. JAMES M. INHOFE, U.S. SENATOR  
2 FROM OKLAHOMA

3           Chairman Inhofe: Our meeting will come to order.

4           We have one of our witnesses not quite here yet but en  
5 route, and we will go ahead and start. He is not here yet,  
6 but he will be.

7           Anyway, the committee meets today to consider the  
8 nominations of -- and this is one of the rare times when we  
9 have three witnesses, all three, everybody knows, to my  
10 knowledge there is no opposition to any one. That does not  
11 happen very often. So we start off with the Honorable Matt  
12 Donovan to be the Under Secretary of Defense for Personnel  
13 and Readiness; Jordan Gillis to be Assistant Secretary of  
14 Defense for Sustainment; and Victor Mercado to be the  
15 Assistant Secretary of Defense for Strategy, Plans, and  
16 Capabilities.

17           It took a while. I will have to blame the White House  
18 on this. I cannot blame anyone else, but it took forever to  
19 get the information that we needed in order to make -- and  
20 you did make it, Mr. Mercado. We were going to wait for you.

21           Anyway, Mr. Donovan, you will be introduced by Secretary  
22 of Veterans Affairs, Robert Wilkie, and we thank Secretary  
23 Wilkie for being here. Mr. Donovan, we also welcome your  
24 daughter, Air Force 2nd Lieutenant Kelsey Hefner. The hands  
25 go up when I -- nobody is here? Oh, there you are. All

1 right, good. And your son, Matthew Donovan II, and your son-  
2 in-law, Air Force 1st Lieutenant Cameron Hefner. Welcome,  
3 all of you here.

4 Mr. Gillis, I understand that Senator Perdue will be  
5 introducing you this morning. I also welcome your wife, Mrs.  
6 Leigh Ann Gillis.

7 And, Mr. Mercado, I understand that your family is  
8 overseas and unable to join you as well. But I am glad you  
9 made it.

10 I am pleased to have three such accomplished public  
11 servants for this committee today. Each of you is a lifetime  
12 volunteer. Each of you volunteered to serve your country as  
13 a member of the armed forces. Each of you volunteered to  
14 serve the administration as a senior leader in the Department  
15 of Defense, and each of you has volunteered yet again to  
16 appear today to be before the committee for confirmation.

17 Mr. Donovan, you have served as the Under Secretary of  
18 the Air Force and Acting Secretary prior to the confirmation  
19 of Secretary Barrett. Prior to your civilian service, you  
20 served in the Air Force as a command pilot and rose to the  
21 grade of colonel, and we cannot forget your service as the  
22 Policy Director with this committee.

23 Mr. Gillis, as an Army officer you earned the Bronze  
24 Star and the Purple Heart in the 2006 Iraqi deployment, after  
25 which you joined the management consulting firm of

1 ScottMadden where you became Director of Energy Practice. In  
2 October of 2017, you were appointed as Principal Deputy  
3 Assistant Secretary of the Army for Installations, Energy,  
4 and Environment.

5 Mr. Mercado, after a distinguished career in key command  
6 and staff positions, you retired in 2018 as a rear admiral.  
7 Since that time, you have served as the Deputy Assistant  
8 Secretary of Defense for Plans in the Office of the Under  
9 Secretary of Defense for Policy.

10 I speak for the committee when I say we appreciate your  
11 willingness to appear before us.

12 Now, you have to have the required questions, and all  
13 three of you, if you would vocally respond, I would  
14 appreciate it very much.

15 Have you adhered to the applicable laws and regulations  
16 governing the conflicts of interest?

17 Mr. Donovan: Yes.

18 Mr. Gillis: Yes.

19 Mr. Mercado: Yes.

20 Chairman Inhofe: Will you ensure that your staff  
21 complies with the deadlines established for requested  
22 communications, including questions for the record in  
23 hearings?

24 Mr. Donovan: Yes.

25 Mr. Gillis: Yes.

1 Mr. Mercado: Yes.

2 Chairman Inhofe: Will you cooperate in providing  
3 witnesses and briefers in response to congressional requests?

4 Mr. Donovan: Yes.

5 Mr. Gillis: Yes.

6 Mr. Mercado: Yes.

7 Chairman Inhofe: Will those witnesses be protected from  
8 reprisal for their testimony or briefings?

9 Mr. Donovan: Yes.

10 Mr. Gillis: Yes.

11 Mr. Mercado: Yes.

12 Chairman Inhofe: Do you agree, if confirmed, to appear  
13 and testify upon request before this committee?

14 Mr. Donovan: Yes.

15 Mr. Gillis: Yes.

16 Mr. Mercado: Yes.

17 Chairman Inhofe: And do you agree to provide documents,  
18 including copies of electronic forms of communications, in a  
19 timely manner when requested by a duly constituted committee  
20 or to consult with the committee regarding the basis for any  
21 good faith delay or denial in providing such documents?

22 Mr. Donovan: Yes.

23 Mr. Gillis: Yes.

24 Mr. Mercado: Yes.

25 Chairman Inhofe: Have you assumed any duties or

1 undertaken any actions which would appear to presume the  
2 outcome of the confirmation process?

3 Mr. Donovan: No.

4 Mr. Gillis: No.

5 Mr. Mercado: No.

6 Chairman Inhofe: I do not have to tell the three of you  
7 that the world today is in the most dangerous position.

8 So far this year, the committee has focused on ensuring  
9 that DOD has the authorities and the resources it needs to  
10 implement the National Defense Strategy. That is this  
11 document here that we talked about during the course of every  
12 meeting we have had probably in just the last 2 years.

13 Further, the committee has been working for more than a  
14 year on privatized housing. There was a crisis that has  
15 directly impacted family, morale, readiness, retention, and  
16 health. As senior leaders in the Department of Defense today  
17 and in the positions for which you have been nominated, you  
18 have and would continue to play key roles both in winning the  
19 great power competition and in taking care of our people. We  
20 look forward to hearing your views on these and other  
21 important issues.

22 Senator Reed?

23

24

25

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

3           Senator Reed: Well, thank you very much, Mr. Chairman.  
4 Let me join you in welcoming the Honorable Matthew Donovan,  
5 William Jordan Gillis, and Mr. Victor Mercado to this  
6 morning's hearing. I also want to join you in recognizing  
7 their families. Thank you for their service because they  
8 serve along with you.

9           Secretary Donovan, your nomination is welcomed. The  
10 Department has not had a Senate-confirmed Under Secretary of  
11 Defense for Personnel and Readiness since Secretary Wilkie to  
12 your right departed in July of 2018. With the wide range of  
13 the responsibilities of this office, it is imperative that we  
14 fill this position as soon as possible. If you are  
15 confirmed, you will face many challenges in ensuring first  
16 and foremost that our military has adequate numbers of ready  
17 and trained service members of sufficiently high character  
18 and talent to meet national defense needs. You will also be  
19 responsible for military and civilian personnel policy,  
20 military family and child care programs, and the DOD-run  
21 school system. Most importantly at this moment, you will be  
22 working with the military services to ensure the health and  
23 welfare of the force in the face of the coronavirus outbreak,  
24 especially those stationed overseas.

25           Secretary Donovan is currently the Under Secretary of



1 the Air Force, but we know him well owing to this tenure on  
2 the Senate Armed Services Committee as a staffer for Senator  
3 McCain and Senator Inhofe. We thank you for that service. I  
4 also trust that his prior career has prepared him well to  
5 take on these challenges. Thank you, Mr. Secretary.

6 Mr. Gillis, if confirmed, you would become the Assistant  
7 Secretary of Defense for Sustainment at a critical period for  
8 military families who are still struggling with a broken  
9 privatized housing system. You would assume the role of  
10 Chief Housing Officer for the Defense Department and would be  
11 responsible for implementing over 30 housing provisions in  
12 the fiscal year 2020 National Defense Authorization Act. It  
13 is imperative that these provisions are implemented fully and  
14 properly to restore trust and give our military families the  
15 housing they deserve.

16 Also related to the safety of our military  
17 installations, the fiscal year 2020 NDAA included several new  
18 requirements that will shore up climate-related and weather-  
19 related vulnerabilities in order to improve military  
20 installation resilience. New requirements to use forward-  
21 looking projections in the planning and design of military  
22 construction projects will ensure taxpayer dollars are well  
23 spent on facilities that must last at least 40 or 50 years  
24 into the future. If confirmed, Mr. Gillis, I look forward to  
25 working with you to ensure these military construction

1 guidelines are put into place and are effective.

2 Mr. Mercado, you have been nominated to serve as the  
3 Assistant Secretary of Defense for Strategy, Plans, and  
4 Capabilities. This is an important position that oversees  
5 the National Defense Strategy, as well as the development of  
6 global defense posture and the review of campaign and  
7 contingency plans. As you acknowledged in your opening  
8 statement, if confirmed, you will be instrumental in  
9 reinvigorating the plans review process and guiding the  
10 capability development and force management process.

11 As you may know, section 1708 of the fiscal year 2020  
12 National Defense Authorization Act included a requirement for  
13 the Department of Defense to provide a report to Congress on  
14 the Department's implementation of the National Defense  
15 Strategy, as well as conducting two independent studies on  
16 the development of joint operational concepts. I believe  
17 this report will provide tremendous value to senior political  
18 and military leaders, and if confirmed, I trust that you will  
19 make this reporting requirement a priority.

20 In addition, the committee is concerned about the  
21 atrophy of analytical capabilities within the Department of  
22 Defense to support force development and planning processes.  
23 I would welcome your thoughts on actions you will pursue, if  
24 confirmed, to strengthen analytical capability and expertise  
25 within the Department.

1 I again thank the nominees and I look forward to the  
2 testimony.

3 Thank you, Mr. Chairman.

4 Chairman Inhofe: Thank you, Senator Reed.

5 Secretary Wilkie, we thank you for being here to  
6 introduce Mr. Donovan, and you are recognized for that  
7 purpose.

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1           STATEMENT OF HON. ROBERT WILKIE, SECRETARY OF VETERANS  
2 AFFAIRS

3           Secretary Wilkie: Thank you, Mr. Chairman. Thank you,  
4 Senator Reed, and thank you, distinguished members of this  
5 committee. I will say it is a treat being in front of you  
6 for the first time and not asking for your vote. But it is  
7 good to be back, and it is a great honor for me to introduce  
8 my friend, Matt Donovan.

9           Before I talk about Matt, I want to echo what Senator  
10 Reed and the chairman said about the importance of this job.  
11 I believe that the Under Secretary of Defense for Personnel  
12 and Readiness is the most important position within the  
13 Office of the Secretary of Defense. It is about the  
14 readiness of over 2 million active and reserve forces, but it  
15 also includes everything from shipbuilding to trying to  
16 figure out the pilot pipeline and the needs that we have  
17 there. It also oversees 700,000 Department of Defense  
18 civilians. To put that in perspective, I am responsible for  
19 the second largest Department in the Federal Government. We  
20 have 400,000 employees. The Department that Matt will be  
21 entering, 700,000 civilians alone.

22           But more importantly, it is at the crossroads of a  
23 cultural change that many on this committee have been  
24 tackling. When my father and Senator Reed wore the red beret  
25 of the All American Division many years ago, only 11 percent

1 of the force had families, and that was confined to officers  
2 and senior enlisted. The force today comprises 80 percent of  
3 those in uniform with families. That is a cultural change  
4 that we are still getting our arms around, and as a result,  
5 the Under Secretary for Personnel and Readiness is  
6 responsible for defense health, the commissaries, the PX, and  
7 the schools and making sure that when our forces train and  
8 they are deployed, when they come back, the families have  
9 been taken care of.

10 That is why there is no better person in this town or in  
11 our community to hold this position than Matt Donovan,  
12 fighter pilot, commander, someone who by the time he was 25,  
13 had probably made more life-altering decisions than most  
14 Americans make in a lifetime, and someone who grew up with  
15 his family on all of the far-flung outposts of the United  
16 States Air Force, experience in the private sector, but more  
17 importantly, as the Under Secretary of the Air Force, the  
18 only member of those civilian secretariats at Army, Navy, and  
19 Air Force who actually had operational responsibilities.

20 But more importantly, he knows this committee and has  
21 the confidence of the men and women who work with you and  
22 those whom you serve. He stood side by side with our late  
23 friend, Senator McCain, who had the utmost confidence in him  
24 to the point where when General Mattis was being considered  
25 for Secretary of Defense, Senator McCain said if you need

1 anything answered about the Air Force, see Matt Donovan.

2 More importantly, in these times, he is an uncommonly  
3 congenial American, someone who has not only faced adversity  
4 in the skies, but has managed two of the most complex,  
5 complicated offices in the Department of Defense. And he has  
6 stepped forward to a position that Secretary Gates once wrote  
7 about in his book as being a dysfunctional family picnic.  
8 Under Matt Donovan, you will never have to worry about that  
9 ever happening again.

10 So my testament is that the Under Secretary for  
11 Personnel and Readiness -- that office cannot be in better  
12 hands. It is my honor to recommend to you a warrior,  
13 patriot, and a son of the United States Air Force. Nobody  
14 will do a better job.

15 And Mr. Chairman and Senator Reed, as always I thank you  
16 for your many courtesies to me.

17 Chairman Inhofe: Well, and we both thank you very much  
18 for your many courtesies and for your introduction this  
19 morning.

20 Mr. Gillis will be introduced by Senator Perdue.

21

22

23

24

25

1           STATEMENT OF HON. DAVID PERDUE, U.S. SENATOR FROM  
2   GEORGIA

3           Senator Perdue: Thank you, Mr. Chairman, Ranking Member  
4   Reed, and all my colleagues on the committee for allowing me  
5   to introduce my good friend and fellow Georgian, Mr. Jordan  
6   Gillis.

7           Today Jordan is joined by his wife, Leigh Ann. I have  
8   known Jordan and Leigh Ann a good part of my adult life, and  
9   I am honored to be here supporting him today.

10          I am disappointed, though, Mr. Chairman and Ranking  
11   Member Reed, that their children unfortunately are not here.  
12   They are in school taking exams. Thomas, of course, is the  
13   light of the world, and then Ann Bedford is training to be  
14   President of the United States today. So they are watching  
15   on TV, I am sure, from their classroom.

16          Jordan Gillis is an excellent choice to serve as  
17   Assistant Secretary of Defense for Sustainment. Throughout  
18   his career in the public and private sector, Jordan has an  
19   impressive track record in management and organization of  
20   major operations. On top of that, Jordan has always put  
21   service to his country before himself or his family.

22          After graduating from Duke University, Jordan joined the  
23   United States Army where he was stationed at Fort Stewart,  
24   Georgia. After leaving Fort Stewart, Jordan worked in  
25   management at a major industrial supplier in Atlanta in the

1 real world. One thing to know about Jordan is that he is a  
2 workhorse who never stops pursuing excellence. While working  
3 full-time in management, Jordan also earned his MBA from  
4 Emory University.

5 As our country's enemies threatened our national  
6 security, Jordan was not content to simply sit on the  
7 sidelines. He signed up again. He was deployed to Iraq as a  
8 captain and was later awarded the Bronze Star medal and the  
9 Purple Heart for his selfless service. He then rotated out  
10 as a major from the United States Army.

11 For 10 years after his time in Iraq, Jordan worked as  
12 the Director of ScottMadden Management Consulting where he  
13 provided critical advice to some of the biggest energy  
14 companies in the country.

15 In 2017, Jordan once again took the call of duty, this  
16 time as a civilian when he was appointed to be the Principal  
17 Deputy Assistant Secretary of the Army for Installations,  
18 Energy, and Environment. During his time there, he also  
19 assumed the duties the Acting Assistant Secretary of the Army  
20 for Installations, Energy, and Environment for over a year.  
21 Jordan likes to say he had a full head of hair before he came  
22 to Washington, and I think we all can relate to that.

23 I have only just scratched the surface of why Jordan  
24 Gillis is an excellent choice to serve as Assistant Secretary  
25 of Defense for Sustainment. He is an expert in management,



1 operations, and logistics with a keen eye for detail. He  
2 understands how to get things done through other people. He  
3 is a dedicated public servant.

4 In this new role, Jordan will ensure that our military,  
5 equipment, and materiel is reliably built and maintained so  
6 that we can face any threat around the world. He will make  
7 our country safer and stronger.

8 Once again, thank you to all my colleagues on this  
9 committee for the high honor of introducing my friend, Jordan  
10 Gillis, to you today. I am glad that the committee now has  
11 an opportunity to get to know just a little bit about this  
12 man as I have come to learn in the last 2 decades. He is an  
13 exceptional public servant. I know this man, Mr. Chairman,  
14 Ranking Member. I know his family. He is a soldier, a  
15 dedicated patriot, and he will be an exceptional Assistant  
16 Secretary of Defense for Sustainment.

17 Thank you, Mr. Chairman.

18 Chairman Inhofe: Well, thank you, Senator Perdue. An  
19 excellent introduction.

20 We will begin with opening statements now. I think all  
21 of you know the drill that your entire statement will be made  
22 a part of the record, so do not feel like you have to go  
23 longer than you have to go. So we will start with you,  
24 Secretary Donovan.

25

1           STATEMENT OF HON. MATTHEW P. DONOVAN TO BE UNDER  
2           SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS

3           Mr. Donovan: Thank you, Mr. Chairman. Chairman Inhofe,  
4           Ranking Member Reed, distinguished members of the committee,  
5           thank you for your longstanding and unwavering support for  
6           the Department of Defense and for the men and women who  
7           defend our great nation. I also thank Secretary Wilkie for  
8           his leadership and his kind words here today.

9           If confirmed, it will be my great honor to assist  
10          Secretary Esper in leading the DOD's nearly 3 million active,  
11          guard, and reserve service members and civilians as the Under  
12          Secretary of Defense for Personnel and Readiness. I thank  
13          President Trump and Secretary Esper for their confidence in  
14          me and for this humbling opportunity to continue in service  
15          to our nation.

16          As you mentioned, Chairman, I am joined today by my  
17          daughter, Air Force 2nd Lieutenant Kelsey Hefner, an  
18          intelligence integration officer at Offutt Air Force Base,  
19          Nebraska; my son, Matthew Donovan II, an aviation management  
20          major and a pilot as a junior at Auburn University in  
21          Alabama; and my son-in-law, Air Force 1st Lieutenant Cameron  
22          Hefner, a pilot also stationed at Offutt Air Force Base.

23          These young people and thousands just like them are the  
24          reason I appear before you today. They represent all of  
25          America's sons and daughters, many of whom continue to raise

1 their right hands and volunteer to serve their country during  
2 a time of war.

3 Our nation faces an array of threats from near-peer  
4 competitors we have not seen in decades, not since the fall  
5 of the Berlin Wall and the dissolution of the Soviet Union.  
6 At the same time, the character of warfare has evolved, where  
7 grave threats now appear in previously unknown or uncontested  
8 domains, such as cyber and space.

9 To successfully meet these threats, the Department of  
10 Defense must also evolve. We must attract and retain people  
11 with the right skills to prevail in this environment,  
12 properly manage them, and meet their expectations using 21st  
13 century talent management practices, and ensure all are  
14 always treated with dignity and respect. We must also  
15 provide them the cutting-edge tools of the trade they need to  
16 be successful and state-of-the-art training technologies and  
17 techniques to best hone their skills.

18 Our total force soldiers, sailors, airmen, and marines  
19 and civilians deserve the best leadership, the best policies,  
20 the best equipment, the best education and training. And our  
21 service members and their families deserve the best health  
22 care, best support systems, and best quality of life we can  
23 possibly provide for the sacrifices we ask them to endure.

24 If confirmed, it will be my honor to work every day with  
25 Secretary Esper and the millions of men and women of the

1 Department of Defense and the Congress to ensure your  
2 Department of Defense sustains the ability to defend and  
3 deter and, if necessary, defeat our nation's adversaries.

4 Thank you for this opportunity, and I look forward to  
5 your questions.

6 [The prepared statement of Mr. Donovan follows:]

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 Chairman Inhofe: Thank you, Secretary Donovan.

2 Mr. Mercado?

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 STATEMENT OF VICTOR G. MERCADO TO BE ASSISTANT  
2 SECRETARY OF DEFENSE FOR STRATEGY, PLANS, AND CAPABILITIES

3 Mr. Mercado: Mr. Chairman, Ranking Member Reed, and  
4 distinguished members of the committee, thank you for the  
5 opportunity to testify before you today.

6 Up front, I would like to thank the President for  
7 nominating me and Secretary Esper for his trust and  
8 confidence in recommending me for this extraordinary  
9 opportunity to continue to serve.

10 Unfortunately, my family is on the west coast or on  
11 travel and could not be here today, although they very much  
12 wanted to be present, although I think they are watching this  
13 being streamed.

14 For the record, I want to thank my wife Suzanne, who  
15 allowed me to fail too quickly in retirement after 35 years  
16 in the Navy and continue to serve in the Department of  
17 Defense, now as a civilian. She and our two children -- Dan,  
18 who just completed 10 years in the Navy as a naval aviator  
19 and is moving on to a new chapter; and Melinda, who just  
20 joined the Los Angeles Angel City Chorale -- get full credit  
21 for all that I have been privileged to do in the Navy and  
22 back in the DOD.

23 I also want to acknowledge my mom and dad. My father  
24 enlisted in the Navy in the Philippines, retiring as a master  
25 chief in the 1970s. My mother was an educator. They brought

1 their family to the U.S., became naturalized citizens, and I  
2 was born in Virginia while my father was stationed in  
3 Norfolk. What I am today I owe to them and my sisters,  
4 Helen, Elsie, Christine; brother Erwin; and my dear in-laws  
5 and friends. It did take a village in my case.

6 As for the Assistant Secretary of Defense position that  
7 I have been nominated for, I have been incredibly fortunate  
8 to have been associated with this organization for the past  
9 year in varying capacities, and I have had a front row seat  
10 to its relevance in developing and implementing the National  
11 Defense Strategy, reinvigorating the plans review process and  
12 guiding the capability development and force management  
13 processes, working alongside the professionals in the  
14 services, joint staff, and the combatant commands. If  
15 confirmed, it would truly be a high honor to lead this high-  
16 performing organization, and I pledge my very, very best  
17 efforts to advance our national objectives during these  
18 consequential times.

19 Finally, I would like to say that my time working as a  
20 legislative fellow supporting this committee back in 2000 was  
21 one of the highlights of my career ashore. I fully  
22 understand, appreciate, and thank you for the important work  
23 that you do on behalf of our men and women in uniform, our  
24 civilians, and their families.

25 I am grateful for your consideration of my nomination,

1 and I welcome your questions.

2 Thank you very much.

3 [The prepared statement of Mr. Mercado follows:]

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25



1 Chairman Inhofe: And thank you, Mr. Mercado.

2 Mr. Gillis?

3 By the way, I think I will share something you might not  
4 have time to share and that is we barely got your stuff in in  
5 time. I think we had 3 minutes to spare last night. I am  
6 glad we got there, and I am glad you are here this morning.

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1           STATEMENT OF WILLIAM JORDAN GILLIS TO BE ASSISTANT  
2 SECRETARY OF DEFENSE FOR SUSTAINMENT

3           Mr. Gillis: Yes, sir. Thank you very much. That was a  
4 cause of some significant anxiety on my part.

5           Thank you, Mr. Chairman, Ranking Member Reed,  
6 distinguished members of the committee. It is a great  
7 privilege to appear before you as you consider my nomination  
8 for Assistant Secretary of Defense for Sustainment.

9           And thank you, Senator Perdue, for your kind  
10 introduction.

11           I would also like to thank the President for nominating  
12 me and Secretary Esper and Under Secretary Lord for their  
13 confidence in me and for providing the support of their  
14 talented staff throughout this process. I am humbled and  
15 truly grateful to have the opportunity to continue to serve  
16 the nation.

17           I would like to acknowledge my wife, Leigh Ann, who is  
18 here with me today and who has supported me always, but  
19 especially through my deployment to Iraq while she was  
20 pregnant with our first child. And our children, Ann Bedford  
21 and Thomas, both are in school today, but they serve as my  
22 daily reminder of why we maintain institutions like the  
23 military and bodies like this. And if they are watching on  
24 their phones, they need to stop that and get back to class.

25           I finally want to thank the Army, which awarded me a

1 Pentagon internship when I was a cadet 25 years ago, which  
2 provided me with my first awareness of the opportunities to  
3 serve the nation as a civilian.

4 One of the most formative experiences of my life was my  
5 military service in uniform, which carried on a family  
6 tradition of servant leadership. It was an honor to come  
7 back to the Army to serve as the Principal Deputy Assistant  
8 Secretary for Installations, Energy, and Environment. That  
9 has given me great insight into a significant portion of the  
10 Assistant Secretary of Defense-Sustainment portfolio. And  
11 more importantly, it clearly reminded me why we are here.  
12 Specifically and simply, it is to support the soldiers,  
13 sailors, airmen, marines, family members, and civilians in  
14 the military. It is to enable the warfighters to carry out  
15 the Department's mission to fight and win the nation's wars.  
16 I hold them in the highest regard. Therefore, this is a task  
17 and an obligation that I take very seriously.

18 To that end, Secretary Esper has outlined clear  
19 priorities for the Department and Under Secretary Lord has  
20 operationalized those for her portfolio. If confirmed, I  
21 will do my utmost to support these leaders and the nation we  
22 serve together. We have sustainment decisions to make that  
23 have far-reaching, long-term impacts, and we also have  
24 obligations to service members and families that need to be  
25 met now. I am specifically aware of critical issues

1 involving PFAS, privatized housing, materiel readiness,  
2 logistics reform, installation resilience, and the organic  
3 industrial base, among others that we need to give our  
4 persistent effort and attention to. I am ready to begin  
5 addressing these immediately.

6 If confirmed, I pledge to work with Congress, the  
7 services, industry, and other stakeholders to enhance quality  
8 of life and improve and sustain military readiness. Neither  
9 the importance nor the demands of this position are lost on  
10 me, and I will dedicate myself fully to it.

11 Thank you again. I look forward to your questions.

12 [The prepared statement of Mr. Gillis follows:]

13

14

15

16

17

18

19

20

21

22

23

24

25

1 Chairman Inhofe: Thank you, Mr. Gillis.

2 Now, to try to set an example, I am going to attempt to  
3 have a question for each one of you that I think is probably  
4 the most significant area of your potential service here and  
5 try to do that within our time frame.

6 Starting with Mr. Donovan, you are right. In your  
7 statement, you said we must recruit and retain. That is the  
8 biggest issue out there. I mean, right now it is complicated  
9 by the fact that we have a great economy, and so we are  
10 competing with an economy at the same time.

11 So I see two problems out there. First of all, the  
12 studies indicate that only about 29 percent of today's youth  
13 population are eligible for military service. Now, that is a  
14 huge problem. That is a not a problem we have had before.  
15 And in addition to that, you have the problems then of the  
16 competition out there in the market. So how are you going to  
17 address that problem, Mr. Donovan?

18 Mr. Donovan: Yes, sir, Mr. Chairman. I have seen those  
19 same studies as well. I think it is a problem that extends  
20 beyond the Department of Defense, and it is a national issue.  
21 I recall when I was a kid in elementary school and we had the  
22 presidential fitness program. And there was a lot of funding  
23 for sports activities and that sort of thing. So I think  
24 that all feeds in, and then when you combine that with the  
25 increased use of smart phones and video games and that sort

1 of thing, I think kids are not getting the physical activity  
2 that they need to help prepare them for the rigors of  
3 military duty.

4 That said, I do not think that we are really having that  
5 much problem yet recruiting the kind of people that we need.  
6 We are generally filling the recruiting rolls, but as we look  
7 towards the future, as we look towards the imperatives of the  
8 National Defense Strategy, then we are seeing that we are  
9 going to need to attract those skills that are in so much  
10 demand on the outside as well. A good example is cyber that  
11 I spoke with Senator Rounds. So we are trying to partner  
12 with universities. We are trying to partner with industries  
13 even to see if there is some way that we can share the load  
14 on this. But it is an excellent question.

15 Chairman Inhofe: Okay, thank you.

16 And, Mr. Gillis, we have another problem there on the  
17 tenant bill of rights. When it came out, it left out two  
18 things: the dispute resolution and the ability to withhold  
19 rent. Now, when that was initially sent out to the tenants  
20 around, those were the two things that were very significant  
21 to them. So my question would be, number one, why were they  
22 left out? And number two, what is the best way to  
23 communicate that?

24 Mr. Gillis: Yes, sir. So I take that whole issue very  
25 seriously. I was principal deputy at the Army when we became

1 aware of what was happening with privatized housing. So I am  
2 personally aware that those are very important to tenants.

3 I think we left those out because we got hung up on  
4 details, but I assure you that even from my position now in  
5 the Army, that we are going to work through those. The  
6 Acting Assistant Secretary in this role now committed to  
7 trying to do that by May 1st. If confirmed, I will carry  
8 that on. If not confirmed, I will continue to work on it  
9 from the Army perspective.

10 Chairman Inhofe: That is great. I appreciate that.

11 Mr. Mercado, we know that the NDS, this document here,  
12 is about more than just how many planes, ships, and tanks  
13 that we buy, but also about making sure our forces can be in  
14 the right place at the right time. And that is what  
15 Secretary Esper is trying to do right now.

16 Now, in doing this, I am going to single out AFRICOM and  
17 the fact that if you take all of our coms, PACOM, CENTCOM,  
18 and EUCOM, that adds up to about 250,000 troops. 250,000  
19 troops. All of AFRICOM is only 6,000 troops, and of that,  
20 4,000 of those are in Djibouti. So that services other areas  
21 too. So I would say that that has to be the most  
22 understaffed command that we have.

23 So the question would be, I would want to ensure, as you  
24 look at what is happening in that part of the world, that we  
25 are aware of the fact that we have problems in West Africa

1 with only about 1,000 troops there in total in West Africa.  
2 And I do not think it would be a good move to actually,  
3 during that effort by the Secretary of Defense, to actually  
4 even consider reducing that small number in West Africa. Any  
5 thoughts on that?

6 Mr. Mercado: Yes, sir. I understand. And Africa is a  
7 challenge, and we know China is very interested in Africa not  
8 only the base they established in Djibouti but we know they  
9 are interested in the west side like Cape Verde, Equatorial  
10 New Guinea to kind of bridge and get both sides access to  
11 each side of Africa.

12 People equate the reviews that we are doing too much to  
13 downsizing when it is more about right-sizing. When we  
14 reviewed the tasks that AFRICOM has been asked to do over 10  
15 years, we find out that there are a number of 1,700 tasks.  
16 So over the years, they have been unburdened. So we need to  
17 go back and look at the critical missions they do from train,  
18 advise, and equip, great power competition, and dealing with  
19 those violent extremist organizations that are intent to harm  
20 U.S. and the homeland and make sure we get their presence  
21 right.

22 Chairman Inhofe: Excellent response.

23 Senator Reed?

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

25 Gentlemen, when you responded to the chairman's



1 questions about responding to the committee, it was an  
2 unqualified yes, but in your APQ responses, you said  
3 consistent with the Constitution and statutory obligations of  
4 the executive branch. So could you clarify? Is it an  
5 unqualified yes that you will cooperate with the committee?  
6 And I think, Secretary Donovan, you understand this. We  
7 typically ask I think fairly judicious questions and we keep  
8 the information in close hold. So is it yes or maybe yes?

9 Mr. Donovan: Unqualified yes.

10 Senator Reed: Mr. Mercado?

11 Mr. Mercado: Sir, unqualified yes.

12 Senator Reed: Mr. Gillis?

13 Mr. Gillis: Unqualified yes.

14 Senator Reed: Thank you, gentlemen, very much.

15 Secretary Donovan, one of the big issues we are all  
16 facing is the coronavirus, and within the Department of  
17 Defense, you will be the point person. Could you give us a  
18 sense right now of where the Department is with respect to  
19 the risk and the safety aspects of the virus?

20 Mr. Donovan: Yes, Senator Reed. And I will let you  
21 know that the DOD's top priority is the health and safety of  
22 all our service members and civilians and their families  
23 across the world.

24 I was in the "performing the duties of role" of  
25 personnel readiness from December 28th until March 2nd. And

1 during that time, we were very engaged. In fact, I issued  
2 three different sets of force health protection guidance.  
3 That started going out in the middle of January. It first  
4 started following the Health and Human Services lead and CDC  
5 criteria, as well as working with the Department of State  
6 when it first appeared in China.

7 But the COVID-19 Task Force, that is, the national task  
8 force led by the Vice President -- we are represented on that  
9 by the Under Secretary of Defense for Policy. And then  
10 underneath that, the P&R role is our health affairs Assistant  
11 Secretary who is coordinating efforts for medical  
12 countermeasures, for developing vaccines across our  
13 laboratories across DOD, and also working on the testing  
14 laboratories that we have to get them all certified. So we  
15 have been quite involved in this and will continue to be.

16 Senator Reed: Just a very quick response. Have we been  
17 planning to assist the general public, private hospitals,  
18 State health care systems? Does DOD have a contingency plan?  
19 Very quickly.

20 Mr. Donovan: Well, we actually always support through  
21 the Commander of the United States Northern Command, General  
22 O'Shaughnessy, through defense support to civil authorities.  
23 So we are prepared to do that.

24 Senator Reed: Thank you very much.

25 And, Mr. Gillis, let me reemphasize the point the

1 chairman made about the tenant bill of rights. My sense --  
2 not my sense but my conviction is that those are legislative  
3 statutory provisions that, regardless of being in or out of  
4 the bill of rights, are enforceable, and you must enforce.  
5 Do you concur?

6 Mr. Gillis: Sir, I do, and I can commit that we will  
7 make those happen.

8 Senator Reed: Thank you very much, Mr. Gillis.

9 Mr. Mercado, you have a very complicated responsibility,  
10 and one perception I have is that the technological gap has  
11 reversed in the last decade. We are behind in places we used  
12 to be far ahead. And in order to get from legacy systems  
13 with incremental improvements and expensive improvements at  
14 that, we have got to sort of rethink all this -- and that is  
15 going to come down into your responsibility -- using  
16 simulation, gaming, and operational exercises. We have to  
17 leap over to new technologies, many of them autonomous or  
18 virtual, et cetera. Just a quick comment on what you see.

19 Mr. Mercado: Yes, sir. We have taken the first step.  
20 When Secretary Esper came in as the Secretary of Defense, he  
21 directed the development of a joint warfighting concept as a  
22 joint operational concept. This is something we had not had.  
23 We had services that had their individual concepts but  
24 nothing to bring it together and nothing that looks  
25 downstream 10 years to say how would we fight a potential

1 adversary 10 years from now based on the force we will have,  
2 the force that we may project to have. Some of these  
3 technologies that may be available may be affordable or not.

4 So once we do that, what the Secretary has directed --  
5 and if confirmed, I will be part of overseeing that effort  
6 with CAPE and others -- is to have -- and it should be  
7 developed by the military. So the Chairman of the Joint  
8 Staff should lead it. But all the services and all the  
9 analytic capability that they have to be able to look at  
10 different concepts, then war game them, do some  
11 experimentation. War gaming is important because you cannot  
12 -- you have to factor leadership decisions, different leaders  
13 in that environment. So it is very complex, and we are going  
14 to start with the most stressing cases that we have and look  
15 at others as we develop this concept.

16 Senator Reed: And just a final point. I think not just  
17 war gaming but actually operationally in the field trying new  
18 techniques --

19 Mr. Mercado: Yes, sir.

20 Senator Reed: Trying and failing is probably the best  
21 way to ultimately succeed.

22 Thank you all very much.

23 Chairman Inhofe: Senator Ernst?

24 Senator Ernst: Thank you, Mr. Chair.

25 And, Mr. Gillis, we will go ahead and start with you.

1 As you know, the Assistant Secretary of Defense for  
2 Sustainment is charged to ensure the effectiveness, the  
3 efficiency, economy and performance of the DLA. And in this  
4 role, you would be accountable for DLA's mission performance  
5 and for ensuring that DLA is responsive to our services'  
6 requirements. It is one of the largest agencies within the  
7 DOD with over 26,000 employees and a budget of nearly \$40  
8 billion. So much of the DLA's services is in direct support  
9 of the respective military services, all of whom also employ  
10 their own logistics agencies and activities.

11 So while DLA is well suited for centralized work such as  
12 logistics IT support, there might be some inefficiencies or  
13 redundancies when it comes to the storage and distribution  
14 networks that are tailored more specifically for each of our  
15 services.

16 So in this capacity, will you commit to taking a hard  
17 look at ways to expedite mission success, including whether  
18 certain logistics functions are better suited to DLA or those  
19 respective military services?

20 Mr. Gillis: Yes, ma'am. I absolutely will. So DLA's  
21 first mission is to deliver warfighting readiness, and we  
22 will ensure that they do that the best way possible or that  
23 it is done the best way possible, whether that is through DLA  
24 or through the services.

25 Senator Ernst: Very good.

1           And will you look for ways to gain efficiencies and cost  
2 savings --

3           Mr. Gillis: Yes, ma'am.

4           Senator Ernst: -- in that capacity?

5           Thank you.

6           I really do support those efforts to get rid of wasteful  
7 spending in order to direct resources towards our NDS  
8 implementation. That is very important to many of us.

9           So we know there is a lot of technology that is  
10 available out there in order to help us gain efficiencies.  
11 Just for example, the private sector employs AI-enabled  
12 vehicles in their storage centers that can identify and  
13 categorize items, things of that nature. So look into the  
14 future to find those efficiencies.

15           Thank you very much for your commitment. I appreciate  
16 it.

17           Mr. Mercado, thank you for your service in the United  
18 States Navy and your continued service to our nation.

19           Let us talk a little bit about coronavirus. Obviously,  
20 it is something that all of us are very, very concerned  
21 about. It has been threatening the health and safety of our  
22 troops and their families that are stationed overseas.

23           The outbreak also impacts readiness, posing threats to  
24 our troops' interoperability with allies and partners. And  
25 we postponed joint exercises in South Korea, for example, and

1 we cut short an exercise with Israel, and our ally Finland  
2 pulled their troops out of an Arctic exercise called Response  
3 20.

4 So these exercises with some of our closest allies occur  
5 in critical areas related to our great power competition. As  
6 an assistant secretary of defense, how would you factor in  
7 biological threats when crafting contingency plans?

8 Mr. Mercado: Well, Senator, first, today there are  
9 pandemic plans on the shelf and NORTHCOM is working through  
10 that now. And also, each combatant command also has  
11 supporting plans that they use, first and foremost, for  
12 health protection of the force and also any resources they  
13 have to support civilian authorities, lead federal agencies,  
14 or partners, as well as conducting mission, because they have  
15 to factor all those. And that is what they take into  
16 consideration for the plans.

17 I would say that for a complete plan, as you say, there  
18 are a number of factors from cyber to space, as well as chem-  
19 bio annexes, and those have to be developed and have to be  
20 vetted and reviewed up at OSD.

21 Senator Ernst: Thank you.

22 And does the global force posture take into account the  
23 possibility of scaled-down or paused joint exercises?

24 Mr. Mercado: I think it does. We are concerned about  
25 readiness and being able to work with our partners. It takes

1 a lot of effort to work with each of our partners, as well as  
2 it builds relationships. So I think the combatant commanders  
3 are monitoring this carefully and assessing the risk and see  
4 how they can mitigate that.

5 Senator Ernst: Very good. Well, I appreciate that.

6 And one thing that we do not often talk enough about is  
7 the biological threats that exist out there. We focus very  
8 heavily on nuclear and otherwise. But I am glad to know that  
9 that is something that you would take into account.

10 So my time is expiring. Mr. Chairman, thank you very  
11 much.

12 Gentlemen, thank you for being here.

13 Senator Shaheen?

14 Senator Shaheen: Thank you, Mr. Chairman.

15 Secretary Donovan, Mr. Gillis, Mr. Mercado, thank you  
16 all for being here today and for your willingness to serve.

17 I want to start with you, Secretary Donovan. After all,  
18 you grew up in Peterborough, New Hampshire. So that makes  
19 you a Granite Stater still. And I want to thank you for  
20 joining us when we received the first KC-46 tanker at Pease  
21 last year. I hope we are going to see our entire allotment  
22 and that they will be flying soon as refueling tankers. But  
23 that is a topic we will not get to today.

24 Last month, DOD released a report that outlined major  
25 changes to beneficiaries of 50 military treatment facilities.



1 That report was required by the 2017 NDAA. And it raises  
2 real questions. We have gotten a number of questions in our  
3 office because one of the facilities that is scheduled to be  
4 closed is the Naval Branch Health Clinic at Portsmouth, New  
5 Hampshire, and it is part of as many as 200,000 TRICARE  
6 beneficiaries who will no longer be seen at those 37 military  
7 health clinics across the country.

8 So can you talk about how you see this getting  
9 implemented in a way that is as least disruptive to the  
10 people TRICARE is trying to serve as possible?

11 Mr. Donovan: Yes. Thank you, Senator.

12 We are reforming the military health system to do two  
13 things. One is to increase the readiness, the medical  
14 readiness, over our force, and the second is to increase the  
15 readiness of our medical force. Our medical professionals  
16 have to have currency in order to do this.

17 So under this concept, some beneficiaries may move  
18 downtown. Some may take years to move downtown, depending on  
19 the capacity of the network to do it, and some may never  
20 move. But one thing I want to tell you, that our number one  
21 guiding principle is no beneficiary is going to go without  
22 access to high quality health care. That is our driving  
23 direction on that.

24 So we are looking at each one of these military medical  
25 treatment facilities, and as you saw in the section 703

1 report, which was very detailed, and we will move forward  
2 with any implementation until we do an assessment of the  
3 local market and make sure that they can handle the  
4 additional workload.

5 Senator Shaheen: Well, thank you. I think particularly  
6 right now as we are dealing with the coronavirus, that is a  
7 consideration. I wish Secretary Wilkie were still here  
8 because I hope you will talk to the VA about some of the  
9 lessons learned and the struggles that they are still having  
10 with trying to transition some of our veterans into the  
11 private health care market and the challenges that presents.

12 Mr. Gillis, I want to raise the concern about PFAS with  
13 you. I was very pleased that Secretary Esper, on the day he  
14 was sworn in, created a PFAS Task Force. I understand that  
15 you are going to be leading that. Is that correct?

16 Mr. Gillis: It is, yes, ma'am.

17 Senator Shaheen: As you know, that is a challenge at  
18 more than 400 of our military installations. One of the  
19 first identified was the former Pease Air Force Base in New  
20 Hampshire where 1,500 people have already tested positive for  
21 PFAS in their blood.

22 So I wonder if you could share your thoughts with us on  
23 how you see addressing that because I think that is a huge  
24 challenge not just for the military but for the private  
25 sector as well.

1           Mr. Gillis: Yes, ma'am. So I completely agree that it  
2 is a nationwide problem, but where DOD was the source, it  
3 remains a DOD obligation to make it right, whether that is  
4 cleanup or providing water treatment or alternate sources of  
5 water. I commit to look at that, if confirmed, across all of  
6 DOD to continue to lead that task force and to get  
7 resolution, which includes working with the Navy Research Lab  
8 who is finding an alternative fire fighting foam that does  
9 not contain PFAS.

10           Senator Shaheen: Yes. I had the opportunity to ask  
11 about that, and nobody has been able to quite give me an  
12 answer about where we are in that development. So I hope you  
13 will follow up with that.

14           Mr. Gillis: Yes, ma'am.

15           Senator Shaheen: Mr. Mercado, you were talking with  
16 Senator Reed about the considerations around future warfare  
17 and the thinking that is being done. And certainly as we  
18 have seen what is happening with Russia and China, those are  
19 huge challenges that we face. But I would argue that equally  
20 critical, as we look at recent events, has been hybrid  
21 warfare and information warfare where we do not seem to be as  
22 adept as our opponents are in that.

23           Can you talk about whether you are also looking at those  
24 two issues as you are thinking about future war games and  
25 what we need to be doing?

1           Mr. Mercado: Yes, Senator. I think the hybrid warfare  
2 activities in the gray zone are where we are tested often,  
3 and so we see in the Pacific where I was before from the  
4 South China ops and all the other activities -- my concern  
5 is, say, for example, in the Arctic. If we do not act and we  
6 do not check some of those activities, then we could be faced  
7 with something like the South China Sea fait accompli. So all  
8 the commanders look at that, develop their ROEs, as well as  
9 strategies to address that.

10           Senator Shaheen: I am out of time, but I hope that you  
11 will share some of those with this committee at a date in the  
12 recent future.

13           Mr. Mercado: Yes, ma'am.

14           Chairman Inhofe: Senator Tillis?

15           Senator Tillis: Thank you, Mr. Chairman.

16           Thank you all for being here and being willing to serve.  
17 I kind of poison the wells sometimes in these committees. I  
18 look forward to supporting your nomination, but I do have  
19 some questions.

20           The first one I have for you, Mr. Donovan. First, thank  
21 you for the work you have done. Thank you for the time in my  
22 office recently and some things that you have already proven  
23 that you are focused on addressing problems. So I appreciate  
24 the work that you have done.

25           I want to talk about the 1st Raider Battalion move,

1 MARSOC marines, down to Camp Lejeune. We have completed the  
2 first phase I think in 2019. The second and third phases  
3 will be complete by 2022. When that was first being  
4 deliberated, I think some of the marines expressed concerns  
5 about quality of life issues, spouse employment, the services  
6 that they were accustomed to getting in California and how  
7 that was going to be fulfilled when they moved to Camp  
8 Lejeune.

9 Can you first give me an idea of how the first phase is  
10 going, whether or not we are listening to the marines and  
11 their family members and how that may impact the subsequent  
12 phases, what work we have left to do?

13 Mr. Donovan: Well, Senator Tillis, thank you for that  
14 question.

15 Let me start by saying that Secretary Esper is all in on  
16 taking care of our families and our service members. In  
17 fact, the NDS has the three lines of efforts that are listed  
18 in there. He has added a fourth line of effort of taking  
19 care of service members and their families. So we are moving  
20 out and following his direction.

21 For example, child care. He just issued a child care  
22 policy memo to give military members priority for their  
23 children in child care facilities that we have to help reduce  
24 some wait list issues.

25 Spouse employment is very important to him. So we have

1 done a lot of work with the spouse licensure reciprocity  
2 between States to make sure that they can get back to work  
3 quickly when they move so often, as a lot of our military  
4 families do.

5 So it is a very big priority for the Secretary.

6 Senator Tillis: Do you know if anything specifically  
7 has been done for the population that has already made the  
8 move and kind of a satisfaction survey or anything, getting  
9 feedback? I think that we have got the right priorities, but  
10 this particular population -- they have an interesting  
11 mission and challenges that all service members have. But  
12 are we doing any specific soundings to know how well we are  
13 doing with this transition?

14 Mr. Donovan: I am not familiar with that, Senator, but  
15 I would be glad to get back to you on that.

16 Senator Tillis: Thank you. I would appreciate that.

17 Let us talk a little bit about case for moving families  
18 every 3 to 4 years versus 5 years. What is the case for the  
19 moves every 3 to 4 versus a 5-year cycle where some of these  
20 other issues I am talking about with the Raider Battalion are  
21 experienced by everybody that has got that churn and that  
22 mobility?

23 Mr. Donovan: It is one of the things that we are taking  
24 a look at, Senator. In fact, Secretary Esper has also asked  
25 me to take a look at being able to extend time on station for

1 our military members and their families to provide more  
2 stability. It becomes a retention issue to keep people in a  
3 stable area, especially when they have kids that are going to  
4 school and all those different issues.

5 So, if confirmed, I will definitely look into that at  
6 the direction of the Secretary.

7 Senator Tillis: Thank you very much.

8 And this question is probably for -- well, actually the  
9 first question is for Mr. Gillis and then maybe a follow-up  
10 if time permits.

11 Mr. Gillis, we are moving forward with the defense  
12 personal property program. You know that the IG was not very  
13 complimentary, at least from the onset, moving to the new  
14 program where I think we are going to do a selection and have  
15 a contract. It had more to do I think with the current  
16 administration of the program having its deficiencies but  
17 also some question about the justification for moving to the  
18 new program. So I am curious, with the size and complexity  
19 of it -- it gets contracted this year. I do not think it  
20 would affect PCSs before next year. Are you familiar with  
21 this program?

22 Mr. Gillis: Sir, I have passing familiarity with it.  
23 In my current portfolio, it is not part of it, but I am aware  
24 of it. And I was moved by the DOD to Virginia. And so I  
25 have been a subject of the current program.

1           Senator Tillis: Well, we need to get it right because  
2 like military housing that I will not have time to talk  
3 about, but like military housing, I do think that if we have  
4 the right measures, the right contract mechanisms that we  
5 could see a positive improvement here and maybe a reduction  
6 in cost, improvement in service levels.

7           But I would just like to get your commitment, after you  
8 are confirmed, to come into my office. I would like to get  
9 some insight into the final selection process on the  
10 contracting to make sure that once we implement, it is going  
11 to be a net positive for the military families.

12          Mr. Gillis: Yes, sir. If confirmed, I would be happy  
13 to come back to you on that.

14          Senator Tillis: Thank you.

15          Mr. Mercado, I ran out of time, but I look forward to  
16 supporting your nomination as well.

17          Chairman Inhofe: Senator Kaine?

18          Senator Kaine: Thank you, Mr. Chair.

19          And thanks to all of the nominees for their service.

20          One of the things that was interesting in hearing you  
21 talk about your own lives in the introductions were that your  
22 families have served, you know, parents and yourselves and  
23 your children. We often talk about the current status of a  
24 military where 1 percent of people serve and 99 percent of  
25 people do not. But the 1 percent is not just a single



1 generation either. It is just so common to see families like  
2 yours where the tradition is a multi-generation tradition and  
3 that is inspiring.

4 Mr. Mercado, let me start with you. Your own history is  
5 a great one. The history of Filipinos fighting with the U.S.  
6 military and Filipino Americans fighting in the U.S. military  
7 is just an amazing history. And you mentioned that you were  
8 born in Norfolk. We are really proud of our Filipino  
9 American community in Hampton Roads and the contributions  
10 they made, especially to the Navy.

11 I want to ask you about this. In terms of plans and  
12 strategies, one of the things that troubles me a little or  
13 just is a concern is that using China as an example, they  
14 have had a great opportunity to learn how the U.S. fights  
15 from watching how we have fought in the last 20 years in Iraq  
16 and Afghanistan. We have not had the same opportunity to  
17 necessarily learn how they fight. We see things they are  
18 doing, platforms they are building, island building in the  
19 South China Sea. But they have really had the opportunity to  
20 school on us as they are thinking about plans. We have not  
21 had quite the same opportunity with them.

22 So how do you approach a challenge like that in what  
23 will be probably the most significant state competitor that  
24 we will have for the next decades?

25 Mr. Mercado: Senator, one of the points in the National

1 Defense Strategy is we are better than China. We can win if  
2 we have to. But our advantage is shrinking. It is getting  
3 smaller. So part of anything we buy or any new tactics,  
4 techniques, procedures we do, we have to safeguard it. And  
5 back when I was in the Pacific Fleet, whenever you are  
6 testing new technology or new tactics, the direction was it  
7 had to be approved by the four-star. So it goes back to the  
8 culture where we were during the Cold War. When we build  
9 systems, we have to look into how to protect those new  
10 technologies and new capabilities to be able to train to  
11 those because hypersonics is going to challenge us, and how  
12 do we train to those as well. So it is a complete review of  
13 how we field capability from concealing any advantage that we  
14 develop to preserving that and being able to train with it.

15 Senator Kaine: One observation I would offer as well is  
16 that our way of fighting includes building coalitions. We  
17 fight with other nations. We fight with NATO. China and  
18 Russia have not necessarily had that same strategy of allies,  
19 but you are now seeing China and Russia do joint military  
20 exercises; China, Russia, and Iran doing joint naval  
21 exercises. So as we are doing our own plans, we are often  
22 planning what we would do together with allies. I think  
23 increasingly it is going to be case with adversaries that  
24 they will be doing the same thing.

25 Mr. Donovan, just a suggestion based on my discussions

1 with Virginians as I am out around talking to our State, a  
2 very heavy military State. One thing that I hear a lot about  
3 is the need for better and better cooperation between the  
4 defense health infrastructure and the VA. So the easy  
5 transfer of medical records -- it becomes hard for a veteran  
6 to assemble the DOD medical records and then put it into a  
7 form where the VA can make prompt decisions about things like  
8 disability determinations, et cetera. So I would just  
9 encourage you, should you be confirmed -- and you no doubt  
10 will be -- that in the part of your portfolio that defends  
11 health, I think there is an awful lot more that could be done  
12 with VA.

13 In Hampton Roads, for example, I often hear about there  
14 is a VA hospital and a great naval hospital at Portsmouth, 15  
15 miles as the crow flies, a little bit longer by road. There  
16 are different specialists at each that could easily come over  
17 and do office hours, come over to the VA or go over to the  
18 naval hospital, but things like credentialing in the two  
19 systems sometimes make that challenging. I think we can  
20 serve all of our people better if that is cooperative. So I  
21 would just encourage you in that way.

22 And then, Mr. Gillis, one last thing with you. I want  
23 to give you an opportunity to brag. So tell us about  
24 something in your current position that you have felt good  
25 about in the energy and environment space. So you have

1 energy, environment, installations, but talk about work that  
2 you have done in the energy and environment space in your  
3 current position.

4 Mr. Gillis: Yes, sir. I would be happy to. And I  
5 think they are also good examples of the kinds of things that  
6 I would then encourage, if confirmed, across DOD.

7 So one of the things we focused on in the Army is  
8 increasing energy and water resilience at our installations.  
9 And I think we have a couple of really good success stories.  
10 Fort Knox is nearly 100 percent energy resilient, and I think  
11 the approach there is something that we would look to  
12 replicate across the Department.

13 And then on the environment side, I think we have worked  
14 very well with the Department of the Interior, and the  
15 Department of Defense has been an incredibly good steward of  
16 natural resources. To the extent that some of the habitat  
17 that we maintain, it has enabled recovery or near recovery of  
18 some endangered species. And so working with DOI, I think we  
19 are going to be able to down-list from endangered some of the  
20 key species that we find on military installations.

21 Senator Kaine: Excellent.

22 Thank you very much, Mr. Chair.

23 Chairman Inhofe: Senator King?

24 Senator King: Thank you, Mr. Chairman.

25 Mr. Donovan, I am going to share some suggestions. I

1 have met recently with our veterans service organizations.  
2 The number one thing that I hear most frequently is the  
3 faulty hand-off between the Department of Defense and the VA.  
4 Suicides. The data is that suicides of veterans are  
5 most likely to take place in the first year to 3 years after  
6 they leave active duty. I believe that the Department of  
7 Defense should put as much time, effort, and money into  
8 transition out as they do to recruitment in. This is a  
9 really serious problem, and I hope that you will really pay  
10 some attention to this because I hear this everywhere I go in  
11 Maine from individual veterans and veterans organizations.

12 Second -- and you sort of alluded to this -- in terms of  
13 recruitment -- and we have got new kinds of soldiers. Cyber  
14 warriors do not have to do 100 push-ups, and I think there  
15 needs to be not a degradation of standards but a recognition  
16 of what it is that we need, what qualities do we need in  
17 certain jobs so that, for example, the physical requirements  
18 are not going to be the same for somebody that is going to be  
19 -- whose fighting is done at a computer screen. So I hope  
20 that is a consideration.

21 And finally, geographical recruitment. There has been a  
22 loss of contact in New England or in the northeast between  
23 the public and the military. We have lost a lot of bases.  
24 There are really no major bases. And it would be a danger to  
25 the country if the military was essentially a regional force.

1           And I hope those are three things that you might take a  
2 look at.

3           Mr. Donovan: Yes, sir. And thank you for that.

4           The collaboration with the VA is about the best I have  
5 ever seen. It probably does not help that I know Secretary  
6 Wilkie very well. I mean, it does not hurt that I know him  
7 that well. And we meet biweekly. We also co-chair a joint  
8 executive committee between the DOD and the VA. I co-chair  
9 with the Deputy Secretary of the VA. And all those issues  
10 you mentioned are on our agenda to work through.

11          Senator King: And I want to associate myself with  
12 Senator Tillis. I think a 5-year rotation makes a lot more  
13 sense, at least in many situations, than 3-year. It would  
14 save billions of dollars, aggravation to the families. And I  
15 think actually you would have a greater buildup of knowledge  
16 and expertise.

17          Mr. Gillis, this is a question for the record. I would  
18 like to know if the alarm bell sounded tonight, what  
19 percentage of our military hardware would be ready to go, how  
20 many ships could go to sea, how many airplanes could fly, how  
21 many brigades would be ready to deploy in as much granularity  
22 as you can provide, in other words, not just overall Air  
23 Force but helicopters, fighter planes, transportation,  
24 refueling. And again, this is for the record, but I think  
25 that would be important for us to know how we are doing in

1 this area. And frankly, I want to see it compared to the  
2 private sector. How does readiness in the Air Force compare  
3 to United Airlines or how does readiness in the Navy compare  
4 to private sector ship transportation?

5 A question of sustaining the F-35. Do we do lifecycle  
6 cost analysis when we are acquiring a new weapon system?

7 Mr. Gillis: Sir, I believe that we do, and if I am  
8 confirmed, lifecycle cost is one of the concepts that I would  
9 push across all weapon systems and installation sustainment.

10 Senator King: Well, I know that the Secretary of the  
11 Air Force is focused on this, but the sustainment cost of the  
12 F-35 is right now prohibitive, and that has got to be driven  
13 down. I hope that that is a priority in your work.

14 Mr. Gillis: Sir, I agree. I believe that that has a  
15 negative impact on readiness, and if confirmed, I would  
16 commit to make that a priority.

17 Senator King: Mr. Mercado, Admiral Mercado, is there a  
18 contingency plan in process for what happens if the deal in  
19 Afghanistan with the Taliban does not work?

20 Mr. Mercado: Sir, that is not in my direct portfolio,  
21 but I understand it is conditions-based. So if confirmed,  
22 what I offer to you is to get together with my colleague from  
23 the ASD from Indo-Asia-Pacific and give you the answer you  
24 deserve because it is a very important question. But my  
25 understanding is, again, we start to draw down within 135

1 days to 8,600, and then after that, it is conditions-based  
2 contingent on a political solution.

3 Senator King: Well, I hope that we hold to that because  
4 it would be tragic if we ended up in exactly the same place  
5 we were in 2001 with the Taliban providing a safe haven to  
6 our adversaries.

7 Mr. Mercado: Yes, sir. I understand it is reversible,  
8 and I commanded a destroyer after 9/11 joining Carl Vinson  
9 with John C. Stennis strike group supporting our marines in  
10 Afghanistan. So I am very passionate about that as well,  
11 sir.

12 Senator King: I just hope that that was a Bath-built  
13 destroyer.

14 [Laughter.]

15 Senator King: Thank you very much, gentlemen. Thank  
16 you for your service and for your attention this morning.

17 Thank you, Mr. Chairman.

18 Chairman Inhofe: Senator Hawley?

19 Senator Hawley: Thank you, Mr. Chairman.

20 Mr. Donovan, let me start with you. The hospital at  
21 Fort Leonard Wood in my home State of Missouri is continuing  
22 to suffer from staffing shortages. We have been assured that  
23 these shortages will be filled this coming summer, but I  
24 would like to hear this from you directly. Can you assure me  
25 and the people of my State that the hospital at Fort Leonard



1 Wood will have the staffing it needs on the timeline that has  
2 been promised?

3 Mr. Donovan: Well, Senator, I certainly can promise  
4 that, if confirmed, I will make sure that all staffing --  
5 staffing across the entire DOD has been problematic. And  
6 part of it is that sometimes the civilian hiring processes  
7 take too long and we end up losing good prospects to private  
8 industry as well too. So we are working to reduce the time  
9 to hire and all that.

10 The Army I understand has been working diligently to  
11 make the pay levels comparable as well too in order to  
12 attract those people.

13 Senator Hawley: Very good. Thank you. I will hold you  
14 to that and look forward to, I hope, working with you on  
15 that.

16 Mr. Mercado, let me come to you. Let us talk a little  
17 bit about the European Deterrence Initiative. You wrote in  
18 your advance policy questions that that initiative, EDI, has  
19 -- I am quoting you now -- contributed greatly to correcting  
20 posture problems in Europe. Can you just say a word about  
21 how that has been the case in your view -- why that has been  
22 the case?

23 Mr. Mercado: One of the things that sticks out at me,  
24 Senator, is the prepositioning of certain equipment that we  
25 need for that theater. So looking at the success and

1 bringing that to fruition to adjust our posture in Europe, I  
2 think that was definitely a positive in EDI.

3 Senator Hawley: You have also written that the United  
4 States needs to focus similarly on improving its posture in  
5 the Indo-Pacific, which I completely agree with. And let me  
6 just ask you this. If EDI has been so successful in Europe,  
7 why not try something like that in INDOPACOM?

8 Mr. Mercado: Yes, sir. And I am mindful I owe you a  
9 follow-up on my response to you on the letter you sent to  
10 Secretary Esper.

11 So we are doing a complete review of our Pacific posture  
12 and taking into consideration lessons learned from EDI.  
13 There are some differences without NATO in the Pacific, but  
14 we have treaty allies. We have territories. It is a  
15 maritime theater. Like I said, I think there are advantages  
16 and we need to look at it and take those lessons learned.  
17 And I will work with my colleagues.

18 I owe the Secretary a recommendation. I owe you a  
19 follow-up on the letter I sent you on that review. And it is  
20 ongoing right now because following the plans review in the  
21 Pacific, equally important is to make sure we have the right  
22 posture to compete and also to follow on our contingency  
23 plans.

24 Senator Hawley: Just for a second back to the European  
25 example. I have heard it argued by some that a Pacific

1 deterrence initiative, if you like, may actually discourage  
2 allied investment. But that is not what we have seen in  
3 Europe. Is it? I mean, with EDI what we have seen is that  
4 our dedicated funding commitments there has actually spurred  
5 allied commitments. I mean, it has actually helped improve  
6 our position across the board. Is that not fair to say?

7 Mr. Mercado: Sir, as I have traveled and engaged with  
8 partners and allies, I think it is a positive development  
9 with our allies.

10 Senator Hawley: Yes. And I do not see any reason why  
11 it would be any different in INDOPACOM.

12 Mr. Mercado, let me ask you about the role of deterrence  
13 by denial in the National Defense Strategy. Can you speak  
14 about that, the role of deterrence by denial?

15 Mr. Mercado: I think deterrence -- when you look at the  
16 elements of deterrence, you need capability, will, and be  
17 able to communicate it. I think, first of all, we have to do  
18 that. Deterrence by denial, as I see, is the next step,  
19 whether you have to take some aggressive action to deny an  
20 adversary an advantage. So I would go through the first  
21 tenets of deterrence to make sure that they understand we  
22 have the will and the capability, and there are consequences  
23 if they try to test us.

24 Senator Hawley: Do you think our force west of the  
25 dateline is currently enough to deter China?

1           Mr. Mercado: I think that the force west of the  
2 dateline is there to allow us to compete, and there is  
3 friction between the ability to compete, which I think there  
4 is a deterrence value there, but we have to be agile enough  
5 to adjust if we need to prevail in a conflict.

6           Senator Hawley: Still thinking about the National  
7 Defense Strategy, what metrics in your view should Congress  
8 use to evaluate the Department's progress in implementing  
9 NDS?

10          Mr. Mercado: Senator, we just signed out our  
11 assessment. We use actually three things. Validity to make  
12 sure that it is still valid, and we believe that it is. How  
13 we are implementing it, and there have been challenges as we  
14 reset the force for great power competition. The Middle East  
15 contingency is one. We may not be on the timing that we need  
16 to do to reset our force. And then we look at effectiveness.  
17 If we are competing, how are we competing, and what is  
18 China's or Russia's view on that competition. And all the  
19 other aspects. Are we making the investments in developing  
20 the concepts, capabilities, plans that support our ability to  
21 compete and prevail. So those are the three metrics that we  
22 look at. And I have held state-of-the-strategy meetings both  
23 external to the Department and within the Department to try  
24 to get a valid assessment. And if confirmed, I will continue  
25 to do so, Senator.

1 Senator Hawley: Thank you.

2 Thank you, Mr. Chairman.

3 Chairman Inhofe: Senator Blumenthal?

4 Senator Blumenthal: Thanks, Mr. Chairman.

5 Mr. Donovan, I am concerned -- I know everyone in  
6 America is -- about COVID-19, most particularly its impact on  
7 our military readiness and our personnel abroad. Are you  
8 satisfied that military installations, specifically in South  
9 Korea and Italy, have all of the equipment that they need,  
10 whether it is protective gear, tests, and so forth?

11 Mr. Donovan: I think, Senator, from a gear perspective,  
12 I think they are in good shape for personal protective  
13 equipment, that sort of thing. Tests -- we have been slow  
14 because we have been trying to get the same tests that the  
15 CDC has been developing and implementing. From what I  
16 understand -- and I had to step out of the position on March  
17 2nd, but when I did, the last I had heard that we were  
18 getting the tests that were starting to be distributed.

19 Senator Blumenthal: How many tests have been  
20 distributed to South Korea?

21 Mr. Donovan: I do not know that number, sir. I would  
22 have to get back to you on that.

23 But I know one of the things that we have been doing is  
24 certifying our 17 labs in order to do that test, and we have  
25 12 of the 17 in DOD certified to process the test results as

1 well too, which will help pick up the pace for testing.

2 Senator Blumenthal: Are the test results analyzed in  
3 South Korea and Italy, or are they sent back here?

4 Mr. Donovan: I believe they are sent back here, sir,  
5 but I would have to get you a definitive answer.

6 Senator Blumenthal: Well, this is kind of critical. Is  
7 it not?

8 Mr. Donovan: Yes, sir, it is.

9 Senator Blumenthal: And we are talking about a real  
10 imminent danger to our troops' readiness and to their  
11 personal safety and their families.

12 Mr. Donovan: Yes, sir.

13 Senator Blumenthal: With all due respect, how can you  
14 not know the number of tests there are in South Korea and  
15 Italy?

16 Mr. Donovan: Well, sir, in order to comply with the  
17 Vacancy Act, I had to leave the position on March 2nd, and  
18 when I left the position on March 2nd, we were getting the  
19 tests --

20 Senator Blumenthal: How many were there then?

21 Mr. Donovan: I do not have the exact number of tests,  
22 but I can follow up and get you that.

23 Senator Blumenthal: I would appreciate that because I  
24 think that we are talking about, frankly, a really  
25 potentially catastrophic shortage of tests around the

1 country. I am not saying anything that is original or novel,  
2 well-documented certainly in Connecticut. And for that to be  
3 true also in our military installations is really pretty  
4 shocking when they are vulnerable in places like South Korea  
5 and Italy. Would you agree?

6 Mr. Donovan: Yes, sir. I would agree that those places  
7 are vulnerable. As I responded to you in your letter that  
8 you sent a few weeks back, we have been issuing force health  
9 protection guidance in order to give installation commanders  
10 a guidance on how to limit exposure.

11 Senator Blumenthal: I do not think I have received that  
12 response. Maybe it is in the works.

13 Mr. Donovan: It may be in the works. I know on the day  
14 that I received the letter from you, I had just issued my  
15 second supplement force protection health guidance.

16 Senator Blumenthal: Yes. The letter was dated February  
17 25th, but I do not think I received an answer.

18 Mr. Donovan: I will check on that, sir.

19 Senator Blumenthal: Thank you.

20 Mr. Gillis, I was very interested in the statistic given  
21 by Mr. Wilkie that there has been a shift from our military  
22 personnel, 20 percent of them having families to 80 percent  
23 of them having families. Is that accurate?

24 Mr. Gillis: Yes, sir. I believe it is.

25 Senator Blumenthal: And over what period of time? That

1 is a really remarkable number.

2 Mr. Gillis: Sir, I am not sure when the shift occurred,  
3 but it has been within the last decade or 2.

4 Senator Blumenthal: Could you track that down and get  
5 back to us about it? I think that is a very significant  
6 shift.

7 Mr. Gillis: Yes, sir. I will because that has  
8 significant impact on what we provide to service members on  
9 the installation from a housing standpoint.

10 Senator Blumenthal: In that connection, specifically on  
11 housing, I am very disappointed that three of the tenant bill  
12 of rights have not been implemented, three out of the 18.  
13 Can you give me a timeline by when they will be implemented?

14 Mr. Gillis: Yes, sir. So Secretary Esper communicated  
15 in his communication to Congress that 15 would be implemented  
16 by May 1st. The Acting Assistant Secretary --

17 Senator Blumenthal: What about the remaining three?

18 Mr. Gillis: Sir, the Acting Assistant Secretary in the  
19 role that I am to be confirmed for committed to wrapping up  
20 those last three on the same timeline, May 1st, and I support  
21 that.

22 Senator Blumenthal: If there is any shift in timing, I  
23 would like your commitment that you will get back to us.

24 Mr. Gillis: Yes, sir, I will.

25 Senator Blumenthal: Thank you.



1 Thanks, Mr. Chairman.

2 Chairman Inhofe: Senator Perdue?

3 Senator Perdue: Thank you, Mr. Chairman.

4 Thank you to the three of you for being willing to step  
5 up and take on these different responsibilities.

6 Secretary Donovan, if confirmed, you will be the  
7 principal advisor to the Secretary and Deputy Secretary for  
8 Personnel Requirements. And the interface between uniformed  
9 service members and our civilian workforce, as you said in  
10 your opening statement, is one of the key success factors of  
11 our joint force. We have a volunteer uniformed force and a  
12 civilian workforce that is better than anything in the world.

13 I am concerned about its aging and the 180-day rule in  
14 terms of how we fill the needs. In a low unemployment era  
15 like we are in right now, is getting harder and harder to  
16 find those people. We have some aging workforce capabilities  
17 as well. One example, we have three major Air Force depots.  
18 One of those happens to be in my State. And 37 percent of  
19 the workforce in that particular depot, Robbins Air Force  
20 Base, actually retires by 2023 and by 2028, 54 percent. Now,  
21 that is a big turnover and that is very indicative of the  
22 other depots as well.

23 Can you give me your personal impression of how we might  
24 use the 180-day rule, how we might amend it in this  
25 particular period of time when we are definitely going to be

1 short of qualified and trained workers in the civilian force?

2 Mr. Donovan: And, Senator, by the 180-day rule, you are  
3 talking about the time to hire?

4 Senator Perdue: Yes, sir.

5 Mr. Donovan: That was one of my priorities when I was  
6 performing the duties of but also as the Under Secretary of  
7 the Air Force is to drive down the time it takes to hire  
8 someone into government service because, as I mentioned to  
9 Senator Hawley, people need jobs. They apply for jobs, and  
10 then they wait so long, they end up going to other  
11 industries. And we are all in competition for those same  
12 skills. So that is one of the things that we are trying to  
13 do is drive down, simplify that, and stay within the rules of  
14 the Office of Personnel Management, but to be able to drive  
15 that down. And we are making some progress.

16 Senator Perdue: You are speaking of the on-boarding  
17 process?

18 Mr. Donovan: On the on-boarding process, yes, sir. So  
19 it is completely frustrating, and as you mentioned, so much  
20 of our civilian workforce is entering into retirement age and  
21 they are going to need to be replaced with fresh, young --

22 Senator Perdue: In your opinion, do you think we need  
23 to revise the 180-day rule?

24 Mr. Donovan: If confirmed, I will work with the  
25 committee and see if there is something. I am not sure yet

1 if that needs to be revised. But I do know that we have to  
2 work continuously on getting that time to hire reduced.

3 Senator Perdue: Mr. Gillis, we have had two questions  
4 already on housing. But we had a hearing here where the  
5 Secretary of the Army explained to us that because of the  
6 continuing resolution that was employed in October of last  
7 year, first quarter of this fiscal year, it held up 4,400  
8 housing units on various bases across the country. As a  
9 volunteer soldier, what is your opinion about how we should  
10 look at the housing needs of a volunteer force?

11 Mr. Gillis: Yes, sir. So typically, at least speaking  
12 from my Army perspective, what we do is look for the  
13 community first to see what they can provide in terms of  
14 housing a force. And then what we provide is the balance.  
15 So the community first, military second. But from a  
16 prioritization standpoint within the military, whether it is  
17 new construction or sustainment, at least in the Army,  
18 housing is one of the things that we prioritize because that  
19 is something that we owe to the soldiers and families of the  
20 Army. And I think that that is something that, if not  
21 already in place, should apply across the Department.

22 Senator Perdue: Mr. Mercado, one of the questions that  
23 I have is the current NDS, the shipbuilding requirement and  
24 that sort of thing -- as General Mattis said, the current NDS  
25 is a refocus on China but it is a maritime effort. Do you

1 believe that the current allocation of the budget that we  
2 have just seen for 2021 is consistent with the NDS and does  
3 it properly fund the military to fulfill the missions  
4 required inside the NDS?

5 Mr. Mercado: Senator, I would go back to what Secretary  
6 Esper had said and I think what we put in our assessment,  
7 that this budget is a good balance, but ultimately to  
8 implement the NDS effectively, we need another 3 to 5 percent  
9 real growth to do that effectively.

10 Senator Perdue: I am sorry. Is that 3 to 5 percent  
11 each year for the planning period, or is that just for this  
12 one year?

13 Mr. Mercado: It is not in my area. I just need to go  
14 back and review that in detail, Senator, and get back to you.

15 Senator Perdue: That would be great.

16 Thank you, Mr. Chairman.

17 Chairman Inhofe: Senator Blackburn?

18 Senator Blackburn: Thank you, Mr. Chairman.

19 And thank you to you all for being here.

20 Mr. Mercado, I understand that Chairman Inhofe talked  
21 with you a little bit about the NDS and AFRICOM and our  
22 importance there. As you know, that is something that I feel  
23 is very important to us and to our global force posture. So  
24 I associate myself with his remarks.

25 Let us talk a little bit about the JWC because we had a

1 good conversation about that yesterday. And if confirmed, I  
2 want you to touch on what you would do with the  
3 organizational structure, the capacity, the capability for  
4 the development of the JWC?

5 Mr. Mercado: Senator, with regard to the joint  
6 warfighting concept -- and as you know, Secretary Esper has  
7 directed that we develop it. Again, it is something that we  
8 do not have. So this will be a first. And for me, it is an  
9 all hands on deck because you need that intellectual capacity  
10 to apply to this because it is very challenging as we look at  
11 potential conflicts and stressing conflicts that we need to  
12 build a force able to do it.

13 So from combining the service individual concepts to  
14 looking at technology that could be available in the future  
15 and how it interacts with the force that we have and then  
16 test it, war game it, experiment with it, and then move on  
17 because you cannot do it all at once. You have to look at  
18 the most challenging case in the Pacific, and then you have  
19 to look at the most challenging case in Europe. And then you  
20 have to make sure that you fill those gaps. And it takes  
21 time, and it is methodical and it is systematic. And we have  
22 started that effort.

23 Senator Blackburn: And then I would assume that you all  
24 are going to keep us apprised as you move forward on the  
25 timeline.

1           Mr. Mercado: I think again, if confirmed, I will be  
2 part of overseeing that effort, and yes, ma'am.

3           Senator Blackburn: Okay.

4           And Senator King mentioned to you human capital as it  
5 relates to building out and meeting much of the needs with  
6 our cyber warfare and as we look at great power competition.  
7 And we would hope that you take that to heart as you look at  
8 individuals that want to serve but maybe we should consider  
9 changing our recruiting and the individuals that we are  
10 bringing in to work on these efforts. And I know, Secretary  
11 Donovan, that that question was directed to you. Do you want  
12 to weigh in on that?

13          Mr. Donovan: I agree, Senator. And one of the things  
14 we are doing is looking at -- you know, previous top leaders  
15 in the Department of Defense had weighed in on this, and  
16 Secretary Esper, though, is open to looking --

17          Senator Blackburn: We understand they have weighed in,  
18 but we are seeing change come very slowly.

19          Mr. Donovan: I agree, Senator.

20          Senator Blackburn: And it all gets wrapped up in  
21 utilization of spectrum, how we handle some of our R&D. So  
22 we are going to watch it closely.

23          Mr. Gillis, let me come to you. You have heard a good  
24 bit today on the issues of housing and I think our  
25 conversation yesterday was fairly robust about this and

1 making certain that we are able to meet the guidance that is  
2 there in the NDAA and to have a timeline. And you have said  
3 the bill of rights -- you are firm on this date of May 1.  
4 You all are going to fix this. No can-kicking. You are  
5 going to fix it.

6 Mr. Gillis: Yes, ma'am. That is exactly what we are  
7 driving toward, and if we need any help, if confirmed, I  
8 would not hesitate to come and ask you for it.

9 Senator Blackburn: Okay. Well, I think it is important  
10 that you all get pen to paper on this, that you deliver the  
11 message we are quite frustrated that you would put out a bill  
12 of rights and it would eliminate those components that are so  
13 vitally necessary so that people know they can withhold that  
14 rent and they have got a path to the dispute resolution. So  
15 our attention on that is not going to be lifted. It is going  
16 to stay right there. And we appreciate your willingness to  
17 work on that in a timely manner.

18 I yield back.

19 Chairman Inhofe: Senator Sullivan?

20 Senator Sullivan: Thank you, Mr. Chairman.

21 Gentlemen, thank you for your willingness to serve. And  
22 I know a number of you already served your nation. So I  
23 appreciate that very much.

24 I want to get a quick commitment from all of you to join  
25 me up in my State, the great State of Alaska. If you have

1 not been there, you need to see why Billy Mitchell referred  
2 to it as the most strategic place in the world. There is a  
3 lot going on up there, a lot of issues with regard to great  
4 power competition in the Arctic, missile defense, a whole  
5 host of issues. Can I get your commitment, all of you, to  
6 join me up there?

7 Mr. Mercado: Yes, sir.

8 Mr. Gillis: Yes, sir.

9 Mr. Donovan: Yes, Senator. I brought my Alaskan-born  
10 son with me again this time.

11 Senator Sullivan: Excellent. Great.

12 Mr. Mercado, let me ask you. I had a discussion with  
13 the Secretary of Defense last week, and then he testified  
14 last week on the issue of the Asia-Pacific and our force lay-  
15 down there. This is something I have certainly had an  
16 interest in, the committee has an interest in, more  
17 importantly, from your perspective, the Secretary has an  
18 interest in. The NDS talks about great power competition  
19 particularly with China's pacing threat, but our force  
20 posture is rather stale out in that region, whether it is the  
21 DPRI with the Marines and other things.

22 Can I get your commitment to work with this committee  
23 and the Secretary -- it is actually mandated in last year's  
24 NDAA -- on a strong, hard look at how we have our forces  
25 arrayed in that region, including in my State?



1 Mr. Mercado: Yes, sir.

2 Senator Sullivan: Do you have any thoughts on that  
3 issue?

4 Mr. Mercado: Sir, absolutely. I think our posture, as  
5 you noted, is the result of post World War II, post Korean  
6 War, and with great power competition, what we are faced with  
7 is insufficient at this point. So as we review our plans,  
8 that to me is the number one priority, and Secretary Esper  
9 wants to review the plan that is being developed as we speak.

10 Senator Sullivan: And this committee mandated that  
11 review in the NDAA last year.

12 Mr. Mercado: Yes, sir.

13 And right behind that is to make sure that we have a  
14 posture that supports executing that plan. Now, the tension  
15 will be the posture to compete day to day and be agile enough  
16 to shift to be able to prevail, should we have to, in  
17 conflict.

18 Senator Sullivan: Let me ask a related question because  
19 they are all kind of related regions. But the Pentagon has  
20 been really slow to recognize our strategic challenges in the  
21 Arctic. This committee, Congress has been much more forward-  
22 leaning than the Pentagon. I am not sure why. But I really  
23 want to get your commitment to work with this committee, with  
24 me, my team. There is an awakening of the challenges up  
25 there. It is remarkable. If you look at the media, there

1 are articles almost daily about the great power competition  
2 there. And yet, we are woefully -- woefully -- under-  
3 prepared, not prepared. We have two icebreakers. One is  
4 broken. The Russians have 54. Heck, the Chinese have more  
5 than us.

6 Can I get your commitment to work with us? The  
7 Secretary of the Navy last week talked about how he and the  
8 Secretary of the Air Force and Army are putting together a  
9 trilateral group to look at strategic basing particularly in  
10 Alaska as it relates to our Arctic interests, which we just  
11 do not have any capability particularly to execute the DOD  
12 strategy in the Arctic.

13 Mr. Mercado: Yes, sir. You have my commitment.

14 Senator Sullivan: Thank you.

15 Mr. Donovan, I want to mention one thing, the other area  
16 that I have taken a lot of interest in, again that this  
17 committee has taken a lot of interest in. It has been  
18 bipartisan, which is new, because it typically has not been  
19 an issue that has been bipartisan over the years -- is  
20 missile defense. We have been doing a significant buildup of  
21 our nation's missile defense and, again, driven by this  
22 committee, in conjunction with the Pentagon. But lately, as  
23 I have mentioned in recent hearings, there have been smart  
24 people making rather dumb decisions on missile defense. I  
25 would like to get your commitment to take a review on this

1 readiness issue.

2 I will just give you an example. Part of this  
3 committee's requirements were to build an additional 20  
4 silos, more missiles, which we need at Fort Greely. That is  
5 happening, but the Under Secretary recently said, well, we  
6 have not perfected it, so we are going to redo the bidding on  
7 the kill vehicles, which will take at least 10 to 15 years.  
8 So we are going to have 20 silos sitting empty for 10 years,  
9 and nobody in the Pentagon seems to think that is not a good  
10 idea.

11 Can I get your commitment to work with this committee on  
12 that?

13 Mr. Donovan: Yes, sir. If confirmed --

14 Senator Sullivan: Finally, I always do this with the  
15 new members, particularly for you on readiness. Have you  
16 read this book before, "This Kind of War," by T.R.  
17 Fehrenbach? So I have additional copies. I will get them  
18 for all of you.

19 This is a book that talks about how we were the greatest  
20 military power in the history of the world in 1945, which we  
21 were. And in 1950, because of bad leadership in the Congress  
22 and at the Pentagon, the U.S. military had a hard time  
23 stopping a third world peasant army in the summer of 1950,  
24 the North Koreans. It is really a good book to read about  
25 readiness and how quickly you can lose it. So can I get your

1 commitment, if I give you the book for free, that you guys  
2 will take a look and read this very important book, "This  
3 Kind of War," by T.R. Fehrenbach?

4 Mr. Gillis: Sir, I have got a copy.

5 Senator Sullivan: Great. Did you read it?

6 Mr. Gillis: Yes, sir.

7 Senator Sullivan: Excellent. Thank you.

8 Thank you, Mr. Chairman.

9 Chairman Inhofe: Will there be a quiz?

10 [Laughter.]

11 Senator Sullivan: No quiz. Just read it. No quiz.

12 Chairman Inhofe: Senator Gillibrand?

13 Senator Gillibrand: Thank you, Mr. Chairman.

14 Thank you all.

15 One of the issues that this committee has really  
16 struggled to address effectively is sexual assault in the  
17 military. In fact, last year's SAPRO report showed an  
18 increase in the numbers of sexual assaults in the military,  
19 both reported and unreported. But actually the percentage of  
20 cases that went to trial and the raw number of cases that  
21 went to trial went down. And the number that ended in  
22 conviction also went down. So we are not actually going in  
23 the right direction. And issues like retaliation are still  
24 very high, last reported, about 59 percent, unchanged over  
25 the last few years.

1           So one of the areas of agreement, bipartisan agreement,  
2 over the last few years was trying to increase the number of  
3 reports so that if a sexual assault occurs, that there is a  
4 reason and a safety for survivors to come forward. In fact,  
5 we even went so far as to create a provision in last year's  
6 NDAA, a safety report policy, and even though the safety  
7 report policy was in the NDAA fiscal year 2019, even though  
8 we passed it in the House and Senate, it was taken out in  
9 conference, and a report was put there instead.

10           So I would like to talk to you a little bit about the  
11 safety report because we know anecdotally that particularly  
12 in the service academies, that once the safety report  
13 language was put in place in the Air Force Academy, for  
14 example, many more came forward.

15           So do you agree that collateral misconduct charging in  
16 sexual assault cases as a chilling effect on the survivor's  
17 determination as to whether or not to report?

18           Mr. Donovan: Yes, Senator. I think the survey results  
19 may have showed that.

20           Senator Gillibrand: Yes. And what measures will you  
21 take to ensure survivors do not have a fear of collateral  
22 misconduct charges and retaliatory measures by command?

23           Mr. Donovan: Well, we want to make sure that our policy  
24 reflects that. You know, the most important thing is to take  
25 care of the victim, and we will deal with other collateral

1 misconduct issues in a prevention type scenario rather than  
2 after it occurs.

3 Senator Gillibrand: Thank you.

4 And do I have your commitment that you will work with me  
5 during this NDAA process to find a strong bipartisan solution  
6 to how to reverse the trend on sexual assaults in the  
7 military?

8 Mr. Donovan: You have my commitment, Senator, if  
9 confirmed.

10 Senator Gillibrand: Thank you.

11 Mr. Donovan, many of our service members who have served  
12 in operations all over the world are now returning with  
13 severe illnesses being attributed to burn pits. So these  
14 service members are plagued with an array of illnesses and  
15 cancers that are being attributed to constant toxic smoke,  
16 which they not only worked in but ate and slept in. Now they  
17 are not only fighting for their lives but they are fighting  
18 for health care as well. Because exposure to these pits was  
19 not thoroughly and accurately documented, veterans are  
20 struggling to prove they were exposed during deployment.

21 My question is, what will you do to ensure that the  
22 current service members are made aware of the dangers of burn  
23 pit exposure and that this exposure is accurately recorded?

24 Mr. Donovan: Senator, I will work with the other under  
25 secretaries of Defense and OSD. But one of the things that,

1 as you mentioned, has been challenging for us is the  
2 documentation of where these burn pits occurred and then  
3 which personnel were actually assigned there at the time. So  
4 I know that the staff is working hard to come up with some  
5 sort of data management system, if you will, in order to do  
6 that.

7 And then collaboration with the VA is very strong  
8 because they are very interested in this, as our service  
9 members go out in post-service care scenarios with the VA.  
10 So we are working very hard on that.

11 Senator Gillibrand: And are you confident that the  
12 individual longitudinal exposure record will prevent future  
13 warfighters from having to face the same hurdles when they  
14 need care?

15 Mr. Donovan: That is our hope, yes, Senator.

16 Senator Gillibrand: Thank you.

17 Thank you, Mr. Chairman.

18 Chairman Inhofe: Senator Duckworth?

19 Senator Duckworth: Thank you, Mr. Chairman.

20 Mr. Donovan, welcome. Welcome to everyone on the panel.

21 An issue I have been working on for many years that  
22 falls under your purview is food insecurity in the military.  
23 I think we can all agree that it is essential that we provide  
24 enough for our young military members who take care of  
25 themselves and their family members. In the past, DOD has

1 been reluctant to accept or even attempt to grasp the full  
2 breadth of this issue, which led to a 2016 GAO report  
3 recommending that the Department collect and analyze more  
4 complete data and work with the Department of Agriculture to  
5 do so.

6 Other organizations like the Military Family Advisory  
7 Network have been filling in the gap with their own research.  
8 And in 2017, they found that 15 percent of survey respondents  
9 have trouble getting enough food for their families. They  
10 are due to release an updated, more detailed report in April,  
11 which I am looking forward to.

12 And while I am pleased that DOD is scheduled to release  
13 a report in the coming months on SNAP usage among service  
14 members, I am concerned that once again the Department may be  
15 at risk of obscuring the problem. First, if this report is  
16 just on the use of SNAP benefits, it fails to capture those  
17 who tried to access SNAP but were unable to or those who  
18 relied on some other form of food assistance. And second --  
19 and I hope I am wrong here, but I have heard that the USDA  
20 has not been consulted by DOD in any meaningful way to help  
21 conduct a study.

22 Mr. Donovan, what is your experience with confronting  
23 the issue of food insecurity in the military?

24 Mr. Donovan: Senator, thank you for that.

25 I do not have very much experience with that, but if



1 confirmed, I will make the commitment that I will certainly  
2 look more closely at this issue, and if it is required to go  
3 coordinate with the Department of Agriculture, I am perfectly  
4 willing to do that.

5 Senator Duckworth: Thank you. So will you commit to  
6 brief me on this issue once you are confirmed?

7 Mr. Donovan: Yes, ma'am.

8 Senator Duckworth: Thank you.

9 Switching gears, I am not sure if you have been  
10 following the case of VA's handling of a reported sexual  
11 assault at the D.C. VA Medical Center. A "Pro Publica"  
12 report alleges that Secretary of Veterans Affairs, Robert  
13 Wilkie, sought damaging information about the individual who  
14 reported the assault. Specifically, it was reported that  
15 Secretary Wilkie, who used to serve in the role that you are  
16 nominated for and who has just given you a glowing and warm  
17 introduction to this committee, may have gained access to her  
18 DOD records by asking his friends in your department to help  
19 him do that or by encouraging others to do so in an effort to  
20 discredit and attack her character. If this alleged smear  
21 campaign involved accessing DOD information systems, one  
22 would expect there to be electronic fingerprints. At my  
23 request, the VA OIG is conducting an investigation into this  
24 alarming matter.

25 Mr. Donovan, if confirmed, will you promise to fully

1 cooperate with this VA OIG investigation?

2 Mr. Donovan: Yes, Senator.

3 Senator Duckworth: This includes your personal  
4 commitment to provide investigators with complete access to  
5 DOD information systems and resources necessary to determine  
6 whether this individual's military records were viewed during  
7 the relevant time periods.

8 Mr. Donovan: As long as it is consistent with the law,  
9 yes, Senator.

10 Senator Duckworth: And will you recuse yourself from  
11 any investigation where Mr. Wilkie has been found to either  
12 reach out to you or those that you know for personal help?

13 Mr. Donovan: I know that Secretary Wilkie has not  
14 reached out personally to me in this matter, and I am really  
15 not aware of it. But if advised, I would recuse myself.

16 Senator Duckworth: Thank you.

17 And now, finally, I would like to talk about the subject  
18 of hazard pay. Currently guidelines have National Guard and  
19 Reserve members held to the same standards for qualifications  
20 as their active duty counterparts, but they are only eligible  
21 for one-thirtieth of the hazard duty incentive pay. Our  
22 guardsmen and reservists are taking the same risk and held to  
23 the same requirements but they are not receiving equal  
24 compensation. So you have to fly the same number of flight  
25 hours in order to maintain your currency, but then if you

1 only do one drill a day, you only get paid one-thirtieth of a  
2 day's worth of incentive pay.

3 Fortunately, some of my colleagues on the committee, Mr.  
4 Manchin, Mr. Cramer, and I have been working to right this  
5 wrong by introducing the Guard and Reserve Hazard Duty Pay  
6 Equity Act. If confirmed, Mr. Donovan, will you confirm and  
7 commit to working with us to correct this inequity so that  
8 all members of the National Guard and Reserve forces, whether  
9 on active or reserve duty, can be fairly compensated when  
10 they take on the additional risk associated with hazardous  
11 duty?

12 Mr. Donovan: Yes, Senator.

13 Senator Duckworth: Thank you.

14 I yield back, Mr. Chairman.

15 Chairman Inhofe: We thank all three witnesses. It is  
16 rare that we get three witnesses that are so well known by  
17 all the members up here, and we appreciate the fact that you  
18 are willing to continue your service.

19 Any further comments, Senator Reed?

20 Senator Reed: No, sir.

21 Chairman Inhofe: All right. Then we are adjourned.

22 [Whereupon, at 11:10 a.m., the hearing was adjourned.]

23

24

25