

Stenographic Transcript
Before the

COMMITTEE ON
ARMED SERVICES

UNITED STATES SENATE

HEARING TO RECEIVE TESTIMONY ON
THE POSTURE OF THE DEPARTMENT OF THE ARMY IN
REVIEW OF THE DEFENSE AUTHORIZATION REQUEST FOR
FISCAL YEAR 2020 AND THE FUTURE YEARS DEFENSE
PROGRAM

Tuesday, March 26, 2019

Washington, D.C.

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HEARING TO RECEIVE TESTIMONY ON
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Tuesday, March 26, 2019

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

The committee met, pursuant to notice, at 9:29 a.m. in Room SD-G50, Dirksen Senate Office Building, Hon. James M. Inhofe, chairman of the committee, presiding.

Members Present: Senators Inhofe [presiding], Wicker, Fischer, Cotton, Rounds, Ernst, Tillis, Sullivan, Perdue, Cramer, McSally, Blackburn, Hawley, Reed, Shaheen, Blumenthal, Hirono, Kaine, King, Heinrich, Warren, Peters, Manchin, Duckworth, and Jones.

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

3 Chairman Inhofe: Our meeting will come to order.

4 We -- as soon as we have a quorum here, we do have some
5 nominations that have to break into the regular order.

6 The committee meets to receive testimony on the posture
7 of the U.S. Army in fiscal year 2020 budget request.

8 We welcome Dr. Mark Esper, the Secretary of the Army,
9 and General Mark Milley, Chief of Staff of the Army. We
10 thank both of you for your years of distinguished service.
11 Look forward to the upcoming months.

12 The National Defense Strategy directs our Nation's
13 military to prepare for the return of great-power
14 competition. This means that we've got to be prepared to
15 deter -- if necessary, decisively defeat -- potential near-
16 peer adversaries, obviously referring to China and Russia.

17 In order for the Army to achieve that goal, our Army
18 must be manned, trained, and equipped appropriately. The
19 Army has made significant progress in rebuilding readiness
20 across the force, but there's still a lot to be done. A
21 high state of readiness is crucial for our Nation to
22 demonstrate peace through strength.

23 With the -- their alarming speed of modernization of
24 both conventional and nuclear forces, China and Russia now
25 present a credible threat to America and our allies in their

1 regions, and an increasing threat around the world. In
2 fact, in some areas they -- they've actually surpassed us.
3 It's a hard thing to explain to American people. They
4 always assume that we have the very best of everything. And
5 that has been true in the past. It's not true today.

6 It's past time for action. You have testified that the
7 Army is outranged and outgunned, as currently organized and
8 equipped. The future of our Army readiness and the
9 relevance requires modernization now. Any successful
10 modernization strategy must focus on results. Rapid
11 prototyping and realistic experimentation will be vital to
12 getting modern, reliable, lethal weapons into the hands of
13 our soldiers, and doing so on time within allotted budgets.
14 We cannot allow the past acquisition failures to continue
15 any longer.

16 The Army undertook a detailed and exhaustive look at
17 every single program to ensure that each supports the
18 National Defense Strategy. This National Defense Strategy,
19 which, of course, we've had two hearings on this, it's a
20 strategy that was agreed to by both Democrats and
21 Republicans, and we're trying to use that as our blueprint.
22 These choices will require an open and transparent dialogue
23 with Congress along the way. We look forward to working
24 with you to make our shared modernization vision a reality
25 as the Army reinvests itself to become a 21st-century

1 fighting force prepared for the more lethal and dynamic
2 battlefields of the future.

3 Senator Reed.

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

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

4 And let me join you in welcoming Secretary Esper and
5 General Milley to this morning's hearing. And this will
6 likely be the last time that General Milley testifies before
7 the committee in the capacity as Chief of Staff of the Army.
8 So, let me thank you, General, for the leadership of our
9 soldiers, very, very much.

10 The President's budget request for FY-2020 includes
11 \$182.3 billion in funding for the Army. Of that amount,
12 150.7 billion is for the base budget requirements, and 31.6
13 billion for overseas contingency operations activities.
14 This request should be evaluated in the context of the
15 National Defense Strategy and the national security
16 challenges facing our country. The renewed focus on
17 strategic competition with China and Russia will require the
18 Army to train for full-spectrum operations and to field
19 equipment necessary for a high-end fight. I commend the
20 Army for recognizing that, while there is a change in
21 strategy, budgets remain constrained. I understand that, as
22 this budget was developed, senior Army leadership
23 scrutinized existing programs to determine which ones
24 supported the Army's modernization priorities and which
25 programs should be reduced or canceled so that savings could

1 be reinvested. While the committee may not agree with every
2 budget decision made by the Army, they did make tough
3 decisions to prioritize funding for the future fight.

4 In support of the focus on near-peer competition, the
5 Army has also made major structural changes to expedite
6 modernization across the force. The Army has established
7 eight cross-functional teams to demonstrate capabilities
8 through prototyping and experimentation for major
9 modernization priorities. The Army is also exercising new
10 acquisition authorities provided by Congress, while Army
11 Futures Command was established as the single command for
12 all modernization efforts. Delivering cutting-edge
13 capabilities to the warfighter under an expedited
14 acquisition timeline is always a challenge. To do so while
15 undergoing a major structural and cultural change with the
16 establishment of the Army Futures Command makes this process
17 even more complex.

18 While I applaud the Army for taking a hard look at
19 their acquisition processes, we do not have a wide margin
20 for mistakes, given the threats from our adversaries. I
21 asked our witnesses this morning to share what the Army has
22 learned to date from these efforts.

23 While modernizing military platforms and upgraded
24 equipment are critical for the battlefield, ensuring our
25 soldiers are ready for the fight remains our highest

1 priority. I commend Army leadership for their focus on unit
2 readiness and for submitting a budget proposal that supports
3 25 Combat Training Center rotations for brigade combat
4 teams. This budget request seeks an increase of 2,000
5 Active Duty soldiers as well as a slight end-strength
6 increase for the Army National Guard and Reserve. It is
7 imperative that, as the Army grows, it remains focused on
8 the quality of our soldiers rather than the quantity. The
9 Army has acknowledged that they were unable to meet the
10 recruitment goals last year, and I would like to know from
11 our witnesses how the Army plans to address this challenge.

12 The President's budget also requests an across-the-
13 board pay raise of 3.1 percent for all military personnel,
14 equal to the annual increase in the employment cost index.
15 However, once again, the President has decided not to
16 include in this budget the funding necessary to support a
17 pay raise for civilian employees. This budget request also
18 makes reduction to Federal employee pensions affecting
19 current and future employees. Civilians working in the
20 Department of the Army are force multipliers and part of the
21 total force. Unfortunately, by denying a corresponding pay
22 increase for our civilians and cutting their pensions, the
23 President's budget request sends the message that their work
24 and contributions to our national defense are not as highly
25 valued as they should be, and it hinders the Army's ability

1 to recruit the very best civilian workforce we need. I hope
2 to hear from our witnesses their views on the morale of the
3 Army civilian workforce and their ability to effectively
4 manage the total force, including civilian employees.

5 Finally, I wanted to close on two important issues.
6 First, this committee has received the list of military
7 construction projects that will be targeted in order to
8 resource the President's proposed wall. Many of these
9 projects are Army military construction priorities, and they
10 will be at risk for delay or cancellation. Also, there are
11 concerns that troop deployments to the southern border may
12 undermine Army readiness goals. Given the efforts by the
13 Army over the past several years to rebuild readiness, I
14 would like to hear from our witnesses today whether moving
15 funds from military construction projects or deploying
16 soldiers to the border will have a detrimental impact on
17 readiness.

18 Second, I want to emphasize the urgency of fixing the
19 substandard living conditions that are pervasive in
20 privatized military housing. I appreciate the Army has
21 acknowledged the enormity of the issue and that they are
22 working to address this crisis. In the meantime, this
23 committee will continue our stringent oversight until every
24 servicemember and their family has access to the high-
25 quality housing that they have earned and deserve.

1 Again, thank you. And I look forward to hearing from
2 the witnesses.

3 Thank you, Mr. Chairman.

4 Chairman Inhofe: Thank you, Senator Reed.

5 And now Carl Doms and your group understand why you're
6 here today.

7 Since a quorum is now present, I ask the committee to
8 consider a list of 2,743 pending military noms. All the
9 nominations have been before the committee the required
10 length of time.

11 Is there a motion to favorably report these --

12 Senator Reed: So move.

13 Chairman Inhofe: -- 2,743 --

14 Senator Wicker: Second.

15 Chairman Inhofe: -- pending --

16 There's a motion. There's a second.

17 All in favor, say aye.

18 [A chorus of ayes.]

19 Chairman Inhofe: Opposed, no.

20 [No response.]

21 Chairman Inhofe: The motion carries.

22 We'll now hear from our two witnesses. It's a pleasure
23 having both of you here.

24 We'll start with you, Secretary Esper. And try to keep
25 your remarks somewhere in the neighborhood of 5 minutes.

1 You're recognized.

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1 STATEMENT OF HON. MARK T. ESPER, SECRETARY OF THE ARMY

2 Dr. Esper: Yes, sir, I'll watch the clock, here.

3 So, Chairman Inhofe, Ranking Member Reed, and
4 distinguished members of the committee, thank you for the
5 opportunity to appear before you today.

6 I want to, first, thank Congress for helping us reverse
7 the readiness decline that developed following several years
8 of budget uncertainty. Because of the strong support
9 provided in the FY18 and FY19 budgets, we have increased the
10 number of fully ready brigade combat teams by 55 percent
11 over the past 2 years. However, while I am confident we
12 would prevail against any foe today, our adversaries are
13 working hard to contest the outcome of future conflicts. As
14 a result, the Army stands at a strategic inflection point.
15 If we fail to modernize the Army now, we risk losing the
16 first battles of the next war.

17 For the past 17 years, the Army bore the brunt of the
18 wars in Iraq and Afghanistan. For over a decade, we
19 postponed modernization to procure equipment tailored to
20 counterinsurgency operations. Our legacy combat systems,
21 designed for high-intensity conflict, entered service when I
22 joined the Army in the early 1980s. While they dominated in
23 past conflicts, incremental upgrades for many of them are no
24 longer adequate for the demands of future battlefield, as
25 described in the National Defense Strategy. We must build

1 the next generation of combat systems now, before Russia and
2 China outpace us with their modernization programs.

3 Despite Russia's looming economic difficulties, they
4 are steadily upgrading their military capabilities. In
5 addition to field testing their next-generation T-14 Armada
6 tank, they continue to advance the development of their air
7 defense and artillery systems. And, when combined with new
8 technologies, such as drones, cyber, and electronic warfare,
9 Russia has proven its battlefield prowess.

10 We have no reason to believe that Moscow's aggressive
11 behavior will cease in the short term. Russia's blatant
12 disregard for their neighbors' sovereignty, as demonstrated
13 in Ukraine and Georgia, is a deliberate strategy meant to
14 intimidate weaker states and undermine the NATO alliance.

15 In the long run, China presents an even greater
16 challenge. They continue to focus their military
17 investments in cutting-edge technologies, such as artificial
18 intelligence, directed energy, and hypersonics. Beijing's
19 systematic theft of intellectual property is also allowing
20 them to develop capabilities cheaper and faster than ever
21 before. Additionally, China's coercive economic practices
22 are expanding its sphere of influence in ways contrary to
23 our Nation's interests.

24 To deter the growing threat posed by great-power
25 competitors, and to defeat them in battle if necessary, we

1 must leap ahead to the next generation of combat systems,
2 and we must do so now. Over the past year, the Army took a
3 major step forward in reorganizing its entire modernization
4 enterprise with the establishment of Futures Command. In
5 doing so, we stripped away layers of bureaucracy and
6 streamlined our acquisition process while achieving unity of
7 command and greater accountability. Guided by our six
8 modernization priorities, Army Futures Command is hard at
9 work developing the systems needed to maintain battlefield
10 overmatch in future conflicts.

11 When we received our budget this time last year, we
12 felt that it was unreasonable to ask Congress for the
13 additional 4 to 5 billion dollars needed annually to fund
14 our modernization without first looking internally to find
15 the necessary resources. As a result, the Army's senior
16 leaders took an unprecedented initiative to review every
17 Army program. Our goal was simple: Find those programs
18 that least contribute to the Army's lethality, and
19 reallocate those resources into higher-priority activities.
20 After over 50 hours of painstaking deliberations, we
21 eliminated, reduced, or delayed nearly 200 programs, freeing
22 up over \$30 billion over the next 5 years. We then
23 reinvested this money into our top priorities, those systems
24 and initiatives we need to prevail in future wars. The Army
25 will continue to ruthlessly prioritize our budgets to

1 provide a clear, predictable path forward that will achieve
2 our strategic goals. That process is underway now as we
3 develop next year's budget.

4 Support for the Army's FY20 budget is critical to
5 building the Army the Nation needs and demands. Those who
6 are invested in legacy systems will fight to hold on to the
7 past, while ignoring the billions of dollars in opportunity
8 created by our investments in new technologies and what it
9 means for the Army's future readiness. While change will be
10 hard for some, we can no longer afford to delay the Army's
11 modernization. We believe we are following the sound
12 guidance conveyed to us by many of you.

13 In this era of great-power competition, we cannot risk
14 falling behind. If left unchecked, Russia and China will
15 continue to erode the competitive military advantage we have
16 held for years.

17 The Army has clear vision -- a clear vision, which I
18 ask be entered into the record -- and a sound strategy to
19 maintain battlefield overmatch. We are making the tough
20 choices. We now need the support of Congress to modernize
21 the force, and it starts with the FY20 budget. The bottom
22 line is this. We owe it to our soldiers to provide them the
23 weapons and equipment they need to win decisively in the
24 future.

25 Thank you again for your continued support. I look

1 forward to your questions and appreciate the opportunity to
2 discuss these important matters with you today.

3 [The prepared statement of Dr. Esper follows:]

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1 Chairman Inhofe: Thank you, Mr. Secretary. Excellent
2 statement. And, without objection, the report made part of
3 the record.

4 [The information referred to follows:]

5 [COMMITTEE INSERT]

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Chairman Inhofe: General Milley.

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1 STATEMENT OF GENERAL MARK A. MILLEY, USA, CHIEF OF
2 STAFF OF THE ARMY

3 General Milley: Chairman Inhofe, Ranking Member Reed,
4 and distinguished members of this committee, thank you again
5 for the opportunity to join Secretary Esper here today.

6 And it remains an incredible privilege and honor to
7 represent the million soldiers in uniform in the regular
8 Army, the National Guard, and the U.S. Army Reserve, arrayed
9 in 18 divisions, 58 brigade combat teams, with 180,000 of
10 them tonight deployed on freedom's frontier in 140 countries
11 around the world.

12 While much of our testimony today is going to focus on
13 our challenges and how to make us stronger and more lethal,
14 it's important to note up front, to you, the committee, and
15 to the Congress, to the American people, our allies, and,
16 perhaps most importantly, to our adversaries, the United
17 States Army is a highly capable, globally deployable on very
18 short notice to anywhere in the world, and we have the
19 training, equipment, people, and leaders to prevail in
20 ground combat against anyone, anywhere, anytime.

21 I concur with Secretary Esper's comments on the threats
22 posed by China and Russia. The international order, and, by
23 extension, United States interests are under increasingly
24 dangerous pressure. China is a significant threat to the
25 United States and our allies in the mid and long terms.

1 They're a revisionist power seeking to diminish our
2 influence in the Pacific and establish themselves as the
3 controlling regional power in Asia, and they are setting
4 conditions to challenge the United States on a global scale.

5 Russia seeks to return to global great-power status,
6 and will continue to challenge the United States, not only
7 in Europe in the -- but also in the Middle East, Asia, the
8 Arctic, Africa, and the western hemisphere. Russia
9 continues to undermine NATO as an alliance and to sow
10 dissent throughout the European continent and in our own
11 homeland through a variety of means. Russia remains the
12 only current existential threat to the United States, and
13 will likely become increasingly opportunistic in the near
14 term, in my view.

15 In the last 17 years, our strategic competitors have
16 eroded our military advantages, as outlined by Secretary
17 Esper. With your help, starting 2 years ago, we began to
18 restore our competitive advantage, and our recent budgets
19 have helped improve readiness and lay the groundwork for
20 future modernization. And we ask, with this budget, that
21 you sustain these efforts. Our goal remains 66 percent,
22 two-thirds, of the Active Duty Army brigades at the highest
23 levels of readiness, and 33 percent of the Guard and Reserve
24 also at the highest levels. Those numbers, those levels of
25 readiness, are what we need to be able to align with the

1 strategy, as laid out in the National Defense Strategy. And
2 with continued, consistent, predictable congressional
3 support, we can reach those levels of readiness sometime in
4 2022.

5 Specifically, this budget will fund, in terms of
6 readiness, 58 brigade combat teams, six security force
7 assistance brigades for the total Army, 32 combat training
8 rotations, to include four for the National Guard, increase
9 pre-positioned stocks in both EUCOM and INDOPACOM. In terms
10 of modernization, which is really just another term for
11 future readiness, this budget will improved capabilities
12 across our six modernization priority areas and the 31
13 specific programs that are embedded within that. In
14 addition to that, it funds 51 other programs that are of
15 significant importance to the Army. It'll increase the
16 lethality of munitions across the globe, and it will fill
17 specific solutions that we have identified, 17 critical gaps
18 relative to our near-peer competitors that I can brief in
19 detail in a classified hearing, if you so choose.

20 Lastly, I want to highlight that this committee and
21 Congress as a whole has provided us tremendous support over
22 the last several years. We recognize that, and we are
23 committed to applying our resources deliberately and
24 responsibly, understanding that they've been entrusted to us
25 by Congress and the American people. And we will continue

1 to do that, going forward, to ensure that our solemn
2 obligation to never send our sons and daughters into harm's
3 way unless they are properly trained, fully manned, have the
4 best equipment money can buy, and are extraordinarily well
5 led.

6 Thank you again for your continued support to our
7 soldiers and their families. And I look forward to
8 answering your questions.

9 [The prepared statement of General Milley follows:]

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1 Chairman Inhofe: Thank you, General Milley.

2 That's -- both statements were excellent, and I
3 appreciate -- and we appreciate, up here, the time you're
4 devoting to making us aware, and America aware, of the
5 threats that are out there in our peer competitors of China
6 and Russia.

7 Unfortunately, the Army missed our recruiting goals in
8 both fiscal year '18 and '19, coming up short about 9,500 of
9 what we authorized -- this committee authorized in fiscal
10 year '19. So, let's start -- General Milley, what's your
11 assessment of the most critical manning shortfalls facing
12 the Army as we begin to try to meet our blueprint, here,
13 with the -- what would come to your mind as the most
14 critical?

15 General Milley: We did miss the shortfall. I would
16 add that we did recruit and assess 70,000 soldiers into the
17 United States Army, which was a 10-year high, which, in
18 combination, is more soldiers than are in the British and
19 Canadian armies, combined. So, that's significant, I think.
20 And, in terms of the shortages, going forward, what we're
21 asking for this budget is modest growth of an increase of
22 2,000, which I think Senator Reed mentioned in his opening
23 statement. We knew we had a very significant and high
24 objective on the last years' recruiting, and we've made a
25 variety of changes inside Recruiting Command, to include the

1 commander. We're focusing on 22 significant cities
2 throughout the United States. We're looking at where the
3 storefronts are. We're looking at redoing the advertising
4 campaign. And there's a variety of other initiatives. We
5 are very confident -- we're on glidepath right now, and
6 we're very confident that we'll meet the recruiting and
7 accessions missions for this year.

8 Chairman Inhofe: What do you think, Secretary?

9 Dr. Esper: Senator, I agree. Last summer, we actually
10 turned up the standards. We raised the quality standards,
11 because quality is more important than quantity. And we
12 need to do that. We need to raise the quality, and we need
13 to continue to bring more in each year, because we need to
14 fully man the units exist, we need to put capabilities back
15 into --

16 Chairman Inhofe: Yeah.

17 Dr. Esper: -- the units that we lost over the years,
18 such as EW -- electronic warfare -- and we need to add new
19 capabilities to our units, such as cyber. So, this is all
20 consistent with the vision of where we want to go. And the
21 vision that we outlined says we definitely need to be above
22 500,000 soldiers by 2028.

23 Chairman Inhofe: That's good. What we don't want to
24 do, we've emphasized and you have emphasized in the past,
25 that we don't want to lower standards in order to increase.

1 Dr. Esper: Right.

2 Senator Reed: And that's not happening now, and it's
3 not going to happen.

4 The -- you addressed this, this goal, General Milley,
5 of 66 percent. And it's probably -- you don't want to get
6 into any detail on that, but would you repeat what you did
7 -- what you said in your opening statement? I think you
8 said, in year 2022 -- what's going to happen?

9 General Milley: We think, by our projections, if
10 things in the international environment remain at a constant
11 and we continue to get steady budgets at the rates we're
12 getting, we assess that we'll be at the highest levels of
13 readiness, with two-thirds, 66 percent, in the regular Army
14 and 33 percent in the Guard and Reserve, sometime in 2022,
15 which is significant. When I became the Chief of Staff, 3
16 years ago -- 3 and a half years ago -- we had three brigades
17 at the highest level of readiness. Today, we have --
18 roughly speaking, as of December's reports, you're looking
19 at about 28. So, that's a significant increase. But, we
20 have yet to achieve that 66 percent. We are, essentially,
21 right now, somewhere around the high-water marks of pre-
22 9/11, but we need -- if we're serious about Russia, China,
23 and what's in the NDS, with North Korea, Iran, and the
24 violent extremists and terrorist organizations, our
25 assessment is, of those 58 brigades, 66 percent in the -- or

1 66 percent in the regular Army, 33 percent in the Guard and
2 Reserve. And we'll --

3 Chairman Inhofe: Okay.

4 General Milley: -- -- achieve that in '22.

5 Chairman Inhofe: Yeah. Before I run out of time, I do
6 want to get a comment from each one of you on the budget.
7 You know, we went through a period of starvation, the last 5
8 years, of -- between 2010 and 2015 -- of actually reducing,
9 in constant dollars, the amount of money that came into our
10 military. And we are now paying for that. Even with the
11 budget increases that we're -- that we saw in '18, '19, what
12 we're proposing for '20, it still doesn't put us where we
13 need to be. When you go back to this book, you're talking
14 about an increase in -- for that 5-year period, of somewhere
15 between 3 and 5 percent above inflation. And even the 750
16 is -- doesn't reach that. It would have to be somewhere
17 around 757, I think it would be. So, I'd like to have each
18 one of you comment as to where we are. And do you think
19 that's a figure that's going to be adequate to take care of
20 the needs that we have in our assessment?

21 Dr. Esper: Mr. Chairman, you summed it up well. I
22 mean, the needs will always exceed the means, but we think,
23 if Congress passes this budget, we will continue on a good
24 trajectory with regard to restoring readiness and
25 modernizing the Army. That's really the key thing right

1 now.

2 Chairman Inhofe: Yeah.

3 General Milley: I concur with the Secretary. And, as
4 you well know, Chairman, it's all related to the amount of
5 risk we are willing to take relative --

6 Chairman Inhofe: Exactly.

7 General Milley: -- to the tasks.

8 Chairman Inhofe: Exactly.

9 General Milley: So, it's all about risk.

10 Chairman Inhofe: We understand that.

11 Senator Reed.

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

13 Mr. Secretary, General Milley, last night we received
14 notice that the Department of Defense was reprogramming \$1
15 billion from the Army to support border wall construction.
16 This is being done without approval by Congress, which is a
17 custom that both sides have relied upon for many, many, many
18 years to ensure that our constitutional authority over
19 spending is maintained. The Army also has a \$2.3 billion
20 unfunded requirements for FY20. Does this \$1 billion
21 reprogramming support Army requirements, or could the funds
22 be spent better elsewhere to improve readiness and maintain
23 the Army?

24 Dr. Esper: The funds do not affect our FY20 budget,
25 Senator Reed. And, with regard to FY19, it -- those funds

1 came out of our MILPERS wedge, if you will -- military
2 personnel -- that we could not fill that end strength. So,
3 that's where those came from. The -- otherwise, the FY19
4 budget approved by this Congress on time meets our readiness
5 needs.

6 Senator Reed: You still do have \$2.5 billion of
7 unfunded readiness, including things like aviation readiness
8 --

9 Dr. Esper: Yes, sir.

10 Senator Reed: -- whole host of issues that the money
11 could have been used for.

12 Dr. Esper: That's true.

13 Senator Reed: And so, in a sense, you are foregoing at
14 least the immediate use of those funds for military
15 purposes, like aviation readiness. Is that correct?

16 Dr. Esper: Like I said, the FY19 budget was more than
17 adequate for our needs, but, you know, clearly, with --
18 there -- as I said, to -- in response to the Chairman, the
19 needs always exceed the means. So, yes, we could have used
20 that money for -- as the other services, for -- to continue
21 to improve our readiness.

22 Senator Reed: Thank you.

23 The Army's unfunded requirements list included \$564
24 million for key infrastructure projects. And, as I
25 mentioned in my opening statement, the committee has

1 received the list of military construction projects that
2 will be -- or could be included in order to resource the
3 proposed wall along the southern border. And these will
4 obviously include Army construction projects. Given the
5 Army has identified more than half a billion in unfunded
6 infrastructure requirements for the FY20 budget, how
7 detrimental will it be to the Army readiness if we cancel or
8 delay these projects?

9 Dr. Esper: Well, Senator, we have to see what projects
10 will be teed up for repurposing. And I think, once we see
11 those initial requests, we can make a better estimate of
12 what the impact will be.

13 Senator Reed: One of the areas, too, that's been
14 identified are projects overseas, the European Defense
15 Initiative and other areas. And we often rely upon host and
16 partner contributions to facilitate those constructions.
17 They schedule sometimes on calendar years or fiscal years.
18 So, what impact would we have on delaying those projects?

19 Dr. Esper: Again, I'm familiar with some of those
20 projects. It includes everything from schools, I think, to
21 warehouses. We'll have to, again, assess, based on -- once
22 DHS, Department of Homeland Security, makes the request to
23 DOD, and then, from there, DOD, I assume, will prioritize
24 the projects, and we will do our own reprioritizing within
25 the Army submission and assess the impacts at that time.

1 Senator Reed: Section 335 of the FY18 NDAA asked for
2 each military service to submit the top 10 list of most
3 vulnerable installations to climate change, extreme weather,
4 or whatever appropriate terminology that you want to use.
5 Unfortunately, to date, we have not received that letter.
6 Could you commit to sending us the top 10 list of Army
7 facilities that are vulnerable to weather effects?

8 Dr. Esper: Yes, sir.

9 [The information referred to follows:]

10 [COMMITTEE INSERT]

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1 Senator Reed: Thank you.

2 Thank you, Mr. Chairman.

3 Chairman Inhofe: Thank you.

4 Senator Wicker.

5 Senator Wicker: Thank you.

6 And, gentlemen, appreciate your service.

7 General Milley, let's talk about Poland. The Army's
8 there on a rotational basis now. The Government of Poland
9 has asked us to look seriously at a permanent station there.
10 And Section 1280 of the FY19 NDAA required a DOD report on
11 the feasibility and advisability of permanently stationing
12 United States forces in the Republic of Poland. Do you know
13 the status of that report? It was due March 1st. And what
14 can you tell us about your opinion as to how that would
15 work, sir?

16 General Milley: Thank you, Senator. I do not know the
17 status of the actual report, and I'll have to get back to
18 you with that. I'm not sure where that's at in the pipeline
19 sort of thing.

20 [The information referred to follows:]

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1 Senator Wicker: All right. Just --

2 General Milley: But, as far as personal --

3 Senator Wicker: -- just give us your assessment.

4 General Milley: Yeah. My assessment, I am on -- in
5 the camp of recommending rotational forces to Europe, in
6 general, and Poland, in specific. There are some forces
7 that should and could be forward-stationed, some enabling-
8 type things, some infrastructure. But, for the most part, I
9 recommend, and have recommended, rotational forces, for a
10 couple of reasons. From the analysis I've seen, rotational
11 forces are more cost-efficient, cheaper, than permanently-
12 based. Secondly is, you don't have to build schools and
13 PX's and all the infrastructure that goes with permanent-
14 based forces. Third is, I think you get much more
15 operational flexibility for SACEUR, Supreme Allied Commander
16 Europe, because he can move forces around much easier than
17 he can if they're tied down to bases -- permanent bases,
18 with families, et cetera. And fourth is, you get a
19 strategic benefit from rotating forces, because we exercise
20 the strategic muscle memory of TRANSCOM to move large-scale
21 forces back and forth to Europe. And there are some other
22 reasons, but bottom line is, I recommend rotational forces,
23 with some exceptions for infrastructure and enablers,
24 command and control, some other things that would be
25 necessary at the higher end. But, for the most part, most

1 forces, I recommend rotational.

2 Senator Wicker: Thank you, sir.

3 Some of the things we're mindful of with regard to
4 Russia are Russia rapidly seizing NATO territory,
5 reinforcing it and presenting it as a fait accompli scenario
6 to the West. Do you think the rotational idea that you've
7 enunciated is sufficient to meet those challenges?

8 General Milley: I do, for a couple of reasons. One
9 is, depending on how you structure the rotations -- in the
10 National Defense Strategy, we talk about dynamic force
11 employment, so you want to keep an adversary guessing as to
12 where you're going to position forces around the globe at a
13 moment in time. By rotating forces, you can pick and choose
14 your own schedule, you can do heel-to-toe, so you have the
15 same strategic effect, operational effect, as permanent-
16 based, or you can have episodic, where the adversary doesn't
17 necessarily know when and where you're going to introduce
18 forces of different sizes. So, I think, depending on the
19 size of the force, the disposition, and the rotational
20 schedule, it would be sufficient to enhance the deterrent
21 effect of U.S. forces in Europe.

22 Senator Wicker: Did DOD ask for your input in
23 formulating the report that is now due?

24 General Milley: I'll have to go back and check to see
25 if they specifically asked for Army input. I've given my

1 input on numerous meetings, numerous occasions, to both DOD,
2 EUCOM, and the Army. So, I -- I'm at a loss, Senator, as to
3 the specific report that you're referring to, whether I
4 inputted that.

5 Senator Wicker: All right.

6 General Milley: I input a lot of things, and I'll have
7 to go back and doublecheck --

8 Senator Wicker: Thank you.

9 General Milley: -- and see if that specific --

10 Senator Wicker: Appreciate that. If you'd get back to
11 us.

12 [The information referred to follows:]

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1 Senator Wicker: And let me just ask, then, General,
2 about the idea of a new rotary wing program called the
3 Future Attack Reconnaissance aircraft. It is meant to fill
4 the capability gap in the role of armed reconnaissance and
5 attack in complex, degraded operation environments. Can you
6 describe, in an unclassified setting, what type of
7 capabilities we're talking about there, and how such an
8 aircraft would fare against Russian and Chinese threats?

9 General Milley: As Secretary Esper mentioned, in terms
10 of these six priority areas, one of which is future vertical
11 lift, and the FAR aircraft, which is the one you're
12 referring to is one of those programs underneath the future
13 vertical lift. The Apache helicopter is one of the big five
14 that came in in the 1980s, so it's been in now for 40 year s
15 or so. And that particular aircraft, although it's deadly -
16 - it's a great weapon system, the Apache -- it's going to
17 need to be replaced in the out years. So, we're looking for
18 an aircraft that, without going into specific requirements
19 and classifications, essentially goes further, can see
20 further, can acquire targets further, and can engage at
21 greater ranges than currently exists, and has greater legs,
22 can fly further with a greater payload of weapon systems. A
23 significant improvement over that which exists today.

24 Senator Wicker: Can you tell the committee how soon
25 you envision moving in that direction?

1 General Milley: We're already moving in that
2 direction, in terms of research, development, and the
3 development of the prototypes. In terms of actually
4 fielding the weapon, or fielding the helicopter, that, I
5 think, is still a moving target with industry, because we
6 want to see the prototypes and we want to do proof of
7 principle on some of the technologies.

8 Senator Wicker: Thank you, sir.

9 Chairman Inhofe: Thank you, Senator Wicker.

10 Senator Shaheen.

11 Senator Shaheen: Thank you, Mr. Chairman.

12 Thank you, Secretary Esper and General Milley, for your
13 testimony this morning.

14 Secretary Esper, I was pleased to see a story in -- a
15 report this morning that said that the Army had backed down
16 on the Freedom of Information request relative to
17 contamination from PFAS components. I just wanted to
18 applaud the fact that you had decided to waive those fees.
19 We have a significant contamination from PFOS and PFOA at
20 the former Pease Air Force Base, and the Air Force has been
21 very responsive to the community of Portsmouth and New
22 Hampshire on that. And I hope the Army will be as
23 responsive.

24 I want to go back to pick up on Senator Reed's question
25 about the \$1 billion that is coming for the President's

1 border wall, because the reports -- the news reports have
2 suggested that that \$1 billion is counterdrug money. Can
3 you -- you mentioned that it was coming from a different
4 fund, in your testimony -- can you clarify where, exactly,
5 that billion dollars is coming from?

6 Dr. Esper: Yes, Senator. My understanding -- and I
7 would obviously defer to OSD, because it's their decision,
8 of course -- is, that is money that was in the FY19 budget
9 for the Army for military personnel. When we adjusted our
10 end-strength number down, it freed up the 1 billion or so
11 military personnel money, and that money is now being
12 reprogrammed into the -- what's called the 284 counterdrug
13 account. And then that -- that is the means by which it is
14 leveraged to build the necessary barriers that were
15 outlined, I think, in the notification sent to Congress.

16 Senator Shaheen: So, it's actually being programmed
17 into the counterdrug account --

18 Dr. Esper: Yes, ma'am. I'm --

19 Senator Shaheen: -- is what you're saying?

20 Dr. Esper: I'm not familiar with all the movements.
21 Again, it's not my decision or action, but, my
22 understanding, it gets reprogrammed from the DOD account
23 into the 284 account, and eventually ends up with the Corps
24 of Engineers.

25 Senator Shaheen: Can you or General Milley speak to

1 the reports that have suggested that a number of the dollars
2 that are being talked about to be taken from military
3 construction are coming from projects in Europe that are
4 going to be needed for our various activities in defense of
5 Europe and the West?

6 Dr. Esper: Yes, ma'am. So, as you know, as you've
7 read, the -- there are things that, as I understand it, will
8 not be included, will not be eligible, if you will, that
9 would be -- and it was our recommendation, "Do not include
10 barracks or dormitories or housing." And then the decision
11 was also made to not include any FY19 projects that aren't
12 awarded, I think, before the end of this fiscal year. And
13 so, that leaves a numbers of projects. We would need to
14 take a look at the final list. And those projects are all
15 over the world and the United States, of course. And then
16 I'd have to look at the eaches to kind of -- and we -- and
17 the Army staff will now have to look at, How do we
18 prioritize those, based on MILCON thrust typically being --
19 begins with readiness and power projection.

20 Senator Shaheen: So, are any of those funds coming
21 from the European Deterrence Initiative?

22 Dr. Esper: I don't know, Senator, because I don't
23 think any decisions have been made yet on how much money
24 needs to be drawn and, therefore, which projects, because I
25 think OSD has available to them Army, Navy, Air Force,

1 Marine Corps projects to choose from in order to fund what
2 they want to do next.

3 Senator Shaheen: Well, I certainly hope that none of
4 those dollars are going to be taken from funds that are
5 needed to protect the national security of this country.

6 I understand that there has been a proposal to downsize
7 or eliminate the Peacekeeping and Stability Operations
8 Institute that's at the Army War College in Carlisle. I
9 wonder if you can give us the status of that. And I'm
10 particularly interested because they're the entity that's
11 charged with implementing the Women, Peace, and Security
12 legislation. And if that's going to be downsized or
13 eliminated, what's going to happen to that initiative?

14 Dr. Esper: Yes, ma'am. So, in the context of National
15 Defense Strategy, we were told that, while we shift to
16 higher-intensity conflict, we need to maintain proficiency
17 in irregular warfare. So, the Army decided to stand up what
18 we don't have, is an irregular warfare office. In the
19 context of reform, what we've done is, we looked at a number
20 of programs throughout TRADOC and everywhere else to make
21 sure we moved money and people internally. The assessment
22 was that we had nearly 50 people at the Peacekeeping
23 Institute, that we could accomplish the same mission with
24 fewer people. And so, that's what was done, at the
25 recommendation of Training and Doctrine Command, is to

1 reallocate people while preserving the functions, including
2 the one you mentioned. Further reform also included
3 aligning that Institute, because peacekeeping is a part of
4 the mission set -- aligning it much more closely with Fort
5 Leavenworth, which is the home of Army doctrine, so we have
6 a greater connectivity. So, we think we've got a more
7 manageable set, more focused and better connected, both to
8 Army doctrine and while retaining the connections at
9 Carlisle, if you will, and with the joint community. So, we
10 don't see that as degrading their mission, but we felt 50
11 people was more than enough, that we could reduce that some
12 in order to help build the irregular warfare office that we
13 need for the Army.

14 Senator Shaheen: So, what's going to happen to the
15 Women, Peace, and Security Initiative?

16 Dr. Esper: My understanding is, that is -- that
17 function is being preserved.

18 Senator Shaheen: Where?

19 Dr. Esper: At Carlisle, is my understanding. I'll get
20 -- I'll confirm and get back to you, though.

21 [The information referred to follows:]

22 [COMMITTEE INSERT]

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1 Senator Shaheen: Okay. Thank you.

2 Dr. Esper: There's nothing -- my understanding is,
3 nothing is moving out of Carlisle, but there is a
4 reorganization of the reporting chain to improve the
5 connectivity, again, back with Army doctrine at Leavenworth.

6 Chairman Inhofe: Thank you, Senator Shaheen.

7 Senator Shaheen: Thank you --

8 Chairman Inhofe: Senator Fischer.

9 Senator Shaheen: -- very much. That makes sense,
10 Secretary.

11 Dr. Esper: Yes, ma'am.

12 Senator Fischer: Thank you, Mr. Chairman.

13 Mr. Secretary and General, I have the honor of
14 representing the men and women of the Nebraska National
15 Guard, and I want to take a moment to recognize their work.
16 For the past week to 10 days, they've been active across our
17 State, responding to the catastrophic flooding that Nebraska
18 has experienced. They're working around the clock to save
19 lives and protect property. They are truly the best
20 representation of what it means to be a soldier in the
21 United States Army National Guard, and all of us in Nebraska
22 are deeply thankful for their efforts.

23 My question for you is, With the additional funding for
24 modernization and rebuilding readiness gaps projected for
25 FY-2020, how will you be working to ensure that adequate

1 investments are made across the Active, Reserve, and the
2 Guard components?

3 Dr. Esper: Yes, ma'am. First of all, our hearts go
4 out the people of Nebraska for what they're going through
5 right now. And I'm sure it's going to take some time, so we
6 really feel for them. And, you're right, a lot of kudos to
7 the Nebraska Guard for what they're doing. It's a
8 tremendous use of our Guard. I remember my days in the
9 Guard, the same thing. It's a mission we're very proud of.

10 Our commitment is to man the total Army and to field
11 the total Army with the equipment needed to do all the
12 missions. So, we've made that commitment, particularly with
13 aviation assets, which are being in heavy -- heavily used
14 right now in Nebraska. And so, that's our commitment.

15 The Guard is no longer a strategic reserve. It is an
16 operational force, and it's proved itself very well over the
17 past many years, along with the United States Army Reserve.

18 Senator Fischer: General?

19 General Milley: If I could just add one comment. The
20 United States Army's tasked, within the broader national
21 security establishment, to conduct large-scale ground combat
22 operations, campaign quality over extended periods of time.
23 The United States Army cannot execute that mission, that
24 wartime mission, defense of the United States -- cannot do
25 it without the National Guard and the U.S. Army Reserve.

1 We're the only one of the four services with over 50 percent
2 of the force in the Reserve component. We have 53 percent
3 in the Guard and U.S. Army Reserve. Navy has very tiny
4 Reserve. Marines have a tiny Reserve. And the Air Force,
5 about 25 percent are in the National -- Air National Guard.
6 So, the Army is dependent upon the National Guard and the
7 U.S. Army Reserve to execute our wartime mission. It cannot
8 be done without it. So, we take that into consideration,
9 and we ensure that, through the budgeting process and the
10 prioritization, that the Guard and the U.S. Army Reserve are
11 carefully considered and they're in all the meetings. And
12 we want to ensure that they are properly manned, trained,
13 and equipped.

14 Senator Fischer: Do you see the role of the Guard
15 changing in any way as we transition to the goals of the
16 National Defense Strategy? Do you see that component having
17 to change in any way?

18 General Milley: Yes.

19 Senator Fischer: How so?

20 General Milley: The -- I think the OPTEMPO of the
21 Guard will increase for selected units within the Guard on
22 our annual basis. We're already designating them with the
23 head of the Army Guard, Tim -- General Kadavy. And those
24 units, the amount of training time they do per year will
25 increase. We increased the Combat Training Center rotations

1 from two to four. And we intend to use those National Guard
2 units on rotations to either Europe, Korea, Kosovo, the
3 Middle East, wherever. So, fully incorporate the National
4 Guard into the operational rotations.

5 Senator Fischer: With that increase in tempo, do you
6 see an increase needed for personnel, or is recruitment
7 going to have to increase for the Guard?

8 General Milley: Yes, for both. And, within this
9 budget, as mentioned, a 2,000 modest increase, rise over
10 run, a few thousand a year, for the regular Army, 500 a year
11 for the Army Guard, and 250 for the Army Reserve. So,
12 slight increases over time until we achieve our end-state
13 objectives sometime in the 2028 period.

14 Senator Fischer: Thank you.

15 Dr. Esper: Senator, I think the other challenge for
16 the Guard and the Reserve will be in future conflict with
17 Russia and China, is the ability to mobilize and deploy
18 quickly, much more quickly than they have, because I don't
19 believe Russia and China will give us the time to build
20 combat power in the future.

21 Senator Fischer: I would assume you have plans on how
22 to help the Guard do that.

23 Dr. Esper: We have to work on that. That's -- yes,
24 ma'am.

25 Senator Fischer: Are you working with General Kadavy?

1 And does he then work with our local Guard?

2 Dr. Esper: We --

3 Senator Fischer: Our State people?

4 Dr. Esper: -- see General Kadavy every day, and --

5 Senator Fischer: Who is also a Nebraskan.

6 Dr. Esper: General Kadavy and his counterpart, General
7 Luckey, of the United States Army Reserve. And again, we
8 meet as one team, one Army, and they are fully involved in
9 all of our considerations.

10 Senator Fischer: Okay. Thank you.

11 Chairman Inhofe: Thank you, Senator Fischer.

12 Senator Heinrich.

13 Senator Heinrich: Thank you, Chairman.

14 General Milley, in your opening statement, you
15 mentioned that the Army is focusing on using directed energy
16 for its mobile short-range air defense, or MSHORAD,
17 capability. Is the Army still on track to field battalions
18 of air-defense Strykers with directed-energy technology?

19 General Milley: We're on track, in terms of
20 establishing prototype systems and in the overall program,
21 yes. So, we're on track, on budget, and we still intend to
22 do that.

23 Senator Heinrich: What's the timeline look, moving
24 into the future? And how important is continued investment
25 in directed energy --

1 Dr. Esper: We're --

2 Senator Heinrich: -- to this project?

3 Dr. Esper: We're looking at a couple of batteries
4 deployed to Europe --

5 Senator Heinrich: Secretary?

6 Dr. Esper: -- in fiscal year '21, Senator.

7 Senator Heinrich: Great.

8 Dr. Esper: And I think it's -- so, it's very exciting.
9 It reflects -- directed energy is one of our big-five, if
10 you will, technologies, along with hypersonics and
11 artificial intelligence and robotics. And we're -- the
12 Army's doing a lot of good work, and working with sister
13 services, on directed energy.

14 Senator Heinrich: I look forward to continued progress
15 in that area.

16 Secretary, I also want to ask you -- the Commandant of
17 the Marine Corps recently warned Pentagon leaders that
18 deployments to the southwest border and funding transfers
19 under the President's emergency declaration have posed,
20 quote, "unacceptable risk to the Marine Corps combat
21 readiness and solvency," end quote. Specifically, he stated
22 that marines will not participate in planned training and
23 exercises in Indonesia, in Scotland, in Mongolia, and will
24 reduce their participation in joint exercises with Australia
25 and South Korea. Have there been similar impacts to the

1 Army when it comes to training exercises?

2 Dr. Esper: Senator, I may defer to the Chief on this

3 --

4 Senator Heinrich: Okay.

5 Dr. Esper: -- because he's much more involved, in
6 terms of watching training and readiness. But, we have
7 spoken with commanders and with the 2800-or-so Title 10
8 soldiers and 1900-or-so Title 32 soldiers. In the scale of
9 a 1.1-million-man Army, the impacts on readiness, if there
10 are any, are negligible, if you will. It's not unlike when
11 we deploy to tackle Ebola in western Africa or flooding in
12 Puerto Rico. So, it's part of our mission set that we
13 accept.

14 But, in terms of specifics, Chief, I don't know if you
15 want to --

16 Senator Heinrich: General Milley. And maybe you can
17 speak to whether any Army units canceled either home-station
18 training events or overseas participation.

19 General Milley: Anytime an Army unit goes on an
20 unplanned contingency operation, whether it's Hurricane
21 Katrina or Puerto Rico or Ebola or goes to Afghanistan or
22 wherever -- doesn't matter where it is -- they're going to
23 cancel whatever they were doing prior. So, the short answer
24 would be yes, for the specific units. The larger answer,
25 though -- Does it impact the readiness of the Army? And the

1 answer is no, it doesn't have a significant impact at all.
2 It's a very modest, negligible impact on the Army as a
3 whole, because of -- primarily because of scale, which is
4 slightly different scale than what the Marines are talking
5 about in that letter.

6 So, our assessment is that the units that are going
7 down there, primarily engineers, MPs, some aviation,
8 transportation, medical units, they're within their mission
9 profile, in terms of what the tasks that they're actually
10 doing, so we don't see a significant degradation in
11 readiness at this time for the Army.

12 Senator Heinrich: Can you provide us with just a list
13 of what exercises may have been impacted, either at home or
14 abroad?

15 General Milley: Absolutely. Sure.

16 [The information referred to follows:]

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1 Senator Heinrich: Thank you.

2 Secretary Esper, I know last year you and I worked
3 quite hard to accelerate a MILCON project at White Sands
4 Missile Range, and Congress actually appropriated \$40
5 million to replace the 57-year-old information facility that
6 actually recently caught fire, it's so old. That facility
7 is used in the development and testing of our most advanced
8 weapon systems, things like the Standard Missile-2, the
9 Patriot missile systems, and others. And, in the era of big
10 data, this kind of technological facility is critical for
11 transmitting the vast amounts of data generated during
12 military testing. I am raising this simply because this is
13 just one of the projects we've seen as potentially on the
14 list for the chopping block to transfer those funds to the
15 border wall. Do you believe that this is the kind of
16 project that's at risk?

17 Dr. Esper: Well, first of all, Senator, thank you. I
18 did enjoy my visit to White Sands last year, and it was very
19 helpful, instructive to me. And so, I -- thank you for
20 that.

21 I'd have to look into the details of what you're
22 referring. I'm sorry to hear about the fire. I was not
23 tracking that. But, I'd have to get back to you.

24 [The information referred to follows:]

25 [COMMITTEE INSERT]

1 Dr. Esper: As I said up front, once we see the list of
2 MILCON projects that may be put up for consideration,
3 that'll be an OSD call. We'll have to assess that, based on
4 the prioritization we put to them, and then get back with
5 you.

6 I know one of the things that -- in the OSD budget --
7 in the DOD budget that OSD put in there was a -- this \$3.6
8 billion, if you will, to backfill any type of MILCON that
9 might be used to mitigate any type of thing -- projects like
10 that.

11 Senator Heinrich: I think the sooner we can get our
12 hands on what is really on the list, versus off the list,
13 then we can have a much more informed conversation.

14 Dr. Esper: Agreed.

15 Senator Heinrich: And I've got one more question on
16 AI, which I will just submit for the record. But, I look
17 forward to hearing the Army's plans on that front, as well.

18 [The information referred to follows:]

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1 Dr. Esper: I'll just say one thing on AI, if I can
2 have 30 seconds. I think the Chief and I would agree that
3 AI has the promise of maybe fundamentally changing the
4 character of warfare. And whoever gets there first will
5 have overmatch for years to come. So, we are putting
6 significant investments into AI. In fact, I was in
7 Pittsburgh about 2 months ago, doing both recruiting for the
8 Army and then also opening up our AI Task Force at Carnegie-
9 Mellon University, which is pulling in industry and schools
10 from all across the country. So, AI is very, very
11 important.

12 Senator Heinrich: I'm glad to hear that.

13 Thank you, Chairman.

14 Chairman Inhofe: Thank you, Senator Heinrich.

15 Senator Cotton.

16 Senator Cotton: Thank you, gentlemen.

17 I particularly want to compliment both of you, as well
18 as Under Secretary McCarthy, for the very painstaking effort
19 you put in, in going through the Army budget, line by line,
20 to find the savings to fund so many of these critical
21 modernization projects. One doesn't have to agree with
22 every single decision you made, and I suspect there'll be
23 some members of this committee that won't agree with every
24 single decision, to realize it was a long overdue project
25 and that it's responding to Congress's long-stated desire to

1 see that we have that kind of effort. So, thank you very
2 much for doing that for the Army. General Milley, maybe
3 you'll have a chance to do that for the entire Armed Forces
4 a few months from now.

5 General Milley, I want to return to something that you
6 said to Senator Wicker. He was asking you about the
7 presence of our troops in Poland -- and, presumably,
8 Baltics, as well -- and the concept of permanent basing
9 versus rotational forces. And you made a pretty strong case
10 for the advantages of rotational forces over permanent
11 basing. Would that not apply to Germany as well as Poland?

12 General Milley: It could. And, in fact, we are
13 rotating. We're rotating a brigade right now. There's two
14 brigades in Europe, as you know, the 173rd, down in Italy,
15 and then the Stryker Brigade, up in Germany, and we rotate
16 an armored brigade combat team through Germany right now.
17 So, the -- what is permanent, the two brigades plus some
18 infrastructure -- artillery, some aviation, some command and
19 control. That's what's in Germany today. Compared to, say,
20 the Cold War, where we had 300- -- you know, 300,000 troops,
21 or something like that, in Germany. So, we're sort of doing
22 a combination of both, rotational for the combat units, and
23 permanent for the infrastructure. And that's something
24 similar to what I would recommend for any other part of
25 Europe, for that matter.

1 Senator Cotton: Thank you.

2 General Milley: And we're doing it --

3 Senator Cotton: Yeah.

4 General Milley: -- in Korea, as well, by the way.

5 Senator Cotton: Thank you.

6 You know, I -- just listening to your response to
7 Senator Wicker, juxtaposed to the announcements in the last
8 few days that Germany is going to slash its defense budget,
9 I thought was pretty telling. And, in the end, I don't
10 think we can expect Americans and American soldiers to care
11 more about Germany's security than Germans do. And it's
12 troubling that they're going the opposite direction of so
13 many other of our NATO allies.

14 Secretary Esper, I want to talk about the THAAD missile
15 defense system. Is the Army going to take full ownership of
16 that from the Missile Defense Agency?

17 Dr. Esper: Senator, I know that's under consideration.
18 It's being discussed in great detail. I think we could, but
19 what's important is that the budget would come with that if
20 that happens. So, we just can't accept the program without
21 all the budget authority, to include the research aspects of
22 it, as well. So, I think that's still being worked. But,
23 we don't want to get stuck with a bill.

24 Senator Cotton: Yeah, sure. What's the timeline in
25 which you think you might make that decision?

1 Dr. Esper: I don't know, Senator. I think that's --
2 it's really an OSD decision, if you will. But, we can get
3 back to you on that.

4 [The information referred to follows:]

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1 Senator Cotton: Okay.

2 I'm pleased to see that one of the big modernization
3 prospectus -- or lines of effort is long-range precision
4 fires, what many just call "artillery," expanding the range
5 the lethality of artillery. Could you please explain the
6 concept for the so-called extended-range cannon, what it
7 would mean to have a gun that has that kind of range, that
8 -- those kind of fire power to it?

9 Dr. Esper: I'll take the first shot, and then --

10 Senator Cotton: Sure.

11 Dr. Esper: -- no pun intended -- and then let the
12 Chief talk to it.

13 But, clearly, as the Chairman said up front, when it
14 comes to artillery systems -- the system, we are outmatched
15 by the Russians. So, the extended-range cannon artillery --
16 and I was able to go to Yuma, Arizona, and see it shoot --
17 provides us incredible reach. And, when we talk about
18 deploying to the Baltics or Poland, when you think about a
19 gun that can shoot around 70-plus kilometers -- and we think
20 we can get further -- it can be a game changer for us, in
21 terms of reach, and, more importantly, in terms of
22 deterrence, from the get-go. So, this is one of the --
23 long-range precision fires is the top priority of the six,
24 and we're moving out at both the tactical, the operational,
25 and the strategic level.

1 General Milley: Yeah, I mean, we made it the number-
2 one priority because fires are fundamental to the American
3 way of war, which is all about maneuver warfare. And
4 maneuver warfare is -- fires with movement, in combination,
5 equals maneuver. And we have lost a little bit, relative to
6 some near-peer adversaries -- China, Russia, example -- with
7 respect to cannon and rocket artillery. So, we intend to
8 regain the comparative advantage that we've had, at least in
9 modern history, in that weapon system. And that's really,
10 really important to us. ERCA is one of multiple programs in
11 the entire concept of long-range precision fires that go
12 everywhere from the tactical, the 30-to-40-kilometer range,
13 the 70 for the ERCA, and beyond, up to 499, for the limits
14 of the INF, and beyond that for some other systems. So,
15 it's an entire suite of capabilities to regain American
16 dominance in the area of long-range fires.

17 Senator Cotton: Thank you.

18 One final question. Going to have a lot of vehicles, a
19 lot of aircraft, a lot of guns coming online in the coming
20 years. General Milley, you and I have discussed this
21 before. No soldier wants to ride in or shoot an acronym. I
22 hope there's a plan to come up with good names for all these
23 things, like the Bradley and the Abrams.

24 General Milley: We were thinking the Inhofe and the
25 Reed.

1 [Laughter.]

2 Senator Cotton: We'll have the --

3 General Milley: Or maybe the Cotton.

4 [Laughter.]

5 Senator Cotton: Have to stick with the Inhofe and the
6 Reed, but I do hope that there are going to be cool names
7 for our soldiers to ride in and shoot for many years to
8 come, as they've had for so long. Not an acronym.

9 [Laughter.]

10 Chairman Inhofe: Thank you, Senator Cotton.

11 Senator Peters.

12 Senator Peters: Thank you, Mr. Chairman.

13 And, gentlemen, thank you for your testimony today.

14 I want to follow up on some of the questions related to
15 the reprogramming of a billion dollars from the personnel
16 accounts. You know, this is -- certainly it was the
17 decision made without the approval of Congress. And, as you
18 know, a majority of Congress has actually voted against the
19 President's national emergency declaration. So, basically,
20 this is an end-around Congress, which I think is
21 unacceptable. But, I think it was also interesting that, as
22 you're moving a billion dollars from personnel funds to the
23 DHS, the Army, just yesterday, sent the Congress a list of
24 2.3 billion in unfunded priorities, included more than 1
25 billion for readiness requirements and 247 million for

1 modernization. So, given you're reprogramming a billion
2 from personnel and Reserve personnel accounts to DHS
3 counternarcotics account, just curious, from both of you
4 gentlemen, how is the southern border a greater priority
5 than Army readiness and modernization?

6 Dr. Esper: Senator, on the first part, the billion
7 dollars from the military personnel was that -- again, that
8 delta of 6500 soldiers that we were unable to fill, along
9 with others from pre- -- from the end-strength number. And
10 so, that was a -- that was an amount of money that we --

11 Senator Peters: I understand that.

12 Dr. Esper: Okay.

13 Senator Peters: I understand where it came from. But,
14 still, you've reprogrammed that for the southern border.
15 You haven't come to Congress to ask for it. So, that's an
16 end-around.

17 Dr. Esper: We returned it to OSD, and OSD is using it
18 to meet the requirements set out in the -- I think, the
19 national emergency declaration established by the Commander
20 in Chief.

21 Senator Peters: That has been rejected by Congress.
22 Correct?

23 Dr. Esper: Yes, sir.

24 Senator Peters: The -- you sent a list for 2.3 billion
25 in unfunded priorities that could have been met with this 1

1 billion that originated for the -- as you described. So, my
2 question is -- you made that a priority, as opposed to
3 readiness and modernization, and yet you're here, telling us
4 readiness and modernization is a priority, and yet it seems
5 as if you've prioritized the southern border over Army
6 readiness and modernization. Tell me why.

7 Dr. Esper: Senator, the FY19 budget, even with --
8 because the money was for the military personnel that we
9 cannot fill, the FY19 budget meets our readiness and
10 modernization goals. As I said up front, the needs of the
11 services will always exceed the means. So, that's just a
12 state of -- the state of things. It's always been that way.
13 So, I don't see it the way you've characterized it, if you
14 will.

15 Senator Peters: Well, you had a billion dollars you
16 could have transferred to your list of unfunded priorities
17 that you submitted to us just yesterday.

18 Dr. Esper: Yes. Well, that was for FY20. This is
19 FY19 money we're talking about. But, you're correct, that's
20 -- as I said --

21 Senator Peters: I mean, that's your --

22 Dr. Esper: -- as I said to Senator Reed up front, we
23 could have used that money to continue to improve readiness.
24 That's fair.

25 Senator Peters: But, you're saying the southern border

1 is more important than readiness.

2 Dr. Esper: I'm not -- I'm not saying that. I'm saying
3 that we -- the Department of Defense made decisions based on
4 what the President set out as priorities, and we are
5 following through, we are executing.

6 Senator Peters: General Milley, is readiness and
7 modernization a priority over the southern border?

8 General Milley: Readiness is the Army's number-one
9 priority; and modernization is future readiness, and that's
10 our number-two priority. But, I -- you know, Senator, I'm a
11 soldier. And priorities and national security priorities
12 are established by civilian control of the military. And
13 we're given those as matters of policy. And when they're
14 given to us, we execute. So, it is not for me to say one is
15 more important than the other, relative to the entire
16 national security of the United States. But, within the
17 Army, we've said priority one is readiness, priority two is
18 modernization. But, within the Nation, that's not our call.
19 That's the call of the United States Congress and the
20 President of the United States. We were told to move that
21 money. We gave it back to DOD. DOD's applying it in
22 accordance with presidential priorities.

23 Senator Peters: Of course, the Congress has spoken on
24 this issue. We know that.

25 But, a question in the remaining time, for both the

1 Secretary and General Milley, deals with the Army's Future
2 Command. And I just want to get a sense -- a better sense
3 of how you see that fitting in with existing Army
4 activities. Particularly, how does the Future Command work
5 with the Army science and technology community? What do you
6 expect to see happening, in terms of that Future Command,
7 with what we have now?

8 Dr. Esper: Senator, first of all, the acquisition
9 enterprise, if you will, under Dr. Jette, Army Acquisition,
10 works hand-in-glove with Army Futures Command. In the Army
11 Futures Command, what he's given us is unit -- what we say,
12 unity of effort, unity of command. So, in the past, where
13 the acquisition enterprise was spread out across the Army,
14 with no clear one person in charge, there were multiple
15 people in charge, what we've done with Futures Command, by
16 standing it up last summer, was really unify it under
17 General Murray, in Austin, and that -- what that also did
18 was, we moved out of -- we moved, organizationally, our S&T
19 enterprise under him, as well. So, now his responsibility
20 is to think about the future, Futures Command. How will the
21 Russians and Chinese, say, fight in the year 2035, 20- --
22 2045, if you will, and then, how does he start looking at
23 the capabilities we will need to deter and defeat them at
24 that point in time? And then he can think -- he has the
25 ability now to direct the S&T side of the house. In this

1 budget, we shifted 80 percent -- we continue to shift of 80
2 percent of our S&T dollars to those modernization
3 priorities. That's his call, to make sure that we're all
4 lined up, aligned, focusing on what the future threats are.
5 That's his -- that's a big part of his job. That eventually
6 turns into requirements.

7 Senator Peters: Right.

8 Thank you.

9 Chairman Inhofe: Thank you, Senator.

10 Senator Ernst.

11 Senator Ernst: Thank you, Mr. Chair.

12 Gentlemen, thank you so much for your leadership for
13 our men and women in the Army. We certainly do appreciate
14 that.

15 Increasing our warfighting readiness does remain the
16 Army's number-one priority. And thank you for emphasizing
17 that over and over again. However, we do understand that
18 sexual assault within our Army formation is not only a
19 serious criminal offense, but it also degrades our
20 readiness. It also degrades discipline, morale, unit
21 cohesiveness, and going back again to the combat readiness.
22 So, to both of you, please. And we'll start with you,
23 Secretary. What is the Army doing to continue to combat the
24 problem of sexual assault in the military? And are you
25 seeing an increase in the leadership in our culture, where

1 we are addressing the issue of sexual assault?

2 Dr. Esper: Senator, thank you for that question. And
3 you've hit a number of good points.

4 Let me say up front, there is no room in the United
5 States Army for sexual assault and sexual harassment,
6 period. We will not tolerate it. It's not just a readiness
7 issue. It's contrary to our values as an institution. And
8 so, we are working very hard to continue to get the -- and
9 we see it, statistically. Prevalence over the years is
10 coming down, and reporting is going up. Those are good
11 trend lines. We have another report coming out in a month
12 or so. We'll see what that looks like. But, what we've
13 done in the last year is this, is, rather than focus on
14 soldiers doing online training and sending them off to an
15 auditorium to get a speech or whatever, we are putting the
16 chain of command back involved in teaching the importance of
17 dignity and respect for everybody, and not tolerating sexual
18 assault and harassment. So, what we want to do is leverage
19 the culture of the Army and the chain of command to get at
20 this. My experience, my view, the commanders' view, as
21 well, is, that's the way you get at this. And I think we've
22 set it aside for too long. It's much like housing. We --
23 the chain of command stepped aside a little bit. We need to
24 get back in the game. And that, on top of all the education
25 we're doing, the training, the stand-downs, I think will

1 continue to move the needle on sexual assault and harassment
2 until we get it down to zero.

3 Senator Ernst: Thank you. I do think that's
4 important. We do need to focus on those issues. But,
5 active engagement by our leadership is very, very important.
6 Thank you, Secretary.

7 General Milley, would you like to make some comments?

8 General Milley: I would echo the comments of the
9 Secretary, that it's not tolerated. We are deeply, deeply
10 committed to that. The -- from a soldier's standpoint, from
11 a commander's standpoint, this is blue-on-blue. This is a
12 friendly force inflicting a casualty on a friendly force.
13 There's no room for that. There's no room for it with
14 bullets on a live-fire range, there's no room for it with
15 bullets in combat, and there's no room for it with sexual
16 assault in a barracks or at a party or wherever.

17 There are some key things that we are doing. The chain
18 of command here is absolutely critical. The ownership of
19 the small-unit leader all the way up to the senior-most
20 leaders of the Army, chain of command engagement is critical
21 to resolving this. I know there are people who think the
22 chain of command should not be involved in this, from a
23 legal standpoint, UCMJ. I disagree 100 percent with that.
24 The chain of command has got to own it, wrap its arms around
25 it, and prevent it. Alcohol, we know, is a contributing

1 factor in almost 50 percent of the cases. We know that
2 almost all of the cases occur on weekends, Fridays and
3 Saturday nights, between midnight and 0300. We know that a
4 lot of the victims, or most of the victims, are young women.
5 There are male victims, but most of them are young women
6 between 19 and 24 years old, newly assigned to a unit, in
7 the first 60 days. We know that it normally involves a
8 party and there's alcohol involvement.

9 So, there are things that we know we can do. We can
10 control the barracks, we can control the night, we can
11 ensure the chain of command are present at various functions
12 -- unit functions, et cetera. And we can beat this. It is
13 a cancer within the ranks. It destroys cohesion and
14 discipline. It must be stamped out in the military, writ
15 large -- not just the Army; military, writ large. There are
16 TTPs -- tactics, techniques, and procedures -- to do it, and
17 we intend to do it.

18 Senator Ernst: Absolutely. And, going back to
19 something that you said, General -- and I'd -- Secretary
20 Esper, I'd like you to comment on it -- you mentioned the
21 chain of command. Very important. And I would like to
22 discuss Section 541 of our fiscal year 2015 NDAA. This
23 provision required that relevant service secretary to review
24 sexual assault cases where the staff judge advocate has
25 recommended referral of charges to a court-martial but where

1 the commander who serves as the convening authority has
2 refers -- has refused to refer the case. To the best of
3 your knowledge, Secretary, how many cases has the Secretary
4 of the Army reviewed under this provision between its
5 enactment in 2015 to the present?

6 Dr. Esper: Senator, I can't speak for my predecessors.
7 I'd have to go find that information. But, I don't believe
8 I've reviewed any. And so, I need to dig into this and come
9 back to you.

10 [The information referred to follows:]

11 [COMMITTEE INSERT]

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1 Senator Ernst: Okay. And I believe that you are
2 correct, sir, that there have been zero. Based on this, is
3 it your assessment that commanders are following the legal
4 advice provided by their staff judge advocates with respect
5 to sexual assault cases?

6 Dr. Esper: I'd have to check. The expectation is
7 that, in most cases, they would. I can't speak to them all.
8 There's -- but, I'd have to come back to you with the
9 numbers.

10 [The information referred to follows:]

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1 Senator Ernst: Yes. If they are not following, they
2 would go --

3 General Milley: Let me --

4 Senator Ernst: -- to you, Secretary Esper.

5 General Milley: As a commander who's been a general
6 court-martial convening authority on multiple occasions, I
7 think the percentage is extremely high, like 99.9 percent,
8 where commanders are following --

9 Senator Ernst: Follow --

10 General Milley: -- the advice of their SJA. It would
11 be a very stupid commander not to do that, in most cases.
12 That's not -- he has the authority not to follow it, but he
13 -- that wouldn't be a very smart commander.

14 The other thing, in terms of way ahead, we are
15 partnering with Senator McSally and her initiative with the
16 Department of Defense. We want to partner closely with
17 that. We think there's a lot of promise in that initiative
18 that we intend to fully participate in it over the next 90
19 to 120 days.

20 Senator Ernst: Very good. That would be a stupid
21 commander that does not --

22 General Milley: It would be a stupid commander.

23 Senator Ernst: -- follow his JAG's advice -- his or
24 her JAG's advice.

25 So, thank you. I appreciate that, gentlemen. Thank

1 you very much for your service.

2 Chairman Inhofe: Thank you, Senator Ernst.

3 Senator Jones.

4 Senator Jones: Thank you, Mr. Chairman.

5 And thank you both for being here today. I really
6 appreciate it. And thanks for your service, to both of you.

7 General Milley, I'd like to just kind of follow up on a
8 question that Senator Cotton asked. Earlier, he asked about
9 the Army taking THAAD over from the MDA, which came as a
10 little bit of a surprise to me. Can you kind of explain
11 that a little bit more to us, and what's going on there?

12 General Milley: I think what he's talking about is the
13 money and the procurement, acquisition, and the way ahead
14 for the prototyping, and the force structure of THAAD. I
15 believe that's what Senator Cotton was talking about.

16 Senator Jones: All right, sir.

17 I guess this would be to both of you. I notice, in the
18 -- the requested \$63 billion in OCO funding, which is a
19 pretty big increase -- 89.8-percent increase from the amount
20 that we enacted in FY19. And going into that a little bit,
21 I've noticed that a lot of line items in the budget request
22 is kind of a mix of base and OCO funding, which really kind
23 of makes it hard to tell what might be affected if Congress
24 doesn't provide that level of OCO funding. So, how can we
25 tell anything about your priorities by just digging into the

1 OCO percentage for a particular item? How can we look and
2 see what your priorities are and what you might be doing
3 with that money?

4 Dr. Esper: Senator, two things. I think the OSD
5 Comptroller would say that there are two buckets of OCO, one
6 that he would describe as "OCO for base," which is about 31
7 billion, and then one is the pure base, which is about 31
8 billion. So, I think, for us, if you look at the 150
9 billion or so that is the base plus the OCO-for-base, in
10 there you will see the prioritization the Army has placed
11 on, number one, readiness. It's reflected in the
12 maximization of our CTC rotations, the flying-hour program
13 for aviation, et cetera. And then, with regard to
14 modernization, which is future readiness, you see the early
15 stages of this big shift from legacy systems into future
16 systems. In FY20, I think it's over \$4 billion gets
17 shifted, but, over the FYDP, over the 5-year period, you
18 will see a 30-plus-billion-dollar shift, because most of
19 that money is needed in the '22, '23, '24 timeframe, when we
20 start procuring things, as our S&T ripens into projects
21 ready to harvest.

22 Senator Jones: All right.

23 General Milley, you have anything to add to that, or is
24 --

25 General Milley: For me, as a Chief -- and I've said

1 this the last 3 and a half years, or three -- previous three
2 testimonies -- the color of the money, whether it's OCO or
3 base, I know that's important from a budgeting standpoint,
4 it's important to Congress, but, as a recipient of the
5 money, what we need is the money in order to train, man, and
6 equip this Army, in order to defend the United States of
7 America. However that is categorized and the color of the
8 money, I won't say it's not important to me, but it's less
9 important than getting the money. And that is important.

10 The reason it's being done is because of BCA and the
11 continuing resolutions that have been done over the years.
12 And I would caution this Congress that, if we were to go to
13 BCA levels of funding, we will place the United States of
14 America at great risk. So, that's why it's being done the
15 way it is.

16 Senator Jones: All right. Thank you, sir.

17 I also want to talk a little bit about the budget that
18 calls for declines in support for AFRICOM and SOUTHCOM as
19 well as USFK, but a pretty big increase, about 35 percent,
20 for EUCOM. I have two questions about that. One, I'm still
21 a little bit -- I am concerned as -- about North Korea.
22 Maybe not as much as Russia and China, but I'm still pretty
23 concerned about North Korea, which remains pretty volatile.
24 And we've got decreased funding there. And I'm wondering if
25 we should take this as an indication that our troop levels

1 on the Peninsula are going to be reduced. And also, as a
2 different part of that question, the operational changes,
3 what will we see as operational changes at EUCOM with a 35-
4 percent increase?

5 General Milley: A couple of points. Over the
6 previous, I guess, it was 18 months or so, the United States
7 military -- and the Army, specifically, as part of a broader
8 effort -- did many things, some of -- in a classified
9 setting, and others were open knowledge, that shored up
10 military capabilities on the Peninsula of Korea and in the
11 general western Pacific region. And we think that today the
12 United States Army capabilities that are forward-deployed in
13 the Pacific are in pretty good shape to handle whatever
14 might come.

15 Secondly is, the military's clearly in support of a
16 diplomatic effort in the Pacific. And, although there's
17 various reporting about North Korean nuclear capabilities,
18 et cetera, one thing we can say with certainty is, there has
19 not, at least to date -- over the last year, year and a half
20 or so, that there has not been another nuclear test. There
21 has not been another missile test. The rhetoric has died
22 down considerably. The North Koreans are doing various
23 things, along with the South Koreans, in engaging and
24 interacting with each other. There have been LPOPs in
25 towers that have been brought down along the DMZ. So, the

1 situation today is different. And there's been two
2 meetings, of course, between President of the United States
3 and the leader of North Korea.

4 All of that is diplomatic engagement, is pointing in a
5 good direction. We are not done yet. There's a lot of -- a
6 lot yet to be done on North Korea. But, we're in a
7 different place today than we were -- we think we are in a
8 different place today than we were, say, 18 months or more
9 before.

10 The increase in Europe, we think -- at least my
11 estimation is that, as I said in my opening statement,
12 Russia is still the only country on Earth that is actually
13 an existential threat to the United States of America,
14 they're the only ones who have the capability to bring that
15 level of destruction to our country. And they have been
16 very aggressive in the last, call it, decade or so, in --
17 with Georgia and Ukraine and Middle East and various other
18 places. They are intentionally, with malfeasance and
19 forethought, trying to undermine NATO on a daily, weekly,
20 monthly basis, and with a variety of tactics, techniques,
21 and procedures that are just below the level of war. They
22 have clearly done various nefarious activities in the United
23 States, as well. So, beefing up our capabilities in Europe
24 is important to the defense of the United States.

25 Alliances still do matter. NATO is important to the

1 United States. Our President has said NATO's important to
2 the United States. We want NATO to belly up to the bar and
3 pay their 2 percent. Clearly, we want that. But, at the
4 same time, we know that we need to forward- defend in order
5 to defend the United States, as well. So, there is some
6 additional monies going into Europe just for the purpose of
7 deterring further aggression by Russia.

8 Senator Jones: All right. Thank you General Milley.
9 I really appreciate those responses.

10 Thank you, Mr. Secretary.

11 Thank you, Mr. Chairman.

12 Chairman Inhofe: Thank you.

13 Senator McSally.

14 Senator McSally: Thank you, Mr. Chairman.

15 Thank you, gentlemen. Thanks for your leadership for
16 the men and women in our Army.

17 You talked, in your testimony on page 7, about the need
18 to increase unmanned aerial system integration was related
19 to future vertical lift. As you look at modernization,
20 obviously unmanned aerial systems are going to be more and
21 more important as to how we fight and integrate both manned
22 and unmanned. Fort Huachuca houses the unmanned aerial
23 system training right now, the only solely dedicated UAS
24 training airspace. Unlike other places in the country,
25 we're actually increasing that airspace, our 2303; whereas,

1 other places, airspace is being encroached.

2 As you know, General Milley -- you were down there when
3 I hosted you -- there's over 300 days of sunshine for the
4 training there. It really is a unique location for this
5 capability for our Army, never mind all the joint base and
6 airspace and opportunities for joint training around it in
7 the future, and it is along the border, so, in defense
8 support to civil authorities, if they do see something, they
9 can pass that on. So, I really see this is a national
10 security asset for us.

11 Do you agree that, as we grow our UAS training
12 opportunities or grow UAS missions, that Fort Huachuca is a
13 national asset that needs to have its training protected and
14 potentially increased?

15 And, Secretary Esper, I'd love to host you down there
16 so you can see that, firsthand.

17 General Milley: Senator, I -- you know, Fort Huachuca
18 is a great base. And Arizona has 300 days of sunshine, as
19 you noted. And the airspace is mostly always clear. So,
20 yes, Fort Huachuca and other capabilities and bases within
21 Arizona are -- and other States -- are national assets. As
22 far as UAS-specific, it's a great place to fly UAS. And
23 there are some other bases around the U.S. that do that.
24 But, clearly, UAS has a role to play, and it is an
25 intelligence, surveillance, reconnaissance asset. And

1 you've got the Intelligence School there. That's why it was
2 there. Now, we have taken UAS and realigned it with the
3 aviation community of the United States Army. But, in terms
4 of where it bases, where it trains, we're taking a look at
5 all of that. And there's a variety of options. And
6 Arizona's clearly right on the top of the list.

7 Senator McSally: Okay. I appreciate it. Again, if
8 we're going to expand the capability that, you know, we
9 continue to preserve that national treasure that we have
10 there.

11 And, Secretary Esper, can I host you down at Fort
12 Huachuca before any decisions might be made in the future?

13 Dr. Esper: Yes, Senator. I think we're planning a
14 trip for the fall. So, I'd love to --

15 Senator McSally: Okay.

16 Dr. Esper: -- meet up with you down there and do
17 soldier meetings and watching training and all those great
18 --

19 Senator McSally: Outstanding. Thank you.

20 And I know you mentioned, in talking to Senator Cotton,
21 that you were down at Yuma Proving Group, you know, watching
22 some fires there. One of the challenges we have with long-
23 range precision fires being your top priority is the range
24 space that we have, and the need to modernize it and
25 lengthen it. They actually have shut down the road when

1 they do longer-range fires. So, is part of your budget
2 taking a look at -- I know there's some initiatives in Yuma
3 for land swaps and other things, but trying to modernize the
4 ranges so that we can actually test these long-range fires
5 for future?

6 Dr. Esper: Yes, ma'am. You hit on an important point.
7 We're looking at all of our training ranges to make sure
8 that they can accommodate the future systems that we have
9 under -- that we're designing or developing. And it's not
10 just the range, itself, but it's the sensors, it's all the
11 --

12 Senator McSally: Exactly.

13 Dr. Esper: -- all the stuff you need. So, we're
14 looking at that for Yuma, I think, White Sands, a number of
15 locations, for all of these six priorities, as we need them.

16 Senator McSally: Okay, fantastic. Is there any
17 resources in this budget related to expansion of those
18 training ranges?

19 Dr. Esper: I'd have to get back to you and -- with a
20 note and tell you what is or is not. I just -- I don't have
21 that level of detail, Senator.

22 [The information referred to follows:]

23 [COMMITTEE INSERT]

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1 Senator McSally: Okay, great.

2 Another question on the precision-strike missile.
3 Right now, it's being developed in accordance with the INF
4 Treaty. We've made a notification to be withdrawing from
5 the INF Treaty. I think that will happen in August, with a
6 6-month notification. Are there any plans to release --
7 remove the previously imposed range restrictions in the
8 development of that capability, based on us pulling out of
9 INF?

10 Dr. Esper: Senator, I've talked with our acquisition
11 folks, and they've talked with industry. I think there are
12 two competitors. And I think, if and when we exit the
13 treaty, they're prepared to adjust the ranges above 499
14 kilometers.

15 Senator McSally: Great.

16 Dr. Esper: We've got to see how far. But, that --
17 clearly, again, long-range precision fires is something
18 that's important to us, and the ability to do that with
19 conventional means gives us that reach.

20 Senator McSally: Great, thanks.

21 Oh, go ahead, General Milley.

22 General Milley: Nope.

23 Senator McSally: Okay.

24 One last quick question. Nearly 75 percent of young
25 Americans age 17 to 24 are not fit for military service, for

1 a variety of reasons. I know you've had some recruiting
2 challenges. This was already touched on. This is obviously
3 concerning, if we're coming from such a small pool. Is
4 there anything else that we can do innovatively to address
5 this issue to make sure that we've got the best and
6 brightest joining our military in the Army?

7 Dr. Esper: Senator, you're right, it's -- you know, 29
8 percent are not qualified, for mental, physical, behavioral
9 reasons. And for -- on the physical side, it's mostly
10 obesity. And then you take a look at that same population
11 of -- less than 4 percent have a proclivity to serve. So,
12 we're trying to go out, by -- we reorganized and overhauled
13 our recruiting organization. And one of the initiatives we
14 have is the Focus 22 cities, where we go back to America's
15 biggest cities, and we try and talk to kids, young men and
16 women, where they are, and speak to the opportunities that
17 the Army provides them. It's different in each part of the
18 country. I was -- I've been in Cleveland and in Boston and
19 L.A., and I've been all over. But, you have to appeal to
20 them where they are, and talk to them about what the Army
21 brings.

22 The bigger challenge that we face -- this is a national
23 issue -- is, fewer and fewer Americans -- young Americans
24 understand the military.

25 Senator McSally: Right.

1 Dr. Esper: And there's no relationship, whether it's
2 the Army, Navy, Marines, Air Force. And that's -- in our
3 own little way, we're trying to reverse that by getting out
4 and telling our story.

5 Senator McSally: Great. Thank you.

6 I'm out of time. Appreciate it, Mr. Chairman.

7 Chairman Inhofe: Thank you, Senator.

8 Senator Hirono.

9 Senator Hirono: Thank you, Mr. Chairman.

10 I want to thank Senator Ernst for focusing on the
11 continuing scourge of sexual harassment and assault in the
12 military. And, in addition, we need to focus on retaliation
13 that continues. I know that we need to change the culture,
14 which doesn't happen overnight. It's an ongoing, continuous
15 effort. I certainly share Senator Ernst's perspective and
16 concerns.

17 Mr. Chairman, we spend a lot of time on this committee
18 talking about China as a near-peer competitor. But, of
19 course, Russia is also a significant rival. And of --
20 General Milley just talked about Russia as posing the only
21 existential threat to the United States, undermining NATO,
22 what they're doing in the Ukraine, Syria, their nefarious
23 activities in the United States. So, we learned, Mr.
24 Chairman, that the -- President Trump has invited Putin to
25 the White House. We don't know what they talked about

1 during their Helsinki meeting. We have no idea what they
2 will talk about this time. And it should concern us that
3 the Commander in Chief is talking to a near-peer adversary,
4 and we won't know what they will talk about or what kind of
5 understanding they may come to. So, I think this committee
6 should be seriously concerned.

7 I have a question for both of you regarding the Army's
8 role in the Pacific. It is important that the United States
9 projects strength, reassure our allies, and build
10 partnerships in the Indo-Pacific, particularly in light of
11 the actions of China and North Korea. Your fiscal year 2020
12 budget request specifically noted the goal of strengthening
13 alliances and partnerships by funding multilateral
14 exercises. How much money was added for those exercises in
15 the 2020 budget?

16 Dr. Esper: Senator, I'll have to get with -- back to
17 you on the exact numbers, but clearly we do want to
18 strengthen our relationships and exercises. Pacific
19 Pathways has been very successful. We were actually looking
20 at --

21 [The information referred to follows:]

22 [COMMITTEE INSERT]

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1 Senator Hirono: Thank you, because one of my
2 subquestions was whether Pacific Pathways will be included
3 in your budget --

4 Dr. Esper: Yes, ma'am.

5 Senator Hirono: -- request.

6 Dr. Esper: It's very -- it's -- it is, and it's a very
7 robust series of exercises. But, we're also looking at
8 doing our own type of dynamic force employment as part of
9 multidomain operations, where we do even bigger exercises
10 out in the Pacific to reflect the shift to the National
11 Defense Strategy.

12 Senator Hirono: Can you tell me, Mr. Secretary, how
13 many of these targeted multilateral exercises are in the
14 Pacific?

15 Dr. Esper: I can't, off the top of my head, Senator.
16 We can give that to you. But, we've had soldiers, from
17 National Guard to regular Army, training anywhere from
18 Singapore and Indonesia to Thailand, all over.

19 Senator Hirono: So, you'll get back to me.

20 Dr. Esper: Absolutely.

21 [The information referred to follows:]

22 Senator Hirono: I want to know how many of the -- how
23 much of the Army's funding for the exercises goes toward
24 exercises on the Korean Peninsula, as a subpart.

25 [The information referred to follows:]

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1 Senator Hirono: And has there been a change in the
2 Army's funding for exercises in Korea, since larger joint
3 and combined exercises have been canceled or modified,
4 starting last year?

5 General Milley: Let me --

6 Senator Hirono: General Milley?

7 General Milley: -- help out a little bit here,
8 Senator, if I could.

9 There are dozens of exercises in the Pacific. We'll
10 get you the exact list. You're familiar with the big ones
11 --

12 Senator Hirono: Yes.

13 General Milley: -- Corporate Gold, Yama Sakura, Keen
14 Sword, and so on, so forth.

15 Senator Hirono: RIMPAC.

16 General Milley: And Pacific Pathways. And we are
17 funding those. We, years ago -- I guess it was 4 or 5 years
18 ago now -- made a commitment to pivot to the Pacific. We,
19 the United States Army, have about 87-88,000 U.S. soldiers
20 in the Pacific. We've got the -- most of the 28,500 that
21 are on the Korean Peninsula are Army soldiers. We've got
22 U.S. Army, Japan. So, as you are well aware, we're -- we,
23 the Army, are very deeply engaged and very committed to the
24 Pacific. It's not just all about Russia and Europe. And
25 we'll get you the exact number of exercises, and the money.

1 [The information referred to follows:]

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1 General Milley: With respect to the Korean Peninsula,
2 there was, as you know -- I guess it was within the last 30
3 days, there was a commitment to go ahead and reduce some of
4 the major overall exercises, in terms of large-scale CPXs
5 and stuff like that. Our estimate is, is that, from an Army
6 perspective -- and I've talked to General Abrams, as well --
7 that the degree of readiness is modest -- the degree of
8 declining in readiness is modest. We don't think it's going
9 to have a huge detrimental effect. And anything brigade and
10 below, where the rubber meets the road, in terms of combat
11 actions, those guys are still training every single day, and
12 they're still capable of fighting tonight. So, we're
13 comfortable with where we are, in terms of our training
14 schedules and our training plans, on the Korean Peninsula.

15 Senator Hirono: So, with our training in the Korean
16 Peninsula, we are doing these in conjunction with the South
17 Korean military --

18 General Milley: Absolutely.

19 Senator Hirono: -- are we not? Because we need to --

20 General Milley: Yeah.

21 Senator Hirono: -- coordinate, if anything --

22 General Milley: Yes.

23 Senator Hirono: -- happens there.

24 General Milley: Yes.

25 Senator Hirono: I want to get to the need for

1 childcare facilities and capacity, Mr. Secretary. And when
2 we met, there was a 7-month-old infant who passed away, what
3 appears to be an unlicensed home daycare. I think that we
4 have to pay a lot more attention to the need for childcare,
5 as we have families now, more and more, in the military. Is
6 access to safe, affordable childcare for military families
7 an important readiness issue for you?

8 Dr. Esper: Yes, ma'am. And I've traveled the Army now
9 for 18 months or so, talking about this. I was at Schofield
10 Barracks lat year. It's -- the challenge is particularly
11 acute in Hawaii, where we have probably an unmet demand --
12 I'm trying to recall -- anywhere between 20 and 40 percent.
13 So, there are a number of things we're doing to tackle that.
14 A big part of it is civilian hiring, spousal hiring --

15 Senator Hirono: Yes.

16 Dr. Esper: -- to fill --

17 Senator Hirono: We need to make sure that we decrease
18 the delay in hiring appropriately trained people.

19 Dr. Esper: So, we've taken about a dozen-plus
20 initiatives, everything from allowing, after the background
21 check by the FBI, within 72 hours, line-of-sight access. We
22 see our numbers going up, which is very good. I can come
23 brief you on a number of other things. But, we -- it's
24 trending in the right direction. We do need to actually
25 expand authorized in-home childcare. That's another route.

1 And the other thing that I'm hearing lately that I want to
2 go after is providing hourly childcare for folks, outside of
3 the daycare centers, because it's a need for spouses, for
4 moms and dads who need to -- you know, maybe the spouse is
5 on deployment, to be able to do that.

6 Senator Hirono: So, we'll continue to work with you on
7 these, because -- thank you for recognizing our reality for
8 many military families.

9 Dr. Esper: Very important.

10 Senator Hirono: Thank you, Mr. Chairman.

11 Chairman Inhofe: Thank you, Senator Hirono.

12 Senator Hawley.

13 Senator Hawley: Thank you very much.

14 Mr. Secretary, I'd like to begin with a comment about
15 something that is a little bit outside the jurisdiction of
16 this committee but is not outside your jurisdiction. And
17 I'm talking about the U.S. Army Corps of Engineers. As you
18 know, large portions of my State is currently -- are
19 currently under water, which is true for other members of
20 this committee. I was just in the State in recent days,
21 surveying the damage from this historic flooding. It is
22 quite significant. And I have to say, I've heard from my
23 constituents in the State over and over again that they have
24 had significant trouble in working with the Army Corps, both
25 in terms of responsiveness, but also in terms of significant

1 concerns about, perhaps, misplaced priorities by the Corps
2 and their management of the river systems. So, I look
3 forward to working with you on this. Like to visit about it
4 and -- whether that's taking a look at the master manual or
5 other reforms that we need to pursue to make sure, as we
6 face a year of historic flooding, that this sort of thing
7 does not keep happening, and that we're able to meet the
8 needs of folks who live in and make their living along the
9 river.

10 Dr. Esper: And, Senator, if I may, first of all --

11 Senator Hawley: Please.

12 Dr. Esper: Well, again, our hearts go out for the
13 folks affected by the flooding, your constituents. What I'd
14 like to do is get the Corps of Engineers up here today to
15 your office and find out --

16 Senator Hawley: Great.

17 Dr. Esper: -- what's going on.

18 Senator Hawley: Great. Thank you very much. I
19 appreciate --

20 Dr. Esper: And then we can --

21 Senator Hawley: -- that.

22 Dr. Esper: -- we can tackle it, and then we'll take it
23 back down to the district level and make sure we get it --
24 get working on it ASAP.

25 Senator Hawley: Fantastic. Thank you very much.

1 I just want to offer a word of praise, Mr. Secretary,
2 both to you and to you, General, for your leadership in
3 reform, modernization, pursuit of the NDS priorities, I
4 think, and really making the Army, perhaps, the leading
5 service, in terms of pursuing reform and modernization.
6 It's really impressive what you have done in this most
7 recent budget and your leadership overall. So, thank you
8 for that.

9 Let me ask you an NDS-related question. I'm wondering
10 about -- thinking about the Indo-Pacific, does the Army have
11 plans -- what are the Army's plans to contribute with INF-
12 range conventional missile systems in that theater to
13 restoring our conventional edge against China?

14 General, go ahead.

15 General Milley: The -- I don't want to go into
16 classified briefings, but we've got a variety of
17 capabilities that -- emerging capabilities that we're going
18 to deploy to the Pacific theater that we think will have
19 significant impact on any potential conflict that could
20 emerge in that area. We are experimenting that with what
21 we're calling multidomain task forces. We're establishing
22 two of those. One of them is in the Pacific. And they are
23 experimenting with the doctrine or the new concepts of
24 multidomain operations. And that task force will be
25 equipped with a variety of capabilities that'll be able to

1 establish dominance from the land, in space, cyber, perhaps
2 maritime, as well -- not subsurface, but surface, to be sure
3 -- as well as air. So, there's a variety of capabilities
4 that we're going to deploy and a variety of cannon, rocket,
5 and missile capabilities from the land that will have a
6 significant impact. Just did a CVTS with -- Admiral
7 Davidson and Under Secretary McCarthy and Vice Chief of
8 Staff McConville were out there just last week, and we were
9 talking about that very issue, and we'll be introducing some
10 of that stuff in exercises over the course of the next 24
11 months.

12 Senator Hawley: Great. Thank you very much.

13 Let me switch theaters, but a similar set of questions
14 about the NDS, thinking about, now, the Army in the context
15 of the Joint Force in the Baltics and this Baltic scenario
16 that the NDS talks about. How have you made progress on
17 that? Where do you -- what do you still need? What are
18 your plans to get there?

19 General Milley: Again, most of those exercises that
20 we've done, and then the analysis we've done, is classified.
21 We are keenly aware of Russian capability with respect to
22 the Baltics. We are shoulder to shoulder with the Baltic
23 nations -- Lithuania, Latvia, and Estonia -- as well as
24 Poland. And the rotation of forces, the EDI, the exercises
25 we're doing and the capabilities that we're deploying, we

1 think will be sufficient to cause pause for any further
2 Russian aggression.

3 Senator Hawley: Mr. Secretary.

4 Dr. Esper: Senator, you made a very important point.
5 You said, "What do you need?" What we need is this budget.
6 Because the Russians are building new tanks, the Russians
7 are modernizing their fighting vehicles, they are
8 modernizing their air defense systems. Across the board,
9 they are doing things that we need to get on with doing.
10 And this budget, and the billions of dollars we shift, will
11 get us there so we're prepared to deter them and, if
12 necessary, defeat them, should war come.

13 Senator Hawley: Fantastic. Thank you, again, Mr.
14 Secretary, General, for your leadership.

15 Thank you, Mr. Chairman.

16 Chairman Inhofe: Thank you, Senator Hawley.

17 Senator Kaine.

18 Senator Kaine: Thank you, Mr. Chair.

19 And thank you, to the witnesses.

20 I want to start with Secretary Esper, a thank you. Two
21 Thursdays ago, you hosted Senator Warner and I at Fort
22 Belvoir. And I just want to commend you and the Army in the
23 way that you're going after this very, very tough challenge
24 on military housing. Secretary Esper escorted us around to
25 a couple of homes, where we were able to visit with folks

1 who live there, but then a roundtable session with many
2 other families. And I was very impressed, because, when
3 problems came up and it seemed like there was a little bit
4 of, "Well, that's the housing company's problem," or,
5 "That's the garrison commander's problem," Secretary Esper
6 was in a "Well, no, we're going not fix it" mode, and you
7 just had a really good assuring demeanor to the families
8 that were there that I know gave Senator Warner and I
9 assurance, as well. The Army has also played the lead role
10 in, I think, doing the initial draft of a Tenant's Bill of
11 Rights that might be used more systemwide to protect folks
12 who are living in military housing. So, I'm going to just
13 begin with that. And I know, Secretary Esper, you have a
14 sense of urgency about this.

15 Dr. Esper: Yes, sir.

16 Senator Kaine: And General Milley, as well. And we'll
17 all be after it, focusing on it during the NDAA.

18 Dr. Esper: Thank you for going down with me. Having
19 the support of this committee makes a big difference. We
20 will fix it, because there's nothing more important than our
21 soldiers and their families.

22 Senator Kaine: Thank you so much for that.

23 You -- your last answer to Senator Hawley was, "What we
24 need is this budget." I'm going to ask budget questions.
25 So, does your -- does the FY20 budget request include any

1 funding for sustaining support activities on the southern
2 border past September 30?

3 Dr. Esper: I don't believe, Senator, but I'd have to
4 get back with you on that.

5 [The information referred to follows:]

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1 Senator Kaine: I think that's an important one, just
2 to -- for my colleagues. So, can you explain what you mean
3 by "sustaining" --

4 Dr. Esper: Yeah.

5 Senator Kaine: -- just the current deployment of any,
6 you know, Army units. General Neller was talking about this
7 recently with respect to the Marines. The current
8 deployment of Army units to the border is something that is
9 important, but I wonder if the budget that we are talking
10 about here assumes that that will continue past September
11 30. My sense is, it doesn't, from looking at it.

12 Dr. Esper: I don't believe so, but let me come back to
13 you with a definitive response.

14 [The information referred to follows:]

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1 Senator Kaine: So, I think that's an important one,
2 because if you're here testifying about the budget, and you
3 say, "What we need is this budget," but the budget includes
4 nothing for continued sustainment of these troops at the
5 border, that also tells us something about what priorities
6 are.

7 And it's more than just priorities. My understanding
8 of the President's authority under 10 U.S.C. 2808 to
9 reprogram MILCON monies is that MILCON monies can be
10 reprogrammed, but they have to be in support of military
11 personnel. So, if we're going to reprogram \$3.6 billion of
12 FY19 MILCON monies, they're not going to be immediately put
13 up. I mean, that's going to take some time to put things
14 under contract and do them. And if we're not assuming that
15 we're going to be having a sustained presence of military
16 personnel at the southern border, sort of raises a question
17 about, "If we need this budget, but those who put this
18 budget together did not determine that that was a priority,
19 then why use U.S.- -- 10 U.S.C. 2808 to reprogram MILCON
20 monies if we're not going to have a sustained presence of
21 military personnel there?" You can understand the question
22 that I'm asking. I think it's relevant to the vote that the
23 House is going to undertake today. But, I'm sort of curious
24 and may ask, for the record, Do you know why there was not a
25 request, as part of this budget submission, to have

1 sustained activities of the Army at the border?

2 Dr. Esper: One of the challenges with the budget
3 process, Senator -- and it involves any number of things,
4 which is -- and it's inevitably why we ask for reprogramming
5 -- is, the budget that you see before you today was
6 developed this time last year and submitted in June of last
7 year. And so, that's one explanation, if you will. And --

8 Senator Kaine: But, it was submitted, but it wasn't
9 like unamended and unedited and unrevised --

10 Dr. Esper: That's true. I'm -- that's correct. Yes,
11 sir. I mean, it's -- but, pretty much it leaves our hands
12 in June or July, and then it goes through its various
13 iterations, and we have a chance every now to make some
14 movements. But, that's -- that is a factor I just wanted to
15 point out. And it involves weapon systems and what we --
16 you know, we gain new knowledge on things, and that's
17 inevitably why we come back to you -- we, the Army and, I'm
18 sure, the other services -- come back to the Congress to ask
19 for reprogramming --

20 Senator Kaine: Well, just -- at the end of the day,
21 the budget that gets submitted to us, the final signoff, is
22 by the President and the OMB and the White House. And it's
23 just interesting that they would not have included funding
24 for sustainment of activities at the border at the same time
25 as they want to put in MILCON that is supposed to be in

1 support of that personnel that, apparently, will not be at
2 the border.

3 Let me ask you this. The FY20 budget asks for 9.2
4 billion under the Department of Army account for emergency
5 funding. My understanding is, that's 2 billion for
6 hurricane relief, 3.6 billion to repay accounts from 2019.
7 I'm assuming that's the MILCON monies that are being
8 changed. Is that right? To refill those accounts?

9 Dr. Esper: Senator, I believe so, but that was an OSD
10 insert, if you will, on the Army budget for those purposes,
11 as you outlined.

12 Senator Kaine: Then, I'll ask that one for the record,
13 just to confirm that --

14 Dr. Esper: Sure.

15 Senator Kaine: -- our understanding about that is
16 correct.

17 Dr. Esper: We'll get back to you on that.

18 [The information referred to follows:]

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1 Senator Kaine: Thank you much.

2 Thank you, Mr. Chair.

3 Chairman Inhofe: Senator -- Senator Kaine.

4 Senator King.

5 Senator King: Thank you, Mr. Chairman.

6 First, General Milley, I haven't seen you since the
7 Patriots won the Super Bowl. As a New Englander, I'm sure
8 you share my delight that we had to suffer through a 3-month
9 drought between world championships between the Red Sox and
10 the Patriots.

11 Dr. Esper: Don't get -- please, Senator, don't get him
12 going.

13 General Milley: I'm sitting here next to a guy from
14 Pittsburgh, but, I agree, it's been 60 days since the world
15 --

16 Senator King: It was a very tough period --

17 General Milley: Yes.

18 Senator King: -- for us all.

19 General Milley: Agonizing.

20 Senator King: Thank you.

21 First, I want to commend both of you. Both of you
22 addressed the sexual assault question several times, and
23 also, General Milley, your addressing of the -- Russia's
24 threat. Those were excellent statements, the most
25 forthright, succinct, and powerful statements on those two

1 subjects that I've heard in this committee in a long time,
2 and I want to commend you for making those statements.

3 Looking at the budget, as I understand it, we're
4 talking about a total Army budget of 182 billion, of which
5 33 -- 31 is what I call traditional OCO, and 31 and a half
6 is OCO-for-base, a wonderful new phrase. I said, a week
7 ago, that's like "rabbits-for-bicycles." I mean, these are
8 two things that aren't really related. Wouldn't it better
9 if we just stepped up and had an honest budget, said, "This
10 is what the base budget needs to be, and OCO is for OCO, not
11 for ongoing needs"? Isn't that a more honest way to present
12 this? And I'm not suggesting you're dishonest, but this is
13 a sort of charade that we do around here instead of saying,
14 "We need 182 billion for the Army."

15 Secretary?

16 Dr. Esper: Well, Senator, I've, you know, spent my
17 share of time on the Hill, as well, on the other side of the
18 dais, and this is not new, if you will, in many ways, with
19 regard to OCO and how you fund the base and all that. I
20 think what's underlying this, too, is -- the Chief said it
21 very well earlier -- is, certainly on the defense
22 committees, nobody likes the Budget Control Act, and it's
23 put us in a bind, where it impacts the readiness of the
24 services, our modernization ability, et cetera. And,
25 frankly, if it were implemented, it would severely undermine

1 --

2 Senator King: Then maybe we ought to admit that --

3 Dr. Esper: Yes, sir.

4 Senator King: -- change those caps to reflect the
5 current reality. Those caps were established, 2011, 8 years
6 ago. The world has changed dramatically since that --

7 Dr. Esper: Yes, sir.

8 Senator King: -- time.

9 Dr. Esper: And changed, and nobody thought that was
10 ever going to happen. I remember the time. But, it is what
11 it is. But, the -- as the Chief said so well, all I look at
12 is \$182 billion, because I know I have to organize, man, and
13 train, equip an Army to defend the Nation.

14 Senator King: I -- and I agree with that, but I -- but
15 it does trouble me that 34 percent of that under an 82
16 billion is supposedly contingency money, and it really is,
17 and everybody knows that. I just -- truth in budgeting, I
18 think, would be helpful.

19 Now, as I understand it -- and I think you just
20 testified to this -- the 9.2 billion emergency is storms
21 plus the funding going out of military construction for the
22 southern border. Is that correct?

23 Dr. Esper: Yes, sir, that's my understanding. It's --
24 I think a share of it was for the -- what happened at
25 Tyndall and with the Marine Corps, some damage down there,

1 and then the MILCON replenishment, if needed.

2 Senator King: Well, what's troubling is -- to us, is
3 that we go through this process of budgeting and
4 appropriating, and looking at priorities and everything, and
5 then 3.6 gets pulled out, and then it gets put back in, the
6 next year. In effect, the Congress is funding something it
7 refused to fund. And I realize that wasn't your decision or
8 your call, and you've got to abide by this, but it's a kind
9 of shell game. I mean, we're -- we said we're not going to
10 fund this, the appropriations process didn't fund it. So,
11 it's coming out as an emergency, and now we're being asked
12 to, in effect, fund it, in retrospect. And I think that's
13 troubling.

14 One other question or -- before I leave you, on -- not
15 on the budget. I'm concerned about recruitment, and
16 concerned about not only recruitment in general, but the
17 geography of recruitment. I'm worried about the military
18 becoming isolated from the rest of the society and -- for
19 example, there are no significant military bases in the --
20 in New England. We don't -- and I think that's a loss for
21 the country. We don't want the military to be a separate
22 caste system over -- and separate from the rest of the
23 society. Could you speak to that?

24 Dr. Esper: Yes, sir. I'm concerned, as well. I think
25 you heard me say it a few minutes ago. I spoke to this

1 particular issue, that we risk having a society that's
2 increasingly -- or a military increasingly isolated from the
3 people it serves. And that concerns me. The Army's trying
4 to do its part. We have, maybe, two dozen initiatives to
5 improve our recruiting, make sure we can meet our numbers.
6 One of them includes what we call the Focus 22 cities, so
7 it's 22 of our biggest cities, many of them in the Northwest
8 and Northeast, where maybe upper -- under-representative --
9 under-represented. And it's our efforts to kind of go to
10 there, go to those cities and talk to those kids. So, I was
11 in Boston 2 weeks ago, met with the mayor, met with the
12 Governor. I was in Cleveland last week. I've been to L.A.
13 I'm going to be going back up to Seattle, here, soon. But,
14 it's our effort to go out to these cities and really speak
15 to America's youth and appeal to them in whatever way
16 resonates most. For many, it's jobs, it's skills, it's
17 opportunity. For others, it's college money. For others,
18 it's adventure. And it's different, depending on where you
19 go. So, in Cleveland, for example, it's about learning the
20 trades, getting skills that you could use elsewhere. If you
21 go to Seattle, it's about STEM. They want to see how it
22 applies. So, I think this is our effort to go to America's
23 cities where the young men and women are, and reengage in
24 those places where -- like you said, are, maybe, under-
25 represented.

1 Senator King: Well, I think part of that is that we
2 also have to work with the States on credentialing to accept
3 --

4 Dr. Esper: Yes, sir.

5 Senator King: -- the credentials so a person that has
6 all the skills in the world coming out of the Army doesn't
7 have to go back through an apprenticeship program, or
8 whatever is required. That's a separate issue.

9 Dr. Esper: And, as I said, in both Boston and
10 Cleveland, if you don't want to go regular Army, the Army
11 Reserve and the Army Guard are great opportunities well --
12 as well, where you can learn those skills and still stay
13 home, in your local area, and be with your friends and
14 family, or whatnot. And those are all great options. And
15 if you don't want to go Army, you can go another service.
16 But, I think reengaging in these areas is very important to
17 the future of the country.

18 Senator King: You may want to go back and revise your
19 testimony, "If you don't want to go Army, you want to go one
20 of the other" -- I'm -- you may not want that on the record.

21 [Laughter.]

22 Dr. Esper: Well, they should go -- if they want to go
23 to the best branch, they should go Army, but I think -- you
24 know -- and this generation, there is appeal to serving
25 something bigger than themselves --

1 Senator King: Thank you.

2 Dr. Esper: -- their communities. And I think we
3 should tap into that.

4 Senator King: Thank you for that work. It's very
5 important.

6 Thank you, Mr. Chairman.

7 Chairman Inhofe: Thank you, Senator King.

8 Senator Warren.

9 Senator Warren: Thank you, Mr. Chairman.

10 So, I know that you're aware of the crisis in the
11 military's privatized housing program. The private
12 companies that were put in charge of managing military
13 housing failed to provide safe and clean homes to military
14 families. Nonetheless, they managed to rake in millions of
15 dollars in profits. And the services have fallen short in
16 their oversight responsibilities by allowing military
17 families to live in hazardous and unhealthy conditions.

18 I want to focus, this morning, on just one part of that
19 problem. When repairs to military housing are either poorly
20 made or not made at all, it can threaten the health of
21 servicemembers and their families. We now know that many of
22 them have developed chronic medical conditions from exposure
23 to mold, lead paint, and other hazards. So, I want to ask
24 both of you, as a matter of principle, do you think the
25 United States Government has the responsibility to cover the

1 lifetime costs of treating servicemembers and their families
2 for health problems that are connected to unsafe military
3 housing?

4 General Milley, maybe I should start with you.

5 General Milley: Absolutely yes.

6 Senator Warren: Thank you.

7 And Secretary Esper?

8 Dr. Esper: Yes, ma'am. But, frankly, I'd like to see
9 the companies pay, first.

10 Senator Warren: Well, I'm fine with that. But, I want
11 to know whether or not the military should be on the hook,
12 whether or not the Federal Government should be on the hook,
13 for its failure to having supervised those --

14 Dr. Esper: Yes, ma'am, I agree. For that reason, I
15 agree.

16 Senator Warren: Good.

17 General Milley: And, to that extent, Senator, we have
18 established -- we are establishing a housing registry to
19 make sure that, (a) we know all the houses that have had any
20 life, health, or safety issues -- lead, asbestos, or
21 whatever, to include mold; and we want to make sure that we
22 backtrack, as many years as it takes --

23 Senator Warren: Good.

24 General Milley: -- to go back and make sure that we
25 know the names of all of those inhabitants of those houses,

1 both adults and children. And we want to track them
2 throughout their life. And if, at any point in time in the
3 future, they have a serious health issue that can be
4 directly related, cause and effect, to having lived in that
5 house, it is our belief that the Federal Government and the
6 RCI partner should be on the hook for the payment of that.

7 Senator Warren: Good. I'm very glad to hear this.
8 This is very reassuring. I also want to make sure that we
9 memorialize this in law. I am introducing a broader
10 military housing reform bill that will ensure that no member
11 of the military or military family will have to pay for
12 medical care as a result of unsafe housing. When a
13 servicemember or that servicemember's child or spouse gets
14 sick because the military failed to hold these companies
15 accountable, then it is time for the military to step up and
16 fix the problem. That makes -- means making sure this never
17 happens again and paying the ongoing medical bills. So,
18 thank you.

19 I want to take my remaining time and ask a critical
20 question about readiness facing the Army. Climate change.
21 The Defense Department's most recent report on climate
22 change discussed the impact of this human-caused problem on
23 our military operations in bases. This report included a
24 statement by the Chairman of the Joint Chiefs of Staff,
25 General Dunford, who said -- and I'm going to quote, here --

1 "When I look at climate change, it's in the category of
2 sources of conflict around the world and things we'd have to
3 respond to."

4 General Milley, just a simple yes or no is fine, 'cause
5 I'll have some followup questions. Do you agree with
6 General Dunford?

7 General Milley: I do, Senator.

8 Senator Warren: Good.

9 General Milley: If I could just make an additional --

10 Senator Warren: Sure.

11 General Milley: -- comment. I think what we're
12 talking about here are the effects -- the potential effects
13 of climate change. And clearly, there'll be military
14 implications as well as other implications down the road.

15 Senator Warren: Good. So, is adapting to climate
16 change necessary for Army readiness?

17 General Milley: I'm not sure exactly what you mean by
18 "adapting to climate change."

19 Senator Warren: Well, taking this into account, if
20 you're thinking about --

21 General Milley: Of course. It's a --

22 Senator Warren: -- readiness.

23 General Milley: -- consideration.

24 Senator Warren: Good.

25 General Milley: For example, there could be resource

1 shortfalls in various parts of the world, which will
2 increase stress on the society, which could increase
3 insurgency, revolution, terrorism, or a wide variety of
4 other factors. So --

5 Senator Warren: Well --

6 General Milley: -- there's a variety of effects that
7 we'd have to take into consideration.

8 Senator Warren: So, do you think it would be prudent
9 for the Army to incorporate climate change into operational
10 and strategic planning?

11 General Milley: We already do.

12 Senator Warren: Good. And how would you rate Army
13 installations, as a whole, in terms of their climate-change
14 resiliency?

15 General Milley: That is a work in progress. So, we're
16 evaluating those and coming up with a list. There's some --
17 the Army is -- by its nature, is more inland than on the
18 coast, so the climate change, as it affects some of the Army
19 installations, varies. The coastal ones tend to, probably,
20 have greater impact. But, that doesn't mean the ones on the
21 interior of the country don't. So, we're evaluating all the
22 variety of bases we have. We do have a list -- that was
23 mentioned earlier by one of the Senators, but we do have a
24 list, and we'll get that list promptly to the --

25 Senator Warren: Good. I appreciate that. You know,

1 it's clear that climate change is a threat to our military's
2 infrastructure and operations. And it's critically
3 important for the Army and other military services to
4 incorporate climate change into their operational plans.
5 It's a readiness issue, and I'm very glad to see that the
6 Army takes this seriously.

7 Thank you, General.

8 Chairman Inhofe: Thank you, Senator Warren.

9 Senator Tillis.

10 Senator Tillis: Thank you, Mr. Chairman.

11 Gentlemen, thank you for being here, for your service.

12 General Milley, thank you for rearranging your calendar
13 and participating in the sensing session we had done at Fort
14 Bragg on Friday. I think it was illuminating. What I paid
15 particular attention to is just how many notes you've taken,
16 so I have no doubt that, in those particular cases, then
17 we're going to make progress. I think that we still have to
18 take a look at the broader issue. We've got a footprint out
19 there we haven't yet figured out.

20 And, Secretary Esper, thank you and your wife for
21 coming down and being a part of a sensing a session, about a
22 month ago. Because I think it's -- I think we're making
23 progress there. The command's taking it seriously. And
24 they've got a good strategy for putting resources on the
25 ground. And we need to make sure we do everything we can,

1 as Members of Congress, to support that.

2 But, maybe very briefly, could you guys give me an idea
3 of how the housing issue and -- could actually affect --
4 have an impact on readiness?

5 Dr. Esper: Senator, I think -- if you submit to our
6 foundational principle that there's -- the importance of the
7 soldier and their family -- I think if a soldier is deployed
8 -- and I -- you -- when we -- you and I, I think, have
9 spoken to families -- the last thing you want is a soldier,
10 particularly facing a lethal situation, to be distracted,
11 worrying about his or her wife and children being impacted
12 by mold in the house, or having to -- dealing -- deal with a
13 broken tub, or whatever the case may be. So, in that
14 regard, it becomes very acute. And, you know, having done
15 my share of deployments during my Army days, you do worry
16 about your families. And that's -- at that point in time,
17 you want them focused on the mission, focused on being
18 successful and coming home safe. And, for that matter, you
19 don't want the distraction.

20 Senator Tillis: I -- one of the two houses that I
21 visited last week down on Fort Bragg, the husband's
22 deployed, the mother is there with two -- he's an officer --
23 the mother is there with two kids. You walk down a fairly
24 narrow hallway, and there is about a foot reserved for you
25 to walk through, because the other 2 feet are taken up by an

1 industrial-sized dehumidifier that is sucking so much
2 moisture out of this particular unit that they had to run a
3 hose into the tub. And I just saw it dump I don't know how
4 many quarts of water while I was sitting there talking to
5 them. That's a distraction, when you get on the phone with
6 a spouse and you're talking about that kind of environment
7 that they're living in.

8 So, we're going to continue to focus on it. And I'd
9 tell any military families who may be watching these
10 hearings that we're not going away until it's fixed. And I
11 know that I have you-all's commitment to be there every step
12 of the way. So, thank you for that.

13 Mr. Secretary, when you and I had breakfast several
14 months ago, you were talking about your top-to-bottom review
15 of programs that would -- you know, that are either
16 critical, nice to have, or not necessary. Can you give me
17 an idea where you are on that review now, and what specific
18 actions you've taken?

19 Dr. Esper: So, the second round of that review -- it's
20 -- in layman's terms, it's being called "Night Court" -- is
21 underway right now for the FY21 budget build. The FY20,
22 which was the one that the Chief and I initiated this time
23 last year, again, has resulted in this budget. And what we
24 did was, we ended up canceling, reducing, or delaying nearly
25 200 programs. And it began with -- we began on the opposite

1 end of the table. And that is, What do we need to modernize
2 the Army? And that began with our 31 cross-functional team
3 programs that show our six modernization priorities. And
4 then we knew we had another 50 or 60 programs that were also
5 critical to readiness. And we filled those buckets first.
6 And then, when you get to the end of the list, there were
7 programs that we knew -- not that they didn't have value,
8 but, relative to everything else, they just either didn't
9 cut the -- didn't make the cut.

10 Senator Tillis: General Milley, I was here earlier in
11 the committee. I'm sorry I couldn't be here longer. I've
12 got four committees meeting concurrently. But, you were
13 talking about the dramatic increase in readiness. I think
14 you said, at one point, we had three BCTs, and then you said
15 in the upper '20s that are at a ready state. And you said,
16 "Provided that we get the resources, we'll continue to build
17 on that." You know, when you get them to the state, though,
18 there's a certain cost associated with keeping them there.
19 So, as we move into future budgets, what worries you most
20 about being able to sustain that level and not see a
21 downward trend over the near-to-intermediate term?

22 General Milley: Well, you just said it, Senator. It's
23 the ability to sustain that. Once we get to the level we
24 want to get to in -- sometime in '22, which is 66 percent of
25 the regular Army and 33 percent of the Guard and Reserve, we

1 have to sustain that. And we recognize -- we, in the Army,
2 but, more broadly, in the military -- we recognize that we
3 are a very, very expensive endeavor. And we appreciate the
4 support of Congress and the American people. But, there is
5 one thing that's a lot more expensive than what we do on a
6 day-to-day basis, and that's having a war. And, by funding
7 us, we deter war. By making sure that we have large,
8 capable, competent, excellent military that is dominant on
9 any field of battle, that goes a long way towards telling
10 any potential adversary, "Don't mess with the United
11 States." If we underfund that in the future years, or if we
12 do two steps forward, one step back constantly, then that, I
13 think, provides opportunity and encourages aggression on the
14 part of any potential adversary.

15 Senator Tillis: Well, thank you. I'll submit some
16 questions for the record regarding end strength and some of
17 the great work I think you're doing on modernizing,
18 recruiting. And like to know how you're doing on hitting
19 the goals this year.

20 But, thank you, Mr. Chair.

21 Chairman Inhofe: Thank you --

22 General Milley: We'll make it --

23 Chairman Inhofe: -- Senator Tillis.

24 Senator Blumenthal.

25 Senator Blumenthal: Thank you, Mr. Chairman.

1 I'd like to ask about the units in -- or the military
2 construction projects that may be defunded in Puerto Rico.
3 I think there are ten Army National Guard projects and two
4 Army Reserve projects in Puerto Rico. The total value of
5 the projects potentially in jeopardy is about \$550 million.
6 And I'm concerned that defunding these projects will detract
7 from the effort of the island to recover. In this panel, at
8 the time of the hurricane, we heard very unmistakable
9 commitment to the recovery efforts. And I would like your
10 commitment that these projects will not be cut and that
11 there will be a continued commitment to the recovery efforts
12 on the island.

13 Mr. Secretary?

14 Dr. Esper: Senator, I cannot make that commitment,
15 because it's not my decision to make. It's going to be
16 made, I think, by at least the Acting Secretary of Defense.

17 Senator Blumenthal: Can you commit to encouraging
18 Acting Secretary Shanahan to avoid selecting any projects in
19 Puerto Rico to be defunded and diverted to the border wall,
20 given the natural disaster that happened there and the
21 continuing disarray on the island?

22 Dr. Esper: I think what will happen, here, next is,
23 the Army will look at all that those -- all those projects
24 that are up for consideration, and then I'd -- we need to
25 assess each one of them. Candidly, our prioritization will

1 be readiness and the ability to project force, going
2 forward. And then we'll certainly consider other factors,
3 as well, as we build a prioritization list.

4 Senator Blumenthal: But, you're aware of the
5 continuing needs and challenges of recovery on the island,
6 and the very important role of the National Guard.

7 Dr. Esper: Yes, sir. Puerto Rico National Guard does
8 a great job, and there are a lot of needs out there. I
9 recognize that. It was -- you know, the hurricanes that hit
10 there, it was tragic what it did to the island.

11 Senator Blumenthal: And I saw firsthand, perhaps you
12 have, the critical role that the National Guard has played
13 there.

14 Dr. Esper: They do.

15 Senator Blumenthal: Mr. Secretary, I know that Senator
16 Kaine has asked about the budget item for deployment of
17 troops at the border if their deployment there is extended.
18 Can you explain why the budget request does not include
19 funding for those border deployments?

20 Dr. Esper: My best explanation, as I said to him, was
21 that, at the time this budget was built -- was last summer.
22 This was not on anybody's radar screen, so that would be the
23 first thing I would say. Even going into the fall, where we
24 had a chance to amend, it just was not on our radar screen.

25 I don't know if you have anything to add.

1 Senator Blumenthal: Would you want to amend it now?

2 And, if so, for what period of time would you contemplate --

3 Dr. Esper: I don't think --

4 Senator Blumenthal: -- that deployment?

5 Dr. Esper: Yes, sir. I think much more needs to -- we
6 under -- we need to understand that -- and it's going to be
7 driven largely by Department of Homeland Security, because
8 DOD is in support of Department of Homeland Security, of
9 what they will need, how long they will need it, and in what
10 numbers. I think time will tell what that mission looks
11 like.

12 Senator Blumenthal: How much time will tell?

13 Dr. Esper: I don't know. That's -- we're all waiting,
14 I think, to understand what DHS will need in the coming
15 weeks and months.

16 Senator Blumenthal: Do you have a timeframe for that
17 decision being made?

18 Dr. Esper: No, sir, I don't. I'd have to ask the
19 Acting Secretary of Defense.

20 Senator Blumenthal: Do you know the factors that will
21 go into that decision?

22 Dr. Esper: I don't. I think that they -- you know,
23 they're considering what it takes in order to secure the
24 border. And --

25 Senator Blumenthal: Do you know who will make that

1 decision?

2 Dr. Esper: I think it's Secretary Nielsen. I think it
3 begins with her.

4 Senator Blumenthal: But, the troops are your
5 responsibility, are they not?

6 Dr. Esper: So, DHS would make the request of DOD, and
7 then DOD would have to assess whether it can -- can or
8 cannot meet that request, depending on the law and
9 resources, et cetera, et cetera. And, at that point in time
10 -- and this works through Northern Command -- eventually, it
11 gets tasked down to the military to see if we can fill that
12 need. And right now, I think, on the border, all the
13 services are -- it's more than just the Army on the border,
14 and it -- that's the process by which these taskings happen.

15 Senator Blumenthal: I know it's more than just the
16 Army, but right now the Army's budget and its plan for the
17 future is before us --

18 Dr. Esper: That's correct.

19 Senator Blumenthal: -- for oversight. And we have no
20 idea, as we sit here --

21 Dr. Esper: Right.

22 Senator Blumenthal: -- when and how and whether that
23 review will occur.

24 Dr. Esper: Yes, sir. And I can't tell you
25 authoritatively, either, whether or not we would need

1 funding to sustain forces on the border beyond September
2 30th, 2019.

3 Senator Blumenthal: My time is expired. Thank you
4 very much.

5 Dr. Esper: Yes, sir.

6 Chairman Inhofe: Thank you, Senator Blumenthal.

7 Senator Duckworth.

8 Senator Duckworth: Thank you, Mr. Chairman.

9 And, Go Army, hooah.

10 Gentlemen, an interesting find as I examined your
11 budget request was a \$24 million decrease in logistics
12 operations. And I -- in my conversations with both of you,
13 I have discussed what I view as the important role of
14 logistics in any type of future operations with our Army as
15 well as when it comes to our positioning for great-power
16 competition. And I -- my sense was that you both agreed
17 with me on the role, the importance of logistics. Yet, I'm
18 left assuming that your analysis now is that logistics
19 operations from infrastructure to delivery are resilient
20 against threats posed by great-power competitors and violent
21 nonstate actors because you think that you can cut 24
22 million from that budget. Otherwise, you would either
23 request the same amount as enacted in fiscal year 2019 or
24 you would increase it. And this is in light of the fact
25 that you had the NDS that came out and you're talking about,

1 you know, we have increased great-power competitions, we
2 need to spend more money on these things, and yet, you're
3 cutting logistics. So, that doesn't seem to make sense to
4 me. And I would love for both of you to respond. And you
5 can choose who goes first.

6 Dr. Esper: So, Senator, in the -- we talk a lot about
7 "Night Court" and Army's reform efforts with regard to
8 equipping. But, frankly, we -- this process went through
9 everything. It went -- it included training, it included
10 our manning budgets, it included our installations. And
11 part and parcel, this was logistics. And we have a great
12 commander at Army Materiel Command, in General Perna. And,
13 you know, he proposed a number of things, where he thought
14 he can accomplish his mission and, in some cases, do it
15 better, by making adjustments. We've -- for example, we've
16 consolidated all classes of supply underneath him at Army
17 Materiel Command. We've looked at logistics readiness
18 centers, how we can improve them.

19 So, I'm fully confident that we can meet the needs. I
20 wouldn't infer, necessarily, that, just because we made cuts
21 here and there, that we lost capability. Like I said, there
22 are a lot of efficiencies gained. We've reduced
23 headquarters, we've reduced -- we've pushed people out of
24 headquarters, both military and civilian. We've really
25 devolved operations down to the brigade and division level

1 and corps level. So, there's a lot that's going on, where
2 we save money, but yet we're still able to accomplish the
3 mission. And I -- again, I think this is what Congress has
4 asked us to do.

5 Senator Duckworth: Is it the current mission, or are
6 you talking about positioning yourself for great-power
7 competition, though?

8 Dr. Esper: It's both. So, we have the current
9 mission. We have to sustain, obviously, operations in Iraq
10 and Afghanistan, and we have any number of brigade combat
11 teams deployed presently, but we're also thinking ahead.
12 So, he's doing some very innovative things down there as we
13 build our ammunition stocks, as we think about, in the
14 future, for example, How do we do additive manufacturing on
15 the battlefield, behind the forward line of troops, to
16 reduce the amount of time it takes to reequip heavy
17 vehicles, for example, or helicopters? So, a lot of
18 innovative things as he looks forward into the future.

19 Senator Duckworth: General?

20 General Milley: I would echo what the Secretary said,
21 Senator. I don't think the 24 million is -- as we look to
22 the future and the great-power competition, is going to have
23 any kind of significant negative effect on our logistical
24 capability to sustain the force. We, through this "Night
25 Court" process, went through a huge amount of due diligence.

1 And -- based on the recommendations of General Perna -- and
2 that's not all one type of logistics, that's a wide variety
3 of nickels and pennies that we've cut in various programs
4 across the Army in the logistics world. And I think it's an
5 acceptable degree of risk, and I don't think it's going to
6 have any detrimental effect with respect to great-power
7 competition.

8 Senator Duckworth: Okay. I tend not to agree with
9 you, but I would love to take a closer look at how you got
10 to this number, because I am deeply concerned that we are
11 cutting, here, and then you're going to be back and saying,
12 "Now we need to increase it, and now we're falling behind."
13 And that's a real concern.

14 I want to touch on something that one of my colleagues
15 talked about a little bit, which was the Army Corps of
16 Engineers. It now has a 31-percent cut in its budget, as
17 you've presented. The President says that he is committed
18 to improving the aging domestic infrastructure, which some
19 say is a national security risk. As a representative of
20 this administration, can you explain the discrepancy, Mr.
21 Secretary, between the policy and statements in this issue,
22 and especially, you know, as -- look at the problems along
23 the locks and dams on the Mississippi River, as a great
24 example of where we actually should be putting in more money
25 in order to help the Corps of Engineers do its job.

1 Dr. Esper: Yes, Senator, I can. I think there was
2 some confusion that came out of a press story a few weeks
3 ago about this, about a 31-percent decrease. And I think
4 what it was is, the story spoke to what was enacted in FY19
5 versus what was requested. So, in FY19, the Army, for civil
6 works, the request was actually 4.785 billion. The request
7 for '20 is 4.827 billion. So, you see an increase. What
8 happened is, last year, in FY19, Congress enacted a \$6.9-
9 billion budget. And that's not unusual, to see Congress put
10 more money in for MILCON or civil works -- I'm sorry, for
11 civil works. So, I think what you have to compare is, not
12 enacted, but you have to compare requested versus requested.
13 And you'll see, frankly, we have a -- we have an increase
14 there.

15 Senator Duckworth: Barely an increase.

16 Dr. Esper: Yes, ma'am, barely an increase, but, again,
17 within a budget constraint, but it doesn't reflect a 31-
18 percent decrease. It's just a difference between what
19 Congress enacted in '19 and what we requested in '19.

20 Senator Duckworth: Can you explain why, then, there's
21 not much -- barely an increase, then? Let's go with that
22 number. Because from everything that I've heard from the
23 Corps of Engineers, what I've heard from the White House is
24 that there's actually a need for great increase in the Army
25 Corps of Engineers budget so that they can meet the

1 infrastructure needs of this Nation.

2 Dr. Esper: Yes, ma'am. There's a long list of civil
3 works projects out there. In the billions, for sure. But,
4 it's a matter of -- as I said, in any number of programs,
5 the needs and wants seem to always exceed the means. And
6 so, where do you draw the line? And this is another case.

7 Senator Duckworth: I think my farmers would disagree
8 with you. But, thank you.

9 I'm out of time, Mr. Chairman. Thank you.

10 Chairman Inhofe: Thank you, Senator Duckworth.

11 And thank both of our witnesses for your tolerance and
12 your patience today.

13 And we are adjourned, before someone else shows up.

14 [Laughter.]

15 Chairman Inhofe: Thank you.

16 [Whereupon, at 11:34 a.m., the hearing was adjourned.]

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