

**HEARING TO CONSIDER THE NOMINATIONS
OF: HON. ROBERT O. WORK TO BE DEPUTY
SECRETARY OF DEFENSE; HON. MICHAEL J.
McCORD TO BE UNDER SECRETARY OF DE-
FENSE (COMPTROLLER); CHRISTINE E.
WORMUTH TO BE UNDER SECRETARY OF
DEFENSE FOR POLICY; BRIAN P. McKEON
TO BE PRINCIPAL DEPUTY UNDER SEC-
RETARY OF DEFENSE FOR POLICY; HON.
DAVID B. SHEAR TO BE ASSISTANT SEC-
RETARY OF DEFENSE FOR ASIAN AND PA-
CIFIC SECURITY AFFAIRS; AND ERIC
ROSENBAACH TO BE ASSISTANT SECRETARY
OF DEFENSE FOR HOMELAND DEFENSE**

TUESDAY, FEBRUARY 25, 2014

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 9:05 a.m. in room SD-G50, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Reed, McCaskill, Manchin, Shaheen, Gillibrand, Blumenthal, Donnelly, Kaine, King, Inhofe, McCain, Sessions, Wicker, Ayotte, and Fischer.

Other senators present: Senators Nunn and Warner.

Committee staff members present: Peter K. Levine, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Joseph M. Bryan, professional staff member; Jonathan D. Clark, counsel; Ozge Guzelsu, counsel; Richard W. Fieldhouse, professional staff member; Creighton Greene, professional staff member; Michael J. Kuiken, professional staff member; Gerald J. Leeling, general counsel; Jason W. Maroney, counsel; Mariah K. McNamara, special assistant to the staff director; William G.P. Monahan, counsel; and Roy F. Phillips, professional staff member.

Minority staff members present: John A. Bonsell, minority staff director; Daniel C. Adams, minority associate counsel; Steven M. Barney, minority counsel; William S. Castle, minority general counsel; Samantha L. Clark, minority associate counsel; Thomas W.

Goffus, professional staff member; Ambrose R. Hock, professional staff member; Anthony J. Lazarski, professional staff member; and Robert M. Soofer, professional staff member.

Staff assistants present: Daniel J. Harder and Brendan J. Sawyer.

Committee members' assistants present: Jason Rauch, assistant to Senator McCaskill; David J. LaPorte, assistant to Senator Manchin; William Scheffer, assistant to Senator Shaheen; Moran Banai and Brooks Jamison, assistants to Senator Gillibrand; David J. Park, assistant to Senator Donnelly; Karen E. Courington, assistant to Senator Kaine; Stephen M. Smith, assistant to Senator King; Paul C. Hutton IV, assistant to Senator McCain; Lenwood A. Landrum, assistant to Senator Sessions; Robert U. Foster III and Joseph G. Lai, assistants to Senator Wicker; Bradley L. Bowman, assistant to Senator Ayotte; and Peter W. Schirtzinger, assistant to Senator Fischer.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. The committee meets today to consider the nominations of Robert Work to be Deputy Secretary of Defense; Michael McCord to be Under Secretary of Defense, Comptroller; Christine Wormuth to be Under Secretary of Defense for Policy; Brian McKeon to be Principal Deputy Under Secretary of Defense for Policy; David Shear to be Assistant Secretary of Defense for Asian and Pacific Security Affairs; and Eric Rosenbach to be Assistant Secretary of Defense for Homeland Defense.

I thank everybody for their understanding of the scheduling difficulties that we faced between last week's snowstorm and this morning's floor votes and the need to shift the hearing to a 9 o'clock start.

We welcome our nominees and their families. We thank them for the support that those families provide to our nominees. Our nominees should feel free, during their opening statements, to introduce the family members who are here to support them today.

And we're also delighted, all of us, to welcome back two dear friends and former chairmen of this committee, Senators Nunn and Warner. And they're here to introduce two of our nominees.

Senators Nunn and Warner have an extraordinary record of public service, including, between the two of them, more than 50 years of service on this committee. And, by the way, Senator Warner first appeared before this committee 45 years ago, almost to the day, for a February 6, 1969, hearing on his nomination to the position of Under Secretary of the Navy.

Now, I'm not exactly sure why our witnesses, our nominees here this morning, all stood until the gavel banged. That's never happened before. And I finally figured it out. It's because Senators Warner and Nunn were here. I think it's in your honor, not in ours, that we saw our nominees standing here this morning. But, any rate, we're all delighted to have you back here with us.

Mr. Work is well known to us from his service as Under Secretary of the Navy from 2009 to 2013.

Mr. McCord has spent almost 30 years in service to our country, including 5 years as the Department of Defense's Deputy Comp-

troller; before that, of course, Mike spent 21 years on the staff of this committee, and many of us remember his great expertise, his work ethic, his commitment. And they qualify him well for this job.

Ms. Wormuth has served in senior national security positions in the executive branch from 1996 to 2002 and from 2009 to the present; more—most recently, as Special Assistant to the President for Defense Policy and Strategy, and as Deputy Under Secretary of Defense for Strategy, Plans, and Force Development.

Mr. McKeon has spent the majority of his 29-year career in national security affairs, including 12 years on the professional staff of the Senate Foreign Relations Committee, and he is currently the Executive Secretary and Chief of Staff of the National Security Council.

Mr. Shear spent his 31-year career in the Foreign Service and serves currently as U.S. Ambassador to Vietnam.

Mr. Rosenbach has held a variety of national security-related positions in academia and in the private sector, and has served our country as an intelligence officer in the Army, as a professional staff member of the Senate Select

Committee on Intelligence, and the—and as the Deputy Assistant Secretary of Defense for Cyber Policy.

The security challenges that we face as a Nation are complex, and they're growing. Our nominees are going to be asked to help manage them in a time of decreased budgetary resources and increased budgetary uncertainty. I believe they're all well qualified to do just that.

Senator Inhofe.

STATEMENT OF SENATOR JAMES M. INHOFE

Senator INHOFE. Thank you, Mr. Chairman.

I'd echo the same remarks about Senator Warner and Senator Nunn. Nice to have you back. You haven't changed a bit, either one of you.

The Director of National Intelligence Clapper stated, on February 12th—and this is a quote—he said, "Looking back over my now more than a half century in intelligence, I'm not—I've not experienced a time when we've been beset by more crises and threats around the globe." And based on what I've seen and heard in many travels over the years, I think that's exactly right. Yet, over the last few years, massive cuts to our military, our national security, including half of a trillion dollars cut before sequestration took place—took effect—have resulted in deep decline in military readiness and capabilities.

We know what's happened to the Navy and the Air Force and the Army, in terms of the cuts in end strength. And it's something that's disturbing. I think, particularly the speech that was made yesterday by Secretary Hagel. And there's—I'm going to read one of the quotes that I wrote down. He said, "American dominance on the seas, in the skies, and in space can no longer be taken for granted." I never thought I'd see that. But, that was a statement. And even though the recent budget deal provides some minor sequester relief, our military is still subject to nearly \$77 billion in sequester cuts in 2014 and '15. And protecting the United States is more than just the resource levels, however. Resourcing must di-

rectly address the threats that we face using an effective and comprehensive strategy. Instead, the President and his administration continue to base their strategy and justify cutting national security spending on the naive world view that, quote—and these are quotes—“the tide of the war is receding” and “al Qaeda is on the run and on a path to defeat.” If you look across the Middle East and northern Africa, we know better than that. Even the top intelligent official, Director Clapper, told us, during testimony, that al Qaeda isn’t on the run and, instead, is morphing and franchising. Tragically, this is what happens when strategy is driven by hope rather than reality.

We need to be addressing—we’ve talked about this before, and I won’t go into any detail now, as I was going to, but, in terms of the defense acquisition process, making sense of a convoluted and cumbersome acquisition process and instituting commonsense reforms will be a vital step towards maximizing taxpayer dollars and delivering necessary technology, on budget and on schedule.

I’m also deeply concerned about recent headlines that depict ethical and leadership failings of some of our military leaders. I know firsthand that the vast majority of our military cadre are strong and ethical leaders who serve our Nation with distinction. However, the failings of some have the potential to undermine the service of the rest.

I expect the Secretary of Defense, the Chairman of the Joint Chiefs, and all of the senior officers to renew their commitment to integrity and to firmly address failures in a transparent manner. If confirmed, the nominees today will be responsible for addressing these challenges. And I look forward to the hearing.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you so much, Senator Inhofe.

We’re first going to call on Senator Warner, who’s going to be introducing the nominee for Deputy Secretary, and then we’re going to turn over to Senator Nunn to introduce Mr. McCord.

So, John Warner, welcome.

**STATEMENT OF HON. JOHN WARNER, FORMER SENATOR
FROM THE STATE OF VIRGINIA**

Senator WARNER. I thank you, Mr. Chairman, distinguished Ranking Member, and colleagues and friends of many, many years. It’s a special occasion for me, and I thank the Chair for his thoughtful recollection that 45 years ago I did appear here. But, it’s this symbol—symbolism of the wonderful Nation that we have and are preserving today to give the opportunity to people for public service. And my Nation has been more than generous to me in that opportunity to have public service.

We’re here today, my friend Sam Nunn and I, to introduce two individuals, one of whom I associate myself with your remarks, even though I haven’t read them—[Laughter.]

Senator WARNER.—McCord. McCord served on our committee 21 years, and did a marvelous job, and he’s here today with his family.

Bob Work, I’ve come to know, because he was, by parallel, Under Secretary of the Navy, the position I held under Melvin Laird and David Packard. And as I reflected last night on the Laird-Packard team, Bob Work is much like David Packard. Packard founded

Hewlett-Packard. And Bob worked, spent 27 years in the U.S. Marine Corps, advancing through all the positions of officer. He was number two in his basic class. I hasten to mention, I was in the Marines, but I didn't rank number two. He was number one in his field artillery class. I went to comm school, and again, I was not number one. So, we have one parallel; we both served as Under Secretary. But, his career is far more distinguished in uniform than mine. But, he went on to take over positions of his skill with—for which he was known in the Marines, as an absolute expert analyst, an absolute hands-on manager. He carried those learning experiences of the Marine Corps right straight through as Under Secretary of the Navy.

There's an old saying in our business, Is this person a workhorse or a show horse? Well, I don't know about his showmanship, but I do know that Bob Work is a workhorse. He's well known. His writings are prolific on the subjects of military, the most arcane aspects of our military. He's well known on taking on budgets. And, given the dramatic announcements by the Secretary of Defense yesterday and the goals that the administration has set for the Defense, Bob Work and, I believe, McCord, are the two right individuals to be in partnership with Secretary of Defense Hagel and get this job done.

So, gentlemen of the committee and ladies of the committee, I thank you for the privilege of appearing this morning. I've rarely seen—and I examined the biographic achievement of all these nominees—a better qualified group to come before the Senate and seek confirmation and to serve in public service. And, on behalf of the men and women of the Armed Forces, I would simply say, in the case of Bob Work, that—very pleased, Bob, that you and your lovely wife have reenlisted.

Thank you very much.

Chairman LEVIN. Thank you so much, Senator Warner.

Senator Nunn.

**STATEMENT OF HON. SAM NUNN, FORMER SENATOR FROM
THE STATE OF GEORGIA**

Senator NUNN. Thank you very much, Mr. Chairman. Thank you, Mr. Chairman, Senator Inhofe, Senator McCain, Senator Reed, other members of the committee. I'm delighted and honored to be here.

And I associate myself with the remarks of Senator Warner about Bob Work, and all of these nominees. I'm here to introduce a member of the Armed Services staff, as has been mentioned, for 21 years, Mike McCord. And I'm very, very proud to have a chance to be with Mike and to meet his new bride and to see his family, and to be with all the members of the committee.

And being here with Senator Warner does bring back a lot of memories. One of those memories that I have so vividly was an individual by the name of Ed Braswell. And I just received notice yesterday that Ed died, in the last couple of days, and I have certainly been in touch with his family. But, Ed served this committee with distinction as the chief of staff—general counsel, we called the leader, back in those days, of the staff. And it reminded me of Ed's tremendous service to the committee and to the Senate and to the

Nation, and it also reminded me of the work we often take for granted of all of our staff people that have done such a tremendous job in the last 40 years while I followed this committee, and even before that, in, basically, putting the security of our Nation first. And so, I thank Ed for his service, and certainly, Mr. Chairman, I would hope someone would put something in the record about Ed's service, because he was indeed a tremendous leader here, a man of great, great integrity.

So, Mr. Chairman, I am—

Senator WARNER. May I associate myself with Ed Braswell? I remember him very well, as we all did. He exemplified the type of person that joins the staff of the Senate Armed Services Committee. He set the gold standard.

Senator NUNN. That's exactly right.

Mr. Chairman, I have a great pleasure of introducing Mike McCord today. Mike currently serves as the Department of Defense's Deputy Comptroller, position he's held for approximately 5 years. So, he's fully prepared for his critical role, if he is confirmed, as our Nation's Under Secretary of Defense, Comptroller.

Mike is well known to the committee, having served 21 years here. Mike joined the Armed Services Committee staff when I became Chairman in 1987. He was recruited by a couple of people that I know that Senator McCain and Senator Levin and other members of this committee may recall, and that's Arnold Punaro and John Hamre. And, of course, John went on from a position that Mike has been nominated for, as Comptroller, to be the Deputy Secretary of Defense, and now Chair of CSIS, and he's served our country with great distinction.

So, Mike, John's path is a pretty good one to follow, there, and you're doing it with tremendous skills.

I believe our Nation is fortunate to have a nominee with the experience, the knowledge, and the credibility that Mike brings to this position, particularly at a critical time for the Department of Defense budget, as you all know.

First, Mike brings a background and spirit of nonpartisanship and a long history of working both sides of the aisle. While at this committee, he served more than 10 years in the majority and more than 10 years in the minority. He served under four chairmen—Senator Thurmond, Senator Warner, Senator Levin, and myself. At the Defense Department, he served under both political party Secretaries, Bob Gates, Leon Panetta, and Chuck Hagel. He's worked in the same nonpartisan fashion over the years with both the Budget Committee and the Appropriations Committee, two other key committees, where he has built respect and goodwill.

Second point is that Mike has served our Nation for almost 30 years as—in a number of critical national security and budgetary positions. His career spans from the last years of the cold war through the fall of the Berlin Wall, Desert Storm, the post-cold-war drawdowns of the 1990s, Bosnia and Kosovo, September 11, as well as our wars in Iraq and Afghanistan. So, Mike has seen buildups, he's seen wars, he's seen drawdowns at the conclusion of wars.

Mike was a key member of this staff during the turbulent years of the post-cold-war period when our budgets—not only our budgets, but indeed our strategic views and map of the world was rear-

ranged. While here at the Armed Services Committee, his oversight responsibilities included Defense budget matters, oversight of the Department's Quadrennial Defense Review, supplemental funding for contingent operations and natural disasters, ensuring compliance with discretionary and mandatory spending targets, and advising the committee on fiscal and budget policy issues.

During our work together on this committee when I was chairman, Mike also exhibited his deep understanding of our broader fiscal challenges in his work with me on entitlement, spending caps, and budget resolutions over many years. And we all know the Defense Department's place in the overall budget is enormously important, but it gets squeezed in many directions because of other matters beyond the Defense Department. And so, Mike's knowledge there, I think, will serve his position as Comptroller very well.

In his current role as Deputy Comptroller, Mike provides guidance to the Comptroller, the Secretary of Defense and the Deputy Secretary of Defense on all budget, fiscal, and financial management matters. He's a member of numerous senior-level decision-making bodies inside the Department on budget, program, strategy, financial management, and legislative matters.

In conclusion, Mr. Chairman, with Mike's depth of experience and leadership skills, I can't think of anyone who's better prepared or equipped to serve our Nation as the Department of Defense's Comptroller. The committee wisely confirmed Michael McCord several years ago for his current position, and I urge you to do so again, and I urge his confirmation by the full Senate.

Thank you.

Chairman LEVIN. Thank you so much, Senator Nunn.

Both you and Senator Warner's words mean, I know, a great deal to the nominees and to this committee, and we appreciate your being here. We're privileged to be in your presence, as always. We look forward to many, many future years of being associated with both of you in some way or another.

And, of course, you have busy lives to lead and schedules to follow, so, of course, you're free to leave, should you deem fit, at any time, including—

Senator WARNER. Mr. Chairman, if I could just add a word about Bob Work. I dwelled on the Marine Corps, because of personal reasons, with him. But, he went on into the private sector to do extensive analytical work, and is now chief CEO of the Center for New American Security. We worked very closely together, both when he was Under Secretary and in his new position. Again, this man looks into the future and is able to make the tough decisions and priorities that are facing this Department right now.

Chairman LEVIN. Thank you again. Thank you both.

We're going to be calling on the witnesses, for their opening comments and any introductions that they wish to make, in the order that they're listed on the notice of this hearing. And before that, though, I would be asking all of you to answer, at one time, the following questions, which are standard questions we ask of all our civilian nominees:

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

[All six witnesses answered in the affirmative.]

Chairman LEVIN. Have you assumed any duties or undertaken any actions which would appear to presume the outcome of the confirmation process?

[All six witnesses answered in the negative.]

Chairman LEVIN. Will you ensure that your staff complies with deadlines established for requested communications, including questions for the record in hearings?

[All six witnesses answered in the affirmative.]

Chairman LEVIN. Will you cooperate in providing witnesses and briefers in response to congressional requests?

[All six witnesses answered in the affirmative.]

Chairman LEVIN. Will those witnesses be protected from reprisal for their testimony or briefings?

[All six witnesses answered in the affirmative.]

Chairman LEVIN. Do you agree, if confirmed, to appear and testify, upon request, before this committee?

[All six witnesses answered in the affirmative.]

Chairman LEVIN. And do you agree to provide documents, including copies of electronic forms of communication, in a timely manner when requested by a duly-constituted committee, or to consult with the committee regarding the basis for any good-faith delay or denial in providing such documents?

[All six witnesses answered in the affirmative.]

Chairman LEVIN. Thank you very much.

And we will now, first, call upon Mr. Work.

**STATEMENT OF HON. ROBERT O. WORK, NOMINEE TO BE
DEPUTY SECRETARY OF DEFENSE**

Mr. WORK. Thank you very much, Mr. Chairman.

Chairman Levin, Ranking Member Inhofe, distinguished members of the committee, I'm really honored to appear before you today as President Obama's nominee as the Deputy Secretary of Defense. I firmly believe there is no higher calling than serving one's nation, and I am deeply humbled by the confidence that the President and Secretary Hagel have shown in me by nominating me for this demanding role.

Before continuing, I would like to thank several people here today. First like to thank Senator Warner for doing me the honor of introducing me, and for his kind remarks, and for both Senator Warner and Senator Nunn for everything they have done in service of this hallowed institution, as well as this great Nation.

I'd next like to introduce and thank my wife, 35 years, Cassandra, and my wonderful daughter, Kendyl, for being by my side today and for supporting me as I once again am being considered for demanding years in government service.

I'd also like to recognize my younger brother, Skip. He retired as a Marine master sergeant, and he—I really appreciate his presence and support here today, as well as those of my colleagues from the Center for a New American Security, some of whom actually made it here today. I thank them.

Finally, I appreciate my five friends and colleagues here for joining me on this panel, as well as for volunteering to serve 3 more years in the administration, and especially for agreeing to answer all of the hard questions that I'm certain are surely to come.

I think the next 3 years are really going to be a period of extraordinary challenge and opportunity for the Department of Defense. The decision made by the administration, Congress, and the Department will impact the capabilities and capacities of our Armed Forces far into the future.

To reach the best decisions, I think all concerned will need to address these issues deliberatively, collaboratively, and with a spirit of cooperative purpose. For my part, if confirmed, I pledge to you, the President, Secretary Hagel, and all of the soldiers, sailors, airmen, marines, civilians, contractors, and their families, that I will spend every waking day doing everything humanly possible to address forthrightly the pressing national security challenges that face our country, and to improve both the warfighting capabilities and health, welfare, and resiliency of our superb total force.

While so doing, I will continuously strive to improve the Department's management, programming, and budgeting processes, guided by the principle that fiscal discipline and accountability can co-exist with prudent discussions on national defense without harming national security or threatening commitments made to our servicemembers, past and present.

In closing, if the Senate chooses to confirm me as the next Deputy Secretary of Defense, I will make every effort to justify your decision, and I vow to work with every Member of Congress to maintain what I believe to be the greatest military in the world, so help me God.

Thank you, Mr. Chairman. I look forward to answering the committee's questions.

[The prepared statement of Mr. Work follows:]

Chairman LEVIN. Thank you so much, Mr. Work.

Mike McCord, welcome back to the committee.

STATEMENT OF HON. MICHAEL J. MCCORD, NOMINEE TO BE UNDER SECRETARY OF DEFENSE (COMPTROLLER)

Mr. MCCORD. Thank you, Mr. Chairman and Senator Inhofe, members of the committee.

I have so much to be thankful for, being here today. First, I am grateful to the President for nominating me to this important position, and to Secretary Hagel for his confidence in me. It's been an honor and a privilege to serve with Secretary Hagel and with former Secretaries Gates and Panetta over the past 5 years.

I'm also thankful to the President and the Secretary for choosing Bob Work to be our next Deputy, and Christine Wormuth to be our Under Secretary for Policy. I've enjoyed a great working relationship with both of them over the past several years. I have not worked as closely with Brian, Eric, or Ambassador Shear yet, but it's a real pleasure to be here with them and all our nominees today.

It's especially meaningful to me to be back here with the committee, where I served on the staff for 21 years and had the opportunity to learn from the outstanding Senators who have led this committee as Chairman and Ranking Member during my time here. Mr. Chairman, you, Senator McCain, who joined this committee, I notice, the day I joined—the same day I joined the staff, back in 1987, and our two former Chairmen, Senator Warner and

Senator Nunn. I'm very honored they're here today, and I'm especially grateful to Senator Nunn for making the trip all the way here, for—and for his kind introduction.

Chairman Levin, it's an honor to be part of your staff for 11 years. And, although it's too early to start saying goodbye, I want to recognize not just what you've done as a Senator, but the way you've done it, with the highest standards of integrity. I'm always proud to tell people that I work for Sam Nunn and Carl Levin.

Senator Inhofe, I saw your dedication to our country and our military firsthand as chairman and ranking member of the Readiness and Management Support Subcommittee, back when I was supporting Senators Chuck Robb and Daniel Akaka. It's a pleasure to work with you again.

I also want to recognize my former colleagues on the staff, led by Peter Levine and John Bonsell, for the work they do to uphold the committee's high standards of bipartisanship and dedication, and especially the 52-year winning streak.

Most importantly, I want to thank my family. First and foremost, my wife, Donna—other shoulder. [Laughter.]

I could not serve without her love and support, and I'm so lucky today and every day to have her. My mother, Ann, and sister, Cathy, have joined us today. And this is their second trip from Ohio in 2 weeks for this hearing, and I thank them for that. And Donna and my—our daughter-in-law, Kim, and granddaughter, Charlotte Rose, are here. Charlotte's in the front row. And my wife's law partner and friend, Ann Jones. I'm so happy all of them are here to share this important day in my life.

Finally, I want to recognize Bob Hale, who is not here, but for the outstanding job he's done as our Comptroller for the past 5 years. He's given the job his all, and he's been a great friend and mentor to me. The team that Bob and I lead take great pride in what we do. Our people work extremely hard to ensure the Department accomplishes its missions; in particular, meeting the needs of a military at war. These past few years have been especially challenging, as we work through the longest continuing resolutions in the Department's history, a sequester and a shutdown and furloughs, all while supporting the demands of our wartime operations.

Should I be confirmed, I'll continue to lead our Comptroller organization as we support our military and our Nation. We face many challenging—challenges, going forward, in this era of dynamic security changes and constrained resources, but I'm confident we'll continue to meet those challenges.

Thank you.

[The prepared statement of Mr. McCord follows:]

Chairman LEVIN. Thank you so much, Mike.

And, Charlotte, as a grandfather, I know how important it is to your grandpa that you're here today supporting him.

Ms. Wormuth.

**STATEMENT OF CHRISTINE E. WORMUTH, NOMINEE TO BE
UNDER SECRETARY OF DEFENSE FOR POLICY**

Ms. WORMUTH. Thank you, Chairman Levin, Ranking Member Inhofe, and members of the committee.

It's a privilege to appear before you this morning. I very much appreciate the opportunity to answer any questions you may have regarding my nomination as Under Secretary of Defense for Policy.

I'd like to thank President Obama and Secretary Hagel for their support of my nomination. I've had the privilege to serve President Obama, former Secretary Gates and Panetta, and now Secretary Hagel, for the past 5 years, and, if the Senate chooses to confirm me for this position, I look forward to continuing to support the men and women of the U.S. military.

I began my service in the Office of the Secretary of Defense in 1995, and was member of the career Civil Service for 7 years. I grew up professionally in OSD policy, and, over the years in and out of government, I've continued to be very impressed with the quality of our national security workforce. They're hardworking, patriotic individuals who serve with dedication alongside their military colleagues. I'm very humbled and honored by the opportunity to serve with them as Under Secretary, if confirmed.

I wouldn't be here before you today as someone who's pursued a career in international affairs and public service without the support and inspiration I've drawn from my mother, Deanna Wormuth. I'd also like to thank other members of my immediate family, who are such an important part of my life and who, in many ways, have made my service in government possible. My sister, Jennifer Wormuth, who's a surgeon in Baltimore, is here. My husband, Drew Kuepper, who also works in government and is a retired Navy officer. Finally, I'd like to thank my two amazing daughters, Rachel and Madeleine, who keep me grounded and remind me every day what matters in life. Thank you all for being here today and for being with me every day.

Senators, we live in a globalized, rapidly changing world at a time when the United States faces a number of challenges, as Senator Inhofe noted, but there are also opportunities to shape a more peaceful world. If confirmed, I would look forward to working with you all in Congress, with this committee, in particular, and with the executive branch, to advance U.S. national security interests in this environment.

I would support Secretary Hagel in building and sustaining strong defense relationships with countries around the world, with a goal of preventing crises wherever possible and ensuring our military is ready to respond to crisis if needed.

I would also make it a priority to provide day-to-day leadership and management of the Office of Secretary of Defense Policy organization so that it continues to provide excellent support to Secretary Hagel and to the President.

Chairman Levin, Senator Inhofe, members of the committee, I'm grateful for your consideration this morning, and I look forward to your questions. I will make every effort to live up to the confidence that's been placed in me with this nomination.

Thank you very much.

[The prepared statement of Ms. Wormuth follows:]

Chairman LEVIN. Thank you very much, Ms. Wormuth.
Mr. McKeon.

STATEMENT OF BRIAN P. McKEON, NOMINEE TO BE PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE FOR POLICY

Mr. McKEON. Mr. Chairman, I've submitted a slightly longer statement, for the record, which I will try to abbreviate now.

Mr. Chairman, Ranking Member Inhofe, members of the committee, it's a distinct honor to appear before you as the President's nominee to be the Principal Deputy Under Secretary of Defense for Policy. I would like to thank the President and the Secretary of Defense for their confidence in me in selecting me for this position. I would also like to thank my deep—express my deep appreciation to the Vice President, for whom I worked for nearly 25 years in the Senate and in the White House, and who's been a great mentor and friend to me.

I would not be here today without the strong support of my family, particularly my parents and my wife. I owe a great debt of gratitude to them, particularly my wife. She spent nearly 25 years working for five different Senators, so she understands and has patiently tolerated the long hours required of working in the Senate and in the White House.

I'm also joined today by my mother-in-law, Hope, and my nephew, who shares my name and works here in the Senate for one of your colleagues.

I've been fortunate to spend my professional life working in all three branches of the Federal Government. In addition to working here in the Senate and the White House, I clerked for a Federal judge who was put on the bench by Senator Warner, so I should thank him, since he is here, for appointing Judge Doumar. It gave me a great opportunity.

My over 20 years of service in this chamber, and 5 years in the executive branch, have given me a strong appreciation for the challenges that confront our country, long experience in national security policy, and a deep knowledge of how the two political branches operate. I believe I have demonstrated an ability to manage people as well as complex policy issues to get things done and to work well across party lines.

I also continue to have great respect for the role of Congress in national security. The most seminal change in the American defense establishment in the last several decades, the Goldwater-Nichols Act, would not have occurred without the persistence of the Congress.

The debates in this chamber on the Gulf and Balkan wars, in significant treaties like the Chemical Weapons Convention and NATO expansion, were among the most memorable of my time here. They were also among the most important, for, in a democratic society, matters war and peace must be publicly debated and require the informed consent of the American people through their representatives here in the Congress.

I'm fully aware that not all wisdom resides in the executive branch, and I recognize that we will not always agree, but we are all motivated by the same commitment to protecting the country in our national interests, and I pledge that, if confirmed, I will help the Department to maintain a regular dialogue with the committee and its well-respected professional staff.

In my time at the White House, I've worked closely with many OSD Policy employees, including Ms. Wormuth. Just as the ranks of the uniformed military are filled with highly dedicated professionals, so too is OSD Policy. These women and men have gone through a difficult period in the last year with widespread furloughs resulting from sequestration, followed by the shutdown of the government in October. Our government is only as strong as its people, so an important priority, if confirmed, will be to focus on our human capital.

Mr. Chairman, I appreciate the opportunity to appear before you today, and I look forward to your questions.

[The prepared statement of Mr. McKeon follows:]

Chairman LEVIN. Thank you so much, Mr. McKeon.

And now Ambassador Shear.

STATEMENT OF HON. DAVID B. SHEAR, NOMINEE TO BE ASSISTANT SECRETARY OF DEFENSE FOR ASIAN AND PACIFIC SECURITY AFFAIRS

Ambassador SHEAR. Thank you, Mr. Chairman, Ranking Member Inhofe, and members of the committee. I'm honored to appear before you today, and I appreciate the opportunity to answer questions you may have regarding my nomination to serve as the Assistant Secretary of Defense for Asian and Pacific Security Affairs.

I wish to thank the President for nominating me for this position and to thank Secretary Hagel for supporting my nomination.

I'd also like to thank my family and friends for their strong support. My wife, Barbara, and my daughter, Jennifer, could not be with us today, but they're here in spirit.

I'm joined, instead, by my big brother, George, his wife, Diana, and their daughter, Laura. My brother, George, has served in—as an inspiration to me throughout my life, but particularly in my youth, when he was a U.S. Navy officer.

I'd like to thank the soldiers, sailors, airmen, and marine with whom I've worked closely throughout my career. Their commitment to our Nation is a testament to the continued strength of our military traditions. And, if confirmed, it would be an honor for me to help build on those traditions.

The mission of the Asian and Pacific Security Affairs Office is critical to our Nation's security. The Asia-Pacific region boasts over half the world's population, half the world's GDP, and nearly half the world's trade. It presents the United States with profound challenges and opportunities. These include the continued fight against terrorism, the military and political transition in Afghanistan, the rise of China, and the need to strengthen our alliances and partnerships.

The administration has responded to these challenges and opportunities in East Asia by implementing the rebalance, a whole-of-government approach to strengthening our economic, diplomatic, and military positions in the region. If confirmed, I hope to help implement the balance as we draw down from Afghanistan, support a stable Afghan political transition, and continue to fight al Qaeda and other terrorist groups.

Mr. Chairman, I've worked closely with the military throughout my Foreign Service career. I believe my work demonstrates that

close coordination between the diplomatic corps and the military ensures the effective execution of national security policy.

At the Embassy in Tokyo, I worked with U.S. forces to strengthen our alliance while adjusting our presence in Japan. While serving with the State Department's Office of Korean Affairs, I coordinated U.S.-ROK alliance issues with OSD and the joint staff. Most recently, as Ambassador to Vietnam, I helped to build a new partnership that includes a growing security cooperation component, adding both Navy and Coast Guard officers to our Defense Attache office. The Pacific Command has been a partner throughout my career.

My assignment as Deputy Chief of Mission in Kuala-Lumpur and as Ambassador to Vietnam have allowed me to hone my skills as a leader and manager of large groups of people in a constrained fiscal environment. If confirmed, I look forward to working with this committee and the whole of Congress to address the national security challenges we face in order to keep America safe, secure, and prosperous. I will make every effort to live up to the confidence that has been placed in me. I'm grateful for your consideration, and I look forward to your questions.

Thank you very much.

[The prepared statement of Ambassador Shear follows:]

Chairman LEVIN. Thank you so much, Ambassador.

Mr. Rosenbach.

STATEMENT OF ERIC ROSENBACH, NOMINEE TO BE ASSISTANT SECRETARY OF DEFENSE FOR HOMELAND DEFENSE

Mr. ROSENBACH. Good morning, Mr. Chairman, Ranking Member Inhofe. Thank you very much for the privilege of appearing before you in the committee today. I appreciate everything that you and the other members of the Senate Armed Services Committee do to help our military, and I look forward to answering your questions about my nomination for Assistant Secretary of Defense.

I'd like to start by thanking my family. First of all, my wife, Alexa, and my two kids, Max and Sophia, who are here today. Their support and understanding, in particular over the last several years when I've been in the Pentagon, has been heartwarming and essential to me surviving.

I'd also like to thank my parents, Bill and Colleen, who are here. And without them, I wouldn't be here today. So, it's their love and hard work that got me here.

I also would like to explicitly thank the servicemen and -women of the U.S. military. The last decade has been hard on the country, but particularly hard on them and their families. And we should always remember what they do.

Mr. Chairman, I've been in and around the military my entire life. My father served in Vietnam. I was born at the—and raised—at the U.S. Air Force Academy. I moved and grew up in—to Gettysburg, and the battlefields there. I served Active Duty in the Army in the military. And I'm now working in the Pentagon. So, I can say, with all honesty, I see no higher honor than serving as Assistant Secretary of Defense and focusing, in particular, on homeland defense and defending our country and working closely with the

National Guard, NORTHCOM, CYBERCOM, and STRATCOM, in particular.

If confirmed, I look forward to working with you and your staffs, in particular. As a former member of the Senate staff, I know that's important. I'll make every effort, if confirmed, to live up to your expectations. And I look forward to your questions.

Thank you very much.

[The prepared statement of Mr. Rosenbach follows:]

Chairman LEVIN. Thank you very much.

We're going to have a 7-minute first round. And I think we're still, with that number of minutes, able to make our 11:15 expected cutoff time, since the Senate will begin a series of votes at that time.

Let me start with you, Mr. Work. Secretary Hagel, yesterday, previewed the Department's 2015 budget request, which is not going to be released in full until a few days from now. He included numerous personnel-related proposals that are intended to slow the growth of personnel costs. And among those proposals are a 1-percent pay raise for most military personnel, which is lower than the currently projected 1.8 percent that would take effect under current law; a pay freeze for 1 year for general and flag officers; a reduction in the growth of the housing allowance over time to 95 percent of housing expenses rather than the 100 percent currently covered; a phase-in—phased-in reduction in the annual direct subsidy provided to military commissaries; changes to the health—TRICARE health program to encourage greater use of the most affordable means of care; some fee increases for retirees in TRICARE; and, of course, the reduction in the Army's Active Duty end strength to 440,000—or to 440- or 450,000, down from the currently planned 490,000.

So, let me ask you, Mr. Work, What is the relationship between the proposal—those proposals and our need to invest in modernization and readiness?

Mr. WORK. Thank you, Mr. Chairman.

This is one of the big issues that I dealt with as the Under Secretary of the Navy, and I expect it will be one of the issues that I'll deal with, if confirmed, as Deputy Secretary.

The rate of increase in personnel costs since—especially since 2001, has been far above the rate of inflation. As a result, today, by at least all accounts, our servicemembers, men and women, are being compensated about 10 percent above the average—their average civilian counterpart. I think what Secretary Hagel is—and Chairman Dempsey—are trying to signal is that we want to compensate our men and women for everything that they do for their Nation, but we need to slow down the growth of personnel compensation so that we can spend more money on readiness and modernization. There is a direct link. It's a very, very important and difficult issue, but one, if confirmed, I look forward to working with the committee and the members of the Department on trying to come to the right answer.

Chairman LEVIN. Mr. McCord, do you have a comment on that?

Mr. MCCORD. Mr. Chairman, I certainly agree with Mr. Work's comments. And I think the chiefs—the chiefs wrestle with this when we go through our budget deliberations in the building, and

the tradeoff is exactly as you state. They very directly feel it's the people who have to train and equip the force for today, as well as tomorrow, that there is a direct tradeoff that—between military capability and being able to control our compensation costs. And I think the Secretary made clear that we are totally respecting the work that our warfighters do, we are just trying to restrain the growth a little bit. The compensation of our military is about a third of our budget; including military and civilian, it's about half. So, we cannot leave that area completely untouched. However, as has been the case every year that we have made some proposals in this area, they are disproportionately small. We are relatively protecting compensation, just recognizing the need that we have to make some savings there to do what we need to do.

Chairman LEVIN. Thank you.

Mr. Work, the National Commission on the Structure of the Air Force has concluded that the Department can and should place greater reliance on the Air Reserve components rather—more than we have previously planned to do, and that a shift to placing a larger portion of the Air Force's capability in the Air Reserve component should be made even if it weren't—we weren't facing these budget reductions.

Now, these are strong positions that were unanimously adopted by the Commission, which included a former Secretary of the Air Force and a former Under Secretary of the Air Force. And I'm wondering whether you have been briefed on the Commission's report, and, if so, what your reaction is.

Mr. WORK. Mr. Chairman, I haven't been briefed, but I have read the report in full, and have digested it.

In essence, the Commission recommends shifting about 28,000 Active Duty airmen to the Reserve, primarily in the areas of cyber, pilot training, space, and special ops. This would save about \$2.1 billion a year, and would increase the proportion of the Reserve contribution to the U.S. Air Force total force from about 35 percent to 42 percent.

I haven't been able to—if confirmed, I will work with the Department to try to understand whether all of these recommendations could be implemented, but the general thrust of the report, that we need to take a very close look at the balance between the active and the Reserve Force, is an important one, and one that I wholly endorse.

Chairman LEVIN. Mr. Work, last year, Secretary Hagel began to implement his plan to reduce the Department of Defense staff by 20 percent. And last year's authorization act contains a provision requiring the Secretary of Defense to develop a plan for streamlining Department of Defense management headquarters by reducing the size of staffs, eliminating tiers of management, cutting functions that provide little value—or little additional value, consolidating overlapping and duplicative program offices. The objective is to reduce aggregate spending for management headquarters by not less than \$40 billion, beginning in fiscal year 2015.

What is your view on reductions to the size and composition of the Department's management headquarters?

Mr. WORK. I fully endorse Secretary Hagel's thrust here. We have to be—we have long been focused, in the Department—or

when I was the Under Secretary, we were long focused on taking overhead and taking forces out of what we would refer to as “tail” and put it into “tooth,” combat power. So, this is a first step, I believe. The 20-percent reduction that Secretary Hagel has ordered, all of the Department staffs as well as the combatant commander staffs, is an important first step and will reap important savings that we’ll be able to plow back into capabilities and capacities that our warfighters need.

Chairman LEVIN. Thank you.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

And, Secretary Wormuth, thank you for the time we spent today—together yesterday to kind of go over some of these problems that we have.

I do want to concentrate my questions on the current strategy that we have, but, before doing that, just one comment, if I could—and if it’s going to be longer, we can do it for the record, from Mr. Work—and that is addressing the acquisition reform problem that we’ve been talking about for years and years, and that you’ve been close to. Do you have any comments on what your ideas are, in the near future, on that type of reform?

Mr. WORK. Well, if confirmed, I look forward to working with Under Secretary of Defense Kendall, who is really being aggressive in this regard. I think we have to take a look at the way we generate requirements. I think all of us realize that sometimes we overshoot the mark on requirements, which add costs. And all of the better business buying approaches that Secretary Kendall is asking for, I fully endorse.

Senator INHOFE. Okay, that’s good, Mr. Work. And if you don’t mind, for the record, getting as much detail as you can to give us your recommendations as to how to address this type of reform.

Mr. WORK. I will do so, sir.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator INHOFE. And, Ms. Wormuth, the—you’ve had these positions where—working very closely with the administration. The President’s letter, at the front of the January 2012 Defense Strategy Guidance, he stated that we have, “put al Qaeda on a path to defeat.” And then, in opening statement, I mentioned other statements that he made, “The tide of war is receding,” “We have al Qaeda on the run,” and all of that. But, when we asked the Director of National Intelligence, James Clapper, if al Qaeda is on the run, on a path to defeat, he answered, “No, it is morphing and franchising.” And General Michael Flynn, who is also in the same panel—I think this was just a week—a couple of weeks ago—the Director of Defense Intelligence Agency, said, simply, “They are not.”

So—where is that map? Do you have that—that chart? If you could—okay, it’s over here.

If you look at the chart over here, Ms. Wormuth, this shows what they’re concerned with, what’s happening with al Qaeda. Does it look like that—to you, that they are on the run or these statements that are made by the President?

Ms. WORMUTH. Senator, in my view, I would say that we have significantly degraded the core of al Qaeda, but I would certainly agree with Director Clapper that the broad al Qaeda threat has metastasized, and we are very concerned about the threat posed by, for example, al Qaeda in the Arabian Peninsula, AQAM, and other groups. So, this is, I believe, a significant threat that we, in the Department, have to be very, very attentive to.

Senator INHOFE. So, you do agree, though, with James Clapper.

Ms. WORMUTH. I agree that the threat has metastasized, yes.

Senator INHOFE. Yes, okay. All right, that's a good question. Metastasized, does that mean it's bigger or smaller?

Ms. WORMUTH. I think it has spread—

Senator INHOFE. Okay.

Ms. WORMUTH.—and it's a nodal threat.

Senator INHOFE. Well, we think that's—yeah, al Qaeda is—you can follow up on that—is spreading. North Korea has the nuclear weapons. We all know what's happening out there and the threats that are different today than they've ever been in the past. So, under the current strategy, I don't think that the strategy is working, and it would seem to me that we—and also, when you hear statements by General Odierno, who talks about what is happening with the current strategy, the CNO, Greenert, his statement saying that we will preclude our ability to execute the 2012 Defense Strategic Guidance, both in the near term and the long term. The same thing with General Amos. We will have fewer forces to provide less trained, arrive later in the fight.

So, I would say, to all of you, that, with the strategy that I think clearly is not working, we would have, maybe, one of two choices, to either change the strategy to try to enhance our abilities, and that would cost more—that would be more resources, or it would be to lower the expectations of the American people that we've always had. And I will repeat the question. And I'll ask each one of you if you agree with the statement that was made yesterday by Secretary Hagel when he said—he took option number two—he said, “The American dominance on the seas, in the skies, and in space can no longer be taken for granted.” Do you agree with that?

Ms. WORMUTH. Senator, I think we—what Secretary Hagel is perhaps getting at there is that we are not taking for granted our position in the world, and, in fact, are doing everything to make—doing everything we can to make sure that we have the capabilities we need and the ready forces we need—

Senator INHOFE. Okay.

Ms. WORMUTH.—to confront challenges.

Senator INHOFE. Yeah. I don't agree with that. I read this thing, that “can no longer be taken for granted.”

How about—anyone else want to comment on that? [No response.]

Nobody?

Mr. WORK. Well, sir, there is a broad proliferation of guided weapons. The United States has enjoyed a monopoly in guided weapons for about 20 years. That monopoly is eroding. When that happens, operations in the air and on the surface of the ocean and under the surface of the ocean become much more challenging.

I think what Secretary Hagel is saying is, given the current trends, we really have to be careful or we will be faced with a situation where, when we fight, we could take more losses. So, he's—that's one of the reasons why one of his key themes was to maintain technological superiority, and he made such a big issue of that in his speech.

Senator INHOFE. Well, yeah, but I would say that he still—it's the strategy that he feels is—that I look at this and I say we're going to have to change, because this expectation is there. All the members of the—the chiefs that I quoted a minute ago, they know that—the problems that are out there, and they are greater. That means greater risk, which means loss of great—more lives. This is a great concern to me, and I'd like to have any of you, for the record, to respond in any more detail than you already have, because, to me, it's very simple. When he made the statement, he said, "American dominance of the seas, in the skies, and in space no longer be taken for granted." So, I'd like to get that for the record, and I'm not really satisfied at the responses we've had.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator INHOFE. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Inhofe.

Let me now call on Senator Reed, and also turn the gavel over to him for the balance of this morning's hearing.

Thank you.

Senator REED [presiding]. Thank you very much, Mr. Chairman.

Thank you all for your commitment to serve the Nation.

I first want to recognize Senator Warner and Senator Nunn, whose bipartisan, thoughtful, and patriotic leadership has set the standard for this committee. Thank you, Senator.

And I think, also, too, I have to commend the people that you are stepping into their shoes. Ash Carter, Bob Hale, and Christine Fox, have done a superb job at the Department of Defense. And all of you have predecessors who you can be proud of and you can sort of match your effort against theirs and—they're a good target to aim for.

The questions we've been debating go toward the heart of a fundamental issue. Do budgets drive strategy, or do strategies drive budgets?

And, Mr. Work, you've indicated that you don't feel, given the Budget Control Act, as modified by the my-and-Murray agreement, which this Congress support—in fact, we give you the resources—is adequate to fully carry out the strategy. Is that a fair comment of your position?

Mr. WORK. I agree with the statements of—very much agree with the statements of Secretary Hagel and Chairman Dempsey, yesterday, who said that if we go to the full BCA levels from 2016 and beyond, that the risks will be elevated, and our ability to perform all parts of the strategy, which I believe is a very coherent strategy, as published in January 2012, being able to fully implement that strategy would be very difficult at the BCA levels.

Senator REED. And that is a direct result of the budgets that Congress has agreed to, so far.

Mr. WORK. Yes, sir, it is.

Senator REED. So, part of the response to the threats around the globe is to, you know, reevaluate, at least, the budget priorities that we've given the Department of Defense—that we, in the Congress, have legislated. Is that fair?

Mr. WORK. Yes, sir.

Senator REED. Now, let's take the other side of the question. You know, we've dealt with the budget. In your view, it seems to be less than adequate to meet the strategy. What are the threats? Because I would like to think, sort of simple-minded, that you take the threats, you craft a strategy, and then you come to us and we give you adequate resources. So, can you just briefly describe what you think the threats are to us, and how DOD is responding?

Mr. WORK. There's a broad range of threats, Senator. A rising power in the Asia-Pacific—it's rising very quickly. It has the means to compete with us militarily in a way that many of our former competitors have not. We have a broad problem in the Middle East that we can see the results of the Arab Spring and all of the problems that are happening in Syria, and the attendant reactions—or the attendant results on terrorism. We are focused very much on Iran and preventing Iran from becoming a nuclear power. And we have a lot of small-scale contingencies around the world in which we must watch carefully.

So, counterterrorism, cyber terrorism—or cyber warfare—rising powers, potential nuclear regional powers, these are all very, very big challenges that the Department has to face.

Senator REED. And, in some respects, we are in a world—and that's why it's much more complicated than perhaps the—in retrospect, the cold war—where we have a range of challenges. Senator Inhofe's description, accurately, of the dispersion of al Qaeda, raises a special operations challenge, an intelligence challenge, a cyber challenge, et cetera. A lot different than a rising maritime power requiring surface vessels and major fleets and aircraft, or a conventional force, like the North Koreans. And we are now at a stage where we have to sort of cover down on all our bets. Is that a—is that one of the things that complicates your life, in terms of strategizing?

Mr. WORK. It certainly complicated my life as the Under Secretary as we tried to—Under Secretary of the Navy—as we tried to balance all of the requirements with force structure. And, if confirmed, it would just be magnified as we take a look at the joint force and all of the capabilities and capacities that we need to address these threats.

Senator REED. Let me follow up and—one of the points, I think, of the many that Senator Inhofe made that were right on target, which is the acquisition process. And in your service in the Navy—fortunately, you had great support from people like Sean Stackley, et cetera—but, there are programs in the Navy that are consuming significant resources and have yet to produce the kind of results that were anticipated when the programs were initiated. A lot of discussion recently is about the LCS, et cetera, but this acquisition process is something that we—everyone in your job has worked on, every Secretary of Defense has worked on. We haven't got it right yet. And I would join Senator Inhofe in urging you to specifically focus, along with Secretary Kendall, on improving that. It's—you

know, it—there’s no silver bullet, in terms of saving resources and shifting them, but that’s something we have to do, and have to do better.

Mr. WORK. Yes, sir.

Senator REED. Mr. McCord, I’d, again, thank you for your extensive work. And you have a valuable role. And one is to make sure that the money is well and wisely spent. And the goal is to have a—as they say, “a clean audit” of the Department of Defense. Can you give us an idea of any initiatives that you’re going to undertake to improve the auditing quality and the financial controls in the Department of Defense?

Mr. MCCORD. Thank you, Senator Reed, yes. That effort’s very important to us, and it’s a—one of the things that’s very helpful to us is that it’s a shared goal between us and the Congress and the Armed Services Committees. So, we have a goal that Secretary Pannetta set for 2014 for the Statement of Budgetary Resources, and we have a larger goal for 2017.

I believe that we’re on track, we’re making progress toward those goals. And so, the plan that we have in place, that Mr. Hale’s put in place, I support that plan. I’m going to stay with that plan, as long as I see that it’s making the kind of progress that we’ve been making recently with the Marine Corps audit, for example. But, certainly I will come back to you and I will work within the Department to change that plan if I see that we are off track. But, right now, I believe we’re on track.

Senator REED. Thank you very much.

Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

Mr. McCord, welcome back. Do you remember the first year we passed a requirement for an audit?

Mr. MCCORD. I was here at that time, Senator, yes.

Senator MCCAIN. Was it in the 1980s? Was it in the 1980s, I think?

Mr. MCCORD. I’m remembering it’s 1990, but I might be mistaken, sir.

Senator MCCAIN. So, you understand there might be a slight germ of doubt or cynicism about this latest year we’re going to have a clean audit?

Welcome, our old friend, Senator Warner, here—Chairman Warner, and Senator Nunn. It’s great to see these two great public servants with us.

Ms. Wormuth, I’ve heard a lot of good names—“nodal threat”—it’s a “nodal threat,” is that what al Qaeda is?

Ms. WORMUTH. Senator, what I meant by that was, it’s diffused, and there are cells that are—

Senator MCCAIN. I see.

Ms. WORMUTH.—geographically distributed—

Senator MCCAIN. And you still didn’t answer the question, whether it’s growing or receding. Is the threat of al Qaeda growing or receding? I note your statement about, “core al Qaeda,” whatever that is worth. Is it growing or receding?

Ms. WORMUTH. I would describe—

Senator MCCAIN. Is the tide of war receding or growing?

Ms. WORMUTH. Senator, I would describe it as a persistent threat.

Senator MCCAIN. You—so, you won't answer the question, is that it? It's a simple question. Is it receding or growing? It's not a very complicated question.

Ms. WORMUTH. I think it's persistent.

Senator MCCAIN. So, you won't answer the question. Is that it? I'm asking you, again, for the third time. Is it receding or growing?

Ms. WORMUTH. Senator, I think, in saying it's persistent, I'm attempting to answer your question. I think there are—

Senator MCCAIN. Actually—

Ms. WORMUTH.—there are elements—

Senator MCCAIN. Actually, you—

Ms. WORMUTH.—of al Qaeda—

Senator McCain:—are not. Actually, you are not. It's a pretty simple question. We look at al Qaeda, and we decide, over the past few years, whether it is a receding threat or a growing threat. And, since you keep saying, "persistent," you're in disagreement with the Director of National Intelligence, which either means you refuse to answer the question or you're not well informed.

Ms. WORMUTH. There are elements of the threat posed by al Qaeda that I would say are growing.

Senator MCCAIN. And which parts would you say are—

Ms. WORMUTH. But, just for example, al Qaeda in the Arabian Peninsula, it—the activities in Yemen, that is a growing threat, I think, of considerable concern to us.

Senator MCCAIN. Well, obviously you don't agree with the map that Senator Inhofe just put up, because it's spreading all over North Africa, Ms. Wormuth. And anybody who doesn't know that has either been somewhere else or not knowing what's going on in the world.

Mr. Work, as the former Navy Under Secretary, you wrote a very candid paper about the littoral combat ship program. I have a memorandum from Secretary Hagel to the Chief of Naval Operations. I don't know if you're aware of it, or not. He says, "Therefore, no new contract negotiations beyond 32 ships will go forward," talking about the littoral combat ship. Do you agree with that assessment?

Mr. WORK. As I understand it, what the assessment is saying is, we will stop building the flight-zero-plus LCS at 32 ships, and we will consider follow-on ships, small combatants. A modified LCS could be one of the options. A domestic or foreign design could be one of the options.

So, I think this is very normal with Navy shipbuilding. We build—

Senator MCCAIN. You think it's normal? You think it's normal that the—there—the cost overruns associated with this ship, the fact that we don't even know what the mission is, that there's not been a—this whole idea of moving different modules off and on—you disagree with the Government Accountability Office statement, at the cost overruns? This is normal, Mr. Work?

Mr. WORK. Well, sir, up until 2007, 2008, 2009, when the program almost imploded, there were significant cost overruns. When Secretary Mabus, Secretary Stackley, and I arrived in the Depart-

ment of the Navy in 2009, I believe, since then, the program has met its cost targets. And in 2001, the guidance to the Department of the Navy was to be able to build three LCSs for the price of one Arleigh Burke. The Department of the Navy is doing that today.

So, I think you have to look at the performance of the—

Senator MCCAIN. Sort of makes it hard to understand why Secretary Hagel would—when the original plans, as presented to Congress for their approval, was 52 ships.

And, by the way, was anybody ever held responsible for these failures—2007, 2008, 2009, 2010?

Mr. WORK. Those happened in the administration prior to ours, so I don't know what—

Senator MCCAIN. So, everything's been fine under this administration, as far as the LCS is concerned?

Mr. WORK. I believe that the program is on solid ground and is meeting its cost targets, yes, sir.

Senator MCCAIN. You do believe that.

Mr. WORK. Yes, sir.

Senator MCCAIN. So, you're in direct contradiction to the Government Accountability Office study of 2013.

Mr. WORK. I haven't read that particular—

Senator MCCAIN. You haven't read it?

Mr. WORK. No, sir.

Senator MCCAIN. Wow. Well, I'm stunned that you haven't. But, the fact is that the ship has still not had a clear mission, the modules that were supposed to be moving back and forth have not—we have not pursued the fly-before-you-buy policy, and what—do you remember the original cost estimate for an LCS?

Mr. WORK. It was \$220 million for the C frame, Senator, and, depending on the number of modules that you would buy, the total cost for a missionized LCS, average cost, was supposed to be no more than \$400 million, in fiscal year 2005 dollars.

Senator MCCAIN. And what is it now?

Mr. WORK. I think—I haven't been briefed on the most recent cost. I'll do that, if confirmed, and look at it. But, I know that we're on track—

Senator MCCAIN. Thank you for doing that. What's the cost now? You don't even know the cost now, Mr. Work?

Mr. WORK. I believe it is—the average cost, with modules, is about \$450 million, but not in fiscal year 2005 dollars. So, if you take a look at the original costing factors, I believe the cost of today's LCSs are very close to the costs that were set, back in 2002–2003.

Senator MCCAIN. Well, given that, then it's hard to understand why the Secretary of Defense would curtail the production of it by some 24 ships. So, Mr. Work, every objective study, whether it be the Director of Operational Tests and Evaluation, the Government Accountability Office, every other objective observer, the LCS has not been anywhere near what it was presented to for the Congress by funding. And this, again, makes me wonder about your qualifications, because the one thing that we are plagued with is significant cost overruns and lack of capability.

I thank Mr. Chairman.

Senator REED. Thank you, Senator McCain.

Senator Donnelly.

Senator DONNELLY. Thank you, Mr. Chairman.

And, Senator Warner, Senator Nunn, thank you for your tremendous service. I am blessed to follow Senator Lugar, and he and Senator Nunn will be in my home State tonight to talk about these issues. So, thank you for everything you've done for our country.

Mr. Work, what I'd like to start off with is that article yesterday in Reuters, "Iraq Signs Deal to Buy Arms from Iran." Now, they have come here and talked to us about possible arms purchases. One of the big problems has been, How do you sell arms to a country where the army is 93 percent Shi'a and they have purchased them from Iran? Where does that leave us there now?

Mr. WORK. Sir, I haven't been briefed on the particulars of the report. And, if confirmed, I would take a look seriously at these and work with the Under Secretary of Defense for Policy, as well as the other Under Secretaries, to look at this issue very closely.

Senator DONNELLY. Well, how do you—in this position, what are your ideas on how to get Iraq in a better place in regards to how we view it, when it—the sectarianism just seems to continue to grow, which will, as it looks, if it continues that way, lead to a possible implosion there?

Mr. WORK. The sectarian violence in Iraq is very troubling. I know that the Department is looking at different aid packages for the Iraqi security forces, and, if confirmed, I would look very hard at this issue. But, I have not been briefed on any particular plans in this regard.

Senator DONNELLY. Well, then let me ask you about Syria and the presence of al-Nusra and other al Qaeda-related forces. Do you see that—those forces growing in Syria right now? And what strategies do you have in mind as to how to deal with that?

Mr. WORK. As DNI Clapper has said, Syria is now the magnet for many of the foreign fighters of the global jihadi movement. And you even see different types of al Qaeda affiliates, or people who are associated with the movement, starting to fight against themselves. ISIS, the Iraq—the Islamic State of Iraq in the Levant, are actually fighting against al-Nusra. This is a very big problem, as DNI Clapper has stated. And, if confirmed, I'd look forward to working with Ms. Wormuth, if she is confirmed, and also the uniformed officers, to look at all military options that are on the table. With—

Senator DONNELLY. Ms. Wormuth, do you have any ideas on this?

Ms. WORMUTH. Senator, I would agree with Mr. Work, that we would want to work, I think, carefully with our interagency partners, with our European partners who share our concerns about the growing extremism in the region. We've already been doing quite a bit of work with the Jordanian armed forces and the Lebanese armed forces to try to help them enhance their border security. But, we're certainly concerned about the flow of foreign fighters into Syria.

Senator DONNELLY. Let me ask you, Ms. Wormuth, about military suicide, as well. And I see this as an incredible challenge, an incredible problem, and an obligation we have to eliminate. And I was wondering your views on how we can reduce it to zero.

Ms. WORMUTH. Senator, I share your view that this is a terrible problem, and it's a very perplexing problem, I think, that the Department of Defense has been putting a lot of energy in, in the last several years.

If I were to be confirmed, I would certainly want to do everything possible to work with the Under Secretary Organization for Personnel and Readiness to try to find as many solutions as possible. I think we need to look at the number of providers we have to provide counseling, to try to look at what we can do to help servicemembers deal with some of, I think—what we think are the underlying causes of suicide—financial issues, substance abuse, for example. But, it's a very difficult problem, but one, I think, that we have to continue to put energy against.

Senator DONNELLY. Well, as I mentioned to you yesterday, we are expecting a report from the DOD, in line with a piece of legislation I have authored. And so, your assistance in helping to provide that to us, I would appreciate it a great deal, because it—you know, this is, as you know, a problem not only for those who are deployed, but also at home, as well. And so, it seems, when we lost more young men and women to suicide than in combat last year, this would be right at the very top of the plate of everything we're trying to do.

Mr. McCord, one of the things that, in reviewing numbers, has seemed to become clear is that, in many cases, the Guard can do it for a lower cost. And so, when the Reserve or the Guard operates at about one-third of the cost of Active Duty, how will this factor into your recommendations, going forward, as we look at some of the changes that Secretary Hagel and others have talked about and in the budget environment we're in?

Mr. McCord. Senator, you're correct that cost is one of the factors that we have absolutely taken into account as we've gone through the recommendations, starting last summer, with this—with these so-called strategic choices and management review leading on into, then, the budget that will be delivered to you next week. And, as you say, the Reserve-component forces are less expensive when they're not mobilized. That difference tends to shrink quite a bit once called up.

The other main factor that we're considering, though, is the deployment times, the dwell times—so-called “dwell times” that have been—sort of, are the standard and the understanding that—so, things like 1-to-3, 1-to-5—that we can't—we have to balance what's realistic of what we get out of the Reserve components while still maintaining the dwell-time commitments that we'd like to make with them.

Senator DONNELLY. Okay.

And, Ambassador Shear, when we look at North Korea, we see possibly a string of some of the most unstable decisions one could look at. And so, what is your impression of the decisionmaking chain there, how those decisions are made? And who will we reach out to, to try to put some influence on decisions that are made there?

Ambassador SHEAR. Senator, I think the decisionmaking chain in North Korea is extremely unclear. They are in the midst of a succession, a political succession in which Jim Jong-un is trying to se-

cure his leadership. We will be watching that very closely, of course. We want a complete verifiable and irreversible denuclearization on the Korean Peninsula, through authentic and credible negotiations. And we are—we consistently reach out to the Chinese, among others, to encourage them to use what leverage they have with North Korea to encourage the North Koreans to be more moderate.

Senator DONNELLY. Thank you, Mr. Chairman.

Senator REED. Thank you very much, Senator Donnelly.

Senator Wicker, please.

Senator WICKER. Thank you, Mr. Chairman.

First, for Mr. Work, you are a former Marine Corps officer and former Under Secretary of the Navy, so you know a lot about amphibious warships. I have a yes-or-no question to ask you, but let me preface it by saying I believe they are a necessity to project American influence in regions such as the Asia-Pacific. And I hope you agree. Amphibious ships are versatile, interoperable, and survivable platforms that are able to meet the full range of military and humanitarian missions abroad.

I do remain seriously concerned that our Navy may be unable to support all requests for amphibious ship support from our combatant commanders. I secured a provision in the most recent NDAA that calls for the combatant—for the Commandant of the Marine Corps to report to Congress on the number of amphibious ships required for the Marine Corps to execute the President's national security strategy. This committee eagerly awaits the Commandant's findings later this year.

Mr. Work, if you are confirmed, will you pledge to meet with me and other members of the committee within 30 days to discuss, in plain English, the Department of Defense's plan to provide sufficient amphibious ships to execute the full range of operational requirements from the combatant commanders?

Mr. WORK. Yes, sir, I will.

Senator WICKER. Thank you very much. I appreciate that, and I look forward to a further conversation.

Mr. WORK. Sir, if I could make one correction, for the record. I am a marine and a former Under Secretary.

Senator WICKER. You know, when I was reading that statement, I expected to be challenged. [Laughter.]

Senator WICKER. At least in the minds of all the marines in the audience and within the sound of my voice. So, thank you for clarifying that. And if I had seen Senator Roberts on the floor, he would have made that correction, also.

Now, let me move to Mr. McKeon. There's been some publicity about a letter that Senator Ayotte and I wrote to you on February 20th citing, at the outset, a January 29 New York Times report that the Obama administration has known, for years, about potential Russian violations of the Intermediate-Range Nuclear Forces Treaty, the INF Treaty, that bans testing, production, and possession of medium-range missiles. Apparently, American officials believe Russia began conducting flight tests of a new ground-launched cruise missile, in violation of the INF Treaty, as early as 2008. Now, this would have been very helpful information to the Senate when we were discussing the New START Treaty in 2010.

So, Senator Ayotte and I wrote a letter, asking, in part, “As the Senate Armed Services Committee considers your nomination to be Principal Deputy Under Secretary of Defense for Policy, we request that you provide the committee with answers to the following questions. Number one, were you aware of any intelligence regarding potential Russian violations of the INF Treaty in 2010, when we were considering the new treaty with the Russian Federation?” which has apparently violated the previous treaty. “Number two, do you believe that the Senate should have been made aware of any potential Russian violations of the INF Treaty during consideration of the New START Treaty? Number three, do you believe the Senate was made aware of any potential Russian violations of the INF Treaty during consideration of the New START Treaty? If so, please provide details. And, number four, As you know, questions of how to respond to arms-control cheating and noncompliance are ultimately policy decisions. One year from now, if Russia is not in compliance with this Treaty, in your current position or in the position for which you are nominated, do you believe the United States should continue to comply with the older treaty, the INF Treaty?”

And so, we sent this to you on February 20, in anticipation of this hearing, and, at the close of business yesterday, we still did not have an answer to this letter. Turns out that, around 8 p.m. last night, after most staff had left, and after the Senate had finished voting and people were on their way home, a letter was delivered to the committee, in answer to Senator Ayotte’s and my letter. It was delivered at the codeword security level.

And so, Senator Ayotte and I are under some very serious constraints in asking you about this letter today. If I were cynical, I would wonder why this letter was not responded to earlier so that Senator Ayotte and I and our staffs and people with codeword security clearance who advise us on side of the aisle in the committee could thoroughly look at the letter, consider the answers, and ask you questions in a non-classified manner. If I were cynical, I would question the fact that the response was delivered so late and so—and in such a way that we’re really not able to get into the answers to our questions in this hearing.

But, let me just ask you in this way, Mr. McKeon. President Obama recently gave a speech calling for further cuts to our nuclear deterrent. He stated, “We need to work with Russia on new arms-control agreements that go beyond New START levels.” Did you play a role in drafting this speech, sir?

Mr. MCKEON. Senator, I probably saw drafts of the speech. I think you’re referring to the speech that he gave in Berlin during his trip to—

Senator WICKER. Yes, I am.

Mr. MCKEON.—Germany last June.

Senator WICKER. Yes, I am.

Mr. MCKEON. I probably saw drafts, but—and maybe I made comments, but I don’t recall with any specificity.

Senator WICKER. Can you say whether the President knew about these major violations of the arms control agreement as he was—at the same time he was making a speech calling for further cuts and for further working with the Russian Federation on arms control?

Mr. MCKEON. I don't know what the President—when the President has been informed of the issue that you've described. I'd have to check on—

Senator WICKER. You don't know what the President knew, and when he knew it.

Mr. MCKEON. That's correct.

If I could answer, briefly, your reference to the letter, I apologize that it got here so late last night. I very much wanted to get here—get it here earlier. And I was coordinating with the committee staff to inform them of our progress to try to get it here. One of the great joys of working in the executive branch, as opposed to the legislative branch, is, you get to coordinate your letters with about 50 people, and the clearance process took longer than I would have liked. And so, I apologize that you got the letter so late.

What I can say about that issue, sir, is, as you know from the letter, which I hope you've read by now, is that we are concerned about the Russian activity that appears to be inconsistent with the INF Treaty. We've raised this with the Russians. The Russians have come back to us with an answer which we do not consider to be satisfactory, and we've told them the issue is not closed.

Senator WICKER. When did you raise it with the Russians?

Mr. MCKEON. It's been raised with the Russians by several officials over the course—this particular issue that you're referring to—over the course of the last 6 to 8 months, but I don't know the specific dates. I'd have to check on that.

Senator WICKER. If you can supply that to the committee in a non-classified answer, I would appreciate it.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator WICKER. Let me just say—I don't know how—whether you can answer this or not, based on the letter that you sent, but if you had such information during the context and during the timeframe of the 2010 deliberations on the New START treaty, you would have felt dutybound to give that information to members of the Senate who were voting on the Treaty, would you not?

Mr. MCKEON. Sir, as you may recall during the—September of 2010, on the eve of the vote in the Foreign Relations Committee in mid-September, there was an issue that the intelligence community flagged for us and for this committee and the Foreign Relations Committee, and I believe it was literally the day before the committee's vote. And then General Clapper, when he appeared in an all-Senators briefing, late that month, which was focused primarily on the National Intelligence Estimate on the IC's ability to monitor New START, raised this issue, as well, and told that the Senators that were there in the Senate security that—about this issue that had been raised in the middle of September that implicated possibly New START, possibly INF.

So, I believe, sir, that the IC and the executive branch were committed to providing timely information about potential concerns.

Senator WICKER. I don't think I can ask you the substance of what was told to the committee, can I, in this setting?

Mr. MCKEON. No, I—I'm afraid not. I mean—

Senator WICKER. Yes, okay.

Mr. MCKEON. Now, I understand General—

Senator WICKER. You can understand the position that places the committee today.

Mr. MCKEON. I do, sir, and I can't really get around it. The information that is involved here is highly classified. As General Clapper said when he was here 2 weeks ago for the threats hearing when he was asked about this issue, he said a lot less than I did and wanted to defer all of it to a closed session, which I believe you are having later this week.

Senator WICKER. Well, I—let me just say that I have very serious concerns about this, and I will alert members of the committee and members of the Senate that I do not believe this committee and this body was provided with all of the information that you had and that we needed to know to cast an—a fully informed vote on the New START Treaty. But, we will follow up in the proper context.

Thank you, Mr. Chairman.

Senator REED. Thank you, Senator Wicker.

Senator Blumenthal.

Senator BLUMENTHAL. Thank you, Mr. Chairman.

And thank you all for your service to our Nation, both in your past and what you will do when you're confirmed, which I assume will happen, and I'm proud to be here and to support your nomination.

Mr. Work, let me begin with you and—if I may—and ask you a couple of questions about the HH-60G Pave Hawk combat rescue helicopter. As you know, the NDAA included this weapon system—in other words, the replacement of the aging 30-year-old helicopters that have served to rescue our downed warfighters in the past—in that measure. The Senate approved it. It has also included it in the budget, \$330-plus million, for this fiscal year, to support the development of the replacement airframe. I'd like a commitment from you that this program will be carried forward, as is the intent and mandate of Congress.

Mr. WORK. Senator, I don't know if I can make a firm commitment. I promise and I'd vow to work with Congress to work through this issue. As it was briefed to me, the Department is struggling to try to come up with the overall size and capability and capacities of the combat rescue force. And so, it may be that the Department would come back and recommend some changes. But, I will promise and vow that I will work closely with you and all members of the committee and Members of Congress to make sure that this issue is looked at very carefully.

Senator BLUMENTHAL. You'd agree, wouldn't you, that the mission of rescuing our warfighters in peril is one of predominant urgency?

Mr. WORK. It's a very, very high priority mission. Yes, sir.

Senator BLUMENTHAL. And the 30-year-old helicopters that now do that mission have to be replaced, do they not?

Mr. WORK. Yes, sir, they do.

Senator BLUMENTHAL. So, it would seem that this project is one that has to be reauthorized and that the spending has to be made in some form, does it not?

Mr. WORK. Yes, sir. I spoke with the Vice Chief of Staff of the Air Force, and they are looking at this very hard. I look forward

to being briefed fully on it, if confirmed. And I look forward to working with you. The mission is—

Senator BLUMENTHAL. Well, I'd—I would like your commitment, on behalf of myself and other colleagues who are very intent that the will of Congress be carried out, that this project go forward.

Mr. WORK. I'd—I commit that anything that—in the law, Department of Defense will follow through. There will be cases where we might come back and recommend alternatives, but the mission remains the same. There will be systems purchased, and I guarantee you that we will work with Congress to find the right answer.

Senator BLUMENTHAL. So, the question will be one of perhaps timing and alternative forms of the contract that's authorized, but the mission has to be accomplished, and the helicopters have to be replaced.

Mr. WORK. That is correct, is my understanding, yes, sir.

Senator BLUMENTHAL. Thank you.

Turning to the BRAC proposal that the Secretary of Defense made yesterday—and I'm not going to expect that you would contradict the Secretary of Defense. As you know, the recommendation made last go-around was not adopted by the Senate or the Congress. And the reason is, quite simply, in my view, BRAC is not cost-efficient. Do you have some facts that would contradict that contention?

Mr. WORK. Sir, I believe all of the current—I mean, prior BRAC rounds, up to 2005, did achieve savings, and the 2005 BRAC round was broken up between a—what was called a “transformational BRAC” and an “efficiencies BRAC.” The efficiencies BRAC did achieve significant savings. And if—I believe what the Department of Defense is asking is, in the future, if we do—are granted the authority for a BRAC, that we would approach the problem in that regard. And I would expect to see savings.

Senator BLUMENTHAL. Isn't there excess capacity in overseas military installations?

Mr. WORK. I believe there is. I have not been briefed fully, but I understand that the Department is looking carefully at the laydown of bases in Europe and will be coming back and making recommendations on modifications to that.

Senator BLUMENTHAL. Has any actual action been taken to eliminate that excess capacity?

Mr. WORK. Since 2001, I—I don't know the exact figures, sir. I will get back to you, on the record. But, since 2001, there has been significant reductions in basing structure overseas, but I'm not—I just don't know the numbers, off the top of my head.

Senator BLUMENTHAL. I'd appreciate the numbers, if you can provide them. Thank you, Mr. Work.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator BLUMENTHAL. And just to finish on this topic, shouldn't we be closing or eliminating that excess capacity before we talk about another round of BRAC, which, in many ways, has been extraordinarily costly? And I would appreciate, also, the numbers on BRAC that support its supposed cost-effectiveness.

Mr. WORK. Yes, sir. I believe the—Secretary Hagel and the Chairman believe that these can work in parallel, that there is

over-capacity both in our continental U.S. infrastructure as well as overseas, and that we would hope to work with Congress in a parallel fashion to reduce it.

Senator BLUMENTHAL. Turning to the utilization of our National Guard and Reserve in force, Ms. Wormuth, I'd like to ask you to take a very close look as to whether Executive Order 13223, which was enacted on September 14, 2001, by President Bush, is still necessary. As you probably know, the order enables up to 1 million members of the Reserve component to be called up for Active Duty for up to 2 years. This year, we're completing our major force presence in Afghanistan. That's the action that necessitated the order. Although the Department has good force management plans now in place, I think that rescission of this Executive order, withdrawal of it, would be a powerful symbol of the stability to guardsmen, their family, and their employers. I'd ask for your comment.

Ms. WORMUTH. Senator, I would be happy to go back to the Department, if confirmed, and work with, again, PNR—in particular, the Assistant Secretary for Reserve Affairs—to look at that order and to assess whether we continue to need those authorities. We also have additional mechanisms to access the Reserve component. So, I think it's very fair to go back and look at the range of callup authorities we have, to see which ones continue to be useful in the future.

Senator BLUMENTHAL. Would you agree that rescission of that one would send a message about the stability and the new era that we're entering to our National Guard and Reserve?

Ms. WORMUTH. Senator, I think—I would want to look carefully at the Executive order before making a final recommendation to the Secretary. I certainly think we are looking to find policy ways to move off of the perpetual war footing that we've had for the last 10 years. But, again, without looking in detail at the Executive order, I wouldn't want to make a commitment at this time. But, I'd commit to look at it for you.

Senator BLUMENTHAL. Thank you.

Thank you very much. My time has expired. I have a lot more questions. I may submit some more for the record. I thank all of you for being here today and for your very helpful and informative answers.

Thank you.

Senator REED. Thank you, Senator Blumenthal.

Senator Ayotte, please.

Senator AYOTTE. Thank you, Mr. Chairman.

I want to thank the witnesses for being here today.

Let me follow up, Mr. Work, on the question that Senator Blumenthal asked you with regard to BRAC. And I would like you to give us a commitment that the Department of Defense will not undertake BRAC without the approval of Congress, and will also not try to undertake BRAC through a workaround that undermines the will of Congress without seeking our approval for a BRAC round. Will you give me that commitment?

Mr. WORK. Senator, as I understand, the wording of the speech yesterday was that Secretary Hagel believes that there are some authorities that the Department could use, but I don't know what the—those authorities are. And I commit to you that, if confirmed,

I will work with both—the Department to get back to you. And, of course, we would not start a BRAC unless we are given explicit approval in the law.

Senator AYOTTE. Well, I take that as a lack of commitment. And so, that troubles me, because I believe that Congress should be in the position to approve BRAC and that there should not be a run-around done. So, that troubled me in the Secretary's comments yesterday, and I believe this is a very important issue for the authority of this committee, in particular, that Congress should be the body to approve a BRAC round, not for the Department of Defense to undertake this on its own initiative without the full approval of the Congress. So, I do expect an answer on that.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator AYOTTE. And I would like to know, from the Secretary, in particular, what authority he believes he does have, so that we can be aware of it here, so that we can exercise appropriate authority to make sure that our voices are heard here on the policy matters. So, I think this is a very important issue, and I would like a followup answer to that.

Mr. WORK. Yes, ma'am.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator AYOTTE. Thank you.

Mr. McKeon, I wanted to follow up on some of the questions that my colleague Senator Wicker asked you with regard to the INF—potential Russian INF Treaty violation. And I understand that the answer, in terms of what you said to this committee, is that, in fact, there was information provided—I believe it would have been to the Senate Foreign Relations Committee—that would be addressing the potential New START Treaty in September of 2010. But, obviously, we can't discuss the substance of that information in this setting. Is that what you just testified to, that there was information provided to that committee about potential matters related to the INF right before—and that was on the eve of the vote, I believe you said?

Mr. MCKEON. What I said, Senator, was, there was a briefing by the intelligence community. I am informed by a former colleague from the Foreign Relations Committee that it was for the senior staff of the Foreign Relations Committee, the Intelligence Committee, and this committee, as well as the Senate leadership, and that was on or about the 15th of September, 2010. And then, later that month, after the committee had voted, General Clapper appeared, in a all-Senators briefing, where he raised the same issue.

Senator AYOTTE. Now, without getting into the substance of the material that was provided, just to be clear, that wasn't all the information that the intelligence community possessed at the time that may have related to potential Russian INF violations, was it, Mr. McKeon?

Mr. MCKEON. Senator, I'm hesitant to get into any more detail about this issue. I've laid it out in great detail in my——

Senator AYOTTE. Well——

Mr. MCKEON.—in my 3-page letter to you. But——

Senator AYOTTE.—let me reframe the question. So—in a more generic fashion—so, one of the responsibilities that is very important is that we receive a compliance report on treaties, correct? There's a compliance reporting mechanism that comes forward to the Congress?

Mr. MCKEON. That's correct. There's a statutory provision that requires it.

Senator AYOTTE. That's right. And when there is a situation where there is ambiguity as to whether a particular country has complied with a treaty of the United States, do you believe, when there's an ambiguity, that the Intelligence Community has a responsibility to brief policymakers, and that policymakers, in turn, have a responsibility to brief the U.S. Senate, even if they are not yet—whether they are calling it ambiguity or not? How do you know, and when do you then brief the U.S. Senate?

I think this is a very important issue for us, particularly when we are considering new treaties, when the Intelligence Community may be aware, even if they are unsure what it means. How do you draw that line?

Mr. MCKEON. Senator, as somebody who worked up here for 20 years, I think it's essential that there be a regular dialogue between the executive branch and the Congress on issues. The administration, as I understand it, the State Department in particular, regularly updates the Foreign Relations Committee on compliance-related issues, and has done so throughout the tenure of President Obama.

When we came into office, the compliance report, the annual report that you referred to, had not been submitted for several years, so we had some work to do to make up for the work that had not been done in the last few years of the Bush administration. So, as a general matter, I agree with you that we have to have a regular dialogue with the national security committees on compliance issues.

Senator AYOTTE. But, can you tell me, in answer to my specific question, if there is a potential violation of a treaty, generically, and you—the intelligence community has information that exists that they're not sure whether it is a violation or it isn't a violation—in other words, it could potentially be a violation—do you believe that's the type of information that should be provided to the Congress?

Mr. MCKEON. Senator, that's a fairly broad and abstract question, and I'd rather get into a specific issue with you in a closed session or in private, if you would permit me. Because I know what you're getting at, and I don't think it's right for me to talk about it in an unclassified forum.

Senator AYOTTE. Fair enough. We will get into it in a classified forum.

Let me just say, for the record, that I believe that we were not fully informed—meaning, I wasn't even in the U.S. Senate then, when the New START Treaty was taken up, and that, regardless of how the intelligence community viewed particular information, that Congress should be fully informed. And so, I do look forward to taking up the specific issue with you, in a classified setting, but it's not just you. I'm—you know, Mr. McKeon, I appreciate that

you're here before us today. There were certainly other individuals that certainly should be questioned about this. So, I don't mean to single you out, here. And this is a very important issue for the Congress.

I have other questions that I will submit for the record.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator AYOTTE. But, I think I'll—before I leave—I know my time is up, but, very quickly—would you agree with me that a violation of the INF Treaty is a serious matter?

Mr. MCKEON. Yes, I would.

Senator AYOTTE. I thank you very much, and I thank all the witnesses for being here today.

Senator REED. Thank you, Senator Ayotte.

Senator King, please.

Senator KING. Thank you, Mr. Chairman.

Mr. Work, industrial base. What sections of the industrial base do you believe are under the greatest threat as we go through this continued period of budget tightness, budget austerity? Do you see mitigation measures we can take so that we have the industrial base that we need when we need it?

Mr. WORK. Senator, I think there are large portions of the industrial base—obviously, they're another threat simply because the amount of spending and investments and R&D have been coming down. The aerospace community, right now, has two tactical fighter production lines. We've stopped closing—we've stopped building our wide-body aircraft. But, we do have the bomber coming online, as well as new unmanned systems. So, I don't know the exact state. I'd have to—if confirmed, I'd have to ask Secretary Kendall.

The shipbuilding industrial base right now is, I think, solid, but it is under pressure because of lower investments. But, once again, if confirmed, I'd work with Secretary Kendall, who has a very, very good feel for this, and would work with Members of Congress to address industrial-base issues.

Senator KING. Do you agree that this is a significant issue that we need to pay attention to, just as we do compensation, training, and other matters under the jurisdiction of this committee?

Mr. WORK. I absolutely do, yes, sir.

Senator KING. Ms. Wormuth, what's your opinion of the appropriate force level and capacities that the United States should retain in Afghanistan after 2014? And what's your understanding of the latest date that we can wait until in order to get some resolution of that important policy question?

Ms. WORMUTH. Senator, I think the President is still reviewing options for what our enduring presence should be after 2014, but I think we're looking at, obviously, the kinds of capabilities we need to both pursue our counterterrorism objectives in Afghanistan, but also our train-and-advise mission with the Afghan national security forces. So, I think, as we look at that, we are, again, weighing the options, and there are a variety under consideration.

We do—it is very important that we sign a bilateral security agreement with Afghanistan. My understanding is that the President will be speaking with President Karzai this morning and will be raising that topic, and there will be a readout of that call.

But, I think, as we get—

Senator KING. I'd like to listen in on that call. That'll be a pretty interesting call, I suspect.

Ms. WORMUTH. I think as we move further into the spring and early summer, we do—we are going to come to some decision points, in terms of our ability to move forces out of the region. And even more than our own forces, our coalition partners, who don't necessarily have the same flexible logistics system, they are going to be approaching decision points, in terms of very much needing to have that agreement or having to make decisions to move forces out.

Senator KING. As a policy advisor, what is your personal opinion? Do you believe we're going to have to maintain some force in Afghanistan after 2014?

Ms. WORMUTH. I think it's important that we find ways to support the Afghan security forces and the government, in terms of bringing more stability to the region. I haven't been fully briefed on the options that are being considered, but I—we need to, I think, pursue a variety of mechanisms to be able to help the Afghans have stability. And again, we have significant contributions and commitments from international partners that I think are going to be important, in addition to what military capabilities we may retain in place.

Senator KING. And the counterterrorism basis is an important consideration, as well.

Ms. WORMUTH. Yes, Senator, absolutely.

Senator KING. Mr. McKeon, we just received a worldwide threats briefing from the leaders of the Intelligence Community, and a common theme was cybersecurity. In fact, I think every hearing in Defense and intelligence that I've been in, practically for the past year, has talked about cybersecurity. If confirmed, will this be a high priority for you in dealing with this threat? And what do you consider the appropriate role for the Department to play in defending commercial assets from cybersecurity threats?

Mr. McKEON. Senator, as a general matter, I agree with you about the concern of the threat. As to the specific duties that I may undertake, if Ms. Wormuth and I are both confirmed, I think we have discussed, in general terms, about having a division of labor so each of us are focusing on a set of issues, but we've not completed those discussions. And, since she outranks me, she'll get the first choice, I suspect, of which issue she would like to work on.

In terms of our protection of the defense industrial base, I—I've not been deeply briefed on the DOD programs on this, sir, so I'd have to get back to you on that.

Senator KING. Well, I just hope that this is a priority for this panel, for this administration, because this is—I think this is our area of maximum exposure. The incident that occurred—I see Senator Manchin is no longer here—but, the incident that occurred in West Virginia was an accident, and it could have easily been an act of some kind of sabotage akin to a cyber attack. We're vulnerable, and your title is the Department of Defense, and I hope that you will take this as a very serious threat before it materializes.

Mr. Shear, southeast Asia. What's our role in these territorial conflicts that are in the region in the South and East China Sea?

My concern is, we have mutual defense treaties with Japan, South Korea, the Philippines, and I would certainly hate to see a Guns of August situation, where minor conflicts escalate into something which engages us in a major conflict in that region.

Ambassador SHEAR. Senator, we are very concerned about the possible effects those territorial claims could have on regional peace and stability. We watch it very closely. We, of course, support a peaceful negotiated solution to those conflicting claims. We would look with great concern on the use of force or coercion in the region. While we don't take sides in those territorial disputes, we do believe that claims should be based on international—customary international law, and that claims should be generated from land features, and that they should be consistent with international law.

We, of course, consult very closely with the Chinese and—as well as with our allies, on this issue.

Senator KING. Thank you very much.

I'll have other questions I'll be submitting for the record.

Thank you all.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator REED. Thank you very much.

Senator Fischer, please.

Senator FISCHER. Thank you, Mr. Chairman. And my thanks also to the Ranking Member and to the panel for being here today. I appreciate it.

Mr. Work, in your previous position with the Center for Strategic and Budgetary Assessments, you wrote about making some significant changes to the Navy's force structure, particularly about focusing on smaller platforms, as opposed to large surface ships. Do you think that we need any kind of paradigm shift for our nuclear forces?

Mr. WORK. Senator, I believe the current plan for our nuclear forces is very sound. Secretary Hagel is committed to the triad and having a safe, secure nuclear deterrent. We're moving to a three-plus-two warhead scheme in which we go to three interoperable warheads for our ICBMs and our submarine-launch ballistic missiles, and only two air-delivered weapons. I think this is a very sound approach. We need to really focus in on costs now, and I applaud the Congress for writing into the 2014 NDAA to establish a CAPE-like capability at the NNSA so that we can reduce costs as we pursue this plan.

Senator FISCHER. So, you would share the views of your predecessor, Dr. Carter. When he was here before the committee, he and I had a conversation on this, and he stated that the impact of sequestration on the deterrent was the last thing that we would want to do serious damage to. Would you agree with his assessment on that?

Mr. WORK. Yes, ma'am, I would. And Secretary Hagel indicated that keeping the nuclear deterrent safe was job number one.

Senator FISCHER. I was encouraged to hear the Secretary say that in his comments yesterday, in support of all the legs of the triad.

Do you know if there is any contemplation in the future at looking at changing any of the structure on the triad, any of the emphasis on any of the different legs of the triad?

Mr. WORK. Ma'am, I'm not aware of it. If confirmed, this is one of the issues that I expect I would be centrally involved in.

Senator FISCHER. With our nuclear forces, it's not a big part of the budget. I'm sure you know it's, I think, about 4 percent of the national defense spending in 2014. Do you think we're getting a good bang for our buck on that?

Mr. WORK. I believe we do. I think we should always look at every part of our program, and our nuclear deterrent is absolutely at the top of the list. And pursuing that in the most cost-effective way I think is a principle that we should all aspire to.

Senator FISCHER. How do you think we're doing on modernization?

Mr. WORK. Well, I believe the *Ohio* replacement program is proceeding apace. That is going to be a very difficult program, simply because of the costs, and the impacts on the Navy's shipbuilding budget are a matter of concern, I think, for everyone in the Department. I understand that the—moving with the B-61 is proceeding—the air-delivered bomb. And also, there is a well-thought-out plan. So, I believe the plan is well resourced right now. It's under stress, like all of the other parts of the budget. And, if confirmed, I vow to work with you and other Members of Congress to make sure we have a safe nuclear deterrent.

Senator FISCHER. Thank you for that. Do you believe there are ways around sequestration so we can make sure that we do maintain the strength of our nuclear deterrent? And, if so, can you share those?

Mr. WORK. Well, at the full BCA sequestration levels, prioritization is key. And Secretary Hagel said the nuclear deterrent is at the very top of the priority list. So, I would expect it to remain there. And the workaround in sequestration is really being ruthless about your prioritization.

Senator FISCHER. Thank you.

Also, I think this next question would apply to the nominations of Ms. Wormuth and also Mr. McKeon. I'd like for you to provide me with a written explanation of the Department's understanding of section 8128 of the omnibus appropriations bill. And I'm going to make a statement, here, more so than a question.

It's clear to me that this section prohibits the Department from undertaking any environmental studies related to the ICBM silos. And if the Department has any different interpretation or is taking any action to the contrary, I want to know.

So, I'll get you that question for the record so that you can respond in writing. And I would urge you to do so quickly. Would you please get me an answer to that when you receive it, then?

Ms. WORMUTH. We will do so, Senator.

Senator FISCHER. Thank you.

Mr. Work?

Mr. WORK. Yes, ma'am.

Senator FISCHER. Mr. McKeon?

Mr. MCKEON. Yes, Senator, we'll do that.

Senator FISCHER. Okay. Thank you so much.

Thank you, Mr. Chair.

Senator REED. Thank you very much, Senator Fischer.

Before I recognize Senator McCaskill—I've conferred with Senator Inhofe—we have votes beginning at 10:15—or, excuse me, 11:15—about five votes. We're going to continue the hearing. Senator Inhofe and I will go to the floor as quickly as possible, and return. In the interim, I would ask, based on seniority, my colleagues to take the chair, and—at my absence. We will allow everyone to ask their questions before we adjourn the hearing. And if a Republican colleague returns, obviously they will—we will alternate back and forth.

And, with that, sort of, general plan, Senator McCaskill.

Senator MCCASKILL. Thank you.

Thank you all. You have an amazing responsibility in front of you. And I appreciate, as all Americans do, your willingness to serve.

As you know, we have been grappling with the tenacious and overwhelming problem of sexual assault in the military. And Senator Gillibrand and I have worked together on a number of historic reforms that have been signed into law that you will have the responsibility of implementing. And I know I can speak for her in this regard, that we're going to hold you accountable, that we're going to be paying very close attention to how all of this is done.

I wanted to take, though, a minute to ask some technical questions about the Gillibrand proposal, in terms of which—where we do have a policy disagreement which would remove the command from any disposition authority on any crimes in the military, with a few exceptions—but, the vast majority of crimes, including writing bad checks and bunk theft and all of the things that currently are handled within the system with the current command disposition authority.

I have read the letter, from Elizabeth King, where she talks about the requirement that we would now have to have O6s—colonels or Navy captains—in all of these new offices that would have to be stood up, the disposition offices. For some inexplicable reason, the amendment does not allow any new resources to be spent. Which means we would have to pull these O6s from existing billets.

And what I need from you, Mr. Work—and you're probably not prepared to answer it today—I need numbers. I need to know how short we are. The head of legislative affairs for the Defense Department says there's not enough O6s to do it and that they would have to be pulled from positions they now hold as judges and as trial counsel and as supervising victim advocates. And so—and then we would still be short, in terms of how many O6s we have.

So, the question is, How would we do this if we have no new resources? And has there been any estimates done of the administrative costs of standing up these offices, which clearly, if we're going to—justice delayed is justice denied—if we're going to be trying to handle a bunk theft, a barracks theft in Afghanistan out of an office in the United States, has there been any calculation done of the time it was going to take for these decisions to be made? Or are we envisioning standing up these new disposition authority offices around the globe? Are these going to be new JAG offices that will be, you know, put various places?

I know some thought has to have been given to this, and I think it would be important for us to know the technical ramifications of no new resources being allowed to be used for this if, in fact, this were to pass into law.

And, Mr. Work, if you would make a commitment to try to get those numbers back to this committee, I think it would be very helpful.

Mr. WORK. I absolutely will, yes, ma'am.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator MCCASKILL. Thank you.

On POW-MIA. Ms. Wormuth, are you familiar with the long problems we've had in this area?

Ms. WORMUTH. Senator, yes, I'm broadly familiar with the issues with GITMO.

Senator MCCASKILL. No, we're talking about—not GITMO—we're talking about recovering remains.

Ms. WORMUTH. I apologize, Senator. Yes, I'm familiar—

Senator MCCASKILL. Okay.

Ms. WORMUTH.—broadly, with that area, as well.

Senator MCCASKILL. We get daily complaints about the dysfunction at JPAC. I have never seen a more inexcusable turf war in my life than the turf war that has gone on within this important responsibility within the military. And here's the problem we have right now. And, by the way, you know how long we've been talking about this? Decades. For decades, we have been talking about this. It's embarrassing, if you go back and read GAO—old GAO reports and old committee hearings on this subject, how long this problem has been identified and not fixed. And here's what you have. It's a little bit like Arlington. When you have too many cooks in the kitchen, when there's a problem, guess what everybody does? And that's what you've got going on right now. You've got one function blaming the other function, and one part of the office blaming the other part of the office. And there's all kinds—I mean, I've taken enough time to get into this that, I will tell you, it is a mess. You have an opportunity to clean this up. You have an opportunity to do a clear chain of command and accountability in this area. And it is costing millions of dollars for every recovery we have. Millions.

Now, I don't think any American will begrudge us spending this money to recover remains of our fallen. But, there's just a lot of work to be done here, and I want to be comfortable, Ms. Wormuth, that you are aware of it, because I believe it's going to fall in your folder.

Ms. WORMUTH. Yes, Senator, it will. It is a very solemn obligation. It's one that I take seriously, it's one the Department takes seriously. Certainly, we do have significant problems in this area. My understanding is that Secretary Hagel has very recently required that the Acting Under Secretary of Defense for Policy provide recommendations to him, within 30 days, on how we would propose to restructure the community to make it more effective and to have greater accountability.

So, I would be happy, if confirmed, to work with you and talk with you about the results of those recommendations. As you prob-

ably are also aware, we have other studies that our CAPE organization has undertaken in this area very recently.

Senator MCCASKILL. Yes, I'm aware of the CAPE study. And my subcommittee that has looked at this really closely will be happy—it's on the Homeland Security and Government Affairs Subcommittee—but, we'd be happy to share with you, not only all the information we have, but, obviously, protecting whistleblowers giving you a taste of how bad it is.

Finally, Mr. Work, I want to just quickly go to our airborne electronic attack capability. If we have radar and surface-to-air missile batteries, if we have an anti-access aerial denial contested environment, it is—right now, the only aircraft that can provide the capability of an airborne electronic attack, which is pretty important for our country to have, is the EA-18 Growler. With these challenges on the horizon and the need for our capability in this area of electronic attack, can you talk about how we would benefit from additional electronic warfare capabilities?

Mr. WORK. Senator, airborne electronic attack, and all aspects of electronic attack, are going to be absolutely critical in this area of proliferating threats, as you have said. And these type of capabilities are absolutely critical to support our aviation component, as well as other components of the joint force. The EA-18G is one critical component. It's a world-class platform. But, there are other capabilities that the Department is considering, such as stand-in jammers and other expendable decoys, et cetera. It's a very, very important subject. If confirmed, I would look very carefully at this, along with all other aspects of the force structure, to determine we have the proper mix of capabilities and capacities to meet our requirements.

Senator MCCASKILL. Well, I'll be anxious to hear about—if we were to abandon the Growler, I would be anxious to hear what the capabilities would be to replace it, and where they are in the pipeline. I want to make sure that we do not leave ourself exposed in this critical area, going forward.

Mr. WORK. Yes, ma'am.

Senator MCCASKILL. Thank you all very much.

Senator REED. Senator Kaine.

Thank you, Senator McCaskill.

Senator Kaine, please.

Senator Kaine. Thank you, Mr. Chair.

And, to the witnesses, thank you for your service and for being here today.

Mr. McCord, I'd like to ask you some questions and really focus on the speech that was delivered by Secretary Hagel yesterday, to kind of just make sure I follow the concept. We do not have the budget. Secretary Hagel will be here next week, so I'm not going to get into, sort of, line items, but just the concept in the speech in the one particular area that he mentioned.

My read of the speech is that a lot of the speech is about the continuing effect that full sequester cuts would have on the military budget, but also on the security of—the national security strategy of the Nation. Is that a fair statement?

Mr. MCCORD. That's correct. I think the Secretary did, yesterday, and will continue to try and distinguish between the path that

we're going to present to you in the budget and a strict adherence to the BCA caps for the next—for the remainder of the period through 2021, and what a difference that's going to make to us.

Senator KAINE. And, Mr. McCord, I gather, from reading the speech, that, just as you indicate, the intent, when the budget comes, is to sort of present us with alternative scenarios. A first scenario would be sort of the full-sequester version, acknowledging the relief that the 2-year budget provided, to the tune of about \$30 billion in 2014 and 2015, but then, assuming that there's no additional sequester relief, that will be the—a budget that is presented, the full-sequester version. But, then there's also an intention to deliver an alternative, which I would call the national security version, which would take the sequester version, but provide an additional \$115 billion of relief from sequester cuts, at least through the end of 2019. Is that your understanding?

Mr. MCCORD. Senator, that's pretty accurate. Let me just rephrase it a little bit, though.

The budget that we'll present is the higher level. That is the President—will be the President's budget, the higher level. The sequester alternative would really be described—

Senator KAINE. I see.

Mr. MCCORD.—as a notional alternative, to illustrate the differences. But, there's not going to be two budgets. There will—

Senator KAINE. I see.

Mr. MCCORD.—be one, and it will be higher than the BCA caps for 2019.

Senator KAINE. But, the committee members and the public and all of the Senate will be able to look at the submission with both the President's budget submission and the discussion of what full sequester would mean, and see, essentially, the delta, in key line items and programs, between a full sequester and this sort of national security version that adds \$115 billion back. Is that correct?

Mr. MCCORD. We would certainly attempt at the—the Secretary and the Chiefs that will follow him, the Service Secretaries—to illustrate the major differences. As you say, not, maybe, a—an excruciating line-item differential, but the major import of that difference. Yes, sir.

Senator KAINE. And, just for the record, I would note that I think the format of this budget sounds like it will be very helpful, and it was a format that was, I think, suggested in a letter from Senators Levin and Inhofe to Secretary Hagel last summer. We really need to see what the delta is between an optimum and full sequester. And so, I look forward to it.

My quick reading of the math on this would suggest, if we just go by what the Secretary said in his speech yesterday, that, if we opt for the President's budget—just wave a magic wand and say we'll do it, the national security version—DOD would still have absorbed over 60 percent of the sequester cuts, even if you add back in the 115 billion and the 30 billion that we provided as sequester relief in the 2014–2015 budget we just passed. Is that your general understanding?

Mr. MCCORD. That sounds accurate, Senator, and I could certainly provide detailed figures for the record, you desire. We can—

Senator KAINÉ. We—I will ask that question in formal written—because I think it’s important to know that, based on the reading of the speech of the Secretary, the DOD is not coming with a presidential budget submission asking for the elimination of sequester. I think what we will see is a budget where the DOD and the President are saying, “We’ll take 60 percent of the sequester cuts—whether we like them or not, we’ll take 60 percent of the sequester cuts. Give us, in addition to what has already been done, additional sequester relief to avoid 40 percent of the sequester, in the interests of national security.” And it sounds like that’s what we’ll see with the presentation of the budget coming later in the week or next week.

Mr. MCCORD. Yes, Senator, the—if you look at—since the Budget Control Act was passed, every year we have gotten some relief in some form from the absolute cap, but we’ve also gotten much less than we requested, every single year, from 2012, 2013, 2014. We’ve been cut about \$80 billion—over \$80 billion below what we requested each in those years. However, we have gotten about 40 billion more than the absolute worst-case, lowest BCA caps, which were delayed 1 year, and then, as you alluded to, modified by the Murray-Ryan proposal in ’14-’15. So, there’s been a middle ground that has been where we have taken a substantial part, more than half of the total sequestration cuts, but not the entire amount. And that’s—sort of informs the look, going forward in our budget, that is above the absolute sequester, but certainly mindful of the fiscal realities that we’re going to take reductions from what we had proposed before.

Senator KAINÉ. I—let me just use one example that I spoke with you and Mr. Work about yesterday. And then—and I’ll ask each of you a question. And that deals with carriers.

Secretary Hagel, in his speech yesterday, said, “The spending levels proposed under the President’s budget plan would also enable the Navy to maintain 11 carrier strike groups. However, we will have to make a final decision on the future of the *George Washington* aircraft carrier in the 2016 budget submission. If sequestration spending levels remain in place in fiscal year 2016, she would need to be retired before her scheduled nuclear refueling and overhaul. That would leave the Navy with 10 carrier strike groups. But, keeping the *George Washington* in the fleet would cost \$6 billion, so we would have no other choice than to retire her, should sequestration-level cuts be reimposed. At the President’s budget level, we would pay for the overhaul and maintain 11 carriers.”

I’d like to ask both Mr. Work and Mr. McCord this. Do you support the presidential position, as outlined in the Secretary’s speech, about the importance of maintaining an 11-carrier Navy?

Mr. WORK. Yes, Senator, I do. The law of the land requires 11 carriers, and, if we had to go to the full sequestration level, we would have to get relief from the law. But, Secretary Hagel has made clear that, if we can remain at the President’s budget, that we would retain 11 carriers.

Senator KAINÉ. And Mr. McCord.

Mr. MCCORD. I would agree with that, and this is going to be one of those most clear differences that we’ve been discussing about sequester path versus the President’s budget path.

Senator Kaine. And just to clarify what Mr. Work said, the maintaining of an 11-carrier Navy is not just a presidential policy in—that we will see in the budget, as elaborated yesterday by the Secretary, it is also a statutory requirement. Correct?

Mr. McCord. Yes, sir.

Mr. Work. Yes, sir.

Senator Kaine. Thank you, Mr. Chairman.

I'll look forward to seeing how the presidential budget supports this statutory policy of the 11-carrier Navy. And I appreciate your testimony.

Senator Reed. Thank you, Senator Kaine.

Senator Gillibrand, please.

Senator Gillibrand. Thank you, Mr. Chairman.

I want to follow up from Senator McCaskill's questions. We had information that there's a—there's too many JAGs, actually. It says—this is a letter from Dana Chipman, Lieutenant General USA, Judge Advocate General, and he writes, "As our Army begins to take the steps necessary to draw down to 490,000 Active-component, AC, end strength, the JAG Corps must rebalance appropriately and be postured for the future. Historically high promotion and retention rates in recent years have created an excess of Judge Advocate Generals. Deliberate steps taken in a thoughtful manner will retain our ability to support the Army and the joint force. To do so, I have requested authority to conduct selective early retirement for a portion of our JAGs."

So, as you do your analysis for Senator McCaskill, please recognize that, according to our information, we have an excess of JAGs. Isn't it true, though, that JAGs are stationed all over the world, not just in the United States?

Mr. Work. Yes, ma'am, it certainly is.

Senator Gillibrand. And isn't it true that, today, when there is a serious crime that's taken place, there are sufficient lawyers to investigate those crimes, there's investigative units, and the lawyers, in fact, do recommend to their commanding officers how to proceed in the cases?

Mr. Work. I believe that is correct, yes, ma'am.

Senator Gillibrand. So, those same lawyers can be used today, but just not in their own chain of command.

Mr. Work. Yes, ma'am. I haven't been fully briefed on the laydown of JAGs or—so, I would have to get back to you. But, what you have described is what I understand.

Senator Gillibrand. Thank you.

Moving to a related issue, do you think it's appropriate for a commander to ignore the advice of counsel or an Article 32 investigating officer when they recommend proceeding to prosecution, based on evidence supporting a sexual assault crime?

Mr. Work. No, ma'am. I believe the commanding officer should be able to make those type of decisions.

Senator Gillibrand. Do you think he should disregard the advice of counsel in an Article 32 hearing that says there's evidence a serious crime has been committed?

Mr. Work. Ma'am, I believe the commander always listens to the JAG and to the advice of counsel and makes the best judgment that he or she can to make sure that justice is served.

Senator GILLIBRAND. So, if you believe he can decide not to pursue a prosecution if there is sufficient evidence that a crime has been committed, on what basis do you think he should make that decision?

Mr. WORK. Well, I know of no cases where—I know—personally, know of no cases where a commanding officer knew of enough evidence to pursue prosecution, and elected not to do so.

Senator GILLIBRAND. Well, there are documented cases. In fact, recently, both the Washington Post and the Associated Press have run stories on ethical issues, and senior leaders specifically. And the AP, after a 4-year FOIA request, finally got documentation for a base in Japan, and found at least two cases where the attorney's judgment in the Article 32 hearing was disregarded, where the recommendations were to go forward, based on the evidence, and commanders declined to prosecute. So, there's at least two cases that the AP was able to report. And I daresay—and I fully request all cases from the military, where counsel was disregarded or where a commander chose not to forward after an Article 32 hearing where there was evidence that a crime had been committed and the recommendation was to go forward. So, I'd like you to investigate that and submit that information for the record.

Mr. WORK. Yes, ma'am.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator GILLIBRAND. Because, just because you've never seen it doesn't mean it doesn't happen. In fact, one victim survivor that I spoke to said she was supposed to go to trial 4 days from the—that time, and her command changed, and her commander looked at the file and said, "I don't think a crime has been committed. He might not have been a gentleman, but it wasn't a rape." And he decided the trial would not go forward. So, there's a third example that I, at least, know about, anecdotally.

So, I'd like you to do a full review of all cases when that happens, because, to say it's never happened, we have evidence of three cases where it exactly did happen. And that's concerning. And so, I'd like you to investigate that.

Mr. WORK. Ma'am, I totally agree. I just don't know of any personal instances. But, I read the exact same report about Japan that you referred to, and it's extremely troubling. So, if confirmed, this is one of the top priorities of the Department, and I assure you that everyone is looking at this very closely.

Senator GILLIBRAND. And if a commander decided not to prosecute, despite the evidence, what would the reasons be—permissible reasons or acceptable reasons, in your mind, for him not to proceed?

Mr. WORK. Ma'am, it's a hypothetical question. I would have to know the exact nature of the evidence against them and to see—and to talk with the commander and see what the judgment would be. And a commander should listen to the JAG, make his best judgment, as the commander, on how to proceed. And, I believe, in most cases, if the JAG feels there is enough evidence, that most commanders would proceed.

Senator GILLIBRAND. But, what about the instances where they don't proceed or wouldn't proceed? What do you think are legiti-

mate reasons not to proceed, when the evidence says a crime's been committed?

Mr. WORK. Ma'am, when we were—when I was the Under Secretary of the Navy, we looked at this very, very closely, and the only time that this happens is when a JAG feels that the evidence is not sufficient to move forward. And, in most cases, or in many cases, the commander decides to go forward, even if the JAG feels that there is not enough evidence to support an ultimate conviction. So, it works both ways. It's important for us to understand that the commanders are trying to make the best judgment that they can.

Senator GILLIBRAND. Yes, but I'm not interested in cases where innocent accused are convicted. I'm not interested in cases going forward where there is no evidence that a serious crime's been committed. Just moving forward because you want to be perceived as being tough on sexual assault is not the right answer.

Mr. WORK. I didn't—

Senator GILLIBRAND. You have to understand. In this country, justice is blind. You do not tip the scales of justice in favor of a victim or an accused. You have to have blind justice. And so, my question to you is specific. To what possible reason would a commander disregard facts and evidence that trained prosecutors have already developed through an Article 32 hearing to say, "I don't think we should go forward"? Do you think morale is a reason why you shouldn't go forward? Do you think the fact that the accused may be popular or well decorated or a great soldier—are those good reasons why you don't go forward to trial? Because if you think they are, that is the point of why this reform is so necessary.

I do not believe the commander should overrule the judgment based on evidence. I believe the decision should only be based on the evidence. If there's evidence a serious crime has been committed, you move forward. If there's not evidence that a serious crime has been committed, you don't move forward. Not based on politics, not based on who you like better, not based on who's more effective for your unit, not based on who you just happen to like. It's not relevant, and it's not appropriate. And this is why victims and survivors have told us over and over again, "We don't trust the system. We don't trust the chain of command. We don't believe justice will be done."

The last DOD survey specifically said the number-one reason why victims did not report these crimes is because they believed that nothing would be done. The second reason cited is, they believed they would be retaliated against if they report it.

So, that's where the breach of trust has been. And so, I really want to hear from you why you think that discretion is needed, whether there's evidence or no evidence. Why do you need discretion if there's evidence of a serious crime? And what kind of discretion do you think is legitimate?

Mr. WORK. Ma'am, again, it's a hypothetical question, and I believe that the record shows that JAGs are more likely to press forward on prosecutions than their civilian counterparts. I believe that most commanders are—

Senator GILLIBRAND. There's no evidence of that, sir. The only evidence we have are 100 cases where the decision about whether

to keep it by the DOD's prosecution was made. You don't know if the civilian system said, "If you want jurisdiction, take it. It's your judgment." You don't know that those cases were reviewed. That information is not provided. So, that evidence is misleading, and your conviction rate for some of those cases was closer to 50 percent. Today in the military, your conviction rate is about 95 percent for the cases that you take up. So, arguably, you didn't perform as well as you needed to, because there wasn't evidence; or maybe there were innocent accused.

So, I do not think you can say that with a straight face. There's no facts or evidence that back that up. And if you have it, please send it to me.

Mr. WORK. Very well, ma'am.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator GILLIBRAND. I'm going to submit, for the record, Mr. Chairman, or if somebody does want to—Mr. McCord, it's just specifically for you. We've heard reports that you are restructuring how the Army uses DFAS, and the plan could severely impact the effect on civilian employees working in DFAS sites, like the one in Rome, New York. So, what I would like is a commitment from you to give me information in advance of these kinds of decisions. I don't want to have to hear this kind of report through back channels. Do I have your assurance that my office will be kept apprised of all future action relating to changes to the DFAS's mission and force structure?

Mr. MCCORD. Senator, yes, I'll work with the Army in that. The Army is the one really undertaking the study, and DFAS is—the Army is the customer, and so, DFAS does work for the Army. If—the Army is looking at how to possibly revise some of their operations—but, we will work together with them to get you information on any conclusions that they reach. I understand they are not at that stage yet.

Senator GILLIBRAND. Thank you.

And, Mr. Chairman, I'm going to submit, for the record, questions about cyber.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator REED. Thank you very much.

There being no further questions, the—thank you, ladies and gentlemen, for your testimony.

Senator INHOFE. One question.

Senator REED. Certainly, Senator Inhofe. Please go ahead.

Senator INHOFE. Just quickly.

There's not time to pursue this, Mr. Work, but I've been concerned about the changes that take place with DOT&E—that's the Direction of Operational Testing and Evaluation, Dr. Gilmore—coming along and changing the standards after the fact. And I would like to ask if you would just respond, in some detail, for the record: What is the proper managerial relationship between the Deputy Secretary and the DOT&E? Would you do that?

Mr. WORK. Yes, sir. The Director of Operational Testing and Evaluation is a direct report to the Secretary of Defense and the

Deputy Secretary of Defense. He works closely with the Under Secretary of Defense for the——

Senator INHOFE. Yes, I understand that, but I would like to have you relate—talk about the problems that I see that are taking place, that you have a set of standards that is set, and then you come along later, change that set of standards, when decisions have already been made predicated on the standards that came out of the legitimate process. That's my concern.

Mr. WORK. It's a very valid question, sir.

Senator INHOFE. Go ahead.

Mr. WORK. Essentially, I think DOT&E should work with the established criteria, like the JROC, to come forward and say, "I believe a requirement isn't correct." And if the JROC agrees with him, they can make that change so that the entire system then is working towards a common requirement.

Senator REED. Thank you very much, Senator Inhofe.

Again, thank you, witnesses.

There's votes pending. And, with that, I would adjourn the hearing and thank you very much.

[Whereupon, at 11:30 a.m., the committee adjourned.]