

**OPENING STATEMENT OF U.S. SENATOR JACK REED  
CHAIRMAN, SENATE ARMED SERVICES COMMITTEE**

**ROOM SD-G50  
DIRKSEN SENATE OFFICE BUILDING  
Thursday, April 7, 2022**

*To conduct a hearing on the Department of Defense budget posture in review of  
the Defense Authorization Request for Fiscal Year 2023 and the Future Years  
Defense Program*

*(As prepared for delivery)*

**REED:** Good morning. The committee meets today to receive testimony on the President's budget request for the Department of Defense for Fiscal Year 2023.

Our witnesses this morning are Secretary of Defense Lloyd Austin, Undersecretary of Defense (Comptroller) Michael McCord, and Chairman of the Joint Chiefs of Staff General Mark Milley. Thank you for appearing before us today, and please extend the committee's thanks to the uniformed and civilian men and women of the Defense Department who selflessly serve the nation.

Last week, President Biden released his Defense Department budget request for Fiscal Year 2023 with a topline of \$773 billion. The request focuses on several key areas, including prioritizing China as our key strategic competitor, addressing the acute threats posed by Russia and other adversaries, and modernizing the Defense Department.

Our national security challenges have never been clearer. One month ago, Russia unleashed its illegal and unprovoked attack on Ukraine, upending peace and stability in Europe. Putin's invasion has inflicted horrific suffering upon innocent civilians in Ukraine, threatened European security, and caused serious consequences for the global economy. The Ukrainian military has performed heroically in the face of this overwhelming violence and the Ukrainian people have shown the world what true courage looks like.

If Putin thought his actions would drive a wedge between NATO members and within the international community, he was badly mistaken. The conflict in Ukraine has reinvigorated the NATO alliance and exposed the brittle nature of Putin's regime. Since the start of the conflict, the international community has implemented a severe and far-reaching series of economic and energy sanctions against Russia, increased military and humanitarian assistance to Ukraine, and

reinforced NATO's military presence along the eastern flank. The international community has united in a way not seen in decades, and our potential adversaries around the world are taking note.

With that in mind, this budget request appropriately recognizes China and then Russia as the key strategic competitors for our military. Concurrent with the release of the budget, the Defense Department submitted to Congress classified versions of the National Defense Strategy, the Nuclear Posture Review, and the Missile Defense Review. These, along with other strategic planning documents yet to be released, will serve as key guideposts for this committee as we take a clear-eyed approach to what is necessary to succeed in our long-term strategic competition. An essential element of our strategy going forward is the need to build the joint capabilities of our armed forces across all domains, including space, cyber, and information operations. I am interested to hear from our witnesses how this budget supports joint capabilities to ensure our military remains the world's premier fighting force.

I am encouraged that this budget includes the largest-ever request for research, development, testing, and evaluation—a total of \$130.0 billion, or a 9.5% increase over last year's enacted levels. The budget includes significant funding for modernization areas such as microelectronics, artificial intelligence, hypersonics, and 5G—technologies that will be critical for our national defense. Our strategy toward China and Russia should not be solely defined in dollars by 'how much', but rather 'where' and 'why' to achieve the greatest comparative advantage.

I am also pleased to see that this budget request places a priority on taking care of our men and women in uniform and the civilians who serve alongside them, by including an across-the-board pay raise for military and civilian personnel of 4.6 percent. While this pay raise is required by law for military personnel, too often Defense Department civilians have been overlooked. This increase in civilian pay sends an important message to the workforce.

Keeping our strategic competition with China front and center, this budget request includes \$6.1 billion for priorities covered by the Pacific Deterrence Initiative, or PDI. Although we are awaiting the specific details of the Department's PDI request, I am encouraged by the progress we have made thus far and this committee will continue working to help improve the design and posture of the joint force in the Indo-Pacific region, including by improving logistics, modernizing infrastructure, conducting exercises and training, and building the capabilities of our allies and partners.

This budget request also includes \$12.1 billion for military construction projects, and I'm particularly pleased to see increases in the Energy Resilience Conservation Investment Program. The improvements to our facilities' sustainment, repair, and modernization will go a long way toward the joint force's readiness. This effort is further supported by the budget request's initiatives to weapons platform propulsion efficiencies to save fuel.

With regard to our nuclear strategy, I understand that the budget request supports important steps for the modernization of our nuclear triad. Given the reckless statements by Putin over the past several months, including an out-of-cycle nuclear exercise before invading Ukraine, our allies and partners depend on our extended deterrence now more than ever. We must also be acutely aware of China's rapidly growing arsenal. Modernization of our strategic forces is needed to reassure not only our allies, but deter any attack on our homeland by either of our near-peer nuclear-armed competitors. But—even as we modernize—we should seek ways to promote strategic stability, including follow-on talks beyond New START to cover all types of nuclear weapons and, if possible, reduce nuclear stockpiles when verifiable for all parties.

Given these strategic threats, the proposed investment in tried-and-true platforms like the *Columbia*- and *Virginia*-class submarines is a prudent decision. Similarly, this budget supports the development of a new long-range stealth bomber, strengthening the fighter fleet, and building up the defense industrial base, including upgrades to the Navy's public and private shipyards. Keeping the nature of strategic competition in mind, however, it is also necessary to divest of platforms and capabilities that are either not necessary or inefficient for supporting our strategy. Belt tightening in any department, particularly defense, is always a challenge, but it is also an opportunity to evaluate what is necessary and what drives innovation. The Department has taken the first difficult step in proposing \$2.8 billion worth of divestments and retirements of platforms, and I will work with my colleagues to evaluate these proposals and make hard, but necessary, choices.

Amidst a global pandemic, climate change, economic uncertainty, renewed Russian aggression in Europe, and disruptive technologies in the hands of competitors, we have to recognize the interconnected nature of the threats before us. Congress must make thoughtful decisions about how we resource and transform our tools of national power. Now that President Biden has issued his budget request, the Committee can begin our work of crafting an NDAA that meets America's needs now and in the future.

Again, I thank the witnesses for their participation today and I look forward to their testimonies.

Let me now recognize Ranking Member Inhofe.