HEARING TO RECEIVE TESTIMONY ON
U.S. NATIONAL SECURITY CHALLENGES
AND ONGOING MILITARY OPERATIONS

Thursday, September 22, 2016

U.S. Senate
Committee on Armed Services
Washington, D.C.

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

Committee Members Present: Senators McCain
[presiding], Inhofe, Sessions, Wicker, Ayotte, Fischer,
Cotton, Rounds, Ernst, Tillis, Sullivan, Lee, Graham, Cruz,
Reed, Nelson, McCaskill, Manchin, Shaheen, Gillibrand,
Blumenthal, Donnelly, King, and Heinrich.
OPENING STATEMENT OF HON. JOHN MCCAIN, U.S. SENATOR
FROM ARIZONA

Chairman McCain:  Good morning.

Since a quorum is now present, I ask the committee to consider a list of 40 pending military nominations. Including in this list is the nomination of General John E. Hyten, U.S. Air Force, for Reappointment to the grade of General and to be Commander, United States Strategic Command. All of these nominations have been before the committee the required length of time.

Is there a motion to favorably report these 40 military nominations to the Senate?

Senator Reed:  So move.

Chairman McCain:  Is there a second?

Senator Sessions:  Second.

Chairman McCain:  All in favor, say aye.

[A chorus of ayes.]

Chairman McCain:  The motion carries.

The Senate Armed Services Committee meets this morning to receive testimony on U.S. national security challenges and ongoing military operations.

I'd like to welcome our witnesses, Secretary Carter and Secretary Dunford. Thank you for your service, and thank you to the men and women you lead and their families for their service and sacrifice during these challenging times.
This committee has conducted regular hearings on U.S.
national security strategy and ongoing military operations,
and we have devoted special attention to the chaos engulfing
the Middle East and the U.S. military campaign against ISIL.
It will be up to future historians to render a final
judgment on this administration's stewardship of U.S.
interests in the broader Middle East. But, in the opinion
of this one Senator, it's been an unmitigated disaster.
President Obama sought to pivot away from one of the most
strategically vital regions of the world out of a misplaced
hope that, quote, "the tide of war" was receding and that we
should focus on, quote, "nation-building at home." That
withdrawal of U.S. power created a vacuum that was filled by
all of the worst actors in the region: Sunni terrorist
groups such as al-Qaeda and ISIL, the Iranian regime and its
proxies, and now Putin's Russia.

Just consider, over the past 8 years, this
administration has overseen the collapse of regional order
in the Middle East into a state of chaos where every country
is either a battlefield for regional conflict, a party to
that conflict, or both. The rise of ISIL and the threat it
poses has made al-Qaeda appear modest by comparison. But,
both terrorist networks have expanded their influence from
West Africa to South Asia and everything in between.

The administration may have postponed Iran's nuclear
programs, but this has come at the cost of unshackling Iranian power and ambition, both of which will grow in the coming years as billions of dollars in sanctions relief is transformed into advanced military capability and support for terrorism. And then there is Putin's Russia, which has reclaimed a position of influence in Middle East it has not enjoyed in four decades.

The best that can be said about this devastating legacy is, over the past year, in part thanks to our witnesses today, President Obama has at least begun to unleash America's fighting men and women against ISIL. They are fighting with skill and encourage, despite enormous risks, as reports of ISIL's use of mustard agent against U.S. and Iraqi troops remind us. As a result, we are gradually eroding ISIL's territorial control in removing key personnel from the battlefield. This military campaign has too often been slow, reactive, and excessively micromanaged by the White House. Indeed, we read this morning of plans for yet another incremental increase of 500 troops in Iraq, one more step down the road of gradual escalation. But, thanks to the tremendous talent and dedication of our men and women in uniform, we are making progress.

I have no doubt that ISIL will eventually be expelled from its strongholds in Mosul and Raqqa. The day of liberation will come later than it should have, but it will
come. This will be a tactical success, but it is unlikely to lead to strategic gains, because the administration has failed to address, and at times exacerbated, the underlying conflict. The struggles for power and sectarian identity now raging across the Middle East, ISIL is merely a symptom of this deeper problem.

In Iraq, Mosul may be retaken eventually, but that will only likely reignite the battle for the future of Iraq, a battle in which we have an important stake. The biggest problems still lie ahead: combating the malign influence of Iran and its militias, addressing the future of the Kurds and their place in Iraq, and attenuating the disenfranchisement of the Sunni Iraqis that gave rise to ISIL in the first place.

Libya, we've had success in degrading ISIL's stronghold in Sirte, but what remains is a divided nation littered with independent militias, flooded with arms, and searching in vain for legitimate governance and political unity, conditions that will remain fertile grounds for extremism and anti-Western terrorism.

We've also begun targeting ISIL in Afghanistan, but a resurgent Taliban, backed by Afghanistan's neighbors, continue to destabilize and terrorize the country while Afghan National Army casualties remain unsustainably high. And yet, it was in this environment that President Obama
chose to withdraw another 1,400 troops.

Nowhere, however, is America's strategic drift clearer than in Syria. After more than 400,000 dead and half the population driven from their homes, after the worst refugee crisis in a century which now threatens the project of European unity, the administration still has no plausible vision of an end state for Syria. Instead, while Russian and Syrian regime aircraft bombed hospitals, markets, and aid warehouses, and other civilian targets, President Obama sent his intrepid, but delusional, Secretary of State to tilt yet again at the windmill of cooperating with Vladimir Putin, even committing to share intelligence with Russia for coordinated military operations. This agreement would be deeply problematic even if it were implemented. It would mean that the U.S. military would effectively own future Russian airstrikes in the eyes of the world. It would also strengthen Assad's military position in the country, thereby undermining our own strategic objective of a political transition.

It appears that none of this will ultimately matter, because, once again, Assad and Putin are not holding up their end of the deal, as nearly everyone predicted. Assad has declared an end to the cease-fire. Barrel bombs are falling again on civilians in Aleppo. And an airstrike reportedly carried out by Russia has killed 12 members of a
U.N. humanitarian convoy. Nonetheless, administration officials are desperately trying to salvage this agreement, likely because they realize that, without this diplomatic fig leaf, the abject failure of their Syria policy will be evident, and because they know, as does everyone else, that there is no Plan B.

This should be yet another lesson, as if we needed it, that diplomacy in the absence of leverage is a recipe for failure. Our adversaries will not do what we ask of them out of the goodness of their hearts or of -- out of concern for our interests or the suffering of others. They must be compelled, and that requires power. Until the United States is willing to take steps to change the conditions on the ground in Syria, the war, the terror, the refugees, and the instability will continue.

Such will be the unfortunate inheritance of our next President, a Middle East aflame, where American influence has been squandered. America's adversaries neither respect nor fear us. America's friends are increasingly hedging their bets. And America's policy options have been significantly narrowed and worsens. What's worse, America's military will confront these daunting challenges with constrained budgets, aging equipment, depleted readiness, and a growing set of operational requirements driven by other escalating challenges in Europe and Asia. We are
simultaneously asking our military to wage a generational
fight against Islamist terrorism while rebuilding a ready
and modernized force to deter and, if necessary, defeat
great-power or rogue-state competitors in full-spectrum
combat.

I would be the first to admit that Congress is failing
in -- to match resources to requirements, but the failure of
the President is worse. After all, it is the duty of the
Commander in Chief to be the strongest advocate for the
needs of our military. But, President Obama has been more
interested in using the defense budget as a hostage to
extract political concessions for greater nondefense
spending.

Secretary Carter, this may be one of your last
appearances before this committee. I hope you will use the
opportunity to offer some clear answers to these troubling
questions.

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

Senator Reed: Well, thank you very much, Mr. Chairman. And I would like to join you in welcoming Secretary Carter and General Dunford.

And giving the security challenges that face the United States, your appearances before the committee are always deeply appreciated and very timely, particularly this moment.

While significant work remains to defeat ISIL, the United States and coalition military operations have resulted in important gains in both Iraq and Syria. Most notably, ISIL has been driven out of a significant amount of the territory the group once held. In just the last few weeks alone, ISIL lost its hold on the city of Manbij, a number of key border crossings in Syria in several key towns in advance of the Mosul offensive in Iraq.

The cumulative effect of these operations has been to cut off key lines of communication for ISIL, thereby restricting their ability to bring in additional fighters and move equipment and personnel across the battlefield. As a result, it appears that ISIL is under more pressure now than at any other time in the campaign.

Unfortunately, in Syria it appears that the cessation of hostilities is not going to hold. And we look forward to
your assessment of the progress and the military aspects of this campaign and whether there is a possibility of a renewed cessation of hostilities in the future.

Our military commanders are also rightly focused on ensuring our military operations support the efforts of our diplomats and other policymakers to address the continuing political challenges in Iraq and Syria. Even after the coalition retakes Mosul and Raqqa, the work of our diplomats, military, and intelligence community will not be over. Ensuring ISIL is dealt a lasting defeat will require not only continued military support, but also assistance in achieving the political reforms necessary to address the underlying causes of ISIL's rise. This will require that the civilian agencies of our government are provided the critical resources necessary to perform this work.

With regard to Afghanistan, I support the President's position to maintain approximately 8400 troops in the country into next year. This decision sent an important message to the Afghans, our allies, the Taliban, and others in the region, that the United States remains committed to ensuring a stable Afghanistan. We look forward to your assessment of this year's fighting season and what more we can do to support the development of the Afghan national defense and security forces.

Despite a challenging security and political
environment, the Afghan National Unity Government continues
to be a reliable partner for the U.S. and our allies.
However, I remain concerned about continuing reports of
corruption in Afghanistan and the slow political progress on
the broader reform agenda. Both these issues present a
strategic threat to continued international support of
Afghanistan. In light of these challenges, I hope you will
also discuss the efforts of the United States and our allies
to build institutional capacity and enable necessary reforms
in Afghanistan.

In Eastern Europe, Russia continues its pattern of
confrontation and antagonistic behavior. They persist in
the use of hybrid tactics to foment discord and political
gridlock throughout the region. Their aviators have
harassed U.S. ships and aircraft deployed to the region.
And they continue to provide support and training to
Separatists in Eastern Ukraine, in violation of the Minsk
cease-fire agreements. EUCOM and NATO have undertaken
robust efforts to deter such behavior. I look forward to
hearing your thoughts on the progress of, and future plans
for, such efforts.

North Korea remains one of the most dangerous and
difficult national security challenges that this country
faces. Earlier this month, North Korea conducted its fifth
nuclear test, demonstrating that the North Korean regime has
little interest in resuming Six-Party Talks. While we have made significant efforts to put strong and effective sanctions in place to curb North Korea's nuclear development, China's unwillingness to enforce those sanctions to the full extent of its ability has undermined U.S. and international efforts to bring North Korea in line.

Finally, our long-term military strategy depends on a budget that focuses at least 5 years into the future. Last year, Congress passed a 2015 Bipartisan Budget Act, which provided the Department with budget stability in the near term. However, there is no budget agreement for fiscal year 2018 and beyond. Without another bipartisan agreement that provides relief from sequestration, the Department will be forced to submit a fiscal year 2018 budget that adheres to the sequestration-level budget caps and could, and indeed would, undermine our defense strategy, including the investments made to rebuild readiness and modernize platforms and equipment. And we must not let that happen.

Thank you, again, Mr. Chairman. And thank you, gentlemen.

Chairman McCain: Welcome, Mr. Secretary. And this is the last time for this year. We appreciate your -- you and General Dunford's appearances before the Armed Services Committee. And we look forward to your and General Dunford's testimony. Thank you for -- both of you, for your
service to our Nation.

Secretary Carter.
STATEMENT OF HON. ASHTON B CARTER, SECRETARY OF DEFENSE

Secretary Carter: Thank you very much. Chairman, Ranking Member Reed, all the members of this committee, thank you for having us here.

And, Chairman and Senator Reed, thanks for taking the time to talk with me before this hearing -- I much appreciate it, as always -- and for hosting General Dunford by my side, where he is all the time. And I'm very pleased, and our country is very fortunate to have him.

Similarly, I want to thank you for hosting the service chiefs last week. I appreciated your comments to them about the inefficiencies and the dangers of continued budget instability and gridlock, as well as the risk of sequestration's looming return. I look forward to addressing those topics more today with you.

I also appreciate your support for our men and women serving around the world, military and civilian alike. You always provide it. They are the finest fighting force the world has ever known. They're the -- no one else in the world is stronger, no one is more capable, more innovative, more experienced, and has better friends and allies than they. That's a fact, and a fact that Americans ought to be proud of.

As you know, DOD is currently addressing each of the
five challenges that Chairman Dunford and I described to you in our budget testimony this spring and that the Chairman and Senator Reed have already touched on, namely Russia, China, North Korea, Iran, and terrorism. And, on the last, in the wake of this week's attacks in New York, New Jersey, and Minnesota, we remain as determined as ever to continue countering terrorists around the world who seek to do harm to our country and our personnel. More on that shortly.

As Chairman Dunford and I testified this spring, we've been planning for our activities to be paid for by the 2017 budget that we have submitted and that we developed. That budget adhered to last fall's bipartisan budget deal in overall size. While in shape, it marked a strategic turning point for DOD, making breakthrough investments in new operational concepts, in pioneering technological frontiers, in reforming the DOD enterprise, and in building the force of the future. It also put a high premium on continuing to rebuild the readiness of our forces, requiring not only stable resources, but also time. Nothing is more important than readiness to me or to the service chiefs.

And yet today, just 8 days away from the end of this fiscal year, that budget has yet to be funded by Congress. I want to discuss that with you today. But, because this hearing is partly about ongoing military operations, let me begin with an operational update on our campaign to deliver
ISIL a lasting defeat.

Now, each time Chairman Dunford and I have appeared before this committee since back last October, I've described to you our coalition military campaign plan, which is focused on three objectives. The first is to destroy ISIL's -- the ISIL cancer's parent tumor in Iraq and Syria, because the sooner we end ISIL's occupation of territory in those countries, that is the sooner we destroy both the fact and the idea of an Islamic State based on ISIL's barbaric ideology, the safer all of the world will be. And that's necessary, absolutely necessary. It's not sufficient. So, our second objective is to combat ISIL's metastases everywhere they emerge around the world -- in Afghanistan, Libya, and elsewhere. And our third objective is to help protect the homeland. This is mainly the responsibility of our partners in the FBI, the Justice Department, Homeland Security, the intelligence community, and State and local law enforcement, but DOD strongly supports them. And I'll address how, momentarily.

Since last fall, we've taken many steps to continually accelerate this campaign, all consistent with our strategic approach of enabling capable, motivated local forces, for that's the only way to ensure ISIL's lasting defeat. And, while we have much more work to do, the results of our effort are showing.
In Iraq, we've been enabling Iraqi Security Forces and the Kurdish Peshmerga. After retaking Ramadi and establishing a staging base at Makhmour, the ISF went on to retake Hit, Rutbah, Fallujah, and the important airfield and town of Qayyarah, setting the stage to complete the envelopment of Mosul and the collapse of ISIL's control over it. In the last few days, the ISF became -- began operations to retake Sharqat and other towns surrounding Mosul. And the final assault on Mosul will commence, as with previous operations, when Prime Minister Abadi gives the order.

In Syria, our coalition has also enabled considerable results by our local partners. They retook Shaddadi, severing a key link between Raqqa and Mosul, and then Manbij city, clearing a key transit point for ISIL's external operations and plotters, and providing key intelligence insights. Additionally, our ally Turkey is helping local Syrian partners clear their border region with ISIL. We're working shoulder-to-shoulder with the Turks, supporting these efforts from the air, on the ground, and with intelligence. And, as we do so, we're managing regional tensions, tensions that we've foreseen, and keeping everyone focused on our common enemy: ISIL.

Meanwhile, we're systematically eliminating ISIL's leadership, with the coalition having taken out seven
members of the ISIL senior Shura, including its chief of
e external operations, Al-Adnani. He was one of more than 20
ISIL external operators and plotters we removed from the
battlefield.

We're also continuing to go after ISIL's attempts to
develop chemical weapons as we continue to ensure that U.S.,
coalition, and Iraqi troops are vigilantly protected from
that threat. And just last week, in one of the single
largest airstrikes of our campaign, we destroyed a
pharmaceutical facility near Mosul that ISIL tried to use as
a chemical weapons plant.

We also continue to aggressively attack ISIL's economic
infrastructure -- oil wells, tanker trucks, cash storage,
and more -- and we continue to take the fight to ISIL across
every domain, including cyber.

With all this, we're putting ISIL on the path to a
lasting defeat in Iraq and Syria, particularly as we embark
on a decisive phase of our campaign, to collapse ISIL's
control of Mosul and Raqqa.

With respect to the Syrian civil war, I want to commend
Secretary Kerry for working so tirelessly to seek an
arrangement which, if implemented, would ease the suffering
of the Syrian people and get Russia pushing at last for a
political transition, which is the only way to end the
Syrian civil war. There remains a way to go to see if the
terms of that arrangement can be implemented.

Unfortunately, the behavior we've seen from Russia and Syria over the last few days has been deeply problematic.

Let me turn to our second objective, combating ISIL's metastases.

In Libya, thanks to U.S. precision airstrikes undertaken at the request of the Government of National Accord, ISIL's territory in Sirte has now been reduced to a single square kilometer, and I'm confident ISIL will be ejected from there.

Meanwhile, in Afghanistan, we worked with our Afghan partners to conduct a large operation against ISIL over the last 2 months, dealing the organization severe blows, killing its top leader, and degrading its infrastructure, logistics base, and recruiting. And there'll be more coming.

Next, to help protect our homeland and our people, DOD continues to provide strong support to our law enforcement, homeland security, and intelligence partners. This is the number-one mission of our Northern Command. And the U.S. military is supporting our partners in three critical ways. First, we're ensuring the protection of our personnel and the DOD facilities where they work and reside. Second, we're disrupting ISIL's external operations. More on that shortly. And third, we're also disrupting the flow of
foreign fighters both to and from Iraq and Syria. This is part of a broader effort within our coalition to not only stem the flow of foreign fighters, but also counter ISIL's online messaging, recruitment, and spread of its loathsome ideology.

Going forward, the collapse of ISIL's control over Raqqa and Mosul, which we're confident our coalition will achieve, will indeed put ISIL on an irreversible path to lasting defeat. But, after that, to take up a point that both the Chairman and Ranking Member Reed made, there will still be much more to do. Political challenges will remain. For that reason, the international coalition's stabilization efforts cannot be allowed to lag behind our military progress. That's critical to making sure that ISIL, once defeated, stays defeated. Truly delivering ISIL a lasting defeat requires both strategic patience and persistence. We can't predict what will come after our coalition defeats ISIL, so we must be ready for anything, including any attempts by ISIL to remain relevant even if only in the darkest corners of the Internet.

Let me now address issues DOD faces in institution, and how you can help. We have three grave concerns related to processes here in Congress. One, budget gridlock and instability. Two, micromanagement and over-regulation. And three, denial of needed reforms. As you've heard
consistently from me and DOD senior leaders, all three are serious concerns. But, here today, because of how close we are to the end of the fiscal year, I want to focus just on the first.

We need Congress to come together around providing normal, stable, responsible budgets, because the lack of stability represents one of the single biggest strategic risks to our enterprise at DOD. That's why I've been talking about the major risk posed by budget instability for over a year and a half. You heard the same from the service chiefs last week. Such budget instability undercuts stable planning and efficient use of taxpayer dollars, often in ways taxpayers can't even see. It baffles our friends, emboldens our foes. It's managerially and strategically unsound. And it's unfairly dispiriting to our troops, to their families and our workforce. And it's inefficient for our defense industry partners, too.

We're now 8 days away from the end of the fiscal year. But, instead of stability, we're going into fiscal year 2017 with yet another Continuing Resolution. This, for the eighth fiscal year in a row. That's a deplorable state of affairs. And, Chairman McCain, I appreciate your comments to our service chiefs about the damage the CR can do to our institution.

As you know, the longer a Continuing Resolution lasts,
the more damaging it is. It's not just a matter of money, but where the dollars are. For example, a CR that goes past December would undermine our plan to quadruple our European Reassurance Initiative at a time, as the Chairman already noted, when we need to be standing with our NATO allies, and standing up to deter Russian aggression. I know you will return here in November to pass defense appropriations and a National Defense Authorization Act. I look forward to working with you then.

However, I cannot support any approach to the defense budget that moves us towards sequestration or away from bipartisanship and not at the expense of stability that comes with it, not if it shortchanges the needs of our warfighters, not if it means funding lower priorities instead of higher priorities, not if it undermines confidence in the ability to pass bipartisan budget deals which could lead to the imposition of sequestration's $100 billion in looming automatic cuts to us, and not if it adds extra force structure that we can't afford to keep ready in the long term, which would only lead to a hollow force. I'm confident and hopeful that we can come back together again.

Today, America is fortunate to have the world's greatest military. I know it. You know it. Our friends and allies know it. And, critical -- critically, our potential adversaries know it, too. Only with your help can
we ensure that my successors can say the same and that what is today the finest fighting force the world has ever known remains that way for years to come.

Thank you.

[The prepared statement of Secretary Carter follows:]
Chairman McCain: General Dunford.
STATEMENT OF GENERAL JOSEPH F. DUNFORD, JR., USMC,
CHAIRMAN OF THE JOINT CHIEFS OF STAFF

General Dunford: Chairman McCain, Ranking Member Reed,
members of the committee, thank you for the opportunity to
join Secretary Carter this morning.

Before offering a brief assessment of ongoing
operations, I'd like to associate myself with the comments
made by the service chiefs who testified before this
committee last week. As you'd expect, they offered their
candid assessment about the readiness and the modernization
challenges that affect each of the services. And I fully
concur with their assessment of the operational tempo and
the budget challenges faced by each of the services and
across the Department.

But, due in large part to this committee's support, the
joint force remains the most capable and professional
military in the world. We can defend the Nation, we can
meet our alliance responsibilities, and today we have a
competitive advantage over any adversary. I think that's an
important point that should not be lost on our allies, it
should not be lost on our enemies, and it should not be lost
on the men and women of the joint force, our soldiers,
sailors, airmen, marines, and coastguardsmen.

And I say all that, mindful that we remain confronted
with challenges from traditional state actors and violent
extremism. Russia, China, Iran, and North Korea continue to
invest in military capabilities that reduce that competitive
advantage. They are also advancing their interests through
adversarial competition that has a military dimension that
falls short of armed conflict. Examples include Russian
actions in the Ukraine, North Korea's nuclear saber-
rattling, Chinese activities in the South China Sea, and
Iran's malign activities across the Middle East. In
different ways, each of these nations leverage economic
coercion, information operations, cyber capabilities,
unconventional warfare and force posture deliberately
seeking to avoid a U.S. military response.

Meanwhile, nonstate actors, such as ISIL and al-Qaeda,
remain a threat to our homeland, the American people, our
partners, and our allies. As evidenced by this past
weekend's attacks, such extremist groups seek to inspire and
radicalize others, and, in doing so, they're attempting to
fundamentally change our way of life.

The joint force is engaged in responding to each of
these strategic challenges. We're focused on deterring
potential adversaries, and we're prepared to respond, should
deterrence fail.

We also remain firmly committed to defeating ISIL and
its affiliates wherever they may emerge. Since my last
appearance before the committee, I've made additional trips
to the Middle East, and I'm encouraged by the coalition's progress in Iraq and Syria. We've also degraded the Islamic State's capabilities in Libya, West Africa, and Afghanistan. Coalition operations supporting indigenous ground forces -- and the Chairman mentioned this, Ranking Member Reed mentioned, the Secretary did -- have disrupted core ISIL's ability to mount external attacks, reduce its territory of control, limit its freedom of movement, eliminate many of their leaders, and reduce the resources that they have available. Most importantly, the coalition has begun to discredit ISIL's narrative and its aura of invincibility. While more work remains to be done, and we're by no means -- by no means are we complacent -- it's clear we have the momentum in the military campaign.

As the joint force addresses each of our strategic challenges, we also recognize the need to invest in the future. As the Secretary said, we don't have the luxury of choosing between the challenges that we face today or the challenges that we most assuredly will face tomorrow.

To meet tomorrow's requirements, we must take action today. Our nuclear deterrent remains effective, but it is aging and requires modernization. At the same time, we must develop and enhance the capabilities that -- in the increasingly contested domains of space and cyber. And we must also do all that while we preserve the edge in our
conventional capabilities. In the end, we must maintain a balanced inventory of joint capabilities and capacities to meet the full range of challenges that we will confront.

In closing, I am concerned about readiness today, but I'm more concerned about maintaining a competitive advantage in the future. If we fail to modernize the joint force, we will be at a disadvantage in the future. And I know the committee shares my belief that we should never send our soldiers, sailors, airmen, marines, or coastguardsmen into a fair fight.

Thank you, Chairman, members of the committee.

[The prepared statement of General Dunford follows:]
Chairman McCain: Thank you very much, General.

Thank you for your comments about the testimony of the service chiefs. We appreciated it, too. We were shocked to -- or at least surprised to learn that none of the service chiefs have had a conversation with the President of the United States. That's the first time I've ever heard of it in my years of service and membership of this committee.

General Dunford, in your professional military opinion, is the Russia -- is the Russian -- in a quagmire in Syria?

General Dunford: It's not clear to me that Russia is in a quagmire in Syria at this time, Chairman.

Chairman McCain: In your professional military opinion, is the cessation-of-hostilities agreement being effectively implemented on the ground in Syria?

General Dunford: That would not -- that would not appear to be the case over the last 48 hours, Chairman.

Chairman McCain: This is not the first time we've had one of these agreements. In fact, it -- it's beginning to fit the definition of insanity, of doing the same thing over and over again. Suppose this fails again, General Dunford. What do we do then? Try another cease-fire? What do we do then? We just saw, as you know, evidence that a chemical weapon -- and we knew that a chemical weapons factory was functioning in Raqqa. What's Plan B? Is there a Plan B, here, or do we just keep going back to the five-star hotels
in Geneva and have meetings with our -- with Mr. Lavrov, and come out with various declarations? What do we do if this one fails?

General Dunford: Chairman, we have a wide range of military options --

Chairman McCain: Give us one.

General Dunford: Chairman, if I could finish. We have a wide range of military options that we would provide to the President, should our policy change in the wake of this recent cessation --

Chairman McCain: Is the present policy working?

General Dunford: Against ISIL, the present policy is working.

Chairman McCain: In Syria, with 400,000 people killed, 6 million refugees, is our strategy in Syria working -- succeeding?

General Dunford: With regard to political transition in Syria, at this time, I would --

Chairman McCain: In regards to the whole situation in Syria, is our policy working?

General Dunford: Chairman, I'd let others address the policy. Our focus, from a military perspective, is --

Chairman McCain: I'm asking --

General Dunford: -- our counter-ISIL campaign.

Chairman McCain: -- Is the military strategy
succeeding in Syria?

General Dunford: Our military strategy is focused on a counter-ISIL campaign. In my judgment, we are succeeding in that campaign.

Chairman McCain: So, as far as you're concerned, we ignore the 400,000 dead and the 6 million refugees. That's caused by Bashar Assad. Do you believe that, right now, it's very likely that Bashar Assad will leave power?

General Dunford: I can't really judge that right now. It doesn't appear that he will in the near term, Chairman.

Chairman McCain: So, you can't judge that.

General Dunford: I can't judge the long-term prospects for Assad, was my point, Chairman. I'm --

Chairman McCain: In the --

General Dunford: -- sure he's not --

Chairman McCain: -- short term?

General Dunford: -- leaving in the short term.

Chairman McCain: In your professional military opinion, is it a good idea to share -- set up an intelligence-sharing operation with the Russians?

General Dunford: Chairman, we don't have any intention of having an intelligence-sharing arrangement with the Russians.

Chairman McCain: That is part of Secretary Kerry's proposal, that we set up an intelligence-sharing operation
in Syria with the Russians.

General Dunford: Chairman, the U.S. military role will not include intelligence-sharing with the Russians.

Chairman McCain: Do you support such an idea, that they should share intelligence -- military intelligence information with Russia and Syria?

General Dunford: Chairman, what the President has directed us to do is establish a joint implementation --

Chairman McCain: I was -- asked for your professional military opinion, not what the President has told you to do. I'm asking, as in your confirmation hearings, if you would give your professional military opinion to this committee in response to questions. I expect you to hold to that.

It is -- is it your professional military opinion that it would be a good idea to have an intelligence-sharing operation with Russia in Syria?

General Dunford: Chairman, I do not believe it would be a good idea to share intelligence with the Russians.

Chairman McCain: I thank you, General.

On the issue of sequestration, could -- I just mentioned -- I hope it got the attention of all of my colleagues -- that every one of the service chiefs said that, presently, sequestration puts our men and women who are serving in military in greater risk. At the same time, the President of the United States is demanding -- is
putting the risk to American servicemen and -women on the same level as funding for the EPA. And so, it is just remarkable to a lot of us that we don't take care of the compelling argument of caring -- of reducing the risk to the men and women who are serving in the military, demanding that there be nondefense increases in spending at the same time.

All I can say is, I thank you, Secretary Carter and General Dunford, but this latest information concerning a chemical shell obviously shows that, in Raqqa, they're doing a lot of things, including a chemical weapons factory, which adds a new dimension to the threat to the lives of the men and women who are serving in the military.

I still look forward to hearing from Secretary Carter and General Dunford, What is the strategy if the present strategy continues to utterly fail? And, frankly, I haven't heard that.

Senator Reed.

Senator Reed: Thank you very much, Mr. Chairman.

Mr. Secretary and General Dunford, one of the factors that appears to be -- influence the timing of the Mosul operation is to -- how do you govern Mosul after you militarily succeed -- Iraq Security Forces succeed, with American and coalition assistance? And that triggers the issue of, not only the role of agencies outside Defense,
like the State Department, AID, and others, but the
resources they have. It would be -- is it necessary, in
your view, that these agencies be robustly funded, in
addition, because without them, you can have a military
victory and essentially just wait around, because they'll
come back because you haven't put the politics and the
capacity together?

Secretary Carter: It is necessary. I had the Defense
Ministers of the key coalition contributors here to Andrews
a little while ago, and we went through, as we always do,
the campaign, their role, including the moves to envelope
Mosul, which we've now taken. Their biggest concern with
the campaign, at this point, in Iraq is exactly the one you
note. Namely, is the political and the economic lagging so
far behind the military that there's going to be an issue,
when Mosul is -- once ISIL is ejected from Mosul?

And I'm just very specifically -- if I may, Senator,
I'll take the political part and then the
stabilization/reconstruction part.

On the political part, this is a question that recurs,
actually, everywhere we go. Everywhere we enable forces to
defeat ISIL, the people who live there say, "Well, what's
going to happen afterwards?" And that's something we have
dealt with in Hit, Fallujah, Rutbah, and some of -- they're
all complicated, all different. Mosul's going to be
different, too.

My understanding -- and that's just not mine, but the Chairman's and the -- our commanders there, and also the President's -- with Prime Minister Abadi, President Barzani, who are contributing forces -- the Peshmerga from the north, a couple of brigades, and the ISF from the south, for the envelopment and collapse of control on -- of ISIL's control on Mosul. Our understanding with them, which they are both adhering to, is that neither of the forces that will participate in taking Mosul should be the hold-and-govern force there. They should be local police -- Sunni, in many cases, but it's actually a mixed-ethnicity city. And the governor of Ninawah Province is the one that they are working with and we're working with. That's a daily exercise for General Townsend, General Votel, and for us, is to keep everybody aligned and focused on the job at hand, which is defeating ISIL.

With respect to stabilization and reconstruction, we don't know what the collapse of ISIL's control over Mosul will look like. We've had a different experience in different cities. And, obviously, no one wants to see street-to-street fighting in Mosul, but you don't know. There could be a large number of refugees, and we're preparing for that. Not USAID. You mentioned U.S. government funding. That's essential. But, also the U.N.
Senator Reed: Right.

Secretary Carter: -- and other international aid agencies.

And I should say, by the way, that's one of the things I ask our coalition partners. I say, "If you don't want to make a military contribution, or you don't have a strong military contribution to make, or it's problematic, for some historical or political reason, for you to make a contribution, a check is good to" --

Senator Reed: But --

Secretary Carter: -- "the local people to help them reconstruct."

Senator Reed: But, essentially, you cannot -- you can conduct kinetic operations, but the real, long-term effort is political/economic relief, refugee support, et cetera. Those are funds outside Department of Defense. So, a comprehensive approach to all these problems requires relief, not just from Department of Defense spending, but for other Federal agencies.

Secretary Carter: It --

Senator Reed: Is that correct?

Secretary Carter: It is. The whole counter-ISIL thing is whole-of-government and --

Senator Reed: Okay. Let me -- going back also to your
question about Northern Command. Northern Command is
critical to defense of the United States, but, without a
robust Department of Homeland Security, without adequate
resources -- the FBI and for other domestic agencies -- then
you could be performing at peak efficiency, but the job
would not get done. Is --

Secretary Carter: We --

Senator Reed: -- that correct?

Secretary Carter: It -- that is true. We count on
their support. We support them, as well. It's a whole-of-
government effort, defeat of ISIL and --

Senator Reed: And, General Dunford, do you concur,
from your perspective?

General Dunford: I do, Senator.

Senator Reed: Thank you very much.

Thank you, Mr. Chairman.

Chairman McCain: Senator Inhofe.

Senator Inhofe: Thank you, Mr. Chairman.

Let me start off by saying that we have rules in this
committee that, when we have witnesses coming in, we're to
get their written statement 48 hours in advance. We didn't
get both of yours until 8:30 this morning. Now, we did a
lot better with the chiefs last week. In fact, General
Hayden was in, 72 hours in advance. So, I just think it's a
good idea to pass on to others, before they come in, that we
really do need to have that to conduct the -- a hearing that's meaningful.

When General Goldfein was here, he described what's needed for defense funding, and he talked about sufficient, stable, predictable funding. In your statement, Secretary Carter, you left the word "sufficient" out. And I'm -- I am concerned about this.

Back during the Clinton administration, when they were actually trying to cut 400 out of the budget, we, in this committee, sitting in this -- in these -- in this dais here -- were able to put 100 back in. And you remember the famous bathtub chart that we used at that time. General Milley said, last week -- and I think that he said it best -- he said, quote, "The only thing more expensive than deterrence is actually fighting a war. The only thing more expensive than fighting a war is losing a war. And we're expensive. We recognize that. But, the bottom line is, it's an investment that's worth every nickel."

I guess the question, just for a short answer of each one of you, is, Have our defense funding levels kept pace with the realities of the -- our environment out there?

General Dunford?

General Dunford: Senator, I don't believe they have. And that's why we've articulated an increased requirement in FY17, and we'll continue to reinforce those areas that we
identified in '17 for '18. And, of course, those -- well, turn it over to Secretary --

Senator Inhofe: I appreciate that.

Do you agree?

Secretary Carter: Yeah. And I wanted to say --

Senator Inhofe: All right.

Secretary Carter: -- that I agree with General Dunford, and what the Chief said, as well, and I'm -- insufficiency belongs with instability. So, I'm sorry if we left that word out. Nothing intended there. The point that they were making, and that I would strongly echo, is, the effects of 8 straight years of ending a fiscal year without an appropriation --

Senator Inhofe: Yeah. You --

Secretary Carter: -- for the next -- that is -- has had a serious effect. We've tried to manage through it.

Senator Inhofe: Right.

Secretary Carter: We've done our best. But, it -- that's just not --

Senator Inhofe: I understand, Secretary.

Secretary Carter: -- the way to run an --

Senator Inhofe: Now, you've been -- let me compliment you -- you've been a real stalwart on your -- in support of each leg of the nuclear triad. Had stated that the nuclear mission is the bedrock of our security. Today, we're
spending about 3 to 4 percent of our budget. However, the long-term plan shows that we're going to move up, within the decade, or sometime in the decade, to 6 to 7 percent. The question I would ask is -- you know, General Dunford, with Russia and China actively modernizing their nuclear weapons and delivery system, we know what's happening in North Korea -- do you think we should accelerate this so that we would reach the 6 to 7 percent much earlier, like now?

General Dunford: Senator, I think, as you know, many of those programs, it's not just the function of accelerating the funding, it's how much time it takes for development. And I'm confident, having looked at this very closely, that the path that we're on and the timing for the introduction of our new programs is about right. It balances both the budget, but it, more importantly, balances the operational readiness of those systems to be introduced at the --

Senator Inhofe: Well, I think what you're saying is, even if you had more now, you could not spend it wisely. You need the -- the course that we're on is adequate, in your opinion.

General Dunford: Senator, that's exactly my --

Senator Inhofe: All right.

General Dunford: -- assessment.

Senator Inhofe: That's fine.
The -- I was in Ukraine right after their parliamentary elections, and I was -- I've never seen Poroshenko or any of them as happy as they were at that time, how proud they were, for the time in 96 years, not having one Communist on the -- in Parliament. And yet, as soon as that happened, Putin started killing the Ukraines and the -- I would ask you this, Secretary Carter. If -- is deterrence of Russia in Europe a policy priority?

Secretary Carter: It absolutely is. That's why we quadrupled the European Reassurance Initiative.

Senator Inhofe: But, what would that -- I would ask the question, then, Why are we not providing defensive lethal assistance to the Ukraine?

Secretary Carter: Well, that is still on the table. It's been on the table for quite some time. And --

Senator Inhofe: Well, it's more than on the table --

Secretary Carter: -- I want to emphasize, we do --

Senator Inhofe: -- with us, because it's in our --

Secretary Carter: Well, it's going to depend upon what the Russians do with respect to Minsk. I just met with my Ukrainian counterpart a couple of weeks ago. A great guy, by the way. He's been doing this for a long time and is very dedicated, a good guy to work with. And we talked about everything that are doing with them. We have training now. We've moved from their national --
Senator Inhofe: Okay. And --
Secretary Carter: -- guard to their regular --
Senator Inhofe: I don't want to be rude, Mr. Secretary, but my time is just about expired.
Secretary Carter: Okay.
Senator Inhofe: And I just want to know if this -- well, let me ask you, General Dunford. If we were to change our policy, what type of weaponry would be the -- appropriate right now? You know, we have the Javelin anti-armor weapons. What would be the right weapon? And you're both fully aware that, in our defense authorization bill, we address this issue, because we support lethal defense weapons.
General Dunford?
General Dunford: The critical capability areas the Ukrainians have identified include fire support, their artillery capability, as well as their anti-armor capability.
Senator Inhofe: Yeah, and do you agree with that?
General Dunford: That's a capability gap, I agree with that.
Senator Inhofe: Thank you.
Thank you, Mr. Chairman.
Chairman McCain: Senator Blumenthal.
Senator Blumenthal: Thanks, Mr. Chairman.
I want to join in thanking both of you for your extraordinary service and for your very forthright answers to our questions here.

General Dunford, is there any question in your mind, any doubt, that Russian planes were responsible for attacking the United States -- the U.N. convoy that was trying to deliver aid to Aleppo?

General Dunford: Senator, my -- I don't have the facts. What we know are, two Russian aircraft were in that area at that time. My judgment would be that they did. There were also some other aircraft in the area, that belonged to the regime, at or about the same time; so, I can't conclusively say that it was the Russians, but it was either the Russians or the regime.

Senator Blumenthal: Well, it sounds to me like you're saying that their responsibility was demonstrated beyond a reasonable doubt.

General Dunford: Senator, there's no doubt in my mind that the Russians are responsible. I just don't know whose aircraft actually dropped the bomb. So, I would certainly associate myself with the comment that you made earlier, that, yes, it is the Russians that were responsible.

Senator Blumenthal: Which is a war crime. I'm not asking for your legal judgment, knowing that you would probably disclaim your expertise as a lawyer, but you would
agree with me, as a layman, as a military person, that that act constituted a war crime.

General Dunford: It was an unacceptable atrocity, Senator.

Senator Blumenthal: Would you agree with Secretary Kerry in contending that what ought to be done is a grounding of all aircraft in certain areas of Syria, including that one?

General Dunford: I would not agree that coalition aircraft ought to be grounded. I do agree that Syrian regime aircraft and Russian aircraft should be grounded.

Senator Blumenthal: Would you agree with -- apparently, the growing strain of thought in the administration, that the Syrian Kurds should be armed?

General Dunford: Senator, we're in deliberation about exactly what to do with the Syrian Democratic Forces right now. We have -- providing them support. They are our more -- most effective partner on the ground. It's very difficult, as you know, managing the relationship between our support for the Syrian Democratic Forces and our Turkish allies. And so, we're working very closely with our Turkish allies to come up with the right approach to make sure that we can conduct effective and decisive operations in Raqqa with the Syrian Democratic Forces and still allay the Kurdish -- the Turkish concerns about the Kurds' long-term
political prospects.

Senator Blumenthal: If those concerns can be allayed, and even if they can't be allayed, would you agree that arming the Syrian Kurds presents an opportunity for us, as a military option, to be more effective in that area?

General Dunford: Senator, I would agree with that. If we would reinforce the Syrian Democratic Forces' current capabilities, that will increase the prospects of our success in Raqqa.

Senator Blumenthal: In terms of the Russian responsibility for what you have absolutely correctly termed "an atrocity," a war crime in that area, what can the United States do? What are some of those military options that the Chairman asked about?

General Dunford: Senator, I'd prefer to talk to you in private about military options that might be being discussed as future options the President may have. I think right now managing the Russian problem is largely a political/diplomatic problem, and that's what Secretary Kerry and the President are dealing with.

Senator Blumenthal: Let me turn -- Mr. Secretary, you mentioned that there are three areas -- the fiscal, the over-regulation or micromanaging, and much needed reforms, as you characterized them. Could you give us your priorities as to what those reforms would be?
Secretary Carter: I have spelled -- I have a number of concerns, which I spelled out at great length in a letter to the committee. And I really look forward to working with you to resolve them. There are a number of them. They're serious concerns that I have for provisions in the bill. And I'd like to work all of these -- I think where we have common intentions, work them to a place where I can support an NDAA that the President would sign. That's where I'd like to get with you all by the time you return, in November.

Senator Blumenthal: I would welcome that opportunity. I'm just about out of time. This topic is immensely important, because it involves effective use of resources. We talk a lot about what the levels of resource should be, but managing them effectively is very important.

As to the Syrian conflict, to both of you, I don't need to emphasize how desperately serious the humanitarian catastrophe is in Syria. The Chairman has rightly referred to the numbers killed and displaced. It is, as Secretary Kerry right termed it, probably the biggest humanitarianism catastrophe since World War II, and the United States bears a responsibility to use its military forces to stop the bloodshed and the needless and senseless killing of innocent civilians there.

So, thank you very much for your testimony today.
Chairman McCain: Senator Sessions.

Senator Sessions: Thank you, Mr. Chairman.

And I would share that thought. The situation in Syria is a colossal disaster. I do not believe it had to happen. I believe a wise statesman could have foreseen some of the difficulties we're facing today. And we should have been more cautious and careful in our declarations of how we expect Syria to develop over the years. It hasn't developed like President Obama projected. And disaster has been the situation.

With regard to the sequestration issue, Mr. Secretary, I'm trying to contain spending on all our accounts. I've come to believe that we have to have more defense spending. And we've exceeded sequestration, I guess, for the last 2 years. But, I guess my question to you is -- Senator McCain has proposed an increase in defense spending. All the items that he proposed are things the Defense Department have said they need. And is it your position that the -- and is it the President's position -- that we will not spend that additional money for the Defense Department unless at least an equal amount of money is spent on the Commerce Department, the EPA, and other government agencies?

Secretary Carter: Well, what -- I'll speak for myself -- what I can't support, and won't support, is anything that moves towards instability. And that means towards
sequestration. And that means away from bipartisanship. We
submitted a budget that was consonant with the bipartisan
budget agreement. That's what we did.

Senator Sessions: Well --

Secretary Carter: Eight months --

Senator Sessions: Okay. So, I understand.

Secretary Carter: We did that --

Senator Sessions: It --

Secretary Carter: -- a few months into the bipartisan
budget --

Senator Sessions: All right.

Secretary Carter: -- agreement. And I -- the -- I
can't -- I don't control this. I simply approve it.

Senator Sessions: It's the President's decision,
ultimately. I understand that. So, what he's saying, in
leading the Democrats, and they're saying, not only do we
have to bust the budget for the Defense Department, we have
to bust it an equal amount for nondefense spending. That's
the problem we have today. That's why we don't have a
bipartisan agreement.

So, if we can go on to the next subject --

Secretary Carter: Well, there is a bipartisan -- if I
may say so, there is a bipartisan budget agreement, and that
is what we --

Senator Sessions: Well --
Secretary Carter: -- submitted our budget in accordance with, whatever, 8 months ago. And now --

Senator Sessions: Well --

Secretary Carter: -- the fiscal year ends, and there's no --

Senator Sessions: Well, we'll have to --

Secretary Carter: -- there's no budget on that basis.

Senator Sessions: -- to avoid a government shutdown.

And the leadership of the President and his determination to compromise has bitterly been reached. I wish we could have supported Defense without going further.

Mr. Secretary, Secretary Rumsfeld, Secretary Gates, and you have criticized our allies in Europe about their unwillingness to even meet their minimum commitments to defense. I suppose you still believe they should meet those minimum standards, do you not?

Secretary Carter: Yeah. Yeah, I absolutely do. They said that --

Senator Sessions: And you've said that before. But, this European Reassurance Initiative -- a European official told me, "Why did not the United States demand that Europe increase their defense spending at the same amount we're increasing our defense spending for Europe in the European Reassurance Initiative?"

Secretary Carter: Well, all I can tell you is, yes, I
am, in a long tradition -- and it actually goes back before
--

Senator Sessions: So, my question is, Why did you not
tell the Europeans --
Secretary Carter: I did.
Senator Sessions: -- and --
Secretary Carter: I did. We've been talking --
Senator Sessions: Well, we don't have a commitment
from them to match that amount of money, do we?
Secretary Carter: Well, it's complicated, because some
-- each of them has made a contribution to European
Reassurance, but you're -- in terms of aggregate spending,
they have a commitment, which not many of them have met,
Senator, but a few have --
Senator Sessions: Four out of --
Secretary Carter: -- which is to meet --
Senator Sessions: -- 28 countries are at the minimum.
Secretary Carter: -- which is to spend 2 percent of
their GDP. And important major countries in Europe aren't
even doing that. And that's unacceptable.
Senator Sessions: With --
Secretary Carter: It means that Europe -- too many
European militaries have made themselves incapable of
independent --
Senator Sessions: Well --
Secretary Carter: -- military activity --

Senator Sessions: -- I'll just say this. For the last 8 to 12 years, they've continued --

Secretary Carter: Okay.

Senator Sessions: -- on this, and we've said it, and nothing's happened. It's time for something to happen from Europe.

Let me ask you, really, about the Syrian situation. It's such a disaster. I mean, we've got hundreds of thousands dead, 6 million refugees, and I don't see an end in sight. General Dunford just said that Assad is not leaving anytime soon. Five years ago, the President said, "Assad has to go, and is going." He did not go. And this is all a result of that. So, now we're making some progress, I understand, against ISIS. What kind of agreement -- what kind of end do you see, Mr. Secretary, for this disastrous conflict? How can we see an end to it? What do you foresee, and what's our goal?

Secretary Carter: We are making progress in the counter-ISIL campaign in Iraq and Syria. In western Syria, where the civil war rages --

Senator Sessions: No, no, no. I'm asking, What is the goal of the United States --

Secretary Carter: The goal of --

Senator Sessions: -- of America --
Secretary Carter: The goal --

Senator Sessions: -- for Syria?

Secretary Carter: The goal of United States policy in Syria is to end the Syrian war -- civil war. It has been that for a long time. And that means a end to the violence there. That's -- and also a political transition from Assad to a government that includes the moderate opposition and that can run the country. Our approach has been a political one --

Senator Sessions: The problem is -- let me ask you this. It seems to me that the problem is that, with our support, ISIS is being damaged, but they're not utterly destroyed. If some sort of peace agreement is reached, some sort of cease-fire, and the United States and others reduce their presence there, can you assure us that ISIS, the toughest, meanest group in Syria, won't be able to destabilize any government that might be put together?

Secretary Carter: Well, let me be clear about something, which is, our counter-ISIL campaign is not on the table or part of the discussions of Secretary Kerry with the Russians. That is about the Russian activity, Syrian activity in western Syria. Our counter-ISIL campaign, we are conducting, and will conduct. And you're right, we are making progress in it. And that's --

Senator Sessions: Well --
Secretary Carter: -- going to go on.

Senator Sessions: I don't see --

Secretary Carter: But, what Secretary Kerry's trying to do -- and again, as we sit here today, it's very problematic -- but, what he's trying to do is exactly what you're calling attention to, namely to end the humanitarian disaster occasioned by the civil war in Syria, and to promote a political transition.

Senator Sessions: Well --

Secretary Carter: He's trying to work with those --

Senator Sessions: -- let me wrap up and --

Secretary Carter: -- who have influence --

Senator Sessions: My time's over --

Secretary Carter: -- there, and they're not --

Senator Sessions: -- Mr. Secretary.

Secretary Carter: -- and they're not exercising that influence.

Senator Sessions: I believe we could have done a better job with safe zones. I'm worried about the area in Iraq. I've talked to you previously and personally about it. We need a active American policy, a leadership in the world. But, we cannot establish all these governments, and run them, and assure how they'll come out in the end. And we can't occupy these countries for decades to try to assure that. That's just not realistic.
A wise statesman would have seen the danger in Syria. A wise statesman would have seen the danger in Libya. A wise statesman should have seen what could have happened in Egypt. And, except for 30 million Egyptians going to the public square and driving out the Muslim Brotherhood, we could have a disaster there.

We've got to be more realistic in our foreign policy. We've got to know what we can do to affect, positively, the world and what we cannot do. And we're not able to ensure democratic governments throughout this region of the world. And we're now facing colossal humanitarian disaster, and it's been bubbling for a number of years. And there's no easy solution to get out of it. I wish it were, but there's not.

Thank you.

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

Senator King: Thank you.

An observation about the budget. A year and a half ago, we had a bipartisan agreement on the budget number. And then allocations were made to the Appropriations Committee, and they went through their process. And I thought, "Finally, some stability. We can have appropriations." But, I'm reminded of an old saying in Maine, "He's so dumb, he could screw up a two-car funeral."
We had the numbers, we had the allocations, we had the agreement, and yet, here we are at a Continuing Resolution. I think we ought to be clear about what it is that's gotten us here. There is a dispute, as Senator Sessions pointed out, on the numbers. But, that's the kind of thing that can be negotiated. If there's an $18 billion been added to Defense, and there are people that feel that, on the domestic side, there also needs to be increases in areas like the FBI, for example, that's a legitimate area that reasonable people in an afternoon should be able to figure out.

What's really holding things up, as I understand it, are riders that have nothing to do with the budget, that have to do with policy preferences of various individuals. A perfect example is the National Defense Authorization Act, which, my understanding is, is now being held up by the sage grouse. The sage grouse is what is stopping the finalization of the National Defense Authorization Act. A very important issue to a lot of people, I'm not denigrating it. I know it's very important in the West. But, it should not be the thing that holds up the National Defense Authorization Act and the support of our men and women all over the world.

So, I think we ought to be clear about what the problem is, here, that trying to load on a lot of political baggage
to both the appropriations bills and the national defense bill is what has gotten us to this place. The numbers have been agreed on by a year -- for a year and a half. And if we want to increase them, let's discuss that and work out an agreement. That should be easy. But, to be holding up this-- and the -- similar to the sage grouse, other kinds of those issues are why, my understanding is, is holding up the appropriations process.

So, we're doing a Continuing Resolution even though we've had a number agreed on for 2 year -- for a year and a half. It's just -- you know, this institution, as Senator Lindsey Graham pointed out last week, is one of the greatest threats to American security. He went through a litany of how we've taken more troops off the battlefield, more airplanes out of the air, more ships out of the ocean than any enemy has done by our inability to work out what ordinary people on the street would think people ought to be able to figure out in a relatively short period of time.

If you can find a question in there, you're welcome to it.

Secretary Carter: I would like to say one thing, which is just to repeat that it is on the basis of that bipartisan budget agreement, and the stability it promised, that we submitted our budget.

Senator King: Right.
Secretary Carter: Now -- and that -- we figured that was the best the country could do on a bipartisan basis. That's the only way we've had stability in the past. Now, I'm asked about this proposal and that proposal that would depart from that, and my answer is, in all seriousness, with responsibility for trying to shepherd this institution, is -- I have to look at what I think can be delivered --

Senator King: Sure.

Secretary Carter: -- on a stable basis. That was what the bipartisan budget agreement is, and that is the -- that has been the foundation, and remains the foundation, for our budget submission. We did a very good job, in my judgment -- and this is the senior leadership of the Department -- to manage responsibly within that budget. We've done that. That's the budget we submitted, months ago --

Senator King: Mr. Secretary, I --

Secretary Carter: -- for this fiscal year. And now the fiscal year ends, and -- so, we've played it very straight.

Senator King: And my point is, we had a budget agreement, we had a number, and we still can't get it done. Let me ask an entirely different question.

Next week, we are probably going to be dealing with a veto of the bill that would allow people to sue Saudi
Arabia, the so-called Justice Against Sponsors of Terrorism Act. General Dunford, do you have -- or both of you -- do you have concerns about what the effect on our troops, our liability around the world, would be if that bill becomes law?

Secretary Carter: Let me -- if I may, I'll say something first --

Senator King: Sure.

Secretary Carter: -- and then General Dunford, if he wishes to.

The -- first of all, I completely associate myself with the intention of this, which is to honor the families of the 9/11 perished. And so, that is the origin of this. And that's -- is a worthy one.

I -- it is a law enforcement matter, and, I have to say, we're -- we -- we're not the ones who are dealing with it, nor are -- am I, at least, an expert on it. But, you did raise one thing that I am aware of, which is a complication from -- that would be a complication, from our point of view, namely that were another country to behave reciprocally towards the United States, that could be a problem for some of our servicemembers. That is, I'm told, a -- something that we, in the Department of Defense, should be concerned about. And you're referring to that. And that's my understanding, as well.
Let me ask the Chairman if he wants to add anything.

General Dunford: Senator, the potential second-order effect the Secretary has raised is one that was -- been brought to my attention. So, that's my concern, as well.

Senator King: I think it would be helpful if you could give us more detail on that issue, because we're going to be having to make a decision, probably next week. And I, for one, want to be sure I understand the full implications of that decision, not only on the victims' families, but also on other United States interests around the world. So, I'd appreciate it if that could be made available in the next few days.

Thank you.

Thank you, Mr. Chair.

[The information referred to follows:]

[COMMITTEE INSERT]
Senator Reed: On behalf of the Chairman, Senator Ayotte, please.

Senator Ayotte: Thank you, Chairman.

I want to thank you both for your service and leadership for the country.

You know, just to briefly weigh on this funding issue, what's been most disappointing to me, as someone who supported the bipartisan budget agreement, is that the defense appropriations bill passed within that cap set by the bipartisan budget agreement unanimously out of the Appropriations Committee. So, both parties agreed with the funding on defense. Then it came to the Senate floor, and it's been blocked multiple times because it's being held hostage to other issues.

So, just to be clear, what you're asking for, it's there. And it's just disappointing to people like me and others here, because the priority of defending this Nation and having the funding for our troops and what you need to do should be our priority, no matter what.

So, you know, as I hear this kabuki dance, it's obvious. We passed an appropriations bill. It was completely bipartisan, within the budget caps. So, why is it being blocked? I was proud to vote for it. I'd vote for it again tomorrow. And I just wish we'd get it done for you and our men and women in uniform.
I wanted to shift gears here and ask about Iran. And, General Dunford, does Iran continue to be one of the lead sponsors of terrorism around the world?

General Dunford: They are, Senator. I describe their major export as malign influence.

Senator Ayotte: And are they continuing to test ballistic missiles that is quite troubling to both us and our allies and, I think, in violation of U.N. resolutions?

General Dunford: They are, Senator, as well as provocative behavior in the Gulf.

Senator Ayotte: Exactly, that our military has encountered in the Gulf just recently.

General Dunford: That's right, Senator.

Senator Ayotte: So, one of the things that I wanted to ask about is -- recently, we learned that the 1.7 billion in cash relief has actually gone -- that the administration has provided Iran -- has actually gone directly to the Revolutionary Guard Corps. I don't know if you were aware of that. And, in fact, the Iranian parliament, or their equivalent of our -- their legislative body passed a law that essentially said if there was a settlement, a legal settlement from a foreign country, which is how this $1.7 billion has been characterized, it would go directly to the military. Does that trouble you, that they're taking the proceeds that we're giving them and funding their military?
General Dunford: Senator, I wasn't aware of it. It doesn't surprise me that the Republican Guard would have a high priority for funding inside of Iran. But, it certainly is troubling. The more funds that they have available, obviously, the more effective they'll be in spreading malign influence.

Senator Ayotte: So, you know, one of the things, as I look at this -- this is our -- you know, this relief that we're giving them, they're testing ballistic missiles, they -- the money that they're getting -- this isn't going to the Iranian people, it's going to their Revolutionary Guard Corps, that we know promotes terrorism and undermines stability around the world. And yet, as I see this situation, I don't see us taking any steps that we should, in terms of being aggressive in coming back, especially on the ballistic missile program and their terrorism issues. So, what should we be doing, General?

General Dunford: Senator, there's two things that I'd draw your attention to. First is our posture in the Central Command, which is, in fact, their -- both to deter Iran, but also to respond to Iran, should a response be required. Also, in the FY17 budget -- and I expect you'll see similar requests in the FY18 budget -- much of what we are focused on is dealing with what we describe as anti-access area denial. That's Iran's desire to keep us from moving into
that area, and then operating freely within that area. And many of the programs, from a cyber perspective, from ballistic missile defense capability, strike capability, are all designed to deal with the threat of Iran in the region.

Senator Ayotte: So, let me just ask you. They're still testing ballistic missiles. Would you agree that's a grave threat and something that needs to be addressed, in terms of our security? And this is all post-agreement, that they're doing this, agreed?

General Dunford: Absolutely, Senator, and that's why we've identified them as one of the four state challenges that we benchmark our joint capabilities against.

Senator Ayotte: One of the things I wanted to ask your thoughts on, General, is that we've learned about this $400 million in cash that Iran got, that would be included in the 1.7 billion that I referenced, for release of the American hostages. And did you think that was a good idea? Were you consulted about that?

General Dunford: Senator, that would, in the normal course of events, not be something that would be in my lane, so I was not consulted.

Senator Ayotte: Well, do you think it's a good idea that we should exchange cash to a country like Iran, that you've already confirmed is one of the largest state sponsors of terrorism, in exchange for hostages? Because,
as I look at this situation, they've now taken at least
three more American hostages.

General Dunford: Senator, I just don't know the
details of the agreement that was made with Iran and what
the nature of that money was. I -- you know, on principle,
I would prefer that we not provide additional resources to
Iran.

Senator Ayotte: So, on principle, you'd rather them
not have more money. And, I mean, doesn't it worry you
that, as we think about exchanging cash with a country like
Iran -- obviously, it was funneled through the European
countries -- and that, in fact, we're going to encourage
more bad behavior from Iran, and we've seen some of it?
Isn't that something we should be concerned about?

General Dunford: Senator, before whatever arrangement
was made, and after whatever arrangement was made, I'm under
no illusion of what Iran is intending to do, nor are we not
-- nor are we -- we are mindful of the capabilities that
they're developing, as well.

Senator Ayotte: Well, I hope -- you know, I've
introduced sanctions legislation on -- to address their
ballistic missile program. I think this ransom payment
issue is just deeply troubling, and it's just causing
further bad behavior from Iran. We know they've taken
further hostages. And I just hope that this administration
will step up and finally address Iran's bad behavior.

Senator Reed: On behalf of Chairman McCain, Senator Ernst, please.

Senator Ernst: Thank you, Mr. Chair.

Thank you, gentlemen, for being with us today and joining in the discussion.

I'd like to start with just a few quick yes-or-no questions; very brief, please, gentlemen.

For Secretary Carter, did you know that Khalid Sheikh Mohammed, the mastermind of the 9/11 attacks, and Ramzi Yousef, who masterminded and planned the 1993 World Trade Center attacks, utilized the Philippines as a safe haven for their planning and training? Yes or no?

Secretary Carter: Senator, it's -- I'll just say it to be -- I'll try your questions yes or no. It depends on whether they lend themselves to that. And, in this case, no, I was not aware.

Senator Ernst: Okay. Yes, he did use it as a safe haven during that planning and training.

General Dunford, did you know that Operation Enduring Freedom covered the Philippines in order to train and assist those local forces in the Philippines against al-Qaeda-linked terrorist organizations?

General Dunford: Yes, I did, Senator.

Senator Ernst: Okay, thank you, General.
And, for both of you, are you both aware that ISIS released a video this year encouraging fighters that can't get into Syria to head to the Philippines?

Secretary Carter: I am, yes.

General Dunford: I am, as well. And I was in Manila last week, Senator.

Senator Ernst: Wonderful. Thank you, General.

Just like we're witnessing in the Middle East, and we have heard much of the discussion today focus on the Middle East. General, I appreciate you've spent time in Africa, as well, dealing with Islamic extremist groups. They are also in Southeast Asia. And we are not spending much time talking about that. Groups like Abu Sayyaf, they're bonding together beneath the flag of ISIS. Yet, we really, like I said, don't seem to be focusing on this. The Philippine forces lost 44 of their special police in a single battle to these terrorist groups last year. Fifteen soldiers were killed in a single battle just last month. It's clear that this is a very real threat.

And President Obama admitted that we have underestimated the rise of ISIS in the Middle East. And what I fear right now is that we are completely underestimating the rise of ISIS in Southeast Asia.

So, before the President went to Asia last month, I did send a letter to him and encouraged him to visit about how
we can counter terrorism and counter ISIS in that region.
And I did urge him to bring up this issue with the
President. And shortly after that, ISIS claimed another
attack, killing 14 civilians.

Secretary Carter, are you concerned with what we see as
the rise of ISIS in Southeast Asia?

Secretary Carter: I am. And I'll say something, and
then I'll ask the Chairman also if he'd chime in.

When I talked about the metastasis of the cancer of
ISIS, you're absolutely right that South Asia clearly is a
place they aspire to spreading. I talk to our counterparts
there who are concerned about it. We work with them. Just
next week, I'm -- I'll be convening them in Honolulu on a
number of issues of Pacific security, but one of them is
going to be counterterrorism and countering ISIL. I'd say
Malaysia, Indonesia, Singapore -- you mentioned the
Philippines, and other places, but those four come to mind.
I've spoken to the Defense Ministers in each of those four
countries. They have concerns, particularly about the
possibility that ISIS could establish a foothold there. In
some places, it's already troubled, in some way. And there
are places in all those countries. And it could grab hold
there.

Senator Ernst: Absolutely.

Secretary Carter: So, it is very much on our agenda.
Chairman, please.

General Dunford: Senator, I agree with your assessment and concerns. Last week, I met with 29 Chiefs of Defense in the Pacific, in Manilla, hosted by the Chief of Defense of the Philippine Armed Forces, and we discussed, broadly, the threat of extremism in Asia and what we need to do to deal with it.

To your point, there's 1,000 foreign fighters, alone, we estimate have come from Indonesia into Syria and Iraq. There are hundreds that came from the Philippines. Other countries, as well, are dealing with that issue.

I think, although it's not very visible, there's a significant amount of activity going on to build the capacity of our partners in the Pacific. We're trying to work with them to develop a framework within which they can share information, share intelligence. We have a significant maritime domain awareness initiative, which will help them understand the movement into the sea. We see, for example, significant cooperation between the Philippines, Malaysia, and Indonesia in the Sulu Sea associated with the movement of people and so forth, you know, in -- as part of this violent extremist problem.

So, it is a different fight. I call it a requirement for a regional approach in Southeast Asia, as opposed to a coalition, which is required in Syria and Iraq. But, we are
Absolutely putting pressure on ISIL in South Asia. We are absolutely working very closely with our partners. And, frankly, the limit of the support we provide is often what they are willing to accept politically. And so, we're very keen, and we will bring to the President any requests for support. And I think, as you know, Senator, we are providing some support now to the Philippines -- intelligence support and --

Senator Ernst: Absolutely.

General Dunford: -- other support, to help them to deal with the extremist problem that they have in the south.

Senator Ernst: Thank you, General.

Thank you, gentlemen.

I just really want us to ensure that we are not taking our eyes off of that region. We seem to focus very heavily, as we should, on the Middle East and Africa, but we do have other footholds for ISIS. We do have five new bases going into the Philippines, and I think it's important that we really focus on these counter-ISIS opportunities.

So, thank you, gentlemen, very much.

Thank you, Mr. Chair.

Senator Reed: On behalf of the Chairman, let me recognize Senator Shaheen.

Senator Shaheen: Thank you, Mr. Chairman.

And thank you, Secretary Carter and General Dunford,
for being here today and for your service to the country.

General Dunford, at one point before this committee, you indicated that you believe Russia poses the greatest threat to the United States. Do you still feel that way? And, if so, can you identify where you think those threats are most concerning?

General Dunford: Senator, I can. Thank you. And I raised that issue -- I was asked before the committee, what did I think the most significant challenge to the United States was. And, of course, we talk about all four state challenges and one violent extremist. But, when I look at Russia's nuclear capability, when I look at their cyber capability, when I look at their developments in undersea warfare, when I look at their patterns of operation -- how often they've operating, the locations they're operating -- it's a pattern of operations that we haven't seen in over 20 years. When I look at Mr. Putin's activities in the Ukraine, in Crimea, in Georgia, that causes me to say that a combination of their behavior as well as their military capability, again, in some high-end areas, would cause me to believe that they pose the most significant challenge, potentially the most significant threat to our national interests.

Senator Shaheen: Well, thank you.

I very much appreciate, Secretary Carter, your raising
the European Reassurance Initiative as one of the programs that's threatened if we can't get agreement in Congress on funding, and share that concern, especially because of the potential threat that Russia poses on -- in Eastern Europe.

One of the things that Secretary Kerry said yesterday was that we should consider grounding all military aircraft in key areas of Syria in response to what appears to be a blatant Russian bombing of the humanitarian aid that was scheduled to go into Syria. And they have denied, of course, but, I think, as we've seen in the past, we can't really believe what they say.

So, I would ask you, Secretary Carter, do you agree that that is one avenue that we could take? And what would be the followup position if they continue to fly aircraft?

Secretary Carter: Well, I can't speak for Secretary Kerry. He is trying to get on the -- for the Syrian and Russian air force, exactly that, a cessation of hostilities and a -- which means a grounding of their aircraft, and not continuing to use them, particularly in a clumsy way -- it's a nice word -- in the Syrian civil war.

There's no question -- can be no question of grounding U.S. aircraft that are conducting strikes against ISIL. We do that. We do that with exceptional precision and care and concern for civilian casualties that no other country can match. And that's true of our whole coalition in all the
1strikes we conduct.
2
3So, they're not in the same category at all. And we need to continue with our air campaign to defeat ISIL. Let me ask the Chairman if he wants -- anything to add.
4
5General Dunford: Senator, the most significant concern I would have -- and I don't know what the proposal is -- but, I would not -- first of all, there's no reason to ground our aircraft. We're not barrel bombing civilians, we're not causing collateral damage. And we have momentum, as we've all discussed here earlier today, against ISIL right now. And I think what the Secretary is saying, I fully associate myself with. We need to keep the pressure on ISIL. The number-one priority that we have is disrupting their ability to plan and conduct external operations from Syria. And the cost of taking pressure off of ISIL right now exposes us to risk that I think is not acceptable.
6
7Senator Shaheen: In the absence of some other action that we take, along with our allies in that area, do you see anything changing the dynamic of the civil war in Syria? I mean, I -- I believe it's going to take some other outside -- some other intervention in order to change the direction of this war. And right now, there's nothing happening that would do that.
8
9Either one of you.
10
11Secretary Carter: Well, I'll start.
The direction in which Secretary Kerry is trying to get the Russians to move, which I understand fully, is the direction they always should have been in Syria, which is towards putting an end to the civil war, not pouring gasoline on it, and not emboldening Assad to be intransigent --

Senator Shaheen: But --

Secretary Carter: -- let alone conducting an air campaign, which is -- doesn't adhere to the standards that ours does.

Senator Shaheen: But -- I'm sorry to interrupt, Mr. Secretary, but I guess -- I appreciate what you're saying, and that that should have been Russia's position all along, but clearly --

Secretary Carter: That's what Secretary Kerry's trying to get them to.

Senator Shaheen: Right. But, we have had no success, after 5 years of civil war. And so, what I'm asking is, What other options do we have that might change the trajectory of what's happening in Syria?

Secretary Carter: Well, I'm -- again, I'm not going to try to get in the middle of these negotiations, but I think that Secretary Kerry is trying to find a way to achieve those objectives. They're -- those are the right objectives to have. And I -- but, as we sit here today, the Russians
do not, and the Syrians do not, seem to be moving in that
direction, as he said yesterday.

Chairman, you want to add anything?

Senator Shaheen: Thank you.

Thank you, Mr. Chairman.

Chairman McCain [presiding]: Senator Cotton.

Senator Cotton: Thank you.

Mr. Secretary, I share your regret about the Department
starting the fiscal year with another Continuing Resolution.
I also regret that the Democrats have filibustered the
Defense appropriations bills three times. Do you share my
regret over that fact?

Secretary Carter: I can't speak to the internal
deliberations of the Congress. The only thing I'd say --

Secretary Carter: Well, let me just say, we know that
the only way to get budget stability is with everybody
coming together. And I see proposals from this side and
that side, and this committee and that committee, and
they're all different. We submitted a budget, in accordance
with the bipartisan budget agreements just months after a 2-
year bipartisan budget agreement was agreed. That's what we
did. And that is, in my judgment, the only way we can get
true stability.
So, I'm -- I am continuing to support the position of the bipartisan budget agreement. And anything that comes out of the Congress that is supported, an appropriation, at last, for FY17 would be good for the Department of Defense. And I hope we get such a thing --

Senator Cotton: Do you --

Secretary Carter: -- in November.

Senator Cotton: Do you --

Secretary Carter: But, the reality is that these things have to be supported by both parties, both houses, and signed by the President. I'm the Secretary of Defense. I can't make all that happen. But, I know that's what has to happen in order for us to get an appropriation. Eight years in a row, straight, that hasn't --

Senator Cotton: Okay.

Secretary Carter: -- happened.

Senator Cotton: I understand. And my time is limited here.

Do you believe, if a bill is passed out of the House of Representatives that has a larger increase for defense spending than it does for nondefense discretionary spending, that the President should sign that legislation?

Secretary Carter: I can't speak for the --

Senator Cotton: Mr. Secretary, you are the --

Secretary Carter: I'm going to give you --
Senator Cotton: -- Secretary of Defense.

Secretary Carter: You asked the question --

Senator Cotton: You are not the Director of the National endowment of the Arts. You're not the Secretary of Housing and Urban Development. You are the --

Secretary Carter: That's where I was --

Senator Cotton: -- Secretary of Defense.

Secretary Carter: -- headed. That's exactly where I was headed. I'm not. And therefore, I can't speak for the needs of those departments. I do know that some of the national-security-related departments, which are outside of the defense appropriation --

Senator Cotton: You stated that --

Secretary Carter: -- with which I am --

Senator Cotton: -- stated that testimony up to here --

Secretary Carter: -- need their funding --

Senator Cotton: -- and others --

Secretary Carter: -- as well. So, it's not a matter of indifference to me whether the government as a whole is funded. And it's certainly not a matter of indifference to me whether an appropriation that can be supported by everyone up here so that it passes, and passed by the President, is done, or not. That's what I have to be for. Because I'm for getting a budget and for budget stability. And I just observe -- I'm not a participant, I'm an observer
-- that the only way that happens is not with this proposal and that proposal, it's with a bipartisan budget agreement. That's the line we tried to hew to. We're just playing it as straight --

Senator Cotton: I --

Secretary Carter: -- as we can.

Senator Cotton: I understand. You were the Deputy Secretary of Defense for Secretary Panetta. Is that correct?

Secretary Carter: Yes.

Senator Cotton: On page 374 of his memoirs, he states, "In fact, as my efforts to fight the sequester began to get some attention, a few congressional Democrats urged me to emphasize the danger of cuts to domestic programs, not just defense. To my amazement, the rest of the Cabinet, including members responsible for those parts of the budget, largely stayed out of the debate. That left me to argue for all of us, which I tried to do, even when I found myself frustratingly alone."

Have congressional Democrats urged you to advocate for increased domestic spending in addition to defense spending?

Secretary Carter: Well, first of all, I should say, you know, few had the experience with bipartisan budget management than Secretary Panetta. I don't remember that passage of his memoirs, but that sounds -- it sounds like
Senator Cotton: Do you remember --
Secretary Carter: -- his voice. But --
Senator Cotton: Do you remember --
Secretary Carter: -- I've not found myself in the same circumstance, except I am in the same circumstance he was, namely -- and I guess that was 2013 -- facing the prospect of sequester. And he didn't like it. And I didn't like it. I don't think any Secretary of Defense liked it. And I think it's awfully unfair to our troops to do this again and again and again and again. And that's what we've been warning about. That's where I have been. That's what our chiefs did last week. And I'm just hoping that, when everybody comes back in November, Congress reconvenes, that we get an appropriation that everybody can stand behind and that moves the country forward.
Senator Cotton: General Dunford, are we in great-power competition with China?
General Dunford: We are, Senator.
Senator Cotton: Secretary Carter, are we in great-power competition with China?
Secretary Carter: We are, absolutely right.
Senator Cotton: Thank you.
One final question. Are you engaged in any planning, deliberations, internal consultations of any kind to
transfer control of the detention facility at Guantanamo Bay to the Department of Justice?

Secretary Carter: No. I'm not.

Senator Cotton: Thank you.

Chairman McCain: Senator McCaskill.

Senator McCaskill: I'm going to take a deep breath.

I'm always proud to serve on this committee, because it's an oasis of bipartisanship in the Senate. And I hope we keep our eye firmly on our ability to lead in a bipartisan way to get the funding for our military that we really need, including being honest about budgeting, not putting base budget items in OCO so that we can pretend that we're not spending money because OCO is off the budget books. I think that the Chairman has done a remarkable job to try to keep us in an honest place as it relates to budgeting. I respect him for his effort in that regard. And I know I speak for many on our side of the aisle, including, I hope -- I know, the Ranking Member, that we're going to continue to try to work as hard as we can in a bipartisan way to get your budget done and make sure we're not trying to come back in 6 months and fund the war effort because we've played budget games at the eleventh hour with OCO.

My question today -- we've got 1.3 in the FY17 budget for train-and-equip for local opposition forces and for the Iraqi Security Forces. I'd like some kind of brief update,
if I could, on the screening process. How are we
determining who -- I mean, one of our challenges has always
been in Syria. Who do we help? And are they really the
good guys? And, obviously, we had one massive failed
attempt to try to put together a force on the ground through
train-and-equip. And now I know we've gone back. And I was
in Jordan and visited with our leaders over there about the
effort that's ongoing, working with smaller groups and
testing them first and making sure they're doing the right
thing. But, if you could briefly talk about how we are
doing the screening process for those resources, I'd
appreciate it.

Secretary Carter: Sure, Senator. I'll start. And
thank you. And, basically, it is as you say. Namely, we
have the same vetting process going on -- and I'll as the
Chairman to describe that -- but, the train-and-equip
program that was a disappointment when it started is now --
we have a -- changed completely our approach to it. And it
is as you describe; namely, not trying to create de novo
forces that will go in and oppose ISIL, but identifying
forces that are, and then enabling them. And that has been
successful. We're going to continue to do that. It does
involve vetting to our standards, which is required of us.
But, the program has changed. It needed to change. It did
change, and is now on a much successful footing.
I should also thank the committee, in the spirit of what you said earlier, about -- for their budgetary support in a timely way to our requests for that. And much appreciate that, as well.

And if -- I'd ask the Chairman, also.

General Dunford: Senator, just some of the mechanics. First, individuals who we are working with are vouched for by their tribal leadership. We do biometrics. We do a detailed interview process. We watch closely their behaviors. I would say our leaders over the last several years have been very, very good at literally separating wheat from the chaff as we go through the process of growing Syrian opposition -- Syrian or, as the case may be, forces in Iraq -- tribal forces in Iraq.

So, the vetting process, I think, is fairly sophisticated. And again, it's built on 15 years of lessons learned right now. A combination of the technology that we have available with biometrics, but also some intangibles that include, again, tribal leadership, behavior identification, those kinds of things.

Senator McCaskill: And I also wanted to -- to both of you, I appreciate your continued commitment in the area of sexual assault. I know we have put a lot on the military. I think we have counted up -- literally, there are hundreds of changes we have made over the last few years to the
Uniform Code of Military Justice. I did want to hone in on one area, because, as we looked at all of the reports in the last year, lots of good news -- incidents down, reporting up -- but that retaliation thing is an issue. And you issued a report in April which highlighted standardizing the definition of "retaliation," which is tough, because, you know, sometimes it's in the eye of the person who's being retaliated upon. And getting a standard definition, I think, is really important. We put, in this year's NDAA, a provision to make retaliation its own offense. I wanted to find out, What kind of progress are you making on trying to come up with a standardized definition of "retaliation" in this context?

Secretary Carter: Thanks very much, Senator. And let me just begin by saying -- by thanking you and all the members of this committee for bearing down on this problem. You know, I'm really proud of the way our forces conduct themselves, but there always -- there are people who don't conduct themselves up to that standard. And we can't have it. It's objectionable anywhere in society, but, in the profession of arms, it's particularly objectionable. And so, I very much appreciate your efforts. You're right, retaliation is something that we have begun to realize is a dimension of this problem that was under-attended. We had done good work, I think, at the law
enforcement part, attending to victims, and at prevention.

Retaliation -- the reason why, definitionally, it's complicated, but we'll get there, is that there are a number of different ways that retaliation takes place, some of them quite subtle, but serious. So, one is, you know, a superior who holds it against somebody that they reported a sexual --

Senator McCaskill: Right.

Secretary Carter: -- assault, which is --

Senator McCaskill: Failure to promote.

Secretary Carter: -- completely unfair. A little more indirect is people who are getting taunted --

Senator McCaskill: Social --

Secretary Carter: -- via social --

Senator McCaskill: -- retaliation.

Secretary Carter: -- media and so forth. So, we need to define these in such a way that they're legally appropriate, which you would understand, but that also cover the full gamut of things that a commonsense definition of "retaliation" would include. So, we are working towards that. And it is complicated, but we'll get there. And I very much --

Senator McCaskill: And how soon --

Secretary Carter: -- appreciate --

Senator McCaskill: -- do you think you'll get there?

Secretary Carter: -- your effort. I believe that the
update on that is due by the end of the year -- of this year. I did -- the report that I submitted to you was earlier in this year. And we should be able to get that done. And, of course, we'll communicate that to the committee and get your views. But, I appreciate your sticking with us on this issue.

Senator McCaskill: Thank you both.

Chairman McCain: Secretary, I'd just like to point out that, if it were not for the work of the women on this committee in a bipartisan basis, we would not have achieved the results that we have. And I am deeply appreciative for the bipartisan effort that's gone on, and continues to go on, in this committee to address an issue that you know is still with us. It may be to a lesser degree, but is still with us.

Senator Tillis.

Senator Tillis: Good morning, gentlemen.

Secretary Carter, I want to go back to the comments that Senator Ayotte made about -- I was someone else who supported the bipartisan budget agreement. Very disappointed that, on three different occasions, the defense appropriations bill has been filibustered. What -- not talking about any other discussions about appropriations. You're familiar with our defense appropriations bill, right? The one that's been filibustered on three different
occasions. Do each of you think that passing that bill
would be helpful with respect to completing your mission
within your lanes?

Secretary Carter: Well, I'm going to go back to where
I started, which is, there's no particular bill. I -- I'm
aware of three or four different versions --

Senator Tillis: Are you familiar with the measure that
we've tried to get on --

Secretary Carter: Well, let me --

Senator Tillis: -- in the chamber on three different
occasions --

Secretary Carter: I'm aware of --

Senator Tillis: -- that were filibustered?

Secretary Carter: -- several different measures, both

in the Senate and the House.

Senator Tillis: No. Secretary Carter, this is a

specific thing that we're trying to get on in the chamber of

the Senate. Are you familiar with a bill that passed out of

appropriations -- the defense appropriations bill -- that

we've tried to get on in the chamber?

Secretary Carter: I am. I've -- am aware of the one

that came before, yes. And --

Senator Tillis: Are you -- is anyone on your staff

familiar with an appropriations bill that we're trying to

get on in the Senate chamber?
Secretary Carter: I'm sure they are.

Senator Tillis: Okay. And what would they generally say about the passage of that bill with respect to you being able to complete your mission? In your lane. I'm not talking about any of the other appropriations bills.

Secretary Carter: Well, I think what they'd say is that if the Senate and the House pass an appropriations bill that comports -- that the President can sign, we will get an appropriations bill. I fully --

Senator Tillis: Let me --

Secretary Carter: -- hope we can get exactly that --

Senator Tillis: Let me go to General Dunford.

General Dunford, are you --

Secretary Carter: -- after the election.

Senator Tillis: -- familiar --

Secretary Carter: -- in November when people --

Senator Tillis: -- with the defense --

Secretary Carter: -- return here and --

Senator Tillis: -- appropriations bill that's been filibustered on three different occasions?

General Dunford: Senator, I'm not familiar with the details.

Senator Tillis: Do you know, generally, from your service chiefs or anyone else, that they think it would be helpful to pass that bill? Have you received any feedback
on -- this is a specific measure. This isn't a concept, this is something that's gone through the appropriations process, it's something that we want to pass that gives you certainty, that's within the constraints of the bipartisan budget agreement.

Chairman McCain: Senator, we do not ask the uniformed military for their opinion on issues that are political in nature.

Senator Tillis: Fair enough.

Let me go to something else.

Well, it just seems odd to me that we can't get a straight answer on something -- at least on the political side, Mr. Chair, I understand that -- from the Secretary on something that's specific to helping provide the certainty that we want to provide the Department.

I want to ask a -- go a completely different direction. And, General Dunford, maybe I'll ask you.

Back in January, we had Iranians fire missiles within about 1500 yards of the Harry S. Truman. Later in the same month, we had patrol boats captured. I'm sure you're familiar with Article 2 of the Code of Conduct for Members of the Armed Forces. Do you think the commander who surrendered met the dictates of the Code of Conduct under Article 2, or where there other mitigating factors that prevented him from doing that?
General Dunford: Senator, I believe that's being adjudicated right now in accordance with the UCMJ, so it wouldn't be appropriate for me to comment publicly. But, the fact that it's going through the UCMJ, obviously, I think, answers your question.

Senator Tillis: Another subject. This has to do with ISIL. You said that we need to keep the pressure on ISIL. And I know that that was being answered in the context of Syria, and probably Iraq. But, do you feel like we have adequately addressed putting -- keeping pressure on ISIL globally when you talk about Libya, you talk about Egypt and other areas where they seem to be -- and Senator Ernst talked about the Philippines -- do you feel like that we have an adequate global strategy for keeping pressure on ISIL?

General Dunford: Senator, I want to assure you that we have a military strategy to deal with ISIL globally. And we look very carefully at ISIL, wherever they are. We have ongoing -- and we don't have an opportunity often to talk about it -- but, we have ongoing operations in West Africa. We have ongoing operations in Libya. We have ongoing operations in East Africa. Of course, Syria and Iraq, we've spoken much about that today. We have ongoing operations in Afghanistan. And we're involved in a wide range of capacity-building exercises and initiatives in Southeast
Asia. We're also working -- and I've just spent this
weekend with a large group of my counterparts to look at
counter-ISIL. I'll have almost 50 Chiefs of Defense here in
October to discuss this. This is, in fact, what you're
suggesting, a transregional problem that will require a
global response. One of the key drivers of our success will
be a broader intelligence and information framework within
which we can harness all of these other nations who have
information that would be helpful to us.

But, am I satisfied or complacent with where we are?
No. Do I believe we have a strategic framework within which
to deal with ISIL transregionally? Yes.

Senator Tillis: Thank you.
Chairman McCain: Senator Nelson.
Senator Nelson: Gentlemen, thank you for your public
service.

Would either one of you like to characterize the
resurgence of the Taliban in Afghanistan?

Secretary Carter: I'll start.

The -- it is the fighting season in Afghanistan. The
Afghan Security Forces have done well this season. The
Taliban has been strong. But, the Afghan Security Forces
are much stronger this year than they were last year. They
continue to gather strength. General Nicholson's doing a
great job of helping them with that. We made some decisions
the President made some decisions which gave General Nicholson some wider scope to advise, assist, and so forth, the Afghan Security Forces. The President made a decision to adjust upward our presence there next year. We're continuing to go forward with the aviation and other enablers for the Afghan Security Forces.

So, the process, which has been under some -- underway some -- for some years to try to build the Afghan Security Forces to the -- to a point where they can maintain the security of their country and Afghanistan doesn't become again a place from which terrorism arises in the United States, that is our program. That is what we've been trying to accomplish.

I should turn to -- because we -- that progress, we owe, in very important measure, to General Dunford, when he was the commander there. And he knows that very well, so let me ask him to join in.

General Dunford: Senator, there is no doubt that the Afghan National Security Forces have had some challenges over the past 18 months, when they've been in the lead and we have gone to a train-and-advise-assist mission. Our assessment is that they continue to control about 70 percent of the country. They've taken far more casualties than we're comfortable with, and they still have capability gaps in their Special Operations capability, their aviation
enterprise, their intelligence, logistics, and, of course, broadly at the Minister of Defense, Minister Interior level. And that's our focus right now, is to further develop those capabilities so we can mitigate the casualties that they're suffering, which is of great concern, as well as some of the tactical setbacks that they've had.

But, on balance, I would call what's going on right now between the Afghan National Defense Security Forces and the Taliban as roughly a stalemate. The Taliban have not been successful in achieving the goals that were outlined in their campaign plan, which they typically make public in the spring of each year. And, on balance, the Afghan forces are holding.

In my judgment, if we commit to continue to support the Afghan forces, and continue to grow their capability, they will be able to provide security in Afghanistan. And, as Secretary Carter said, as importantly, we'll be able to maintain an effective counterterrorism presence and platform in South Asia in conjunction with our Afghan partners.

Senator Nelson: Thank you, gentlemen.

Thank you.

Chairman McCain: Senator Lee.

Senator Lee: Thank you, Mr. Chairman.

Thanks, to both of you, for all you do to keep us safe and to keep our country free. Your service and sacrifice
are deeply appreciated.

Late last week, there was a video that surfaced, a video that appeared to show the Free Syrian Army -- personnel from the Free Syrian Army -- threatening and insulting American servicemembers and forcing them to leave the town of al-Rai, where they had been providing assistance to the FSA. Analysts who have studied the video believe the incident occurred because the U.S. is also supporting Kurdish forces in Syria.

Secretary Carter, first, have you seen this video, and can you confirm reports that it appears to have taken place in al-Rai?

Secretary Carter: I've not seen the video. I've read reports about it. Let me ask Chairman Dunford, who has followed that closely, to answer you.

General Dunford: Senator, it took place in northern Syria. I'm familiar with it. I didn't watch the video. I have spoken to our commanders about it.

What I can assure you is that that -- the group that was taking some action against our forces, at least verbally, was a very small minority of the forces we're supporting. And that incident was policed up by our other partners. And we view that to be an isolated incident and not reflective of the relationship that our forces have with the vetted Syrian opposition forces. In fact, I think the
progress along the northern border between Syria and Turkey
is indicative of the relationship we have, which is very
effective.

    Senator Lee: Okay. So, I think that goes a certain
distance toward answering what was my next question, which
was, you know, What's the level of tension that you're
seeing between some of the Sunni Arab rebel groups that
we're assisting, on the one hand, and, on the other hand,
the Kurdish groups that we're also supporting in Syria? And
is that -- is there tension there? And could that tension
and the resentment that it engenders possibly threaten the
security of our U.S. personnel?

    General Dunford: Senator, it is incredible tension in
that region. And I would offer to you, I think it's a
testimony to the professionalism of our forces that are
there, because they have actually been managing this tension
for months and months. And the fact that we've been able to
continue to support the Syrian Democratic Forces and have
them make the significant progress they made, and continue
to support the vetted Syrian opposition forces while we
politically manage the relationship between Turkey and the
Syrian Democratic Forces and the United States, is all --
it's -- it is all part of a pretty complicated situation on
the ground over there that we are managing on a day-to-day
basis.
I'm not dismissive of the challenges. But, frankly, to date, we have been able to mitigate them.

Senator Lee: Okay. Thank you.

Yesterday, as I'm sure you're both aware, the Senate debated a resolution of disapproval related to the sale of U.S. weapons to Saudi Arabia. And there was some discussion of our broader support of Saudi Arabia's intervention in Yemen. This is a headline from November 2014, "Houthis Gain Ground Against Yemen's Al-Qaeda, Say They Will Continue Their Fight Until Al-Qaeda Is Defeated in Their Strongholds."

Secretary Carter, you stated, on April 8th, 2015, regarding new gains being made by al-Qaeda in the Arab Peninsula, quote, "AQAP is a group that we're very concerned with as the United States, because, in addition to having other regional ambitions and ambitions within Yemen, we all know that AQAP has the ambition to strike Western targets, including the United States," close quote.

Now, your quote was made, I believe, roughly one month after the U.S. supported intervention against other Houthi rebels, who, 4 months before, had been pushing back against AQAP, before that began in earnest.

Now, I understand the complexity of the conflict in Yemen. And I completely appreciate the fact that there are no easy answers when it comes to that conflict in Yemen.
But, Mr. Secretary, do you -- do AQAP and other Sunni extremist groups operating in Yemen still pose the greater threat to U.S. security?

Secretary Carter: I absolutely stand by what I said.

We continue to watch very closely AQAP and to take action where we need to, to protect ourselves. No question about it.

Senator Lee: Okay. And does our support of the fight against the Houthis, who are also AQAP's enemy, does that threaten, potentially, however inadvertently, to strengthen or take the focus off of AQAP or ISIS?

Secretary Carter: We've not taken our focus off of AQAP, no.

Senator Lee: General Dunford, you look like you wanted to add something.

General Dunford: No, I just -- I fully agree with the Secretary on that. We are singularly focused on AQAP. And we have the resources dedicated to AQAP that we think are appropriate.

Senator Lee: Okay.

I see my time's expired. Thank you, Mr. Chairman.

Chairman McCain: Mr. Secretary, are the Houthis sponsored by the Iranians?

Secretary Carter: They are certainly assisted in some respects by the Iranians, Chairman, yes.
Chairman McCain: Senator Donnelly.

Senator Donnelly: Thank you, Mr. Chairman.

Mr. Chairman, would you like me to proceed?

Chairman McCain: Please proceed.

Senator Donnelly: Thank you.

Mr. Secretary, General, I want to get your input on something I asked each of the service chiefs about last week. In the FY15 NDAA, we passed a requirement from the Jacob Sexton Act for every servicemember to receive a robust mental health assessment every year. Can you give me an update on where the Department is with implementation of the Sexton Act requirement on mental health assessments?

Mr. Secretary? General?

Secretary Carter: I'll need to get back to you specifically on the -- that assessment.

[The information referred to follows:]

[COMMITTEE INSERT]
Secretary Carter: I would like to say something more generally about mental health and the priority --

Senator Donnelly: That's fine.

Secretary Carter: -- if I may, Senator. I appreciate your interest in it.

As it happens, it is Suicide Prevention Month this month. And I only mention that because we do have suicide in our services, and we do believe that suicide is preventable. That's what the doctors tell us. All the specialists tell us this is something that is preventable. And therefore, it belongs in the family of things that we do to take care of our troops and ensure their welfare.

We're spending more -- and I can get you the numbers on that, but I --

[The information referred to follows:]

[COMMITTEE INSERT]
Secretary Carter: We have, over the last few years, increased severalfold our spending on mental health treatment specifically aimed at suicide, and trying to remove the stigma associated with seeking mental health care, and also emphasizing the need for other servicemembers to watch out for one another. Because one of the things we know is, there's usually somebody who spotted the behavior that's -- looks -- that can lead to suicide.

Senator Donnelly: Right.

Secretary Carter: Self-isolation, depression, odd things on social media, and so forth. So, we're trying to tell everybody to watch out for their fellow servicemembers.

Chairman?

General Dunford: Senator, I know each of the services has the tools. I don't know, in application, what the percentage is of the force that has received the evaluation yet, but we can certainly get that.

[The information referred to follows:]

[COMMITTEE INSERT]
General Dunford: That's largely a service-chief responsibility, not something I pay attention to on a day-to-day basis, although, as you know, I've been -- have been very involved in the mental health issues over the last several years.

Senator Donnelly: I do. And this was signed into law in December 2014. It's about 2 years now. So, do you expect, General Dunford, to see this fully implemented in the next year?

General Dunford: I do, Senator. I guess what I was alluding to is the percentage of the force that actually has it right now, because --

Senator Donnelly: No, I understand that. Yeah.

General Dunford: Right. So, you know, my -- and I'll get back --

Senator Donnelly: And I know it takes time to ramp up. I was just wondering if you think 2017 is the year that this can get fully implemented.

General Dunford: I think that's -- based on my previous experience as a service chief, I think that's a realistic timeline.

Senator Donnelly: Okay.

Mr. Secretary?

Secretary Carter: I absolutely concur. We'll meet that timeline.
Senator Donnelly: To both of you, I wanted to talk a little bit about broader counterterrorism strategy. In 4 months, we're going to have a new Commander in Chief, and preventing the next attack on our homeland and addressing the persistent conflict and instability in the Middle East is going to be one of the most pressing and complex challenges. How would you advise this concern about our counterterrorism strategy? And, you know, how would you inform that next Commander in Chief as to how to move forward at this time? Obviously, there's a number of areas, but, looking forward, how would you talk to them about our counterterrorism strategy as we head into a new administration?

Secretary Carter: I'll start and then turn it over to the Chairman.

We need to continue to press on all fronts. We can't let up, whether it's in the counter-ISIL campaign, in Syria and Iraq, elsewhere, or here at home. AQAP was mentioned a moment ago. That's a serious one. And so, our capabilities -- our military capabilities, our law enforcement capabilities, our homeland security capabilities, all of this, which we've honed now in the years since 2001, this is not going to go away, this phenomenon. We'll defeat ISIL, but there will be terrorism in our country's future. And so --
Senator Donnelly: If I could ask you another question
and --

Secretary Carter: -- it'll be part of the national
security landscape --

Senator Donnelly: -- I apologize, I'm running out of
time here. And you may have answered this earlier. I had
to come in and go out. But, Raqqa. When do you -- or --
and not, obviously, a single date, but how is this moving
forward? Are we cutting off -- I know closing Manbij has
cut off a significant amount of the flow. Where do things
stand in Raqqa? Are we moving forward on that? Do you see
progress every day? And what are you looking at as a time
when Raqqa's liberated?

Secretary Carter: I do see progress. We're working in
that part of Syria with the Syrian Democratic Forces.
They're the group with which we worked in -- as you
indicated, successfully in Manbij. And they and others
associated with them will be the force that envelopes and
collapses ISIL's control over Raqqa.

At the same time, I emphasized -- and the Chairman
already stressed this -- we're working with the Turks also,
the Turkish military, our good ally, very strongly, also in
northwest -- in the northwestern part -- portion there. And
obviously, the have difficulties with one another, but, in
each case, we support them against our common objective --
Senator Donnelly: And, Mr. --
Secretary Carter: -- which is counter-ISIL.
Senator Donnelly: -- Mr. Chairman, if you'd give me just 15 seconds.

On behalf of everyone in Indiana, the family and others, too, when we go to Raqqa -- we lost some young men and women there who were killed by ISIL. And we want to have them come home. We don't want to leave anyone behind. And we would ask for your cooperation and assistance. My young man, Peter Kassig, Kayla Mueller, so many others, not to leave any names out, but all the parents and all the folks back home, we want them all to come home. And we'd sure appreciate your assistance in making that happen.

Secretary Carter: Noted, Senator.
Senator Donnelly: Thank you.
Secretary Carter: Thank you.
Chairman McCain: Thank you, Senator, for bringing that issue up. They should come home.

Senator Graham.
Senator Graham: Well, thank you. Thank you both for your service to the country.
I'm going to try to get through as much as possible here.

Do you support the arms sale to Saudi Arabia that's being proposed?
Secretary Carter: I do, yes.

Senator Graham: Do you, General?

General Dunford: I do, Senator.

Senator Graham: Okay. JASTA. Are you concerned that we could be creating an environment where something like this bill could be used against our troops down the road?

Secretary Carter: That is -- the law -- it is a law enforcement matter, but we are watching it closely, for the very reason --

Senator Graham: Do you support the President's veto of --

Secretary Carter: Well, I'm very -- I'm concerned about the --

Senator Graham: Okay.

Secretary Carter: I'm concerned --

Senator Graham: Fair enough.

Secretary Carter: -- about exactly what you're talking about.

Senator Graham: Okay. Fair enough. And we'll talk. I'll write you a letter and go into it more in detail. But, I understand your concerns.

Do you support arming the Syrian Kurds?

Secretary Carter: I do support working -- continuing to work with them, yes.

Senator Graham: I mean, no, I didn't say "work with
them." Providing them arms.

Secretary Carter: Yeah. Well, we are -- we have provided them with some equipment already, and providing them arms, yes. They are part of the -- they are -- Senator Graham: I gotcha.

Secretary Carter: -- part of the Syrian Democratic Forces.

Senator Graham: Right.

Secretary Carter: Now, we haven't taken any specific -- Senator Graham: I gotcha. Well -- Secretary Carter: -- decisions about -- Senator Graham: I gotcha.

Secretary Carter: And -- but -- Senator Graham: Right

Secretary Carter: -- they are -- Senator Graham: The answer is yes, you support arming the Kurds more -- Secretary Carter: I support -- Senator Graham: -- in Syria.

Secretary Carter: -- whatever is required to -- Senator Graham: Okay.

Secretary Carter: -- help them move in the direction of Raqqa -- Senator Graham: Which could be providing them more
arms.

Secretary Carter: Yeah.

Senator Graham: What about you, General Dunford?

General Dunford: Senator, it's important -- I can't answer this yes or no. And it's important that I --

Senator Graham: I gotcha.

General Dunford: -- say a couple of things about this.

Number one, they're the most effective force that we have right now, and a force that we need to go in Raqqa. And we do have sufficient forces --

Senator Graham: Can I ask this?

General Dunford: -- to be able to secure and --

Senator Graham: I --

General Dunford: -- seize Raqqa.

Senator Graham: Yes, sir. I appreciate that.

We -- they -- do they support removal of Assad?

General Dunford: Today, that is not their stated political objective.

Senator Graham: So, wait a minute.

General Dunford: They're focused --

Senator Graham: Slow down. Whoa, whoa, whoa, whoa. We have two objectives -- to destroy ISIL, right? -- and to remove Assad. Is that correct? Both of you.

General Dunford: We have a military objective to destroy ISIL. I do not have a military objective to --
Senator Graham: Do you --

General Dunford: -- remove Assad.

Senator Graham: Well, the President has an objective of --

General Dunford: He has a political objective --

Senator Graham: Okay.

General Dunford: -- to remove Assad.

Senator Graham: All right. So, do you agree with me, Assad is winning right now?

General Dunford: I think Assad is clearly in a much stronger place than he was a --

Senator Graham: All right.

General Dunford: -- year ago.

Senator Graham: Well, thank you. You've always have been very honest with this committee.

Do you agree that Obama will leave office and Assad will still be in power, January 2017?

General Dunford: I don't see a path right now where Assad would --

Senator Graham: Okay.

General Dunford: -- not be in office in --

Senator Graham: So, let's talk about how you change the political equation. Do you agree with me that the only way Assad's ever going to leave, if there's some military pressure on him that makes the threat, militarily, more real
to him?

General Dunford: I think that's a fair statement, Senator.

Senator Graham: Okay. So, if the main fighting force inside of Syria is not signed up to take Assad out, where does that force come from?

General Dunford: Senator, I can't identify that force, but I do want to distinguish between what you're suggesting with Assad and Raqqa. The reason why I support the SDF is, my number-one priority is to --

Senator Graham: Yeah, I --

General Dunford: -- stop the planning and conducting of external operations.

Senator Graham: Totally --

General Dunford: And moving forward --

Senator Graham: Totally --

General Dunford: -- against Raqqa with the SDF --

Senator Graham: Yes, sir.

General Dunford: -- is the way to do that.

Senator Graham: So, let's look at it this way. ISIL's Germany and Assad's Japan, we're focusing on Germany. So, will this force, which is mainly Kurd, but not all -- can they liberate Raqqa, and hold it?

General Dunford: This force is not intended to hold Raqqa, no.
Senator Graham: What is the plan to hold Raqqa?

General Dunford: We currently have 14,000 Arabs that have been identified. And when we --

Senator Graham: Is that the holding force?

General Dunford: That may consist of part of the holding force.

Senator Graham: Well, do we have a plan to hold Raqqa?

General Dunford: We have a plan. It is not resourced --

Senator Graham: Okay.

General Dunford: -- Senator.

Senator Graham: All right. So, I just want everybody to know where we're at in Syria. We're making gains against ISIL. The main force that we're using are Kurds, who can't hold Raqqa. The Arabs have to. You're absolutely right about that. The Kurdish force, which is the main center of gravity inside of Syria, at this moment is not interested in putting military pressure on Assad. Other than that, we're in a good spot.

Now, I'm not blaming y'all. You didn't create this problem. Years ago, most of you recommended we help the Free Syrian Army when it would have mattered. We are where we are. I just want to make sure that the country knows what's going on in Syria is going to be inherited by the next President. And if there's not a change in strategy to
create a ground component that not only can hold Raqqa and put military pressure on Assad, this war never ends.

Russia. Did they bomb this convoy -- U.N. convoy?

General Dunford: Senator, we -- that hasn't been concluded, but my judgment would be that they did. They're certainly responsible.

Senator Graham: Do you agree with me, Secretary Carter -- and we've been friends for years, and I'm sorry it's so contentious -- I --

Secretary Carter: That's all right.

Senator Graham: You're a good man. What should we do about Russia, who was given notice about this convoy, if they, in fact, bombed a U.N. convoy delivering humanitarian aid? What should we do about that?

Secretary Carter: Well, I -- if -- let me put it even a little more harshly. And the Chairman said this earlier. The Russians are responsible for this strike, whether they conducted it or not, because --

Senator Graham: I totally agree.

Secretary Carter: -- they have taken responsibility for the conduct of the Syrians by associating themselves with the Syrian regime. What they're supposed to do, and what Secretary Kerry has been indefatigably pursuing diplomatically, is to get a true cessation of hostilities and get Assad to move aside in a political transition.
Senator Graham: They're not doing their part.
Secretary Carter: And I -- I'm -- that is what Secretary Kerry is trying to achieve. Is that difficult?
Absolutely. Does it look, in the last few days, like that's the direction it's headed? No. And he's said as much.
But, that's what he's trying to accomplish.
Senator Graham: Do you think the Russians are being helpful? My time is up. Have they been more -- do you think the Russians bombed this convoy? Most likely?
General Dunford: I do, Senator.
Senator Graham: Last question. Is there a Plan B, in terms of -- if diplomacy fails, a Plan B for Syria that has a military component?
General Dunford: Senator, we have --
Senator Graham: Regarding Assad.
General Dunford: -- we have done, and will continue to do, a wide range of planning. And, should the President change the policy objectives, we'll be prepared to support those.
Chairman McCain: Senator Fischer.
Senator Fischer: Thank you, Mr. Chairman.
And thank you, gentlemen, for your service. It is appreciated by all of us.
Secretary Carter, you stated that the United States will not ignore attempts to interfere with our democratic
processes, which I believe is in reference to the recent
cyberattacks on political parties, candidates, and election
systems. By that, do you mean that costs will be imposed on
those responsible for these attacks?
Secretary Carter: It's -- sadly, the reference is a
very broad one. I made it in Europe, and was speaking to
that audience, very broadly, to include the issue you
stated, but which is a concern they all have, and we have,
at NATO. The broader category is called hybrid warfare. It
ranges from little green men to people interfering in
democratic process. That's a concern that I was discussing
with allies when I was over there.
Senator Fischer: But, when --
Secretary Carter: And it's part of the way NATO's
going to have to adapt to the world as it really is. And,
yes, we're going to have to defend ourselves against --
Senator Fischer: So costs --
Secretary Carter: -- that kind of thing.
Senator Fischer: -- would be imposed for cyberattack.
Secretary Carter: That is -- like any other attack.
Senator Fischer: Do you think that -- with regards to
cyber, that this should be done in a public way so that the
penalties are clearly visible and -- to other potential
attackers in the future?
Secretary Carter: Well, I certainly think that we need
to defend ourselves and then take action against
perpetrators when we identify them, and that in -- is in
appropriate ways. I simply mean that because the
perpetrators are -- of cyberattacks range from -- and
cyberintrusions -- range from nation-states to cutouts to
hackers to criminal gangs.

Senator Fischer: Correct.

Secretary Carter: And it's quite a variety. And it's
why our highest priority in cyber, and including in our
Cyber Command, is defense of our own networks.

Senator Fischer: Right.

Secretary Carter: It's something --

Senator Fischer: It has been widely reported that
Russian hackers are responsible for the penetration that
we've seen at the Democratic National Committee, those
computer systems, when we look at leaks of the DNC emails
and documents. I guess the questions continue to persist
regarding the strength of that connection between the
hackers and Russian officials. And it is generally accepted
that the affiliation exists.

If this is true, that there is this connection out
there, what is clear is that it's a -- to me, another very
public instance, this time using cyber, where Russia
continues their aggression towards this country and towards
our interests. And when we have an adversary who so
brazenly strikes at the heart of our democratic process, I think that indicates how low they believe the cost of that behavior is going to be. So, in other words, I think we've possibly lost the deterrence factor when it comes to cyberattacks.

Would you agree with that?

Secretary Carter: We can't lose deterrence effect, ever. And with respect to Russia, it is -- one of the reason -- one of the emphases, stresses we made in our budget -- and, by the way, this is one of the reasons why we would appreciate having our budget passed, as is, to get back to an earlier question -- is because it prioritize something we haven't had to do, Senator, as you're stressing, for a quarter --

Senator Fischer: But, do you --

Secretary Carter: -- of a century, which is -- we -- it used to be -- we haven't had, as a major component of our defense strategy, countering the possibility of Russian aggression.

Senator Fischer: But, now we do.

Secretary Carter: That's why we're making --

Senator Fischer: And --

Secretary Carter: -- investments. And it ranges from cyber to the European Reassurance Initiative, which is one of the things that we hope doesn't get affected in --
Senator Fischer: Am I --
Secretary Carter: -- budget --
Senator Fischer: I apologize for interrupting you.
The Chairman's strict on time.

But, dealing with -- dealing with cyber, when we look at cyber, do you have plans that you have given to this administration or are plans available to provide the administration with flexibility in dealing with cyber? Specifically, how do we address such attacks, whether they are from a nation-state, whether they are from organized crime, or whether they are from individuals? Are there plans out there on how these attacks are going to be addressed, whether through deterrence or actual actions? And are those plans updated as we continue to see the expansion of cyberattacks on this country?

Secretary Carter: That's a very good question. And we're just discussing here, because there are many aspects to the answer to this, but, yes, we have a lot of cyber capabilities that we are building, developing in all the services and at Cyber Command.

And, more generally, for the Russians, let me ask the Chairman to add something.

General Dunford: Senator, for exactly the reason you're raising, we're in the process of rewriting, at the Secretary's direction, a more broad framework for dealing
with Russia in contingencies associated with Russia. It's also the reason why our national military strategy now will be a classified document, because what we are trying to do is provide a strategic framework to deal with the full range of behavior that we may see from a state like Russia, China, North Korea, and Iran. And, in some cases, a cyberattack may not beget a cyber response. We want to make sure our national command authority has a full range of options to deal with something that has been determined, in fact, a violation of our sovereignty and an attack in cyberspace.

So, there's really two things. One, the strategic framework working on, and we're also working on a full range of tools -- cyber tools -- so that we have both the ability to protect our own network and to take the fight to the enemy in cyberspace, as required, our offensive cyber capability.

So, I would tell you that the issue that you're outlining really is being addressed in both a strategic framework as well as physical tools that we're developing. But, again, it's not just focused on cyber, it's focused on providing the Secretary and the President a full range of options with which to respond in the event of an attack -- again, whether it be cyber or anything else.

Senator Fischer: I thank you for that. And I think the deterrence aspect of cyber response is very, very
important, that we keep that, and also that public responses
make an impression, as well. Thank you, sir.

Chairman McCain: Senator Sullivan.

Senator Sullivan: Thank you, Mr. Chairman.

Gentlemen, last week, as you know, we had the service
chiefs testify. And I began my comments commending you, Mr.
Secretary, and the President for the selection of such men
and women of high caliber, high integrity, leading our
military, including the current Chairman. And one of the
reasons is that they typically give this committee and the
American people honest testimony.

And an example of that was last week. I asked what the
risk level was our Nation faced in being able to conduct a
full spectrum of operations, including one conventional
conflict. And each service chief said that this would
entail, quote, "high military risk" for their service. Each
service chief. Which I found remarkable. And distressing.

General Dunford, do you know if that's ever happened
before, where all four service chiefs have stated that we
currently exist at a state of high military risk for our
forces? General Milley described what that meant, which is
a lot of death for our military if they have to go into this
kind of spectrum of ops. Is this unprecedented?

General Dunford: Senator, I don't know if it's
unprecedented, but, over the last several years, I think all
the chiefs, to include me when I was the Commandant, and the
chiefs before I assumed that responsibility, have been
articulating the risk associated with the readiness
challenges that we've had, really, now that date back as far
as 2005.

Senator Sullivan: So, do you -- you agree then, I
assume, with the assessment of each service chief, that we
face high military risk, in terms of a --

General Dunford: Senator --

Senator Sullivan: -- spectrum of ops that includes --

General Dunford: Senator, I don't agree that we have
-- I agree that each of the services has high risk, and
they've articulated it.

The one thing I think I want to -- I would like to say
and then answer your question is, We, today, can defend the
homeland. We, today, can meet our alliance
responsibilities. And we, today, have a competitive
advantage over any of those four-plus-one we spoke about.
But, I fully associate myself with the chiefs when they talk
about the time and the casualties that we would take as a
result of readiness shortfalls that we have today.

Senator Sullivan: You think high military risk is
acceptable?

General Dunford: I did not say that, Senator, for one
minute.
Senator Sullivan: So --

General Dunford: What I want to do is, I want to communicate, to those who are listening, both in the force and our potential adversaries, to make it clear that my judgment is that the U.S. military, today, can, in fact, dominate any enemy in a conflict. I --

Senator Sullivan: Mr. Secretary, the four service chiefs talked about high military risk. Again, I thought that was remarkable. I don't know if that's ever happened, Mr. Chairman, before this committee before. But, it begs the question that we've been talking about in this hearing today, is how -- if that's what they're saying, how can we not -- how can the President not support increased military spending? Right now, there's a new Gallup poll out, saying, "First time since 2002, the American people support more military spending." If the service chiefs are each saying we face high military risk, how can we not be supportive of additional military spending? I just don't -- I just don't understand that at all.

Secretary Carter: Well, first of all, let me thank you and associate myself with your commendation of the senior leadership of our Department. We're blessed as a country to have such people serving us. And they told it to you straight. And I, too, associate myself with what they said.

There is risk in the force. And the risk --
Senator Sullivan: It's actually high risk.

Secretary Carter: Let me just tell -- let me unpack that, because they each did that for you. There are -- it's different in each of the services, but there are a few common denominators.

One has been budget instability, which is why I am and will continue to hew to the idea that we need budget stability. And that means everybody coming together. Not this idea and that idea and that idea, but one that everybody can agree to. And we haven't seen that yet, and it's the end of the fiscal year.

Senator Sullivan: Mr. Secretary, just to -- just real --

Secretary Carter: Eight -- let me finish -- eight --

Senator Sullivan: -- a quick point on that --

Secretary Carter: -- eight times in a --

Senator Sullivan: -- just a quick point on that --

Secretary Carter: -- eight times in a row. So, that's going to have an effect --

Senator Sullivan: You've had the minority leader --

Secretary Carter: -- on risk.

Senator Sullivan: -- of the United States Senate filibuster the defense appropriations bills, not three times, as my colleagues have said -- six times in the last year and a half year. So --
Secretary Carter: Let me --

Senator Sullivan: -- we're trying to make that happen.

And --

Secretary Carter: Thank you. Let --

Senator Sullivan: We're all trying to make that happen.

Secretary Carter: Thanks. Let me go on. There's another thing that's so substantive of importance, other than the budget instability the last few years. And that is the services -- and, I think General -- I think you mentioned General Milley -- he, in particular -- and I want to associate myself with this -- is trying to move to full spectrum, exactly the words you used, from an Army that we dedicated almost wholly, in terms of force structure, to the COIN fights that we had to conduct in Iraq and Syria. So, the Army's been resourcing them heavily. Now he is trying to get his forces trained for full-spectrum combat.

And as -- I think, as he said to you, that's a matter of budget stability, yes, but it's also going to -- it also is a matter of time. And he's working on it. That's his highest priority. And I agree with him, for the U.S. Army. He's trying to get all his Brigade Combat Teams to go through the Nellis, the CTC at Nellis. That's going to take some time.

If we go to the Marine Corps -- and I know General
Neller spoke to you about that -- their highest readiness priority, which I also want to foot-stomp, as I'm sure he did, is in their aviation. And there are a lot of different dimensions to that. One is the recap of their aviation, both rotary wing and with the F-35 joint strike fighter coming down the line.

With the Navy, it's mostly a matter of ship maintenance, depot maintenance. And Admiral Richardson's working on that.

In the Air Force, for General Goldfein, the Air Force continues to have readiness challenges which are associated partly with budget instability, but mostly with the high OPTEMPO of the Air Force. We're working the United States Air Force really hard in that air campaign over in Iraq and Syria. It's essential. It's important. But, it means that air wings are constantly rotated in and out, and, when they come back, they have to go back in for readiness training.

So, in the budget we submitted for FY17 -- and we said this -- readiness and resourcing are -- the readiness plans of each of the services was our highest priority. So, there's no question about it, there's risk there. It has accumulated over the years. We need stability and we need priority in order to work through it. We need stability from you. We'll give it priority. And I totally support the chiefs in what they told you last week.
Chairman McCain: Senator Cruz in just a second.

Mr. Secretary, the impression that was given by the service chiefs was: it comes down to readiness, training, spare parts, all the things that go when you have budget cutbacks. We've seen the movie before. So, although, as you pointed out, each individual service has some specific needs, it all comes back to funding for operational readiness and training, which is always the first to go. And that's -- obviously, when we have U.S. pilots flying less hours per month than Chinese or Russian pilots, there's something fundamentally wrong. And I know you agree with that.

Senator Cruz.

Senator Cruz: Thank you, Mr. Chairman.

Secretary Carter, General Dunford, thank you for being here today. Thank you for your testimony on the critical national security threats facing our country.

The last 7 years, we've had an administration that has, in many ways, neutered itself and ignored one transgression after another from our enemies. And, as a result, our adversaries are continuing to increase their belligerence. Iran has received no meaningful repercussions for illegally seizing American sailors and endeavoring to humiliate them, and has since increased their aggressive tactics and harassment of U.S. Navy vessels operating in the
Arabian Gulf.

For months, Russia has been ramping up the pressure on our military, previously flying within 30 feet of a U.S. Navy warship, and most recently flying within 10 feet of a U.S. Navy surveillance aircraft. And instead of treating these as escalatory acts from an adversary, Secretary Kerry rewarded Russia by agreeing to share intelligence in Syria.

These examples don't even touch on Iranian and North Korean efforts to develop their ICBM programs, nor the expansion of ISIS beyond the Middle East.

Sadly, this week's terror attacks in New York, Minnesota, and New Jersey once again demonstrated that radical Islamic terrorism continues to threaten our safety. By any reasonable estimate, we can conclude that our national security interests are at serious risk. And I want to thank both of you for your service during such a pivotal and dangerous time in our Nation's history, and for your leadership of our men and women in uniform.

I want to ask you, starting with Iran, What is and what should be our response to escalating Iranian belligerence and threats?

Secretary Carter: Well, first of all, thank you very much, Senator, for that. And you hit them all, the five parts of our military strategy that are reflected in what we're trying to get in our budget, namely counter-ISIS,
Iran, North Korea, Russia, and China. All of those are -- present very different, but serious, challenges that have a serious military dimension to them.

With respect to Iran, notwithstanding the nuclear deal, which was good, in the sense that it removed -- if implemented faithfully, which it is being, so far -- removed nuclear weapons from our concerns about Iran. It did nothing to alleviate other concerns we have -- their malign influence, their support for terrorism, malign influence in the region. And this is why, to give you one answer to your question -- and I'll ask the Chairman to pitch in -- why we have a strong, ready presence in the Gulf. Gets back to our readiness discussion. It's not just about ISIL. We have a big OPTEMPO to defeat ISIL. We're going to do that. Takes a lot of force structure, but also readiness consumed doing that, consumed in a good thing because we're defeating ISIL. But, we are also standing strong in the Gulf. That means defending our friends and allies there, defending our interests, and countering Iranian malign influence. So, it is an enduring commitment of ours.

Let me ask the Chairman to join in.

General Dunford: Senator, I think there's -- from a military perspective, there's three things that we need to do. Number one is, we need to make sure that the inventory of the joint force can deal with Iranian challenges that do
range from ballistic missile defense to the malign influence
that you spoke about earlier. Number two, we need to make
sure, in our day-to-day operations, we make it clear that
we're going to sail, fly, and operate wherever international
law allows us to, and we'll continue to do that. Number
three, as the Secretary said, we need to have a robust
presence in the region that makes it very clear that we have
the capability to deter and respond to Iranian aggression.
Those would be the three elements that we need to have for
-- from a military perspective, to give our President
whatever options he may need to have.

Senator Cruz: General, in your judgment, was flying
$1.7 billion in unmarked cash to give to the Iranian
government incentivizing positive behavior from Iran?

General Dunford: Senator, I'm not trying to be
evasive, but I don't know the details of that arrangement.
And it really was a political decision that was made to
provide that money. And I don't think it's appropriate that
I comment on that.

Senator Cruz: Well, let me ask it this way. I spoke,
yesterday, to Pastor Saeed Abedini, who was one of the
American hostages held in Iran. And Pastor Saeed described
how, when he was preparing to fly out, that his captors told
him they were going to wait until the planeload of cash
landed. And if the planeload of cash didn't land, he wasn't
flying out. And when $400 million touched down in cash, they allowed him to fly out.

Now, under any ordinary use of language, that would seem to be payment of a ransom. Does it concern you if the United States is now in the business of paying ransom to terrorist governments for releasing Americans, the incentive that we face for future terrorists and future terrorist governments to attempt to kidnap and hold for ransom Americans?

Secretary Carter: It -- Senator, let me just jump in here for the Chairman.

We weren't involved in this. This was the settlement of a legal case. And the -- it's longstanding. I don't know all the details of it. And the Chairman and I were not involved in that. It is a decision that was taken by the law enforcement and the diplomatic --

Senator Cruz: Mr. Secretary, I appreciate --

Secretary Carter: -- community. I think we have to refer you --

Senator Cruz: -- that, but --

Secretary Carter: -- refer you there.

Senator Cruz: -- I would like an answer from General Dunford to the military question, whether, in his professional military judgment, it concerns him, the precedent of paying ransom for Americans, to terrorist
governments.

General Dunford: Senator, without commenting on whether or not that was ransom, again, because I don't know the details, our policy in the past is that we don't pay ransom for hostages. And I think that's held us -- held us in good stead in the past. But, again, I don't know the arrangements that were made in this particular case, and I can't make a judgment as to whether or not that's what we did. All I've done is read the open-source reporting on that.

Senator Cruz: Thank you.

Chairman McCain: Senator Wicker, if you would give General Sullivan a chance to ask one more question.

Senator Wicker: Indeed.

Senator Sullivan: Thank you, Mr. Chairman.

Gentlemen, I just wanted to turn to the issue of the South China Sea. And the international ruling in the Hague put China on the defensive. Mr. Secretary, as you know, a number of us at the Shangri-La Dialogue have been supportive of your efforts. And I certainly want to give the administration credit for sending two carrier battle groups to the region together recently. But, I think a number of us remain concerned about the likelihood of reclamation at the Scarborough Shoal and the ongoing -- and it's definitely ongoing, from all reports -- militarization at Fiery Cross,
Subi, and Mischief Reef, which was also declared as not, you know, being within China's territorial realm. So, what's the strategy to deter future Chinese reclamation activities in the South China Sea, especially at Scarborough Shoal? And equally, if not more important, what's the plan to respond to ongoing militarization of the land that they've already claimed?

Secretary Carter: Thanks, Senator. I'll start and then -- Chairman can join in.

I'm actually glad you raised the issue. We haven't talked much about the Asia-Pacific, but you know a great deal about it, and I appreciate that Chairman McCain always leads a delegation out there to Shangri-La, because it shows the persistence of the American presence in that region and the centrality of our continued presence there.

Now, the -- what we have stood for there now for many, many years, and continue to stand for, and the reason why so many countries there associate their -- themselves with us, and increasingly so, is, we stand for principle. And one of those principles is the rule of law. So, the decision did come down, and our -- we didn't take the position the disputes themselves -- we do support the decision of the court.

China's rejection of that is having the effect -- you asked, sort of, What's the reaction to all this? -- the
effect of causing countries there to express their concern
by wanting to do more with us. And we like building the
security network there. We're not trying to do that against
China, but, if China chooses to exclude itself in this way,
this is the development that occurs. So, we're working more
with each and every country there. We find them
increasingly coming to us. And we are continuing to operate
there, as we always have and always will.

And last, I guess I should say, in terms of
investments, in addition to putting a lot of our force
structure there, which you're very familiar with, and I'm
grateful that your State hosts some of that, including some
of our most modern stuff, we're making a number of
qualitative investments in -- and that's one of the things
that's reflected in our budget, and one reason why we hope
that, in addition to funding our budget, we -- nobody
shuffles around in our budget stuff that we -- new stuff
that is oriented toward the high end for old force
structure. And we've seen a tendency towards that.

So, we're reacting in a number of ways, in terms of our
own activities and investments. But, the most important
thing that's going on is in the region, itself.

Let me ask the Chairman to add.

General Dunford: Senator, I think a response to the
challenge you identified clearly is going to require
diplomatic action, economic action, and military action.

So, I'll talk to the military piece of this, which, right now, is actually, I don't think, the most prominent piece in dealing with the challenge of China. But, I think, from my perspective, we need to do a couple of things:

Number one, militarily, we need to recognize the implications of the militarization of the South China Sea, and our plans need to be adjusted accordingly.

Number two, we need to continue to fly, sail, and operate wherever international law allows, and make it very clear that we're doing that on a routine basis.

And, number three, we need to make sure that our posture in the Pacific assures our allies and deters any potential aggression by China, and makes it absolutely clear that we have the wherewithal, both within the alliance as well as U.S. capabilities, to do what must be done, vis-a-vis China.

So, I think if we provide the President with clear options, I think we will have done our job. But, primarily, right now, I think the President is -- has some diplomatic and economic areas where -- also will contribute to moderating China's behavior.

Senator Sullivan: Thank you, Mr. Chairman.

Chairman McCain: Senator Wicker.

Senator Wicker: Thank you, Mr. Chairman.
And let me say that I hold both of these witnesses in high regard. I appreciate their distinguished career of service.

I do have a statement for Secretary Carter, followed by a question.

Mr. Secretary, in his farewell speech to the U.N. General Assembly on Tuesday, President Obama stated, "There is no ultimate military victory to be won in Syria." As a member of this committee for many years, I find this assertion to be astounding. Our Chairman and I, along with other members of this committee, have made repeated admonitions over the years that decisive action needs to be taken against President Assad.

In August 2012, the President delivered his now infamous red-line statement in which he said, "We have been very clear to the Assad regime that a red line for us is, we start seeing a whole bunch of chemical weapons moving around or being utilized. That would change my calculus. That would change my equation."

Now, Mr. Secretary, a year later, disregarding the counsel of your predecessor, Secretary Hagel, the President canceled airstrikes against Assad, who had unleashed sarin gas on his own people outside of Damascus and continued his gruesome use of barrel bombs on civilians. This dramatic demonstration of weakness by the President left a vacuum in
the region that was quickly seized by President Putin. We are now faced with an enduring quagmire.

Sadly, President Obama's stunning remark that there is no ultimate military victory belies the reality of the Obama foreign policy that has ignored and belittled the advice of our leaders in the Department of Defense.

To add insult to injury, the President issued a memo yesterday ordering you and General Dunford to consider climate change during our military planning process. Last weekend, we dealt with a multiple -- with multiple terrorist attacks on our shores. Last night, we heard that ISIL may have launched a chemical attack on our troops. It boggles the mind that the President would issue such an order during this critical time in our history. Four-hundred thousand civilian deaths in Syria. I wonder what the carbon footprint of these barrel bombs would have been that we could have prevented, had we acted decisively.

Mr. Secretary, I have the highest regard for you as an individual, as I've already stated, and I thank you for your service. I just wish you had been given the appropriate authority by the President to turn this administration's misguided policy around.

Now, I was here when this hearing began, at 9:30. You've all been very patient with your answers. And I know you've discussed this already, Mr. Secretary, but it -- at
this point, toward the end of this hearing, is there anything else you'd like to add in response to what I've said?

It seems the President is now -- is more resolved now than ever to forget his 2012 promises. What's your recommendation as to the future of the Assad regime? What about the President's -- what about your statement during confirmation that, as the President has said, Assad has lost his legitimacy and cannot be a part of the long-term future of Syria? Is that statement still operative?

Secretary Carter: I think it is. I -- and I'll just give a general answer to your general question. You're right, it was discussed earlier. And even though we are going to be, I'm confident, militarily successful against ISIL, insofar as the Syrian civil war is concerned, the violence can't end there until there's a political transition from Assad to a government that is decent and that can govern the Syrian people and put that tragically broken country back together. That doesn't look in sight now. It was we talked earlier about Secretary Kerry's trying to make arrangements to promote, but it is -- that's necessary for the resolution of what is, as you say, a very tragic situation.

Let me see if the Chairman wants to add anything.

Senator Wicker: Well, let me just ask this, if you
don't mind, Secretary Carter. It would help if the barrel bombing ended. And I spoke to a Democratic colleague of mine today. I've been calling for a no-fly zone to stop the barrel bombing, and I asked this colleague of mine on the other side of the aisle if he would support that. And he said, "Yes." He said, "I want to call it something else, rather than a no-fly zone," but that this particular Senator -- it is a fact that this particular Senator has now changed his position and would like us to take action to present -- to prevent the barrel bombing.

What is your position about that? And wouldn't it help if we took decisive action and ended this carnage?

Secretary Carter: I don't know the specific proposal which you're discussing with your colleague. I'll make one comment and see if the Chairman wants to add anything.

Senator Wicker: I think he was talking about a no-fly zone --

Secretary Carter: Well, okay.

Senator Wicker: -- but described in more palatable terms.

Secretary Carter: There are -- a number of different proposals have been made, but I -- the one that I think it -- the focus on right now is the one Secretary Kerry's trying to promote, namely a no-fly zone for the Russians and the Syrians who are attacking the Syrian people. If they're
talking about a no-fly zone for American aircraft fighting ISIL, needless to say, that -- that's not going to get any enthusiasm, get strong opposition from me.

Senator Wicker: I'm speaking about a --

Secretary Carter: But, I think that's what a -- but -- it's not called that, but Secretary Kerry is trying to get a standdown of the Syrian and Russian air force. And if he's successful, that would be a good thing.

Let me ask the Chairman if he has anything to add.

General Dunford: Senator, the only thing I'd say is, you know, as the situation on the ground changes, I think I have a responsibility -- we, the joint force, has a responsibility -- to make sure the President has a full range of options. We have discussed that issue in the past under certain conditions. The conditions on the ground will change, and we'll continue to look at those options and make sure they're available to the President.

Senator Wicker: What about the option of controlling the airspace so that barrel bombs cannot be dropped?

General Dunford: All options --

Senator Wicker: What do you think of that option, sir?

General Dunford: Right now, Senator, for us to control all of the airspace in Syria, it would require us to go to war against Syria and Russia. That's a pretty fundamental decision that certainly I'm not going to make.
Chairman McCain: To impose a no-fly zone --

General Dunford: Chairman, could I, for a second, say --

Chairman McCain: No. No.

Senator Gillibrand.

General Dunford: That's not what I said, Chairman.

Chairman McCain: Go ahead.

Senator Wicker: Well, yeah, I do think that's --

General Dunford: What Senator -- what the Senator asked me was "to control all of the airspace" --

Chairman McCain: No, what he asked was, Should we have a no-fly zone so we can protect these people from being slaughtered? What's what he's talking about.

General Dunford: I answered that first.

Chairman McCain: That's what we're all talking about.

Senator Wicker: So, that would not require going to war, full-scale, would it?

General Dunford: Not necessarily, Senator. I -- I'm sorry, but I tried to answer the first question first, and then I was responding to the second part of your question. But, that -- I did not mean to say that imposing a no-fly zone would require us to go to war. That's not the question I was answering.

Senator Wicker: Thank you.

Thank you, Mr. Chairman.
Chairman McCain: Senator Gillibrand.

Senator Gillibrand: Thank you, Mr. Chairman.

Thank you both for testifying today.

I want to continue some of the issues that Senator Fischer brought up about cyber. In the past year, we've learned, obviously, about a number of cyberattacks, whether it was against the DNC or against NSA or the Office of Personnel Management. And these attacks have demonstrated the integrated nature of our networks and how our -- how targeting one system can have a broader effect. Whether it's critical infrastructure, private companies, or political party networks, we need to have a much more integrated response to these attacks.

How can we create an integrated framework for response to hacks and cyberattacks? And what is DOD's role? And are the processes and authorities now in place for DOD to respond in a systemic way rather than ad hoc to each attack?

Secretary Carter: I'll start.

And you're -- you used the phrase, Senator -- and thank you -- that I would use, as well, which is "an integrated approach," because you don't necessarily know, at the beginning, who the perpetrator is. And there's this whole spectrum of possible and actual perpetrators, ranging from criminals and kids right up to nation-states. And, you're right, it's -- it is -- the Defense Department shares this
responsibility with law enforcement and Homeland Security and intelligence. But, we aim to play a big role -- a big supporting role.

Our first job is the defense of our own networks. That's our highest priority within the DOD cyber system, because we depend so abjectly upon those systems for the performance of our military, overall. All our soldiers, sailors, airmen, and marines, ships, planes, and tanks, and so forth are networked together. In order to function as excellently as they do, those networks need to be secure. That's our first job.

We also do develop cyber offense. We've acknowledged that in the last year. And --

Senator Gillibrand: Yeah, and I really appreciate the work you're doing on innovation. I think the Defense Innovation Unit Experimental that you started in Silicon Valley and now have expanded to both Boston and Austin is really exciting. And I actually would invite you to look at New York for your next site, because we have so many venture-capital high-tech developing there. It's becoming sort of this new Silicon Alley.

Secretary Carter: I appreciate that. And I appreciate the committee's support for DIUX. It's one of many things we're trying to do to continue to connect our Defense Department to the most innovative parts of American society,
get good people to want to join us or our defense companies -- good scientists and engineers -- and let them feel the meaning of contributing to national defense. And we've got to work extra hard at that, simply because, generationally, a lot of young people haven't served -- they may be cyber experts, they haven't served, they've never worked with or for our Department before. And so, we're really working hard to draw them in.

I just opened up the DIUX branch in Austin, and there'll be more. And I appreciate --

Senator Gillibrand: And I'd be grateful --

Secretary Carter: -- what you said about New York.

Senator Gillibrand: -- if there's any further authorities or resources you need to continue to develop the strongest cyberforce we possibly can, if you could give that to me so I can put it in the NDAA. Because I think this effort you're doing needs thoughtful and continual investment of thinking and resources. So --

Secretary Carter: Thank you. We'll give --

Senator Gillibrand: -- things that you need further, you --

Secretary Carter: -- we'll give you more. I should say, it's strongly represented in our FY17 budget, because --

Senator Gillibrand: Yeah.
Secretary Carter: -- because we gave it a lot of priority. And the reason why it was possible to give it priority is not just because of its importance, but because -- it's not just a matter of money, it's -- as you indicated, it's a matter of good people.

Senator Gillibrand: Right.

Secretary Carter: They're the hard thing to find in cyber. And --

Senator Gillibrand: And, lastly, I just want to continue on Senator McCaskill's line of questioning. We've been really looking at this issue of retaliation very hard. We've made it a crime for several years. But, the 62 percent of retaliation being reported over and over again is very challenging. And those being reported, their view is that it's from above them in the chain of command, more often than not. So, that's just what we're working with. And it's a perception, not necessarily a defined, enumerated crime. I fully understand that. But, have you done any prosecutions of retaliation this year? Have you actually taken any cases to court-martial yet?

Secretary Carter: I can't answer that question. I believe the answer to that is yes. And I'll get back to you on that, Senator.

Senator Gillibrand: Yeah.

[The information referred to follows:]
[COMMITTEE INSERT]
Secretary Carter: But, can I just thank you for -- I think you, among others on this committee, were the ones who really tuned us in to retaliation as another dimension of the sexual assault problem we needed to combat. We are trying to -- you're right, sometimes it's higher up, but sometimes it is laterally, also.

Senator Gillibrand: Yeah. And all of those reasons, whether it's lateral or higher up, is one of the reasons why survivors don't report. It's one of their enumerated reasons. They feel it will end their career. And we still only have two out of ten survivors reporting. So, we're not where we need to be. It's not good enough. And --

Secretary Carter: Right.

Senator Gillibrand: -- I'm grateful for your continued efforts.

Secretary Carter: Thank you. Likewise.

Senator Gillibrand: Thank you.

Thank you, Mr. Chairman.

Chairman McCain: I can assure the Senator from New York, as long as I'm Chairman of this committee, we will not take away the responsibility of the commanding officer, the chain of command, as hard as she may try to remove that.

Senator King, did you have anything else?

Senator King: Just one quick question, to follow up on this line of questioning about cyber.
Gentlemen, do you believe that we should separate --
or, I'm sorry -- that Cyber Command should be elevated to a
independent combatant command?

Secretary Carter: Senator, that's not a decision we've
taken yet, but I think that's going to be a natural
evolution for us and is going to be part of the natural
evolution of our cyberforce in giving this new priority.
So, we are looking at the various managerial aspects of
cyber. Chairman and I discuss that frequently. We discuss
it with our colleagues around Washington and the
intelligence community with which we share a lot of it -- of
responsibility.

I mean, ultimately, something that involves combatant
commanders would be a presidential decision. But, this
committee will have a big role in that, as well. So, we
look forward to working with you as we make that evolution.

But --

Senator King: I --

Secretary Carter: -- we're thinking about it,

absolutely.

Senator King: I just hope the evolution takes a little
less time than the evolution of human beings.

[Laughter.]

Secretary Carter: I think it will.

Chairman McCain: Mr. Secretary, it's been a long
morning for you and General Dunford, but I would just like
to ask one additional question.

This news of this chemical -- what appears to be a
chemical weapon yesterday, can you tell us what you know
about that and what -- any conclusions you may have reached
on that?

Secretary Carter: Absolutely, we can.

Go ahead, Chairman.

General Dunford: Chairman, it's a -- we assess it to
be a sulfur mustard blister agent. We don't assess that
ISIL has the -- has a very rudimentary capability to deliver
that. It went on one of our bases. We have effective
detection equipment there. We have effective protection
equipment. We can also decontaminate. But -- and we also
are tracking a number of targets. One, we struck last week,
which was a pharmaceutical plant, which is part of the
chemical warfare network that ISIL has. And so, we have
been tracking this. We've had a number of strikes -- I
think 30 over the past year -- against emerging chemical
capability. And, in this latest strike, again, we assess
was sulfur mustard. None of our folks were injured by this
particular incident. And it wasn't particularly effective,
but it was a concerning development.

Chairman McCain: It is concerning, because we have
known that they had some kind of chemical weapons facility
there in Raqqa. And, as you say, we have struck it, but it
is concerning, particularly on those people who don't have
the protective equipment, as well.

I thank the witnesses. I know it's been a long
morning. And I appreciate their being here. And we will
look forward to, perhaps in the lameduck session, trying to
get them the authorization that they require in order to
carry out their responsibilities. And I am not proud of the
fact that the Congress of the United States has not carried
out ours.

I thank the witnesses.

This hearing is adjourned.

[Whereupon, at 12:25 p.m., the hearing was adjourned.]