HEARING TO RECEIVE TESTIMONY ON

THE DEPARTMENT OF DEFENSE BUDGET POSTURE

IN REVIEW OF THE DEFENSE AUTHORIZATION REQUEST

FOR FISCAL YEAR 2019 AND

THE FUTURE YEARS DEFENSE PROGRAM

Thursday, April 26, 2018

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

The committee met, pursuant to notice, at 9:29 a.m. in
Room SH-216, Hart Senate Office Building, Hon. James M.
Inhofe, presiding.

Committee Members Present: Senators Inhofe
[presiding], Wicker, Fischer, Cotton, Rounds, Ernst, Tillis,
Sullivan, Perdue, Cruz, Graham, Sasse, Scott, Reed, Nelson,
McCaskill, Shaheen, Gillibrand, Blumenthal, Donnelly,
OPENING STATEMENT OF HON. JAMES M. INHOFE, U.S.

SENATOR FROM OKLAHOMA

Senator Inhofe: Our meeting will come to order.

The committee today meets to receive testimony on the budget posture of the Department of Defense and the fiscal year 2019 request and the future years defense program.

We welcome our witnesses: Secretary of Defense Mattis, Under Secretary Norquist, and the Chairman of the Joint Chiefs, General Dunford.

Secretary Mattis, we wish to commend you for your work in developing a strategy that correctly prioritizes the current threats that we face. Now comes the more difficult task and that is implementing the strategy. We agree on the strategy, but it has got to be implemented.

One of Chairman McCain’s priorities has been considering if the Department is properly structured to take on this huge task. And as the committee looks toward the upcoming NDAA process, we welcome your thoughts about what we can do to help you.

In the end, we must recognize that even if we get the strategy and structure exactly right, you cannot be successful if Congress does not deliver the resources needed to implement this strategy. We know how damaging that can be and has been, as we have time and again failed to do our job by passing appropriations bills, instead passing CR
after CR. We welcome your testimony about exactly how this
would impact it. In fact, that will be one of my first
questions as to what would happen if we had not done this
and what will happen if we do not do it again for 2020 and
ensuing years.

This is especially important because we are not yet out
of the woods on sequestration. Although we did come to a
budget agreement for this year and the next, we still have
to go back and try to take care of the problems that will be
in 2020 and ensuing years after that.

We cannot dig ourselves out of the current readiness
crisis in just 2 years. It will take much longer to undo
the damage that has been done in the past 8 years to our
military, and the lack of any real growth in the future
years defense program exemplifies this.

So we look forward to your testimony and thank you for
being here and for the great job that you continue to do
year after year.

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

And I want to join you in welcoming the Secretary of
Defense, the Chairman of the Joint Chiefs of Staff, and the
Comptroller. Thank you, gentlemen for your service to the
nation over many, many years -- your continued service.

Today we are considering the fiscal year 2019 budget
for the Department of Defense, which seeks $617 billion in
base funding and $69 billion for overseas contingency
operations. Fortunately, we find ourselves in a moment of
budget stability, having passed an agreement in February
that removed the threat of sequestration for fiscal years
2018 and 2019 and added funding for both defense and non-
defense programs. However, additional challenges loom on
the horizon, as the caps and sequestration will be back in
force for fiscal year 2020. As the chairman mentioned, we
still have to focus on that issue.

Secretary Mattis, I commend you for the careful and
thoughtful and hard work that went into the National Defense
Strategy, or NDS. It accurately recognizes that the central
challenge facing our nation is the reemergence of long-term
strategic competition with Russia and China. I am also
pleased to see that the President’s budget reflects the
beginnings of investment in some of the technologies we will
need for this competition, such as hypersonics and artificial intelligence.

However, the perennial challenge facing any Secretary of Defense is preparing for the future while reacting to the present. And unfortunately, there are many urgent situations not delineated in the NDS that will require our attention in the coming weeks and months.

At the present time, the White House is attempting to focus its efforts on negotiating an agreement to denuclearize North Korea. Given where we were a few months ago when the administration was threatening limited strikes on North Korea, I am relieved to say we have come a long way, but we still have a long, hard road ahead.

We all hope that President Trump’s summit with the North Korean leader presents us with an opportunity to craft a comprehensive negotiated settlement. However, we must recognize that if the negotiations fail and if that happens, we could find ourselves in a more challenging position than before the negotiations with a renewal of dangerous rhetoric about war with North Korea, but now more supercharged by those advocating for military action, claiming that diplomacy has failed.

While working through these issues with a depleted diplomatic corps, the President must also decide by May 12 whether to continue to waive nuclear-related sanctions on
Iran as required by the Joint Comprehensive Plan of Action, or JCPOA. I support preserving the JCPOA. The United States and the world is safer with it. By all accounts, the JCPOA is working as intended, and Iran is verifiably meeting its commitments under the deal. If not for this agreement, Iran would likely be a nuclear power today, and withdrawing from it could accelerate Iran’s path to nuclear weapons and make America less safe.

Furthermore, withdrawing from the deal could be a devastating blow to our efforts at diplomacy with North Korea and, for that matter, any further diplomatic efforts to contain aggressive or destabilizing behavior by our adversaries. Why would any nation engage with us in serious dialogue to resolve differences if they fear we will later withdraw unilaterally and without cause? Furthermore, abandoning the JCPOA would isolate the United States diplomatically from the international community at the very time we need worldwide cooperation to address the threat posed by North Korea.

Additionally, President Trump’s mixed messages about our military commitment to Syria could accelerate the declared intentions of Israel to conduct more sustained attacks against Iranian forces and proxies in Syria and Lebanon. The level of violence and Iran’s reaction are unlikely to be restricted to Syria and a confrontation
including Iraq, Saudi Arabia, and others in the region is a real risk.

If any of these situations becomes a crisis, it is going to take all the attention and resources of the Department of Defense. So I am interest in hearing more about how you plan to balance the present and the future.

Turning back to the NDS, when we think about great power competition, we tend to think and plan for conventional conflict. But I believe we must take into account that much of the threat already posed by China and Russia is asymmetric.

The growing Russian asymmetric threat below the level of military conflict continues to target the United States, our allies, and partners. Russia attacked the heart of our democracy in the 2016 presidential election through a Kremlin-directed hybrid warfare campaign using all tools of national power. Because we have failed to impose sufficient costs for this assault, not only has Russia not been deterred, it has been emboldened and we are already seeing Russian attempts to interfere with the 2018 midterm elections. I am interested in hearing what is being done to harden our defenses and develop a whole-of-government approach that utilizes both the military and non-military tools in our arsenal to counter this Russian aggression.

We should also keep in mind that by next spring, the
Congress will be debating whether to raise sequestration caps once again, as the chairman mentioned. I have learned from my time in Congress that if you show me your budget, I will tell you your strategy. But what will happen to the NDS if we return to the Budget Control Act caps? This debate will be colored by concern about the debt, which was made worse by the $1.5 trillion deficit-financed tax cuts passed last year. In CBO’s recent projection, debt held by the public rises from 78 percent of GDP, or $16 trillion, at the end of 2018 to 96 percent of GDP, or $29 trillion, by 2028. That percentage would be the largest since 1946 and well more than twice the average over the past 5 decades. The growing deficit and impending sequestration will have severe consequences. They will constitute a major distraction from thoughtful debate and responsible action on the issues of national security. They will likely lead to stopgap measures like recurring continuing resolutions that disrupt planning at DOD and every other federal agency and, ironically, add cost and inhibit readiness and modernization. If our nation’s fiscal strategy does not take into consideration the need for revenue, deficit-driven measures like these will likely make it exceedingly difficult to follow through with a long-term strategy with regard to any serious challenge facing us from the international arena.
Secretary Mattis and General Dunford, you have been consummate professionals. You have served in tumultuous times. We face many difficult decisions ahead. We are all gratified and, indeed, grateful that you are where you are.

I look forward to working with you and all of my colleagues in a bipartisan fashion to help you and help us all resolve these issues.

Thank you very much, Mr. Chairman.

Senator Inhofe: Thank you, Senator Reed.

For our panel, all of your statements will be a part of the record, but you are recognized for your opening statement, General Dunford. Let us start with Secretary Mattis.
STATEMENT OF HON. JAMES N. MATTIS, SECRETARY OF DEFENSE; ACCOMPANYING HON. DAVID L. NORQUIST, UNDER SECRETARY OF DEFENSE, COMPTROLLER

Secretary Mattis: Senator Inhofe, Ranking Member Reed, and distinguished members of the committee, I appreciate this opportunity to testify in support of the President’s budget request for fiscal year 2019.

And General Dunford and I are joined by Mr. David Norquist, the Department’s Comptroller and Chief Financial Officer.

And thank you for accepting my written statement for the record, Chairman.

I am now in my second year as Secretary of Defense.

And with your help, we have made steady progress during the past 14 months. I must note today’s absence of Chairman McCain, a longstanding, respected, even revered member of this committee and one whose influence is deeply felt and echoed in our National Defense Strategy.

In January, the Department published that strategy, the first in a decade. Framed within President Trump’s National Security Strategy, the 2018 National Defense Strategy provides clear direction for America’s military to restore its competitive edge in an era of reemerging long-term great power competition.

The Department next released the 2018 Nuclear Posture
Review, which calls for America’s military to provide a safe, secure, and effective nuclear deterrent that is modern, robust, flexible, resilient, ready, and appropriately tailored to deter 21st century threats and reassure our allies.

In South Asia and Afghanistan, uncertainty in the region has been replaced by the certainty of the administrations’ South Asia Strategy. Concurrently in the Middle East, we have dramatically reduced ISIS’ physical caliphate using a coordinated, whole-of-government approach that works by, with, and through our allies and partners to crush ISIS’ claim of invincibility and to deny them a geographic haven from which to plot murder.

Last month, thanks to the bipartisan support and political courage of Congress and the dedication of this committee, President Trump signed the omnibus spending bill that funds the government for the remainder of this fiscal year. This law, along with the 2-year budget agreement passed as part of February’s Bipartisan Budget Act, finally freed us from the inefficient and damaging continuing resolution funding process, now providing the predictable and sufficient funding needed to continue implementing the 2018 National Defense Strategy.

Our fiscal year 2019 budget requests the resources necessary to fulfill the Department’s enduring mission, to
provide the combat-credible military forces needed to deter war and, if deterrence fails, to win in any conflict. These forces reinforce America’s traditional tools of diplomacy, ensuring that the President and our diplomats negotiate from a position of strength.

To restore our nation’s competitive military edge, the fiscal year 2018 budget funds our National Defense Strategy’s three overarching lines of effort: first, to build a more lethal force; second, to strengthen our traditional alliances while building new partnerships; and third, reform the Department’s business practices for performance and affordability.

Our first line of effort is to build a more lethal force. All our Department’s policies, expenditures, and training must contribute to the lethality of our military. We cannot expect success fighting tomorrow’s conflicts with yesterday’s thinking, yesterday’s weapons, or yesterday’s equipment. As President Washington said during his first State of the Union address, “to be prepared for war is one of the most effectual means of preserving peace,” and today our lethal military arm will enhance our diplomats’ persuasiveness.

The paradox of war is that an adversary will move against any perceived weakness. So we cannot adopt a single preclusive form of warfare. We must be able to fight across
the entire spectrum of combat. The nation must field
sufficient capable forces to deter conflict, and if
deterrence fails, we must win. Following this logic, we
must maintain a credible nuclear deterrent so these weapons
are never used and a decisive conventional force that
includes irregular warfare capability.

Preserving the full range of our nation’s deterrent
options requires the recapitalization of our Cold War legacy
nuclear deterrent forces, as initiated during the previous
administration. Modernizing the nation’s nuclear deterrent
delivery systems and our nuclear command and control is the
Department’s top priority, and these programs are fully
funded in the fiscal year 2019 budget.

The 2019 budget further funds enhancements to the U.S.
missile defense capabilities to defend the homeland, our
deployed forces, allies, and partners against an
increasingly complex missile threat. In accordance with the
soon to be released 2018 Missile Defense Review, this budget
requests continued robust support for missile defense
capacity and capability to keep pace with advancing threats.

The proposed budget will modestly increase the end
strength for the Army, Navy, Air Force, and Marine Corps to
restore readiness, adding 25,900 to the active and reserve
force. The budget will also continue to invest in the
military’s most important asset, its warfighters, with a 2.6
percent military pay increase.

The 2019 budget continues to increase procurement of preferred and advanced munitions, a necessity due to the ongoing operations in the Middle East and the need for war reserves. Ten combat ships and eight support ships are funded, arresting the downward trajectory of our Navy’s size and lethality. We will continue production of 77 F-35’s and 24 F-18’s, evaluating the performance of both to determine the most appropriate mix moving forward.

This budget requests funds for systems to enhance communications and resiliency in space, addressing overhead persistent infrared capabilities, positioning, navigation, and timing, plus space-launched systems.

Our 2018 National Defense Strategy also prioritized investing in technological innovation to increase lethality, and that continues in this budget. Cyber, advanced computing, big data analytics, artificial intelligence, autonomy, robotics, miniaturization, additive manufacturing, directed energy, and hypersonics are the very technologies we need to fight and win wars of the future.

Every investment in the strategy-driven fiscal year 2019 budget is designed to contribute to the lethality of our military, ensuring that subsequent secretaries of defense inherit a military force that is fit for its time.

Those seeking to threaten America’s experiment in democracy
should know if you challenge us, it will be your longest and worst day.

Our 2018 National Defense Strategy second line of effort is continued this year to strengthen our traditional alliances while building new partnerships. In the past, I had the privilege of fighting many times in defense of the United States, but I never fought in a solely American formation. It was always alongside foreign troops. Easier said than done, Winston Churchill noted the only thing harder than fighting with allies is fighting without them. History proves that we are stronger when we stand united with others. Accordingly, our military will be designed, trained, and ready to fight alongside allies. Working by, with, and through allies and partners who carry their fair share remains a source of strength for the United States.

Since the costly victory in World War II, Americans have carried a disproportionate share of the global defense burden while others recovered. Today the growing economic strength of allies and partners has enabled them to step up, as demonstrated by the 74 nations and international organizations participating in the Defeat ISIS campaign and again in the 41 nations standing shoulder to shoulder in NATO’s Resolute Support mission in Afghanistan. This year, every NATO ally has increased defense spending, and 15 NATO allies are increasing their defense budget as a share of the
gross domestic product, giving credence to the value of democracies standing together. Further, our Pacific partners are also strengthening their defenses.

Our third line of effort is the urgent reform of the Department’s business practices to provide both solvency and security. We will continue to establish a culture of performance where results and accountability matter on every expenditure to gain full benefit from every single taxpayer dollar spent on defense. We are committed to exercising the utmost degree of financial stewardship and budget discipline within the Department. In this regard, this year we will deliver our Department’s first full financial audit in history. We will find the problems it reveals and take swift action to correct our deficiencies, thereby earning the trust of Congress and the American people.

I am confident we have the right leaders in place to make meaningful reform a reality: Pat Shanahan as Deputy Secretary of Defense, Jay Gibson as Chief Management Officer, Ellen Lord as Under Secretary of Defense for Acquisition Sustainment, Michael Griffin as Under Secretary of Defense for Research and Engineering, Bob Daigle as Director of Cost Assessment and Program Evaluation, and David Norquist who joins us here today, as the Department’s Chief Financial Officer. Each brings the intellect, the energy, and experience required to implement and sustain
meaningful reform, ensuring the Department provides performance and affordability for the American taxpayer.

The Department is transitioning to a culture of performance and affordability that operates at the speed of relevance. We will prioritize speed of delivery, continuous adaptation and frequent modular upgrades. With your continued critical support, we will shed outdated management and acquisition processes while adopting American industries’ best practices. Our management structure and processes are not engraved in stone. They are a means to an end. If current structures inhibit our pursuit of lethality, I have directed service secretaries and agency heads to consolidate, eliminate, or restructure to achieve their mission.

Here I will note that I have also issued direction about a particular cancer in our ranks: sexual assault. Unit cohesion built on trust and mutual respect is what holds us together under stress and keeps our forces combat effective against daunting odds. This Department is committed to assertively preventing and swiftly responding to any sexual assault in our ranks. While battlefield casualties are a reality of war, we will accept no casualties due to sexual assault in our military family. I personally discussed this with all senior Department leaders. Earlier this month, I issued a memo making this
clear to all members of the Department. I ask that it also
be submitted for the record.

    Senator Inhofe: Without objection.

    [The information referred to follows:]

    [COMMITTEE INSERT]
Secretary Mattis: The 2018 National Defense Strategy’s three primary lines of effort, building a more lethal force, strengthening our alliances, and reforming our business practices, will restore our competitive military advantage ensuring we are prepared to fight across the full spectrum of combat both now and in the future.

I want to thank this committee for your strong, spirited bipartisan collaboration. While our trajectory is going in the right direction, our work has just begun. This is a year of opportunity and a chance to continue to work together building on a strong start as we turn the National Defense Strategy into action.

The points I need to emphasize in this hearing are that this budget, which is designed to execute the defense strategy, is building a more lethal force and it is also building for the future by improving our military technological competitive edge, and we will reform the Department’s business processes to establish that culture of performance and affordability to ensure security and solvency. The strategy is the guidepost for all our actions, including this year’s strategy-driven budget request, driving meaningful reform to establish an enduring culture of performance, affordability, and agility.

I cannot appear before you without expressing my gratitude to the men and women of our Department. They are
the ones who must ultimately turn the National Defense
Strategy into action. Every day more than 2 million service
members and nearly 1 million civilians do their duty
honoring previous generations of veterans and civil servants
who have sacrificed for their country. It is a privilege
for me to serve alongside them, and I thank them for their
tireless efforts and unyielding standards in defense of our
nation.

General Dunford is prepared to discuss the military
dimensions of the budget.

[The prepared statement of Secretary Mattis follows:]
Senator Inhofe: Thank you, Mr. Secretary. An excellent statement.

General Dunford?
STATEMENT OF GENERAL JOSEPH F. DUNFORD, JR., USMC,

CHAIRMAN OF THE JOINT CHIEFS OF STAFF

General Dunford: Senator Inhofe, Ranking Member Reed, distinguished members of the committee, thank you for the opportunity to join Secretary Mattis and Under Secretary Norquist here today. It is an honor to represent your men and women in uniform. And I join the Secretary in acknowledging Senator McCain’s leadership and support.

We are here for a candid discussion of the challenges we face. I want to begin by assuring you that the U.S. military has a competitive advantage over any potential adversary today. I am confident we can deter a nuclear attack, defend the homeland, meet our alliance commitments, and prevail in any conflict. But as we previously discussed, after years of sustained operational commitments, budgetary instability, and advances by our adversaries, our competitive advantage has eroded and our readiness has degraded.

Driven by the National Defense Strategy and building on the fiscal year 2017 and 2018 appropriations, the 2019 budget submission supports rebuilding the lethal and ready joint force that the nation needs. The Secretary has addressed their defense strategy that recognizes Russia and China as the priority while also meeting the immediate challenges posed by rogue regimes and violent extremist
organizations. China and Russia continue to invest across
the full range of nuclear, cyber, space, and conventional
capabilities. Both states are focused on limiting our
ability to project power and undermining the credibility of
our alliances. They are also increasingly adept, as Senator
Reed has pointed out, at advancing their interests through
coercive, competitive activity below the threshold of armed
conflict.

North Korea has been on a relentless pursuit of nuclear
and missile capability, and they have been clear these
capabilities are intended to threaten the United States and
our allies in the region.

Iran continues to spread malign influence and create
instability across the Middle East.

And while we have made a great deal of progress over
the past year, we are still grappling with the challenges of
violent extremism, including ISIS, al Qaeda, and associated
movements.

Defending our homeland and our allies and advancing our
interests in the context of these and other challenges
requires us to maintain a balanced inventory of ready,
lethal, and flexible forces that are relevant across the
range of military operations.

Fortunately, with your support, we have begun to arrest
the erosion of our competitive advantage and we are on a
path towards developing the force that we need. This year’s budget again builds on the readiness recovery that we started in fiscal year 2017 and accelerates our efforts to develop the capabilities we need for both today and tomorrow.

In requesting your support for this year’s budget, I, along with all the senior leaders in the Department, are making a commitment to you that we will make every dollar count. We fully support the auditing initiative led by Secretary Norquist who is with us here today and will maintain an ongoing dialogue with you about the return that you are getting on your investment.

To restore our competitive advantage and ensure our men and women never find themselves in a fair fight, the U.S. military requires sustained, sufficient, and predictable funding. The funding in this budget is sufficient. I look forward to working with Congress to make sure that it is sustained and predictable in the future.

Thank you again for your support and the opportunity to be here today.

[The prepared statement of General Dunford follows:]
Senator Inhofe: Thank you, General Dunford.

Do you have a statement, Secretary Norquist?

Mr. Norquist: I have no prepared statement.

Senator Inhofe: All right. Well, thank you very much.

There are some basic questions that are going to be asked, and I was going to get those out of the way first, one having to do with the INF. You know, when you get out of Washington and you talk to more normal people back home, the question is China is not a signatory to the INF. Russia is but they violate it. We are and we do not violate it. I would ask you, Secretary Mattis, do you think that that currently as it stands becomes a unilateral limitation on the United States and our capabilities?

Secretary Mattis: Senator Inhofe, it could become a unilateral limitation on us. However, at this point, we are trying to bring Russia back into compliance with the INF. That does not address the entirety of your question, of course, being that there are only two countries that have signed this.

Part of the reason we are taking some of the steps outlined in the Nuclear Posture Review are to put Russia in a position to see a benefit to themselves to coming back in compliance. We will have to look more broadly at arms control, and I believe that as we modernize the nuclear deterrent, that will put our diplomats in a good position to
initiate those discussions with the other countries that are
not signatories.

Senator Inhofe: Now, if Russia does not come back,
though, as we are hoping that they will, into compliance,
what situation would we be in then?

Secretary Mattis: Senator, when nations do not live up
to treaties, treaties are not sustainable. We would have to
deal with that if we are unsuccessful.

Senator Inhofe: That answers the question. I
appreciate that.

On end strength, one of the most critical parts of this
budget -- I am sure that Secretary Norquist would agree with
that. As you point out, fiscal year 2018 -- it is going to
be 9,500. Then in 2019, 15,600, and up to 2023, up to
56,000. Now, it is already a problem in recruiting. So I
would like to ask either you or the Secretary or General
Dunford are you confident we are going to meet these goals
because it seems to me like you can only do it through two
ways, either retention or recruiting. What are your
thoughts about meeting these goals? Pretty ambitious.

Secretary Mattis: They are ambitious, Senator,
especially in light of the improving U.S. economy. It is a
totally volunteer force. We even call it a totally
recruited force. Our recruiters have to be very assertive
in getting out there and selling the military. I would tell
you right now that the U.S. Army’s retention has allowed them to actually lower their recruiting goal for this year because they are retaining more than they anticipated, which is a good sign. So I am confident, without lowering our quality standards, that we can maintain this modest increase of troops.

I will pass it over to the Chairman for any thoughts he has on that.

General Dunford: Senator Inhofe, I was going to highlight that I think the Army is a bellwether for all of us. And we just actually had a conversation with the Army this week to talk about their reduction of their recruiting efforts as a result of high retention. But I think at the end of the day what the Secretary said is what we are all focused on and that is making sure that we are recruiting and retaining a high quality force.

My judgment is right now from getting out and visiting the force, as well as discussing it with the chiefs, that today we are recruiting and retaining a high quality force. We do not take that for granted particularly in a competitive economic environment, but I think the size of the force right now can be sustained with quality people.

Senator Inhofe: Do you agree with those numbers from now through fiscal year 2023?

General Dunford: I do, Senator, because the focus in
the budget this year and last year has been to make sure
that the force we have is capable and lethal. And so these
numbers that we are increasing really are filling holes to
make the units that we have complete.

Senator Inhofe: Now, lastly on the budget, the 2-year
budget for fiscal year 2018 and 2019, I have to say it was a
lousy budget. And it was a very difficult thing for me to
vote for, and the only reason I did is the same reason that
we are here meeting about this morning.

So what I would like to have each of you do, primarily
you, General Dunford -- what would have happened instead of
what we did, if we just went the normal CR route and since
we are going to have to face this in the future and now is
the time to start working for it because we are talking
about fiscal year 2020 and beyond -- what will happen if we
are successful in our goals for fiscal years 2018 and 2019
and we do not have the same opportunities to continue that
for fiscal year 2020?

General Dunford: Senator, thanks for that question.

One of the things I think we all talk about a lot is
our overall competitive advantage. And I think back in
2000, 2001, we could take it for granted that we had a
competitive advantage over any potential adversary. And
that was particularly in our ability to project power
anywhere in the world we needed to to advance our interests.
What has happened over time is that competitive advantage has eroded, and if we had not had the budget in 2017, 2018, and 2019 and the projections that we have beyond 2017 and 2018 and 2019, I think what really is at risk overall is our competitive advantage over any potential adversary. I think that adversely affects the relationship we have with allies and partners. It adversely affects the deterrence against our potential adversaries, and clearly it would affect our ability to respond in the event that deterrence fails. I mean, I really there is -- in addition to the readiness issues and some of the other important issues that we discuss, the overall strategic impact of sequestration and not getting the budget that we had in 2017 and 2018, I think really is our ability to project power and address all those areas I mentioned, assurance, deterrence, and responsiveness.

Senator Inhofe: So from 2020 on, it would be a crisis if we did not --

General Dunford: If we return to the Budget Control Act and sequestration levels, we would not have completed the recovery that we have been on. As you pointed out in the beginning, Senator Inhofe, the challenges that we have right now took us 10 or 15 years to develop. It is going to take us more than 2 or 3 years to recover from those challenges.
Senator Inhofe: I understand that.
You agree, I assume.

Secretary Mattis: I agree, Senator, 100 percent, and as the ranking member pointed out, we have future capabilities we must develop now if we are going to carry out our responsibilities to those who sit before this committee in the years ahead. So the dangers we can see growing, and I think that we are going to have to maintain ourselves at the cutting edge of technology, organization, and combat lethality.

Senator Inhofe: I agree, and I think we need to be starting to talk about that now.

Senator Reed?

Senator Reed: Well, thank you very much, Mr. Chairman. Mr. Secretary, in the wake of the annexation of Crimea and the activity in Ukraine, Congress in the 2015 NDAA prohibited bilateral military cooperation with Russia, which at the time seemed to make perfectly good sense. At this moment, when we are in a very challenging situation in many areas of the world, would it make sense to review those provisions and give you more flexibility and ways in which you could conduct military-to-military dialogue with Russia in certain situations?

Secretary Mattis: Yes, Senator Reed, it would. And let me be very specific here. There is no national security
waiver to what is referred to as the CAATSA act, the specific act that says that if another nation buys military equipment from Russia, then we will not sell them ours. There are nations in the world who are trying to turn away from formerly Russian-sourced weapons and systems like this. We only need to look at India, Vietnam, and some others to recognize that eventually we are going to paralyze ourselves.

And so what we ask for is the Senate and the House pass a national security waiver in the hands of the Secretary of State. I am not asking for myself. Foreign policy is driven from Foggy Bottom. So if he has the waiver authority and I can go to him and show it is in our best interests and we get an internal management of this process, then it keeps us from being boxed in by the Russians.

Senator Reed: Well, thank you, Mr. Secretary.

Let me turn my attention now to Iran. At your confirmation hearing, Mr. Secretary, you indicated that when America gives her word, we have to live up to it and work with our allies, which was in my view confirmation of the strategic needs to stay within the confines of JCPOA. What is your position today, Mr. Secretary?

Secretary Mattis: Senator, I can assure you there has been no decision made on any withdrawal from JCPOA. The discussions are ongoing in the National Security staff and
those of us who are charged with that responsibility of
giving the President advice, and it is going on today as we
speak. There are obviously aspects of the JCPOA, of the
agreement, that can be improved upon. We are working with
our European allies on it at this time. And again, the
decision has not been made whether we can repair it enough
to stay in it or if the President is going to decide to
withdraw from it.

Senator Reed: I appreciate this, Mr. Secretary. The
issue of repairing it, though, is unlikely to be fully
accomplished by May 12th. Is it your position that if there
is an ongoing effort to make such fixes to the agreement
that we should stay within the bounds?

Secretary Mattis: Yes, sir. We would have to look at
what degree of fix we anticipate are achievable and then put
that alongside America’s broader interests and decide if it
is worthy or not.

Senator Reed: Thank you.

And, Mr. Chairman, General Dunford, you similarly
indicated that there would be consequences with withdrawing
from JCPOA in many dimensions. One would be our allies
would be less likely to cooperate with us countering
destabilizing activities in the region. And you seem to
indicate a preference for remaining within JCPOA. Is that
still your position?
General Dunford: Senator Reed, when I look at it through the military dimension, the thing that I have been bringing to the debate is making sure that whatever we do, we have a framework for dealing with all of the elements of the challenges we face from Iran. So it is the nuclear threat. It is the missile threat. It is the cyber threat. It is the maritime threat. And it is the sponsorship of proxies. So at the end of the day, it will be the President’s decision as to what the framework is for dealing with all those challenges. My role is to try to highlight those challenges and to make sure that whatever decision is made addresses them as effectively as we can.

Senator Reed: Thank you, General.

Mr. Secretary, there has been an unfortunate escalation of the cycle of violence between Israel and Iran and their proxies in Syria beginning in February with the shooting down of an Iranian drone over Israeli airspace, which is appropriate, and then strikes against targets within Syria which seem to be Iranian Hezbollah cooperative endeavors that could pose a danger to Israel.

Is there a significant risk of escalation at this moment that would not only engulf Syria but spread throughout the region?

Secretary Mattis: A complex question. I believe the short answer is yes, Senator. I can see how it might start.
I am not sure when or where. I think that it is very likely in Syria because Iran continues to do its proxy work there through Lebanese Hezbollah there and over into Lebanon. And so I could imagine this sparking something larger.

Senator Reed: One other, if I may, just quickly. The Assad regime continues to consolidate its position. One area which is still under the control of rebel forces is the southern border against Jordan. If they move there, which some people indicate they might, would that be another sort of pressure point in terms of not only Jordanian but Israeli counter-reaction?

Secretary Mattis: Assad’s continued presence and his forces’ presence in light of what they have done over several years to their own people, and then when you look at them hosting Lebanese Hezbollah, any kind of position like that along the southern border is a direct threat against Jordan, against Israel, and it is something we are going to have to address. We are trying to do that through the diplomatic process, the UN process, which is referred to as the Geneva process, but to date that has not been availing.

Senator Reed: Thank you very much.

Senator Inhofe: Thank you, Senator Reed.

Senator Wicker?

Senator Wicker: Mr. Secretary, just a quick follow-up on a question Senator Reed asked. Can you give us any
guidance as to when a decision might be made about the
JCPOA?

Secretary Mattis: Yes, Senator. I believe it will be
made before the 12th of next month.

Senator Wicker: Thank you.

Mr. Secretary, the Ships Act makes the 355-ship Navy
the official policy of the United States of America. This
enacts in statute a requirement that came down to us from
the admirals and generals, not something that we arrived at
here at the congressional level. Do you agree that the 355-
ship requirement is now the official policy of the United
States?

Secretary Mattis: I do, Senator.

Senator Wicker: And in terms of getting there, the
target date was an unacceptable period in the 2050s.
Recently a decision was made to extend the lives of some
destroyers. That moves it to the 2030s. What do you need
from us, and what are the plans in the Pentagon for moving
that date even earlier?

Secretary Mattis: Well, as we try to balance the
force, sir, if you gave me all the money in the world, I
would go for it in the next 5 years, of course. Right now,
we are trying to balance inside the administration. But for
right now, we are trying to balance solvency and security
because solvency is critical to the long-term national
security of our nation. But at the same time, we are asking for this year 3.1 percent of GDP, and we believe the nation can afford that and perhaps even increase that. That would depend, of course, on the level of taxation you are willing to put in because we should not be growing the national debt further, but at the same time, what part of that tax base you are going to commit to national defense. I believe we are moving toward a more maritime strategy in terms of our military strategy to defend the country. It is the nature of our time, and so I would be supportive if the Senate found a way to increase the shipbuilding budget.

Senator Wicker: Work with us on ideas about getting there, sir.

Let me just ask you then my final question. The RAND reports concluded actually some very alarming verbiage, that the United States military would have difficulty deterring and defeating a Russian conventional attack in the Baltics. The committee has previously received testimony that U.S. ground forces are outranged, outgunned, and overmatched. Our own General Scaparrotti, the Commander of U.S. European Command, has testified that, quote, the ground force permanently assigned to EUCOM is inadequate to meet the combatant command’s directed mission to deter Russia from further aggression.

Now, the Chairman of the Joint Chiefs just testified
that we still have a competitive advantage over any adversary and that our strategy is designed to keep that strategy from eroding.

So I do not want to scare the American public, and I do not want to alarm our allies. But is General Scaparrotti correct? Is the RAND report correct? Is it a little more alarming than our Chairman of the Joint Chiefs just said about an eroding competitive advantage?

Secretary Mattis: Senator, I believe that we can all see the growing threat that Russia has chosen to be. It has chosen to be a strategic competitor. NATO opened the door to a partnership of sorts. I still remember Russian marines and U.S. marines training in Camp Lejeune for UN peacekeeping missions back in the late 1990s–early 2000s. That is a long distant memory as they have chosen to do what they have done in the Ukraine and Crimea, with cyber against our elections. I can go on, as you know. And you have seen significant expulsion of diplomats, sanctions put on Russia by this administration.

I believe we do have a competitive advantage today. It is important we expand it over the Russians. They have a geographic advantage that my geographic combatant commander is rightly looking at. But looking at it more broadly, as we address this, America is more capable than any nation of expanding the competitive space against something like a
ground attack into the Baltics. And there are a number of ways, symmetrical and asymmetrical, we can make this a very, very tough problem for the Russians. We do that by, with, and through the NATO alliance, by, with, and through our whole-of-government effort, everything from the Treasury Department to the State Department.

So I think you have to look beyond the geography is my point, Senator Wicker, to get the whole understanding of the situation. I am not dismissing any of General Scaparrotti’s concerns, but we have strengths.

Senator Wicker: Thank you, sir.

And thank you, Mr. Chairman.

Senator Inhofe: Thank you, Senator Wicker.

Senator McCaskill?

Senator McCaskill: Thank you, Mr. Chairman.

Sometimes I feel like a broken record on contracting. I am going to try to keep my blood pressure down during my questioning today because today we are issuing a report from the minority staff on the Committee of Homeland Security and Government Affairs looking into another egregious contracting problem at the Pentagon. I would ask that this report, Fast Cars, Easy Money, be entered into the record, Mr. Chairman.

Senator Inhofe: Without objection.

[The information referred to follows:]
[COMMITTEE INSERT]
Senator McCaskill: I first would like a commitment from you, General Dunford, that you will read this report in its entirety.

General Dunford: I will do that, Senator. And I am familiar with the report and with your engagement and what the Army has done as a result of your engagement.

Senator McCaskill: Secretary Mattis, will you read the report, please?

Secretary Mattis: I have no reservations. I am a voracious reader of these kinds of things.

Senator McCaskill: I know you are.

Secretary Norquist?

Mr. Norquist: I always enjoy reading audit reports, Senator.

[Laughter.]

Senator McCaskill: You and I have that in common. And if the audit reports had been read on a timely basis, we would not have taxpayer money paying for a Bentley, Alpha Romeo, Aston Martin, Porsches for executives of a subcontractor on the legacy contract in Afghanistan. We would not have the CEO and the COO’s wives getting salaries averaging $190,000 a year with absolutely no evidence of them doing any work.

You would know, if you had read all the audit reports, as my staff has, and asked the questions, that in fact the
subcontractor not only directed the Pentagon towards this contract, they got most of the work under the contract, and that there was involvement in the Pentagon in helping steer this contract to the subcontractor. You would know that they figured out a way to find a contracting vehicle that they would not have to compete.

And the insulting thing about this is they found a contracting vehicle that was for R&D, asking for hard science proposals. Hard science proposals. In a 150-page solicitation for hard science proposals, the HUMINT was mentioned one time, one word, human intelligence. They used that one word to pretzel that proposal into an ongoing mentoring program for Afghan intelligence capabilities in theater. Hundreds and millions of dollars. And audit after audit has said they cannot even find any metrics that they made any progress.

I know there are criminal investigations going on. But the question I have to ask, as I have asked repeatedly in this committee, is what is wrong with the debarment process. This is the whip cream and cherry on top of this incredible scandal. They are still a contractor. They are getting taxpayer money as we speak. Why in the world, when you have audit evidence of this kind of egregious -- I do not know at what point it becomes criminal or just gross mismanagement by the Pentagon. I do not know at which point it is
criminal activity or not. But I do know this that there is
enough evidence in the audit reports, Secretary Norquist and
Secretary Mattis and General Dunford, that these people
should not be anywhere near one dime of taxpayer money.

So I would like somebody to respond to me why in the
world we are still doing business with these crooks.

Secretary Mattis: Senator, I will not take issue with
a single word you said. The contract was awarded in 2012.
The SIGAR report that alerted at least at the secretarial
level was released in 2017. There is the ongoing
investigation, and because it may result -- will likely
result in criminal charges, we cannot go into a lot of
detail in public because we are not supposed to when
something is under an investigation. But there is not a
word you just said that I would take issue with.

Senator McCaskill: I really appreciate that, Secretary
Mattis. There are two things I would ask of you, of all of
you, and I would hope that I could get answers on those as
quickly as possible, and if it has to be in a setting where
we can talk about the criminal investigation, one, is how
quickly they can be debarred because there is nothing in the
law prohibiting you from debarring them right now. There is
nothing in the criminal investigation that requires a wait
for debarment. So I want to know how quickly they can be
debarred.
And secondly, I want to know a list of everyone who currently works for the United States military who should have hands on this and did not, whether it is a COERs representative or whether it is somebody at this office that this bizarre contract came out of. But clearly, somebody over there said, hey, we can use this and we can get you the money.

These guys have burrowed in. They have burrowed in at the Pentagon. I have seen this before, and you guys know what happens. Somebody builds a relationship and before you know it, hundreds of millions of dollars are flying around, and frankly nobody is paying close enough attention.

Somebody’s head has got to roll on this, and I need a list of people that are going to be held accountable for this happening.

Secretary Mattis: I just got to be careful saying individually before the investigation is done --

Senator McCaskill: I understand.

Secretary Mattis: -- because that could end up --

Senator McCaskill: I understand. I have confidence in you, Secretary Mattis, that we will get to the bottom of it.

Secretary Mattis: I know.

Senator McCaskill: But I will tell you I am not going to shut up about this until somebody is held accountable for people driving Bentleys. We are losing soldiers. Families
are sacrificing. We are worried about their benefits and
their pay. And some jerk is driving a Bentley in the UK on
taxpayer money. If it does not make everybody upset, then
something is wrong with them. So let us get busy on this
and figure out whose head needs to roll because if somebody
is not held accountable for letting this happen, it is going
to keep happening.

Secretary Mattis: Senator, 100 percent with you on
this. You will notice last year when I came up here for
confirmation, I talked about business reform. This year,
alongside business reform, is accountability. I have
learned the lesson since I got there, and that is now right
alongside business reform is accountability for every
dollar. So we are with you. I wish I had been in the job
in 2012 is all I can tell you.

Senator McCaskill: Thank you.

Thank you, Mr. Chairman.

Senator Inhofe: Thank you, Senator McCaskill.

Senator Cotton?

Senator Cotton: Thank you, gentlemen, for your
appearance here today and for your continued service to our
country.

Secretary Mattis, I want to return to a few points you
made in your opening statement about the budget picture,
about the budget levels and certainty. So this Congress
passed a 2-year budget a couple months ago. We passed a
spending bill that implemented the first year of that
budget. That means we have 1 more year on that 2-year
budget to pass.

How important is it to the Department of Defense that
the Congress pass a DOD appropriations bill in a timely
fashion this summer as opposed to having a continuing
resolution as we approach the end of this fiscal year on
September 30th?

Secretary Mattis: Senator Cotton, one of the ways we
avoid the situation that Senator McCaskill just brought up
is having a methodical approach to reviewing every dollar
going out. Obviously, the narrower the window to spend the
money, the increased workload during that period. So it is
critical, and I think that budget certainty also
reverberates into American industry as we try to rearm the
country with the modern capability. They cannot do that in
their responsibility to their shareholders unless we give
them that predictability.

Senator Cotton: Thank you.

Well, since we have the top line number for fiscal year
2019, I hope that we will have the cooperation to pass a DOD
appropriations bill this summer in a timely fashion rather
than see the filibusters that have occurred in the past.
Looking out a little bit further, that 2-year budget
deal only lasts 2 years. We are now less than 18 months away from fiscal year 2020, in which case the Budget Control Act caps and potential sequestration return. How important is it to the Department of Defense that we act now to eliminate the prospect hanging over your head that the BCA caps and sequestration may return in October of 2019?

Secretary Mattis: Again, we need that predictability, sir, so that we can actually put a strategy into effect. It was noted in opening comments by the committee if you do not have a budget that reflects the strategy, it does not work.

I like quantifying problems to the degree possible. If this were to go into effect, the first cut would be $85 billion in fiscal year 2020. That means the strategy is not sustainable. The strategy is designed to protect America and our interests. I cannot provide you the same strategy. I would have to go back and rewrite it. There would be reductions in what we are able to do.

Senator Cotton: Thank you.

I want to turn now to a question that Senator Reed raised about the Countering America’s Adversaries Through Sanctions Act and the specific point about a national security waiver. As you mentioned, two specific countries, India and Vietnam, that have legacy Russian systems -- they might face real challenges going cold turkey, so to speak, under CAATSA. So you are suggesting the national security
waiver as a way that this Congress can empower soon to be
Secretary Pompeo to address the concerns that you have with
those two countries. Is that right?

Secretary Mattis: That is correct. And there are
other countries. Indonesia, for example, is in the same
situation trying to shift to more of our airplanes, our
systems, but they have got to do something to keep their
legacy military going.

Senator Cotton: How urgent is it that Congress pass
that kind of waiver?

Secretary Mattis: Sir, every day Russia is in a
position basically to checkmate us with what they are doing.
It is urgent.

Senator Cotton: Would you recommend that we try to do
so in this year’s National Defense Authorization Act?

Secretary Mattis: Absolutely.

Senator Cotton: And there are only so many countries
in the world, and only so many of those use Russian legacy
systems that are defense partners. Should we just have a
list of countries that soon to be Secretary Pompeo might
want to consider? Is there a certain degree of criteria
that we should use instead?

Secretary Mattis: Sir, I would just put in a reporting
requirement that we keep the Congress informed every time we
exercise it. I would not make it where we have to come back
to Congress in order to add to it. In the dynamics of
today, issues can shift countries very, very quickly,
Senator Cotton, as you know, and we want to move when we see
the opportunity at the speed of relevance.

Senator Cotton: Thank you.

I want to turn now to the Nuclear Posture Review and an
exchange you and I had in a classified setting. There is
nothing classified about my question or your answer, though.
I simply want to have it on the record here.

The Nuclear Posture Review did not include a
foreswearing no first use doctrine, which we have never done
in our nuclear history going back to 1945. It also
advocates for a new sea-launched cruise missile, which we
had as recently as 8 years ago, for a low-yield sea-launched
warhead. We have numerous low-yield warheads currently in
our inventory.

The bottom line, Secretary Mattis, is there any concept
doctrine or capability in the new Nuclear Posture Review
that is novel or inconsistent with 73 years of nuclear
doctrine and practice for the United States?

Secretary Mattis: No, sir. It is a continuity of our
nuclear deterrent framework that you see, but it is also an
adaptation so that that deterrent is fit for anyone who
thinks that they have created something that they could then
give us the option of either surrender or suicide. We want
to make certain the deterrent works against any attempted
use of these weapons.

Senator Cotton: Thank you.

Senator Inhofe: Thank you, Senator Cotton.

Senator Shaheen?

Senator Shaheen: Thank you, Mr. Chairman.

And thank you, Secretary Mattis, General Dunford, and
Secretary Norquist, for being here and for the work that you
do every day for this country.

Secretary Mattis, the National Defense Strategy
deemphasizes the importance of counterterrorism and
counterinsurgency operations. There have been, however, a
number of reports lately that have suggested that we are
actually expanding our special operations footprint in
Africa, a report over the weekend about the drone base that
is being built in Niger.

Can you talk about what the long-term mission of our
troops in Niger is and how we are going to measure the
success in accomplishing this mission? I think it is
particularly timely given that the report on the deaths of
our four service men in Niger is coming out this week.

Secretary Mattis: While at the same time we are
deephasizing irregular warfare, counterinsurgency is the
primary challenge to us as the realities of other nations
that are choosing to be strategic competitors raise their
game. At the same time, as we pointed out, the paradox of
war is the enemy always moves against your weak area. So in
terms of counterinsurgency in particular, we are going to do
this fight by, with, and through allies because most of the
time they know the terrain better. It is an intensely, I
would call it, fight among innocent people in many cases.
It is a fight where cultural understanding is important.
our special forces are ideally suited for that sort of
thing, working with foreign forces, what we call foreign
internal defense.

The last administration in Africa began the airfield
construction, and you need to understand here that had the
French not moved when they did in Mali, if they had waited
-- as President Hollande put it in those days, if they wait
for the international community, Mali is going to fall. So
they moved quickly and since that time, the last
administration and this administration, by, with, and
through our allies, support the French leadership. They
have over 4,000 troops there. The number we have there has
grown. Many of them are construction troops that are
constructing the airfield. They will come out when that
construction is done. And we will continue to support the
French leadership of the African nations that are fighting
Boko Haram, al Qaeda in the Mahgreb, forces like that in
what we call the trans-Sahel.
Senator Shaheen: And so do you see us continuing to expand the footprint in Africa and sending more troops there?

Secretary Mattis: I do not see any significant increase. There could be temporary increases as we work with a counterterrorism force in one of the countries that needs to be brought up to a higher level of capability because the enemy is trying to move out of the trans-Sahel into their area. As you know, it is a transnational enemy. So we have to be able to react. But I do not see a significant upgrade. Again, it is by, with, and through allies. That is not something that calls for large numbers of U.S. troops. The French, for example, are providing by far the bulk of the troops in that part of the world.

Senator Shaheen: I understand that NATO is not going to rule out invoking article 5 of its charter should one or more member nations find themselves under a serious cyber attack. Can you clarify under what circumstances article 5 might be invoked in the case of a cyber attack?

Secretary Mattis: It would be a hypothetical, as you understand, Senator. But I think that as we come to grips with cyber, if they get to the point of having a massive attack with cyber, I mean, one that threatens life, that shuts off the power to hospitals and communities in the middle of winter, obviously that would be a significant
attack. But it would have to be weighed against all the
other things that could be done too. Even then, it does not
mean the only response is military. There might be better
economic responses to whoever did it. As you know,
attrIBUTION is always a challenge in these things. So we
would have to make sure we are firing on the right target,
whether it be with economic sanctions, with military
responses, or whatever it took. But to go into the article
arena, it would have to be very significant.

Senator Shaheen: Thank you.

There have been a number of comments made by the
President in the last month or so about withdrawing troops
from Syria. If we withdraw our troops from Syria now, will
we have finished the fight against ISIS?

Secretary Mattis: Right now, Senator, we are not
withdrawing. You will see a reenergized effort against the
middle Euphrates River valley in the days ahead and against
the rest of the caliphate, the geographic caliphate. You
will see increased operations on the Iraq side of the
border. And the French have just reinforced us in Syria
with special forces here in the last 2 weeks. And this is
an ongoing fight right now.

Senator Shaheen: So we need to stay there in order to
finish the fight against ISIS.

Secretary Mattis: We are there with the other 70 -- I
think it is 73 nations and international organizations,
NATO, Arab League, INTERPOL, plus 70 of the most important
nations on earth in terms of capability. We are continuing
the fight. We are going to expand it and bring in more
regional support is probably the biggest shift we are making
right now.

Senator Shaheen: Thank you.

Thank you, Mr. Chairman.

Senator Inhofe: Thank you, Senator Shaheen.

Senator Sullivan?

Senator Sullivan: Thank you, Mr. Chairman.

And, gentlemen, thank you for your exceptional service.
I think it gives us a lot of confidence on some of the big
challenges we have before us.

In particular, I want to commend you, Mr. Secretary and
General Dunford on the National Defense Strategy. As you
probably see here from Senator Reed’s comments and others,
there is a strong bipartisan support for that document. I
think that is a really important achievement. So thank you
for that.

In particular, the emphasis on allies in the National
Security Strategy document is very important, certainly as
you mentioned time and time again, Mr. Secretary, one of our
most important strategic advantages. We are an ally-rich
nation and most of our adversaries or potential adversaries
are ally-poor. Are we in Congress doing enough? And is the
Trump administration doing enough to deepen our current
alliances and expand them, as you so frequently talk about?
What more could we do if we are not?
Secretary Mattis: Right. The most immediate effort is
what Senator Cotton brought up here about the CAATSA and
getting a national security waiver so that we can embrace
new allies or partners when they are ready basically to see
the way forward alongside us. That would be a critical
enabler.
Are we doing enough? Some journalist, who did not have
a very rich nightlife, called and she told me that I used
the word "allies" 124 times in the National Defense
Strategy.
Senator Sullivan: We noticed.
Secretary Mattis: Yes, sir. It is not subtle. It is
not meant to be subtle. We are going to do, whether it be
the fighting in Africa, by, with, and through them. I think
anything you can do to make it an open door for allies --
and I realize sometimes those allies do not share all of our
values. But if they are security allies, if they are allied
with us on security, and if you look at our record over many
years of creating democracies and reinforcing democratic
impulses when our troops are engaged -- I need only point to
South Korea and the very vibrant democracy they are today.
Yet, there was at one time a move to keep us away from South Korea, to pull us out of South Korea because it was a dictatorship. I think we have got to be willing to work with imperfect allies while being never reticent about what our values are and what we stand for. And your support in that area would be very helpful, Senator.

Senator Sullivan: Thank you.

Let me turn -- you have some difficult challenging decisions ahead of you. The whole administration does on the JCPOA, North Korea. Let me just mention a few things to consider, and if you would like to comment on them. You know, Senator Reed mentioned a number of things about America giving her word.

There was a number of us who thought this was such an important document that it should have come to a Senate as a treaty. It did not come that way. And interestingly a bipartisan majority of U.S. Senators actually did not approve of the JCPOA. A bipartisan majority of House members did not approve of the JCPOA. As a matter of fact, it is the first time in U.S. history that an agreement of this magnitude was approved, quote/unquote, by the Congress by a partisan minority of Senators and House members. So I think it is important to caveat the idea of America’s credibility when this body -- our credibility is not on the line.
Similarly, everybody talks about our allies and how important it is to our allies. But as you know, Mr. Secretary, a lot of our key allies, Israel, Gulf Arab nations, were also not supportive.

And let me mention one other thing that I know you two in particular have some, unfortunately, firsthand experience with. The issue of what degree we can trust the Iranian leadership I think should also be considered. Chairman Dempsey was here 2 years ago I believe and testified. I forgot the exact number, but the sophisticated IEDs that were supplied to Iraqi Shia militias by the Iranians killed or wounded over 2,000 American troops in Iraq. You gentlemen were witness to this carnage during your military service.

Have senior Iranian leaders ever admitted this? And can we trust a country that does not admit this and was responsible for the deaths of so many of our finest young men and women that they have never admitted?

I know I have thrown a lot of things: allies, credibility, trust. But they are all things that we think are very important to consider and I do not think get the attention they deserve when the JCPOA is being reexamined.

Secretary Mattis: Well, we all recognize the JCPOA was an imperfect arms control agreement.

Senator Sullivan: And was not supported by the
Congress.

Secretary Mattis: Yes, sir. I understand, Senator.

And I think that their use of denial and deception to hide their nuclear weapons program -- not their nuclear program, their nuclear weapons program -- over many years have them in a position of being suspect. I have read it now three times, all 156 pages or whatever it is, including since I got into this job, I was able to read the short classified protocol. And I will say that it is written almost with an assumption that Iran would try to cheat. So the verification -- what is in there is actually pretty robust as far as our intrusive ability to get in, IAEA to get in, that sort of thing. Whether or not that is sufficient I think is a valid question.

I also recognize that some people point out that this could impact on the North Korea negotiations. But I would say in that case, in light of Kim’s family and himself breaking very international treaty, every agreement they have ever made, whether it be with the Republic of Korea or with the United States, I am less concerned with that ripple effect right now. I think we need to focus on what is in the best interest of Middle East stability and the threat that Iran poses, as the chairman pointed out, with this nuclear program if it does not get extended and maintain the verification, intrusive verification that we need, but also
look at what they are doing with their support for terrorism from Bahrain to Yemen, from Syria to Lebanon and elsewhere, their maritime threat, their cyber threat. We have got to look at all these things, sir, as a whole, but at the same time focus on this imperfect arms control agreement and determine if that is in our best interest.

Senator Sullivan: Trust factor?

Secretary Mattis: I think trust but verify would be an exaggeration. I think it is distrust and verify.

Senator Sullivan: Thank you.

Senator Inhofe: Thank you, Senator Sullivan.

Senator Gillibrand: Thank you, Mr. Chairman.

General Dunford, your fellow chiefs have told me that they are not aware of any instances of issues with unit cohesion, morale, and discipline as a result of open transgender service. Have you heard of any such incidents?

General Dunford: Senator, thanks. I would not typically hear of individual cases of cohesion or discipline issues.

And maybe just a comment on transgender. For me, the issue with transgender has never been about cohesion or discipline anyway. It was just about any individual, regardless of circumstances, being able to meet the physical and mental qualifications of being worldwide deployable. So if an individual is serving without accommodation, then I do
not think I would expect to see discipline or cohesion
issues in that unit.

Senator Gillibrand: During our last discussion on this
topic, you said that you would treat all service members,
including transgender service members, with dignity and
respect.

The recommendations on transgender service and the
accompanying panel report were released as part of the DOJ’s
filing on Friday night. Service members found out in the
news that the Department had submitted a report that cast
dispersions on their fitness to serve, implied they could
harm the lethality of the force, and left their futures in
the military up in the air.

Do you think this rollout accords transgender service
members with the dignity and respect they deserve?

General Dunford: Senator, one thing we have tried to
clarify for our men and women that are current serving is
that -- and I cannot talk about any changes in the policy.
But one thing that did not change was the status of the men
and women that are currently serving.

Senator Gillibrand: That is not the impression the
report leaves.

Do you know whether this has created anxiety among
these troops? Have you met with any transgender troops
given this report?
General Dunford: I have not since the report was released, Senator.

Senator Gillibrand: I recommend that you do so so you are more informed.

Secretary Mattis, one of the things that struck me about your panel’s report was its claim that, quote, unlike past reviews, the panel’s analysis was informed by the Department’s own data and experience obtained since the Carter policy took effect. That is why I have been asking the chiefs about unit cohesion. In fact, General Milley put it with regard to the Army as precisely zero instances of units with less unit cohesion, morale, and discipline.

I am very concerned about this report because it says that there is, quote, scientific uncertainty surrounding the efficacy of transition-related treatments for gender dysphoria. Yet, the American Medical, Psychological, and Psychiatric Associations have all said the report misrepresents what is the scientific consensus when it comes to gender dysphoria and transition. In fact, despite the report’s stated concerns about deployability of transgender service members because of gender dysphoria or associated medical care, a report being issued today by the Palm Center here, which I am going to give to you so you can read in full, says that, quote, out of 994 service members diagnosed with gender dysphoria in 2016 and the first half of 2017, 40
percent deployed in support of Operation Enduring Freedom, Operation Iraqi Freedom, or Operation New Dawn, and only one had an issue during that deployment.

It appears that this report that your Department has issued is not based on the Department’s data or science but rather, quote, potential risks that the authors cannot back up. And in fact, this seems to me to be the same uninformed and unfounded concerns that led to the opposition of repealing don’t ask/don’t tell, integrating women into the military, integrating African Americans into the military. And I think you need to do a lot more work on this topic to inform yourselves.

What is so different about transgender service that makes you think that though the data and medical science do not justify it, transgender service will harm the readiness and lethality of our force?

Secretary Mattis: Well, Senator, I regret the way you characterize it. I would remind you that when I came into this job, I said I do not come in with a preordained or agenda to change something. I am in to carry three lines of effort forward. One of them was to create a more lethal military. And I believe that service in the military is a touchstone for patriotic Americans. The military protects all Americans’ freedom and liberty to live as they choose, and we are proud of that.
71 percent of 18 to 24-year-old men and women in this country do not qualify for medical, legal, behavioral, intellectual reasons to enlist as a private in the U.S. Army. 71 percent.

In this case, I was meeting with the service chiefs and the Chairman -- not the Joint Chiefs, the service chiefs -- last spring, and they were asking me questions because we were coming up on the advent of the induction of transgender. And they wanted to know how they were going to deal with certain issues about basic training, about deployability. I said, did you not get all of this when the policy came out? The Carter policy we call it. They said no. And I said, well, did you have input? They said no, they did not.

So I convened that panel. That panel was made up of combat veterans, the vice chiefs of the services, and the under secretaries. And they called together transgender troops. They brought in commanders of transgender troops, and they brought in and listened to civilian and military medical experts who have provided care for transgenders both in the military and outside. And I gave my 44-page advice. I would like to have it entered, Chairman, for the record.

[The information referred to follows:]

[COMMITTEE INSERT]
Senator Gillibrand: And a list of all experts you consulted, please.

Secretary Mattis: Pardon?

Senator Gillibrand: I would like a list of all the experts, medical experts, that were consulted for that report, please.

Secretary Mattis: Right now, this is under litigation. I will see what I can provide or when I can provide it. I will do that, Senator.

But at the same time, basically my responsibility is to give the best advice I can for making a lethal force. And I think that right now the Carter policy is still in effect, and we have the four cases being litigated.

Why these issues like this would not come to the service chief level during this was a very, very, I would call it, newsworthy situation. And the reason is that under the Carter policy, the reporting is opaque. We cannot report that a problem emanated from a transgender. We cannot under the Carter policy do that. So the question you have asked the service chiefs and the Chairman are ones that right now the Carter policy prohibited that very information from coming up because it is private information. And it is specifically called out in his policy statement. So it is impossible for them to have responded to you.

And I would just say that right now we look at medical
conditions. If gender dysphoria has anxiety or it has some kind of depression, we do not allow anyone in with that. I would have to make a special category that said you can have these disqualifying factors only if you are transgender, and then we can bring you in. I think you understand why we have not chosen to do that.

Senator Inhofe: Thank you.

Senator Fischer?

Senator Fischer: Thank you, Mr. Chairman.

Secretary Mattis, in last year’s NDAA, Congress required the Department to evaluate whether existing cruise missile systems could be converted into a ground-launched version as part of our response to Russia’s violation to the INF Treaty. The Department’s response, which was a letter from Under Secretary Lord, was sent to the committee 2 weeks ago. And it states that DOD is in the early stages of identifying the system requirements and is therefore unable to conduct an assessment at this time.

I know the Department is moving forward on a broader effort beyond just a ground-launched cruise missile, but I am concerned about the urgency of our response because, as we both know, we can spend the next 3 years defining requirements and analyzing alternatives and not conduct any actual research and development.

So I would just ask, what is your expected timeline for
moving forward on this, and have you set any kind of
internal goals to ensure that we do not spend years in this
preliminary stage?

Secretary Mattis: It is a very applicable question.

What we are doing right now -- as you know, we once had a
sea-launched nuclear cruise missile. We took those off
after the Berlin Wall and the years afterwards, off the Navy
ships. So by going back to a weapon that we had before,
there is a fair amount of already sunk technology costs that
we will not have to redo, will not have to come back up and
ask for again.

I need to get back to you on the specific timeline.

But remember what we are trying to do here, Senator, is to
put our diplomats in the strongest position to force the
Russians back into compliance. I have been personally
engaged with a high-ranking Russian on this issue, and I
would just tell you that the NATO allies are also
increasingly taking this message to Moscow. But we are
going forward with this, and I will have to get back to you
with a timeline. It is a very good question. I do not have
the answer but I will get it.

Senator Fischer: I would really appreciate your sense
of urgency because, as we all know, the Russians were in
violation 4 years ago on that treaty. And I agree with you
and obviously Congress agrees with you as well that a
response is necessary. The administration has also stepped forward on that. So thank you.

Also, Russia continues to expand the scope of its malign activities in Syria. It is building up installations. It is aiding the regime. It is expanding its footprint in the country. And recent reports have also suggested that Russian forces are jamming U.S. unmanned aerial vehicles. They are conducting electronic warfare operations against the EC-130 aircraft.

Are the Russian forces actively harassing American forces in Syria? And what do you believe is an appropriate response, if you agree that they are?

Secretary Mattis: I cannot target the responsibility to the Russians right now. As you know, it is a crowded battlefield, and it has also got Iranians there and, of course, the regime forces as well.

But you notice as we go forward with the -- we have so far sanctioned 189 individuals in Russia, and we are looking at those who have -- we have also, as you know, thrown six of their diplomats out. And economic sanctions are going to be, obviously, looked at for future violations as well. So we have an asymmetric way, an indirect way of going back after them and making them pay.

Right now, in Syria, we have an odd and somewhat open and never interrupted deconfliction communication line that
has worked pretty well to make certain we do not run afoul of one another’s forces or one another’s operations. They are not coordinated. They are deconflicted in either time or space, mostly in space, the river, for example. The Euphrates divides our activities in some cases.

Senator Fischer: Did you use that deconflicted line and communication with the Russians when it was reported in February that there were large numbers of Russian irregular forces that had attacked U.S. forces?

Secretary Mattis: It was used, Senator. The Russian high command in Syria assured us it was not their people, and my direction to the Chairman was the force then was to be annihilated. And it was.

Senator Fischer: Thank you.

Senator Inhofe: Thank you, Senator Fischer.

Senator Heinrich?

Senator Heinrich: Thank you, Chairman.

Secretary, in response to Senator McCaskill’s contracting concerns, you said that the best way to avoid these kinds of problems was, quote, having a methodical review for every dollar going out. And I could not agree more.

So I want to ask you about a particular RFP coming up. The Pentagon has announced that it intends to bring all of its computing services under one cloud in a $10 billion
single award contract. The Department issued an RFI last month which received over 1,000 questions and comments from industry and leading technology experts who, for the most part, believed that the current proposal is deeply misguided. Yet, the Department seems to be rushing ahead to issue an RFP in early May and intends to issue an award as early as September.

What is the rush here, and why is the Pentagon moving forward so quickly despite the concerns of both Congress and technology leaders?

Secretary Mattis: Senator, the rush right now is that we have too many data banks that the front line commanders cannot swiftly draw information from. So what we have been looking at right now is how do we get faster access for the young folks on the front lines and displaying the information they need, not all the information in the world. The cloud is what they need. So that is the driving impetus. It is the lethality. It is not a sole source and there is no pre-select.

Senator Heinrich: But it is a single award.

Secretary Mattis: It will be for 2 years for about --

I want to say --

Senator Heinrich: It is a single award for a $10 billion contract.

Mr. Norquist: The first contract is a single award.
It has I think a 2-year base, and then some options.

Current technology makes it --

Senator Heinrich: It is a big plum. That is why it deserves attention. I do not want to quibble with you about sole source, but I think it deserves some oversight. And we included language in the omni that requires you to submit a full justification for executing a single award -- not sole source, single award contract -- instead of a multi-cloud approach. Are you going to be able to submit that justification as required by law? And will it happen before or after the RFP?

Secretary Mattis: We always align ourselves with the law, Senator. When is it going to be brought in?

Mr. Norquist: Both reports will actually be submitted at the time the first report is due. So there is normally a gap. We are going to get them both in on May 7th, and that will be before the RFP.

Senator Heinrich: Fantastic.

So to be perfectly clear, there are people speculating that this is tailor-made for a single vendor. And I would just ask you to assure me that those concerns are not justified.

Secretary Mattis: Sir, our goal is to get the best possible service for the front line. I am aware that some people in industry perhaps believe that this should be an
equal opportunity thing where everybody gets a piece of the pie. We have got to go forward in a defensible way where you can go to your constituents and say they did the right thing ethically, as well as legally, in order to carry out the best possible support for our front line troops. If we cannot do that --

Senator Heinrich: I want to just get the best deal for the best product for the people who actually use it on the front lines.

Secretary Mattis: Yes.

Senator Heinrich: I hate to go back to cyber deterrence, but it is an endless topic.

So, General Dunford, Secretary Mattis, we keep hearing from combatant commanders appearing before this committee that we need a cyber doctrine. We hear a common refrain that this requires a whole-of-government approach, which we have heard so many times that now it is starting to sound more like it is someone else’s job. Our adversaries do not see any significant consequences at this point for their cyber actions, and we need to demonstrate an effective, credible deterrent.

When are we going to have that national cyber doctrine to address this issue?

Secretary Mattis: I can tell you we are working on it, sir. Inside the Department of Defense, we have got cyber
orders out. We have got 130 or 133 cyber teams already manned. There is more training going on. We have got to get in place a persistent cyber training environment to bring them to the top of their game. So we are organizing for the defend the nation effort, which I think is what you are referring to, Senator. You know we are in support of, obviously, the Secretary of Homeland Security.

    That said, this is a very challenging effort, and I believe that congressional guidance will be necessary as we weigh life and liberty right out of Constitution and what role do you want the military to play inside the United States in a defense mode. I think this is something that you need to lead us on because this is not our normal operating location. Unless there is, as you know, a forest fire or insurrection, we do not do this stuff. We stay focused overseas.

    So I think the more clarity we get from the Congress, the better, and I think we have to work with the executive branch, all of us there, including the Secretary of Treasury, for example, and the Secretary of Energy. It is a very big issue right now. We are going to have to break it down into bite-sized pieces, and from the authorities that start here in the spirit of Congress to guide us, we can go forward on this.

    Senator Heinrich: We need to get started then,
Chairman.

Senator Inhofe: Thank you.

Senator Perdue?

Senator Perdue: Thank you, Mr. Chair.

I would like to echo the Secretary’s opening comments about expressing our gratitude to our folks in uniform around the world. The best of the best is out there on the wall.

General Dunford, in your testimony, you now are calling space a contested domain. In your words, potential adversaries view our alliance on this domain as a vulnerability they can exploit, and they are increasingly challenging our competitive advantage in space.

You know, for the last few decades, we have used space as a scientific endeavor where our potential adversaries in the last decade have been using it as a potential military domain, obviously.

China in 2007 conducted an ASAT, anti-satellite missile test, that was successful and threw thousands of pieces of debris into that orbit. In 2016, they put up a so-called space debris clearer that could clear that in supposed terms, but also could potentially wreak havoc on our satellites. Even DNI Coats talks about any future conflict that would occur with Russia and China would see this potentially be -- the first opening salvo would be an
attempt to take out our satellite capabilities.

We now see China with a snuggler satellite capability
that is being talked about publicly.

In DNI Coats' words, of particular concern, Russia and
China could continue to launch experimental, in parentheses,
satellites that conduct sophisticated on-orbit activities,
at least some of which are intended to advance counter-space
capabilities.

And yet, with our advanced battle management system, it
seems to me that over the last several months we have been
briefed on the future direction -- I am talking about 10
years out in the future plan is that we have a strong
dependence on our space capabilities. In the interim term,
can you give us some comfort that the military is moving to
protect any dependence we have on this space capability?
And then give us a little of your thinking about moving more
capability from the air, land, and sea domains to the space
domain.

General Dunford: Senator, I can. And you raise a good
issue. I think it is important to just go back and look at
the assumption that we made when we started to leverage
space for our command and control, for our intelligence,
surveillance, reconnaissance, for our navigation, for the
precision weapons we had. We made an assumption that space
would be uncontested. And many of the systems that we put
into space were not resilient, and so they were not able to
survive against the anti-satellite technology and other
capabilities that the enemy now has to either jam or destroy
our space capabilities.

    In the budget this year and really starting last year,
we have started to invest in broadly the category we call
space resilience, which is a variety of things. It is
hardening some of the capabilities we have in space today,
making sure that new capabilities have in the requirements
documents the right requirements to make sure they are
resilient to the challenges we expect in the future, and
then also ideas of more satellites, leveraging commercial
satellites and so forth and perhaps smaller satellites so
that all of our capabilities are not in one single
satellite.

    With regard to characterization of debris and so forth
and command and control, by no means am I suggesting where
we need to be. But, frankly, starting back a few years ago
under General Hyten, who is now at Strategic Command -- he
was formerly at Space Command in the United States Air Force
-- we started an initiative to establish a more effective
command and control. A key piece of that command and
control in our Joint Space Operations Center is the ability
to characterize debris in space and to be able to make
adjustments in our operating concepts to accommodate that
debris in space.

So this is absolutely an area of focus in the Department. I think the budget this year reflects that in 2019. It reflects it in 2018. And for me from a warfighting perspective, we have to solve this problem. We have built a force that is dependent on space.

Now, on the other side, in our exercises, we are also now increasingly making sure that we are able to operate in a space-denied or degraded environment and make sure that we can accommodate degradation to the capabilities that we have today that leverage space.

But all of those things are very much on our mind, Senator. I appreciate you raising it because I think in the areas that we are concerned about -- we say there is not a war in space. There is a war that involves the capabilities that we have in space.

Senator Perdue: I am about out of time, but would you quickly just comment on the Israeli-Iran potential cataclysmic confrontation potential that they are seeing there in Syria with Iran. The Persian Empire throughout history had a land bridge when they were at their height all the way to the Mediterranean. It sure looks like everything Iran is doing right now is trying to reestablish that land bridge through Iraq and Syria and Lebanon into the Mediterranean.
But right now, we see a really dangerous crossfire with U.S. and Russia forces in the area and also now between Israel and Iran. You have talked publicly about this, but give us some indication about the way you are thinking about this right now.

Secretary Mattis: Senator, very quickly, the Iran regime, the Tehran regime, not the Iranian people, are clearly in strength using their proxies in Syria. We have seen them trying to bring advanced weaponry in through Syria on its way to the Lebanese Hezbollah in southern Lebanon. Israel is not going to wait until those missiles are in the air.

Will it be cataclysmic? I hope not. I hope Iran pulls back.

Senator Perdue: Is there a nuclear threat in that potential confrontation?

Secretary Mattis: A nuclear threat?

Senator Perdue: Yes, sir.

Secretary Mattis: No, sir, not at this time.

Senator Perdue: Thank you.

Thank you, Mr. Chairman.

Senator Inhofe: Thank you, Senator Perdue.

Senator Warren?

Senator Warren: Thank you, Mr. Chairman.

For over 3 years, a Saudi Arabia-led coalition has been
bombing Yemen to counter Iranian-backed Houthi militia. The United States military has been providing intelligence, mid-air refueling, and munitions to the Saudis. In other words, we have been helping and helping a lot.

Our refueling assistance to the Saudi-led coalition is governed by something called the Acquisition and Cross-servicing Agreement, or ACSA I think. The United States has such an agreement with both Saudi Arabia and the United Arab Emirates. The Secretary of Defense is authorized to enter into these agreements with any non-NATO country, and it must notify Congress 30 days before it signs such an agreement.

Secretary Mattis, can you give me a ballpark number for how many acquisition and cross-servicing agreements that the United States has entered into with other countries?

Secretary Mattis: I will have to take it for the record and I will get back. I think I can get back to you very quickly on that, Senator Warren. This was, as you know, a decision by the previous administration we inherited, reviewed, and endorsed.

[The information referred to follows:]
Senator Warren: What I am trying to get at, though, is how many of these agreements. You do not even have a ballpark for what the number is?

Secretary Mattis: I do not, Senator.

Senator Warren: Okay.

You know, after an ACSA is signed, the Defense Department is required to report to Congress. Or let me ask, is the Defense Department required to report to Congress on a regular basis about the type of defense assistance that is provided or to report on any changes in the ACSA?

Secretary Mattis: I am going to have to get back to you, Senator. I know we have many times testified about this, as did people sitting in these chairs in the last administration from President Obama’s administration. You did characterize it correctly what this one is about, however.

[The information referred to follows:]

[COMMITTEE INSERT]
Senator Warren: And I think you will find that there is no regular report required. And last month, I joined a letter with Ranking Member Reed and Senator Blumenthal to the Defense Department asking for details about the acquisition and cross-servicing agreements that we have with Saudi Arabia and the UAE as they continue their bombing campaign in Yemen.

Now, the DOD responded with copies of the congressional notifications for these agreements. One was dated February 1988 and the other July 1992. Those are pretty old notifications, given that we signed defense agreements with Saudi Arabia in 2016 and the UAE in 2006.

Now, I am concerned that these agreements have existed not just with Saudi Arabia and the UAE, but with many other countries and with very little oversight from Congress during the administration of both parties. And I think that needs to change.

There is another question I want to ask about, Secretary Mattis, and that is the National Defense Strategy which says that, quote, long-term strategic competitions with China and Russia are the principal priorities for the Department of Defense. The strategy stresses the need to modernize existing equipment, to invest in advanced capabilities, and to enhance the readiness of joint forces for a high-end fight.
Many analysts have said that a conflict on the Korean Peninsula could bog us down for years, degrading our equipment and potentially resulting in thousands of casualties to our allies and to our own troops.

So my question, Secretary Mattis, is what would be the impact of a long-term conflict on the Korean Peninsula on our ability to prepare for a high-end conflict like those described in the defense strategy.

Secretary Mattis: As you have seen, Senator, the full court press has been for the last year on a diplomatic initiative that is now bearing fruit. It has taken a long time, and I think it can be fruitful. Obviously, we are hopeful but we are just going to see how it works. Every effort is being made that any resort to war is the last resort, as we --

Senator Warren: I appreciate that, Secretary Mattis, but the my question is if we get bogged down in a long-term ground conflict in Korea, what I am asking about is what would be the impact on our ability to prepare for a high-end conflict like those that are described in the defense strategy.

Secretary Mattis: War is such an unpredictable phenomenon, Senator. I would not subscribe that we would get bogged down. In other words, it might go a lot faster. Neither you nor I can tell if it is going to take 2 years or
Senator Warren: So I am going to try a third time. If there is a long-term conflict on the Korean Peninsula, what impact would that have on our ability to prepare for a high-end conflict like the kind described in the defense strategy?

Secretary Mattis: It would be distracting, Senator.

Senator Warren: More than distracting?

Secretary Mattis: Well, if you look at what has happened over the irregular fights over the last 15 years, you get a sense of what happens when you are distracted over that time from focusing on the primary threat. But we are not going to do that. The Congress has reorganized the Department, and we now have an Under Secretary who focuses on nothing but research and engineering for the future. So he will continue what he is doing. The Department will continue those efforts. Obviously, this will be a distraction of enormous proportions.

Senator Warren: You know, I will point out that last week I asked the nominee for Pacific Command, Admiral Philip Davidson, the same question, and he put it differently. He said any long-term conflict has significant financial costs and costs around the globe and people costs within the armed services.

So I am concerned about what would happen if we were in
a position with both. But let me --

Secretary Mattis: So I am, Senator.

Senator Warren: Good. I am very glad to hear about your commitment to a diplomatic solution with North Korea and that we not get bogged down into a long-term conflict there. Thank you, Mr. Secretary.

Secretary Mattis: We have been committed the entire administration’s time, ma’am.

Senator Warren: Thank you, Mr. Secretary.

Senator Inhofe: Senator Ernst.

Senator Ernst: Thank you, Mr. Chair.

Gentlemen, thank you very much for your continued service to our country.

Secretary Norquist, thank you and your team very much for sitting down with me not all that long ago to review the DOD audit and your progress there. I am very glad that you enjoy reading those audit reports. So thank you for your work on that.

Mr. Norquist: And, Senator, I appreciate your interest in the subject. Thank you.

Senator Ernst: Thank you very much.

General Mattis, the Truman carrier strike group just recently departed from Norfolk, and we wish them well.

Recent reports suggest that they may remain in the European theater, which is breaking with tradition, rather than
deploying to the Middle East as they have during deployments of the past.

Can you speak about the need to make our military less operationally predictable and how we can posture our joint force to truly make our adversaries counter us in the multi-domain?

Secretary Mattis: Yes, I can, Senator. Naval forces by their very makeup, very composition are naturally agile forces that can be deployed anywhere. In the past, we have focused on simply maintaining a forward presence. Now, with the National Defense Strategy saying that we are going to focus on large power or great power competition, it means that without breaking the families, without breaking the fleet or the field forces of the Army, the Air Force, whatever, we are going to make certain they are capable of deploying and fighting at a higher level of capability.

What that means is the Chairman, under his global integrator role where I have given him the authority with my oversight, civilian oversight, to maneuver forces around in a manner that makes us strategically reliable as an ally to our allies but operationally unpredictable to our adversaries -- and this is part of making certain that we get out of acting with our Navy like we are shipping line and get back into acting like a Navy.

Senator Ernst: And I greatly appreciate that. Thank
you. I think anything we can do to keep our adversaries off kilter, we need to do that. So thank you.

As well, we have been talking a lot about the National Defense Strategy. And, General Mattis, it does reference, quote, expanding the competitive space. Russia has been very, very successful in competing with the United States below the threshold of actual conflict in what we call the gray zone. They have been very aggressive through their military posturing. They have used political influence. They have done information operation campaigns.

What does expanding the competitive space mean for competitions with Russia?

Secretary Mattis: We are going to have to be able to compete across all the domains of warfare, and we had two of them on this planet, land and sea, for several thousand years. In the last 100 years, we added the air component, and in the last 10 years now or 5 years, we are really focused in on the cyber domain and the outer space domain. We are going to have to be able to compete there.

But there is more than that. America is still a great beacon of hope to people who want to run their own lives. We support sovereignty and territorial integrity. We do not believe nations should be requiring tribute from other nations using the statement of One Belt, One Road. We do not believe that Russia has a veto authority over the
countries along its periphery or has any right to change international borders through the force of arms. And so we are going to have to be able to compete across diplomatic, economic, information, energy lines, and we are engaged in that on a routine basis in the sit room in the White House as we orchestrate and integrate this effort.

Senator Ernst: Very good. Thank you very much. And thanks for the reference to DIME as well. I think it is really important.

And then the fiscal year 2018 NDAA included a provision to provide assistance to our partner forces to support U.S. special operations combating irregular warfare threats. Have you identified additional resources or new authorities that will help support those lines of effort, especially when we are trying to counter malign Russian influence?

Secretary Mattis: I have not seen where we do not have the authorities we need, whether it be through the NATO support that you are aware of and you fund. We are expanding the special operations forces, mostly niche capabilities. It is not a wholesale everything with respect to forces being expanded.

But let me just ask the Chairman to weigh in on this, Senator.

General Dunford: There is, Senator, in the European Defense Initiative a special operations component to
training and exercises as well, if you are talking specific
to the European theater.

Senator Ernst: Yes, absolutely. Thank you.

Thank you, gentlemen. My time has expired. I
appreciate your continued service. Thank you.

Senator Inhofe: Thank you, Senator Ernst.

Senator Peters?

Senator Peters: Thank you, Mr. Chairman.

And, gentlemen, once again thank you for your testimony
here today.

Secretary Mattis, you and I have spoken on many
occasions about advanced technologies, particularly
artificial intelligence and how those types of technologies
will radically change warfare and how we fight wars in the
future. And we also know that our near-peer adversaries are
working very aggressively on acquiring these as well. It is
certainly critical for us to be working on it with a great
deal of attention.

So my question to you, though, Secretary Mattis, is
that I know the Department is working on establishing a
joint artificial intelligence center. Could you talk a
little bit about that and give us some detail as to what you
are thinking about?

Secretary Mattis: I can, Senator Peters. Like you
say, we have discussed these issues many times, and this is
probably one of the leading efforts we have. But we also
have these kind of efforts going on on big data, on
computing, and hypersonics.

In this case that you are asking about here what we are
doing, we are finding a number of efforts in the Department
that are funded separately. Some of them are making some
good progress. Some have not achieved what I would call
outputs yet. The Deputy Secretary, the Chief Management
Officer are pulling this together, and we are going to try
to get a synergy going so that all the money going into this
is purposeful, it is going for objectives. And we are not
talking about 3 years from now. We are talking 3 months, 6
months from now, what are we doing to get these processes
underway to deliver capability in the near term.

Senator Peters: Is there something this committee can
do to help you in your efforts?

Secretary Mattis: I need to come back to you once we
have got it organized, sir. Believe it or not, it has taken
me several months just in order to identify everything we
have got going on in this regard. Once we have it aligned,
I will be back to you, I am sure, saying what we need.

Right now, I think we need to get our act together.

Senator Peters: I appreciate that. I look forward to
working with you as you continue down that road.

The other question that I have relates to the
procurement process. Yesterday the Government Accountability Office released its 16th annual assessment of DOD weapon systems acquisitions, which tracks the $1.6 trillion portfolio over 86 weapon systems. And the report emphasized a troubling trend, that too many programs are proceeding without, as they call it, key knowledge essential to good acquisition outcomes. In fact, if I look at the summary here, basically the Comptroller General states, as we first observed in 2017, production is the acquisition phase most closely associated with cost growth where a lot of these projects are now moving into. Consequently, DOD’s continued willingness to accept knowledge gaps in these newer programs, now over 8 years after the implementation of acquisition reforms, indicates that reforms have not yet taken hold to the extent that Congress intended.

Secretary Mattis, could you respond to that finding? And anyone else on the panel, it would be appreciated.

Secretary Mattis: I believe the finding is accurate. This is why a year ago, when I came in, I talked about reforming business practices. Today I come back with the same words, and then I add “accountability.” We believe this is a problem.

Now, there are specific processes to get at this. One of them is make certain you keep people who are running programs in the program long enough that you really get a
result from what they learn from the first year and they are not leaving the second or third year.

The second point is you have to get the requirements right up front, sir. Now, in some of these, I would call it, new technology areas, that can be a challenge. And you understand that when we come back in and say, well, we found something through basic research that we did not know before. But we have got to do better at getting the requirement right up front and then do not have requirement growth midway. Specifically on this, we cannot bring technology in that is not at a mature level. If we do that before we prototype it -- and I realize that can create a time lag, but that is where we have seen some of this growth come from.

So as we define the problem, it is people, it is processes, and then there are actual technical reasons that we have got to correct, and that is leadership’s responsibility. Thus, we have assigned accountability for each of these programs as a co-equal priority.

Senator Peters: Thank you, Secretary.

In my remaining time -- and it is low -- I would just like to ask a brief question about Yemen. All of you know that Yemen remains a humanitarian disaster, disease, famine, unsafe drinking water, violence, killing hundreds of Yemenis every day. I previously asked General Votel about this
issue, and he attributed some of the civilian casualties
that we see associated with Saudi strikes as related to the
competence of the forces that were operating, referring to
the Saudis there.

Secretary Mattis, General Dunford, briefly could you
comment on that? Has the competence of these forces
operating in Yemen increased? And what can we expect in the
future?

Secretary Mattis: Sir, I will let the Chairman hit on
a couple things we have actually done to reduce the number
of innocents being hit. This is a tragedy. It is a
catastrophe humanitarian-wise. I will tell you that now, as
of about 3 weeks ago, we have for the first time I believe a
United Nations envoy, a very experienced British diplomat,
Michael Griffin. I have met with him. The State Department
has met with him. We are going to give him full support as
we did his predecessor. For the first time I think we have
someone with the force of personality and the experience to
help drive this to a close and end it.

There are some specific things we have done to address
the innocent casualties.

General Dunford: Senator, I think mitigating the risk
of civilian casualties with strikes is probably two issues.
There is a cultural issue, and then there is a technical
issue. And I think we have had a positive impact with the
Saudis in both regards by the advising and assisting we have been doing. We are collocated with them in their operation centers to help them develop the techniques and tactics that will allow them to conduct strikes while mitigating civilian casualties. And I also think there has been a positive effect of the relationship that we built with the Saudis over time and the training to effect the changes and the culture that would have them take that into account when conducting military operations. So it is a long plodding process, in many cases with the countries we are working on, addressing those two issues. But I think it is paying dividends over time.

Senator Peters: Thank you, gentlemen.
Senator Inhofe: Thank you, Senator Peters.
Senator Tillis?
Senator Tillis: Thank you, Mr. Chairman.
Gentlemen, thank you for being here.
I have got one quick question and it has to do with the budget. The President’s budget calls for a 2.6 percent pay raise, another boost to military spending. One concern that I have, if you see the trajectory for pay over time, we are going to end up seeing some of that money to sustain that added expense probably somewhere I think in the $47 billion range.

So how are you going to be able to sustain -- how are
you going to continue to do what we should do, which is
continue to try and keep up with the cost of living and the
competition you all mentioned earlier in terms of retaining
people with a growing economy and then deal with the erosion
of resources that would otherwise go to other priorities
within the Department? And General Mattis, or Secretary
Mattis, I will start with you.

Secretary Mattis: Senator Tillis, one difference about
the way we look at people in the military, we look at them
as an investment not as part of our overhead. We educate
them. We train them. We screen them. We screen them again
and again and again. And the idea is that we have best of
breed going up and we are pretty good at promoting the right
people and keeping an elite force. Part of this is making
certain that the sacrifice of military life that can never
be mitigated --

Senator Tillis: No question.

Secretary Mattis: This is one way to do it.

Senator Tillis: But, Mr. Secretary, how do you deal
with the erosion? If you continue the trend line, how do
you deal with the erosion based on other DOD priorities?

Secretary Mattis: I believe we have to look at this as
America can afford survival, Senator. We are 3.1 percent of
GDP. If we can do better on our health care, in other
words, reduce personnel costs outside the pay raise, if we
can do better in our contracting so we are getting better return on the dollar, we are looking at finding those savings inside the Department and making the argument to you that we get to keep them and apply them to the very direction that you are concerned with and rightly so.

Senator Tillis: Thank you.

General Dunford, did you have something?

General Dunford: Senator, I would just say I think, as you know, that the pay raise this year was benchmarked against a pretty consistent index that we have used over time with the ECI, and while acknowledging the challenges we will face in balancing compensation with the other pieces of the Department, I do believe -- we had a discussion about it earlier. I do believe that we are in a very competitive market right now for high quality people, and I do not believe that we are paying our people too much. And so we do have to find efficiencies within the Department in a wide range of ways to get the right balance.

But I would not argue at this point that the personnel account is an anchor on the Department. Getting the right people in is the cornerstone of us being successful.

Senator Tillis: Well, thank you all. You know, in my capacity as the subcommittee chair on personnel, I am always looking for good ideas to give you more flexibility, find those efficiencies, and then plow them back in to making
sure we are paying our men and women.

I may have another question about funding, but I do have something that is a little bit -- I tend not to get too specific. I focus on the business issues, but I want to talk about Turkey for a minute and I want to talk about it on two fronts.

One, they are below the NATO guideline as a percentage of GDP. Their participation I think is trending somewhere around 1.5 percent. The target is 2.

And two, I would also like to understand the complications that come from having a NATO partner possibly acquiring a missile defense system from Russia and the implications that that could have for our assets in Russia, our manufacturing facilities for the Joint Strike Fighter, et cetera.

Secretary Mattis: As you know, Senator Tillis, Turkey is the only NATO ally with an ongoing insurgency inside its own country. We assist them, as all of NATO does. We have got Spanish and Italian antimissile batteries in Turkey to protect them against any Iranian threat. The complexity of the Syria fight has colored everything in that region to include Turkey, which has had an enormous refugee influx, and they have gone through an attempted haphazard coup that cost them innocent people killed.

We are seriously concerned across NATO about the S-400
buy, the Russian system --

Senator Tillis: Has there ever been another NATO ally that has done something like that?

Secretary Mattis: Well, to a degree. As you know, the Eastern European countries that were equipped with Russian equipment --

Senator Tillis: They had a legacy. But I mean, after you have gotten past that --

Secretary Mattis: I am not aware of any, sir.

Senator Tillis: -- reaching out to a would-be adversary, has that ever happened?

Secretary Mattis: I am not aware of any.

Senator Tillis: I know I cannot do your all’s job, but are there not other complexities just based on the inherent infrastructure that comes with that system with respect to our own intelligence, safety, and security? Look, I agree. We need to protect Turkey. We need to help them make their homeland safe. But this seems like to be an outlier unlike any time that has happened since NATO was established. Is that an overstatement?

Secretary Mattis: I do not believe so, Senator. I think that is accurate, and it is causing a lot of concern.

Senator Tillis: Thank you.

Senator Inhofe: Thank you, Senator Tillis.

Senator Hirono?
Senator Hirono: Thank you, Mr. Chairman.

I want to thank all of you gentlemen for your service to our country.

And, Secretary Mattis, thank you very much for your continuing commitment to end what you referred to as a cancer of sexual assault in the military.

I wanted to further ask you, Secretary Mattis. The National Defense Strategy mentions expanding and strengthening alliances in the Indo-Pacific region. And the Daniel K. Inouye Asia-Pacific Center for Security Studies is just one of several assets in Hawaii that is tailor-made for this mission and your continued support is very much appreciated.

I would like to applaud you for your efforts in building partnerships and alliances, and it is not lost on me that you have made several trips to the region and hosted several regional leaders in the Pentagon since the National Defense Strategy was released.

So besides our traditional allies in that part of the world, where are the best possibilities for new partnerships in the region, and what attributes do these countries share that make them strategically important to the United States?

I also want to ask you about the importance of our compacts with Palau, the Confederated States of Micronesia, and the Marshall Islands.
Secretary Mattis: Well, Senator, the Pacific is a priority theater, as you and I have discussed since my first days in your office.

Senator Hirono: Yes.

Secretary Mattis: There is an ongoing effort to build our military structure in the Pacific, and much of this is by, with, and through our allies. And I would say from down under in Australia all the way up through Japan and Korea, you see this actively underway. We also have to be open to nations such as Indonesia, the fulcrum of the Indo-Pacific region, Vietnam as it comes of age and adapts with many of their students here in our country being educated, as we build new ties for the future.

But probably most importantly, as we look over all at this region, I would look at India, the largest democracy on the planet and one where we probably have a once-in-a-generation opportunity to find more common ground. I think it is there. We just have to find it. We do not have to search hard for it in the sense of creating it. We just have to get an understanding of each other’s interests, and I think there is a lot of common ground there.

So the attributes you see are geographic. They are based on a potential military commonality in terms of threat, whether it be, as you have seen in the Sulu Sea area where ISIS has come in in strength and created a problem for
Malaysia, Indonesia, but especially so for the Philippines. These are all issues that we have to work together if we want to keep the a Pacific stable commerce zone for all countries to use.

Senator Hirono: What about the importance of our compacts with the island nations that I mentioned, Palau, Micronesia, and the Marshall Islands?

Secretary Mattis: I would just tell you, Senator, that we recruit from there as you know. Their young men and women serve in our armed forces, and we have got probably, in terms of military relationships, an unusually high degree of trust between the United States and those nations. There is probably a lot more that we will be doing in the future along the lines of the direction we are going right now, and I do not see any inhibition on their side or our side to an even better relationship, partnership.

Senator Hirono: Some of these compacts will come due, and I assume that we are going to be negotiating with them again and that these compacts there for national security reasons. Is that correct?

Secretary Mattis: They are there for that, and I think there is also an affiliation that goes back many decades of friendship that we share with them.

Senator Hirono: And we have certain continuing responsibilities for our country’s use of their lands.
Secretary Mattis, while current events may lead to decreased tensions with North Korea, I applaud DOD’s commitment to defending the homeland from ballistic missiles.

So the DOD budget request includes funding for additional ground based interceptors but also funding for new sensor capability such as the homeland defense radar in Hawaii. How will these new sensors increase our ability to defend Hawaii and the continental United States?

Secretary Mattis: Senator, those capabilities will allow us to detect launches from various angles. That means sooner track them and determine if they are a threat or not to the homeland. And the homeland is Guam, Hawaii -- let me be very particular here. Guam, Hawaii, Alaska, and the United States. That means we have more engagement time.

Senator Hirono: And I think that our ability to accurately detect missiles coming our way is very important. I am sure you are aware that we had a false alarm in Hawaii recently.

Thank you, Mr. Chairman.

Senator Inhofe: Thank you, Senator Hirono.

Senator Graham?

Senator Graham: Thank you, Mr. Chairman.

Thank you both for advocating for more funding for the military. Without you, we could not have done it. So thank
you both.

Let us go to Afghanistan. Then we are going to work our way around to Syria.

I talked to the Afghan Ambassador yesterday. He said that the rules of engagement changing targeting the Taliban as part of the enemy force is really beginning to pay dividends. Do you see that, General Dunford?

General Dunford: I do, Senator.

Senator Graham: Secretary Mattis?

Secretary Mattis: Yes, sir.

Senator Graham: And the goal is to punish the Taliban to get them at the table and end this thing through negotiation. Is that correct?

General Dunford: The goal is to make sure they view that the only solution is a political solution that they cannot win on the battlefield.

Senator Graham: And we are making sure they are not going to win on the battlefield. I want to compliment you and President Trump for changing those rules of engagement. Do you believe that a residual force is necessary in Afghanistan for a while to come and it should be conditions-based if we ever leave?

General Dunford: I do believe that, and that is consistent with our strategy, Senator Graham.

Senator Graham: Secretary Mattis, is that correct?
Secretary Mattis: Yes, sir.

Senator Graham: To those Senators that advocate leaving Afghanistan, on September the 10th, 2001, we did not have one soldier in Afghanistan. Did we, Secretary Mattis?

Secretary Mattis: That is correct, Senator.

Senator Graham: We did not have an embassy. We did not have a diplomat. We did not offer them a dime of aid. We got attacked anyway.

Do you agree with me, leaving them alone does not mean they are going to leave you alone?

Secretary Mattis: Problems in places like that do not stay there, sir.

Senator Graham: So we cannot build a wall between us and the threats coming from the Mid-East, but we certainly can confront them. And I like your strategy in Afghanistan. I think you got the right size force with the right abilities.

Iraq. What did we learn by leaving too soon, General Dunford?

General Dunford: We learned that the Iraqi forces were not capable of providing security inside the country, and that gave the enemy an opportunity to resurge. That is where really ISIS had the space to grow.

Senator Graham: I could not agree with you more.

General Mattis, working with our Iraqi partners and
coalition partners, we have done a pretty good job of suppressing ISIS in Iraq. Do you agree with that?

Secretary Mattis: I do, sir, although the fight goes on, but yes, sir, absolutely.

Senator Graham: Would you support a residual force based on conditions-based withdrawal in Iraq if the Iraqis agreed with it?

Secretary Mattis: Absolutely, and that force will be augmented right now by a NATO training element that is there so it will not be just the Americans.

Senator Graham: I could not agree with you more. More people need to contribute money. President Trump is right. The Arabs need to pay more and other countries need to contribute more.

But do you agree with the following statement? There is really no substitute for the American military when it comes to a holding force. We have capabilities most people do not.

Secretary Mattis: That is correct, sir.

Senator Graham: Now, let us go to Syria. The goal is two: to destroy ISIL, the total destruction of ISIS, and to combat the malign influence of Iran. Is that the two goals that you all have been articulating?

Secretary Mattis: Sir, our forces in Syria right now are there to defeat ISIS. There is a political process
underway to end the civil war, but the chemical weapons are a separate and distinct issue.

Senator Graham: We have known each other for a long time. I am with you. I do not know. Is the President’s statement about withdrawing from Syria -- is that conditions-based withdrawal or is he just going to withdraw because he is tired of being in Syria?

Secretary Mattis: It is conditions-based. As you know, neither the last administration nor this administration sees itself occupying Syria. What we have to do is keep our diplomats in a position of authority so they can end this through the Geneva process.

Senator Graham: Right. But when it comes to ISIS, the goal is to make sure they are ultimately destroyed. Is that correct?

Secretary Mattis: Destroyed and also they cannot regenerate. So we have to create local forces that can keep the pressure on any attempt by ISIS to try to regenerate.

Senator Graham: Do you see those local forces being able to accomplish that mission better than the Iraqi army when we left Iraq?

Secretary Mattis: Sir, we will have to mature those forces. We are engaged in it now. We have training going on by a number of our international partners there on the ground right now, as well as our own forces.
Senator Graham: I only have a few minutes.

Is it fair to say that a holding force right now without us would be a risky proposition for a while to come?

Secretary Mattis: I am confident that we would probably regret it.

Senator Graham: Turkey. If we leave too soon, Turkey is going to go after the Kurds that helped us destroy ISIS. Are you worried about that? We got to get that situation right before we leave.

Secretary Mattis: We are working with Turkey to resolve this.

Senator Graham: Is that a concern of yours?

Secretary Mattis: I do not know if that is Turkey’s intent, but we --

Senator Graham: We know what they have done in the past. They have said they hate these guys more than ISIS. They have actually attacked them. That to me needs to be a condition because nobody else will help you in the future.

As to countering Iran, the military strike I thought was not a big price. I do not think it is going to change the battlefield equation. I do not see how you go to Geneva until the battlefield changes. I do not see a change on the battlefield until there is some credible force opposing Assad. I think we should be part of that. If we are not, we are giving Damascus to the Iranians. If we depart here,
I think you need to have some kind of element on the ground in Syria to combat Assad. It is in our interest that we not give Iran to Damascus. And the good news is there are millions of Syrians who want Assad to go, for another discussion for another time.

Thank you both.

Senator Inhofe: Thank you, Senator Graham.

Senator King?

Senator King: Thank you, Mr. Chairman.

Secretary Mattis, it occurs to me we have to make an important decision here within the next hour, which is the confirmation of Mike Pompeo to be Secretary of State. It occurs to me, Secretary Mattis, that you may be a good witness in this decision in the sense that you have worked with him directly on the National Security Council. I suspect you have been in the situation room and the Oval Office. What is your view of his -- I think two issues that are of concern -- judgment and willingness to tell the President -- give the President his best advice based upon his information and not necessarily what the President wants to hear?

Secretary Mattis: Senator, you are right. I have worked with him for over 14 months. I have worked with him intimately during that time. I would just tell you I have seen a rigorous intellect. His judgment has been mature and
objective while still applying subjective elements. It is not just a brittle approach to problem solving. He is never shy about providing his input to include when it was not the direction the discussion was going and he had to stand in opposition to the desires of some of us in the sit room.

Senator King: Thank you. That is very helpful. I appreciate your providing that.

General Dunford, you were asked about what is going on in Yemen, and you were saying we are making progress and it is a cultural change. There was a report just this morning allegedly 3,500 schools in Yemen have been targeted by Saudi airstrikes. I do not know if that is true. That is an allegation. But I just worry that we are complicit in something that will turn out in the hindsight of history to be a humanitarian tragedy. And I would appreciate it if, for the record, you could supply us with what controls we have, what limitations we have, what we are doing to be sure that that is not the case.

General Dunford: Senator, I will. I will supply it for the record.

But what I would say here this morning is we are not at all involved in what we describe as the kill chain. So we are not involved in what targets to strike.

Senator King: But my concern is that we can say that, but if we are doing intelligence and refueling, we have got
our hands on this thing. We have got our fingerprints on it. And we cannot then say, well, we do not know what they are going to do with that fuel we put in their jets. I do not think that is going to be an acceptable answer if we find out -- well, I think we are finding out now that some pretty bad stuff is happening with our engagement. I really hope you will give this some thought and give us some solid --

General Dunford: Senator, I fully understand your concerns. We will outline that for you.

[The information referred to follows:]

[COMMITTEE INSERT]
Senator King: Thank you.

To get back to the budget, which is the subject of this hearing, just looking at the numbers, I think it is very important that the public understand that we are talking about the lowest percentage of GDP for the defense budget in something like 70 years, 3.1 percent. I noticed in looking at the absolute numbers, this year’s proposal is actually below the appropriation for 2010. So here we are 9 years later. 2010 was 691. You are talking about 686. So I just think it is important to put those figures into context.

And, Mr. Norquist, a question to you. It occurs to me that one of the things that is happening in the defense budget is that we are recapitalizing. We are in a sense paying deferred maintenance in terms of readiness, in terms of upgrading systems like the Ohio class submarine that have not been upgraded in 30 years, the B-21. I would think in your position it would be helpful to us who have to justify this budget to our constituents to break that down a bit to say, okay, what is it that is current operations and what is it that is paying past due bills in effect. Do you agree that that is part of what is happening here?

Mr. Norquist: I do. And just to put it in context, if instead of the sequestration back in 2011, Congress had simply capped defense at inflation, did not allow for pay raises and everything else, that is the number you would be
at now. The difference is you would not have had several hundred billion dollars of lost buying capacity. You would not have been missing maintenance on equipment. You would not been having older planes that are not getting replaced. So you are not even in the same position. So the fact that it took Congress to raise the ceiling by $85 billion just to get back to where inflation alone would have put the defense budget shows you how deep a hole the Department has been in during that period of sequestration and the disruption to the military’s readiness.

Senator King: It is very important to make that point the public because sometimes people just look at the number and say this is a huge number. It is more than other countries. Actually we are not the highest country in the world in terms of percentage of GDP. I think we are fourth or fifth. And that is really I think the appropriate way to look at it.

Final question and this is a short one because I am already out of time. Secretary Mattis, I presume, based upon your prior testimony that you think it is important to maintain and rebuild our diplomatic capacity at the State Department. That is a part of our national security apparatus. Is it not?

Secretary Mattis: They are critical to our national security, Senator.
Senator King: Thank you.

Thank you, Mr. Chairman.

Senator Inhofe: Thank you, Senator King.

Senator Scott?

Senator Scott: Thank you, sir.

Good morning to the panel. Thank you for being here and thank you all for your service to this country.

Secretary Mattis, General Dunford, Secretary Norquist, I may be a little biased here but I do not think that I am. I think South Carolina is the epicenter of training and readiness of our military, whether it is Fort Jackson where we train more than half of the enlisted soldiers or Parris Island, Secretary Mattis, where you know we actually make half of the marines, or the Navy nuke school where we prepare our sailors, or Shaw Air Force Base where we have the largest F-16 wing in the Air Force, or if it is going to theater, it is likely going through a C-17 at Charleston Air Force Base, not to mention both SPAWAR and the Savannah River site which I think is a forward-leaning, forward-looking part of our military.

So when the National Defense Strategy discusses a return to great power competition with Russia and China, I am very interested in seeing America leverage the ingenuity and the imagination for our nation to ensure that there is never a so-called level playing field for our adversaries.
To ensure American dominance in all areas, we must innovate faster and bring new capabilities like hypersonic weapons, directed energy, and advanced unmanned aircraft to the field sooner.

With additional funding for R&D, how are we working to make sure that we get those new technologies in the hands of our warfighters as soon as conceivably possible? Secretary Mattis, please begin.

Secretary Mattis: Senator, what we are doing right now is, because the Congress reorganized us, you expressed your displeasure over years with what we would call Acquisition, Technology and Logistics. You broke it in half. Ellen Lord now runs Acquisition and Sustainment. That is the current fighters you see, F-16’s there, the current C-17’s. That sort of thing is being addressed by Ellen Lord. But you also set up Research and Engineering under Michael Griffin, our Under Secretary, confirmed him. And he has the responsibility for directed energy, for hypersonics, for joint artificial intelligence efforts. So we are organizing now for an expeditious, output-oriented exploration in research of these advanced technologies that we know are going to play a role. As we speed this forward, that is how we get them out in the hands of the troops fast, not by having more studies done but by actually having something developed and fly a hypersonic vehicle by X day. And now
everybody works together.

We are also concentrating the Department’s efforts that were somewhat diffuse, which is not uncommon with new technology. But now we know what we need to focus on. So we are pulling those together. So the Army, the Navy, the Air Force are working together as service departments in making this a synergistic effort.

Senator Scott: Thank you. Certainly looking at the comments of Secretary Griffin in the HASC hearing about our inability to even see them coming, it is important for us to expedite that process as quickly as possible.

Did you want to add anything, General?

General Dunford: The only thing I would say is one of the other things, Senator -- you know, so we have talked a little bit about science and technology research and development. A really key piece too is our exercises in experimentation. One of the key elements of the Secretary’s strategy is to make sure that we regenerate our exercise program. It has suffered admittedly as a result of the operational tempo over the last decade. But as we look forward, better joint exercises, a core element of which is joint experimentation, will help move some of those capabilities through the pipeline a bit faster. And so I think there really is three pieces, two of which you spoke about, but that third piece is really critical.
Particularly going into this summer, that is an area of particular interest for the Secretary and I.

Senator Scott: Thank you.

I want to continue on the subject of keeping the perch that we have.

Secretary, you and several of your predecessors have stated how important it is for us to address our adversaries' theft or acquisition of intellectual property and sensitive defense-related technology. You have officially endorsed the Foreign Investment Risk Review Modernization Act, FIRRMA, which Senator Cornyn and others on this committee, including myself, introduced to modernize the way we screen for an investment for national security risks.

Do you see FIRRMA, while not necessarily a silver bullet, as one crucial step towards addressing the China threat?

Secretary Mattis: It is critical on China, on a number of other threats that we face. Cyber, for example, is not only from China, but I would also point out that one of the reasons Secretary Mnunchin orchestrated the sanctions against China goes to the very heart of what you were just talking about, the intellectual property theft.

Senator Scott: Would you support including FIRRMA as a part of the NDAA?
Secretary Mattis: I would have no reservations whatsoever about it, Senator. It is a much broader effort than just Department of Defense. So I would not want it to become a military priority effort and not the same priority for others. It has got to be a whole-of-government. For example, Treasury Department, Commerce, Department of Energy, Homeland Security, they all have a role in this.

Senator Scott: Yes. I am on the Banking Committee and we are working on it as well on the non-defense side. Do you believe, as the National Defense Strategy and your previous public comments suggest, that China poses the significant national security threat to the country still?

Secretary Mattis: Senator, I think the one thing that this administration would be graded on most critically 10 or 15 years from now, historians will look back and say did we develop a relationship with China, a mature relationship, a productive relationship, did we do everything we could as we look at the long-range competition to keep it out of war and into a more productive stance. And at the same time, some of the things that you have initiated are absolutely critical that we take our own side in this competition. So I think this is critical as you look at, but there is nothing that dictates this has to go to a force of arms between us if we do this right, along the lines I think you are doing right now.
Senator Scott: Thank you, sir.

I will just close, Mr. Chairman, with this comment.

From my assessment, China’s successful acquisition of U.S. technology is what helps them be a near-peer competitor.

Senator Inhofe: Thank you, Senator Scott.

Senator Kaine?

Senator Kaine: Thank you, Mr. Chair.

And I appreciate the witnesses’ testimony. It has been an instructive morning.

I want to do a Senator Kaine broken record topic and talk to you about congressional authorization for military force.

You each appeared before the Defense Subcommittee of Senate Appropriations about a year ago, March 22, 2017.

Secretary Mattis, you stated that, quote, I would take no issue with the Congress stepping forward with an AUMF. I think it would be a statement of the American people’s resolve if you did so. I thought the same thing for the last several years, I might add, and have not understood why the Congress has not come forward with this, at least a debate because I believe ISIS is a clear and present danger we face.

General Dunford, the same day you stated, quote, I agree with the Secretary. I think not only would it be a sign of the American people’s resolve but truly I think our
men and women would benefit from an authorization for the
use of military force that would let them know that the
American people in the form of their Congress were fully
supportive of what they are doing out there every day as
they put their lives in harm’s way.

Are your feelings today generally consistent with the
testimony you gave in the Senate a year ago on this topic?

Secretary Mattis: Generally they are, Senator. I will
say that we believe right now the operations we are
conducting are legal and we have a feedback loop to the
Congress to make certain we are not doing anything where you
are not kept informed. We would need the right AUMF, and
you and I have discussed it. That would be the only caveat
I would say. We would not want to end up restricting
ourselves.

Senator Kaine: General Dunford?

General Dunford: Senator, I feel the same way, and I
think what the Secretary said is what I would have said
first. You know, what I would be concerned about changes is
just making sure that we have the inherently flexibility
that we have today to be able to prosecute an enemy that
does not respect boundaries in time.

Senator Kaine: Secretary Mattis, you then after the
March hearing that I described, sent a letter I think
actually to the Senate Majority Leader in September of 2017,
and then together with Secretary Tillerson appeared before
the Senate Foreign Relations Committee at the end of October
2017. And in that letter and here, you talked about some of
the sort of limitations or concerns that you might have that
the idea of an authorization, the idea of congressional
expression of resolve would be good thing, but that on the
operational side, you would have concerns. And you shared
in that letter and in that testimony some of the concerns
that you have. I do not need to go through those, but you
remember those.

Is that still generally your point that if we could do
a congressional authorization, great, but take into account
some of the reservations or concerns you expressed?

Secretary Mattis: Yes, sir. I am still aligned with
those comments.

Senator Kaine: I have worked on this matter, and I
have proceeded upon an additional assumption that I think is
important for Congress, that if we were to do an
authorization, it would be very important that the
authorization be done in a way that was bipartisan so that
we would not be sending a sign either to the American public
or especially to our troops that support for military action
against non-state terrorist groups, for example, is
something that just one party supports and not the other
because then that would raise a question of, okay, a good or
bad election might then lead to a lack of resolution, which
would make people wonder whether they were being supported
out on the battlefield.

Do you share that thought that if we can do a
resolution, it should not only be one that protects
operations but also expresses a bipartisan resolve of
Congress?

Secretary Mattis: I think it is critical that our
adversaries and our allies see a unified America when we
make the grave decision to put our troops in harm’s way,
sir.

Senator Kaine: Just as I close, Senator Corker and I
have introduced an authorization that is being taken up by
the Senate Foreign Relations Committee soon. We have
attempted to incorporate into that authorization, Secretary
Mattis, some of the concerns you expressed in the letter of
September 2017 and the subsequent congressional testimony.
It is bipartisan and thus involves compromises. But since
the chair of that committee has indicated a desire to take
it up and put it through a markup of the committee, I look
forward to working together with you and other
administration officials so that we can hopefully get this
right and express that bipartisan resolve that I think our
troops deserve.

Secretary Mattis: Thank you.
Senator Inhofe: Thank you, Senator Kaine.

Senator Donnelly?

I will remind those remaining that while our timer has malfunctioned, we will remind you.

Senator Donnelly: Is there a reason you said that right before I spoke, Mr. Chairman?

[Laughter.]

Senator Donnelly: Thank you very much to the witnesses.

I want to thank you all of you for your implementation of the Sexton Act requirements regarding military suicide. I know how hard you have worked on this. I know the efforts that have been put in and how you have worked hard to reduce that.

As you look ahead, what are the top priorities now for you when you look at this and you try to determine what else can we do to move the ball here? What do you think are some of the things that we can still accomplish?

General Dunford: Senator Donnelly, we actually had a brief conversation about that with the House Appropriations Committee yesterday. And I think one of the more promising things that we have seen is this kind of interdisciplinary model of mental health care. So that has had a big impact. But we do have significant shortages of the right experts in the right places, and it is hard to sometimes attract the
right -- you know, we have a small population of uniformed
experts. And then we rely on some contract support. In
certain places where our forces are -- and you have
certainly seen the same scourge with veterans where getting
the right care to the right people is a difficult thing. So
leveraging things like telemedicine, finding ways to deliver
that multidisciplinary model even in locations that are
geographically difficult to attract the right people I think
is the key thing.

But in my own personal experience -- and I spend a
little less time on it now than I have in previous
assignments just because of the nature of my assignment --
the single biggest change in my judgment has been the change
in the culture of the medical profession to that
multidisciplinary approach and then combined with the full
visibility of what is going on with an individual in the
leadership realm or with the chaplain and so forth. So what
I used to tell people is if I knew as much about people when
they were alive as I found out about them after they die, we
would have been able to do something to help fix this. So I
think that that multidisciplinary approach is probably the
biggest thing in terms of investment, and then making sure
that we actually do know as much about our men and women
when they are alive as we sometimes find out after they die
is probably the biggest thing we need to continue to
emphasize. A piece of it is resources but a piece of it is continuing to have the kind of decisive engaged leadership that we have seen be successful.

Senator Donnelly: Thank you.

Another thing that you have been working with me and with all of us on in Syria is to try and find the young men and women who ISIS killed while they were there. We appreciate all your hard work, and I just want to say one more time if we could continue to keep looking and continue to make that effort, it would mean the world to those families who have young people who are still over there.

Secretary Mattis: Please assure them, Senator, that we are doing exactly that. We track this. We get reports frequently about leads. There is no stone left unturned as we try to resolve this.

Senator Donnelly: And as we are looking at Syria, you hear things from here, from over there, from wherever. When we talk about leaving as soon as we have wrapped up ISIS, I have great fears of seeing history repeat itself in some ways that we simply head out, and the second we do, ISIS comes back in. And I know that the Department of Defense, General Dunford, you have all said, look, we are just not walking away, but I want to make sure that we have a plan in place to protect those people in those regions that we have stood with, who we have given our word to, and who have
relied on us as partners and have stuck their necks out for us as well.

Secretary Mattis: Senator, what we are doing right now is we are helping the local places that we have liberated put together their own civilian leadership. Civilian councils we call them. We are training their police chief, the deputy chief, and a handful of others so when they bring people in, they have got some professional folks there. So if ISIS tries to come back at them, they are taken care of.

Then we are working the political process to make sure they are not left to drift in terms of not having a seat at the table for their future, their longer-term future. That is a diplomatically led effort, but it is one that the State Department, Brett McGuirk, former Secretary Tillerson, Acting Secretary Sullivan will have been working on. So there will be no loss of momentum as we go forward.

Senator Donnelly: Yes. I worry about them looking up one day -- the local forces -- and seeing the trucks coming back in with ISIS. As they say, we do not want to buy the same real estate twice.

I also want to ask, what does success in Afghanistan look like a year from now?

Secretary Mattis: Sir, it is probably going to take more than a year is the first point I would make.

Senator Donnelly: Right. If you are a year out, where
do you want to be, and then what does success look like?

Secretary Mattis: A more capable Afghan force between their military and their police, the violence level going down. As you know, the Taliban have been unable to take over any more district or provincial centers since last August, and as a result, they have turned to high visibility bombings for the very outcome they have achieved, which is getting a lot of news, that sort of thing.

I think too that we are going to see fewer casualties. We dominate the area. In other words, we have got NATO air support for them on the ground now with people from NATO countries calling the support. We have sent over reinforcements.

And lastly, you will see elections ongoing. You will notice that one of the targets of the Taliban is the election campaign. We are going to sustain this effort under President Ghani, get the elections in, and it will be a reminder to everybody in the country that the Taliban know they cannot win through ballots. That is why they turn to bombs. That does not endear them to the population.

Senator Donnelly: Thank you all.

Thank you, Mr. Chairman.

Senator Inhofe: Thank you, Senator Donnelly.

Senator Cruz?

Senator Cruz: Thank you, Mr. Chairman.
Senator Inhofe: Senator Cruz, our timer is not functioning properly. We will let you know.

Senator Cruz: I will try to take no more than 40 minutes.

[Laughter.]

Senator Cruz: Gentlemen, good morning. Welcome. Thank you for your service.

Let us start with a topic that is much in the news, which is Iran. Mr. Secretary, in your judgment, what would be the national security implications for the United States if Iran were to acquire nuclear weapons?

Secretary Mattis: I think the implications for the United States and for every nation in the region -- it would be an increased level of danger at a level we have never experienced from this regime.

Senator Cruz: General Dunford, anything to add on that same question?

General Dunford: No. I think the Secretary captured that, Senator. I mean, given the behavior of Iran and how difficult it is to deal with all the other challenges they present, certainly the possession of a nuclear weapon would be of great concern.

Senator Cruz: Let us shift to another topic. Let us shift to space. General Dunford, you have acknowledged that, quote, unlike previous eras, when space was considered
a benign and unchallenged environment, space is now a contested domain. And based on that shared assessment, I introduced language in last year’s NDAA, which my colleagues on this committee supported, that officially labeled space as a combat domain, and it called for a policy to develop and field an integrated system of assets to protect our space-based capabilities, to deter or deny attacks in space, and to defend the U.S. homeland, our allies, and deployed forces.

In your judgment, what is the United States’ greatest military comparative advantage in space relative to Russia and China?

General Dunford: Senator, I think there is really a few, if you do not mind me listing them. One is obviously we leverage space for our command and control systems. We leverage it for navigation, and that also includes our ability to deliver the precision munitions. And the other area that we leverage it for is intelligence, surveillance, and reconnaissance. So, for example, when North Korea was doing testing, just to put a finer point on it, the first indicators we had that there was a missile test came from our space-based assets. So we really do have some -- we do leverage space for some of the core capabilities of the Department.

Senator Cruz: And what are our greatest
vulnerabilities in space, and what are we doing and should
we be doing to mitigate those vulnerabilities?

General Dunford: What we see with China, Russia, and
to some degree some other countries, they developed the
ability to jam our systems. They developed the ability to
laser-blind our systems. They are some of the biggest
challenges. And then one that was referred to earlier is we
have got a lot of space junk out there that puts at risk our
targets, and as that increases, that becomes a greater
threat as well. So those would be the three that I would
highlight.

Senator Cruz: Let me shift to a related topic, which
is missile defense. In the last decade, near peer
competitors like Russia and China have been able to rapidly
test and field technologies that have given the edge in
hypersonic flight. These hypersonic weapon systems can be
launched and flown in methods traditionally associated with
ballistic missiles. The combination of speed, trajectory,
and maneuverability make these systems increasingly
challenging for our missile defense systems to defend
against them and ultimately defeat them.

How do you view the dual necessity of, number one,
developing new missile defense capabilities to intercept
hypersonics earlier in flight and, number two, furthering
the development of our own hypersonics?
Secretary Mattis: Sir, the reorganization of Acquisition, Technology, and Logistics now has someone focused on these areas, Mike Griffin with a NASA, Lincoln Labs background. Hypersonics is the number one priority, both having them for ourselves but also the defense against them. We can go into a classified briefing for you, sir, about where we are going with it. But I would just register that it is our number one priority in the developing technologies.

Senator Cruz: And obviously, please let this committee know what else we need to be doing to assist in that.

Let me finally focus on -- the administration has taken very positive steps to strengthen missile defense in the Korean Peninsula, particularly with the deployment of THAAD batteries. Even so, the capability is calibrated for ballistic missiles and is ill-equipped to defend against conventional threats like rockets, artillery, mortars, of which North Korea has stockpiled a staggering level both to hold Seoul hostage and also to target capabilities like THAAD.

In your judgment, what steps should we take to further protect South Korea against North Korean rockets, artillery, or mortars?

General Dunford: Senator, I will start with that.

Only so much can be done with defensive capabilities. And a
key element of dealing with the challenges presented by
North Korea is our offensive strike capability as well. And
one of the things that we really have started working on
over the last 15 months -- truth be told, we divert a lot of
our intelligence, surveillance, reconnaissance assets away
from the peninsula for a long period of time. So if you ask
me right now what is the best way to get after that problem,
increase our intelligence, surveillance, reconnaissance --
we call that find the threat -- and then be in a position to
conduct strikes against the threat. And our plans, without
speaking with specificity today, are very much focused on
more concerted strikes against that artillery, rockets, and
denying them that capability. So it is really a combination
in my view of there is a baseline of defensive capabilities
that we need to have in the greater Seoul area in particular
but also enhancing better the ability to conduct offensive
strikes against those systems.

Senator Cruz: Terrific. Thank you, gentlemen.

Senator Inhofe: Thank you, Senator Cruz.

Senator Nelson?

Senator Nelson: Mr. Chairman, I will be quick.

When we talk about challenges in space, we got to talk
about challenges in cyber. And I would like to take it from
a different standpoint. Not only does cyber threat to the
country but to what degree is the Department of Defense, our
Cyber Command going to be involved in cyber-enabled
information operations like the Russians did to us in the
2016 election? Is that something you want to talk to in a
different forum?

Secretary Mattis: It would be best in a different
forum, sir.

Senator Nelson: Okay.

Niger. One of those service members was from Florida.
They are just about to produce the report, and in fact, the
families, as we speak, have been informed. Is there
anything that you can tell us, Mr. Secretary, about the
report?

Secretary Mattis: Sir, we have a 200-page summary -- I
know that sounds like a long summary, but it was a very
involved investigation spanning three continents. The last
family will be notified on Monday. Already in your
classified vaults, the SASC has available the 200-page. I
can also get the 6,300 pages up. Many of those pages I have
read. But I think right now we have found what we believe
to be the crux of the problems, not problem but problems,
that contributed to this. It was not a delegation of
authority problem. So we know immediately how to address
those. And we are doing that right now, addressing those
problems.

Senator Nelson: Finally -- and I will. I will go and
I will read that report.

Quickly, you have touched a lot today on Syria, but the truth is that Iran now has a land bridge all the way to Beirut through Iraq, through Syria, on into Lebanon. Is there any additional thing that you want to share, Mr. Secretary, about how we are going to protect our interests in Syria, given that that is a new significant threat?

Secretary Mattis: Well, the broader strategy, sir, has got to take this into account. And if Iran does not change its behavior -- and I have no reason to think that they will under the current regime. The Iranian people are held hostage by this regime’s leadership. So long as they continue to fund the level of proxy warfare, whether it be in Yemen or the explosives they send into Saudi Arabia or into Bahrain -- and then you are pointing out the crescent, as they try to resupply their proxy in Lebanon and Syria through a land bridge. I would just suggest that Iraq has not yet succumb to the idea that they need to be a rump state of the Iranian regime, and I believe that we are well advised to continue to support the Iraqi Security Forces and the legitimate government in Baghdad, as one of the ways to avoid this becoming a reality.

I would also say that the Geneva process in resolving the Syria civil war would set the conditions for more interruption of that.
And then, of course, Lebanese Hezbollah has got to be looked at as a separate and distinct problem inside Lebanon.

Senator Nelson: Thank you, Mr. Secretary.

Senator Inhofe: Thank you, Senator Nelson.

The majority and the minority have agreed, in that there are votes taking place right now, that at the conclusion of the remarks and questions by Senator Blumenthal, we will be adjourned.

Senator Blumenthal is recognized.

Senator Blumenthal: Am I recognized?

Senator Inhofe: Yes, you are.

Senator Blumenthal: Thank you.

I will be brief because we do have votes, and I want to, first and foremost, apologize for being absent for a large part of the hearing. A lot has been going on in the Judiciary Committee and other committees. And I will ask one brief question and then perhaps supplement the record with others.

Have you seen any change in North Korea’s cyber activities since the diplomatic discussions concerning a meeting between Kim and President Trump?

Secretary Mattis: We have not seen a change. Now, I did not specifically go in and look at this in the last week or 2, but I get the reports routinely frankly. So I cannot give you a good answer on that, a straight answer on it,
sir, but I can get back to you, sir, and tell you what we
find.

Senator Blumenthal: Because I have the impression over
the years that I have been on the Armed Services Committee
that their cyber activities have mounted over the years.
Obviously, they have attacked us on a number of occasions.
So I would be very interested in your response.

As I say, I have other questions that I would like to
put to you. In light of the vote and in light of your very
long and valuable attendance here and your forthright
answers, I am going to spare you any more time. But thank
you for your service and thank you for all you do for the
country. Thank you.

Secretary Mattis: Thank you, Senator.

[Whereupon, at 12:18 p.m., the hearing was adjourned.]