

Stenographic Transcript  
Before the

COMMITTEE ON  
ARMED SERVICES

## **UNITED STATES SENATE**

HEARING TO RECEIVE TESTIMONY ON THE  
DEPARTMENT OF DEFENSE BUDGET POSTURE IN REVIEW OF  
THE DEFENSE AUTHORIZATION REQUEST FOR FISCAL YEAR  
2021 AND THE FUTURE YEARS DEFENSE PROGRAM

Wednesday, March 4, 2020

Washington, D.C.

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1 HEARING TO RECEIVE TESTIMONY ON THE  
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 4 FUTURE YEARS DEFENSE PROGRAM

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

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 12 The committee met, pursuant to notice, at 2:29 p.m. in  
 13 Room SH-216, Hart Senate Office Building, Hon. James M.  
 14 Inhofe, chairman of the committee, presiding.

15 Members Present: Senators Inhofe [presiding], Wicker,  
 16 Fischer, Cotton, Rounds, Ernst, Tillis, Sullivan, Perdue,  
 17 Cramer, McSally, Scott, Hawley, Reed, Shaheen, Gillibrand,  
 18 Blumenthal, Hirono, Kaine, King, Heinrich, Peters, Manchin,  
 19 Duckworth, and Jones.

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

3           Chairman Inhofe: The meeting will come to order.

4           The committee meets today to receive testimony on the  
5 Department of Defense Fiscal Year 2021 Budget Request.

6           I welcome our witnesses and thank them for their  
7 service, both Dr. Mark Esper and General Mark -- we've got a  
8 pair of "Marks" this morning.

9           This committee's top priority is ensuring the  
10 effectiveness and implementation of the National Defense  
11 Strategy. That's our vote that we had heard -- have been  
12 adhering to for a long period of time now, about 3 years.

13           Unfortunately, under the last administration, we asked  
14 our military to do more with less, and that got us into  
15 trouble. Between 2012-2017, we lost 150 billion to  
16 sequestration, our defense budget and the readiness of our  
17 forces were devastated. I think we all understand that. As  
18 a result, when President Trump came to office, he inherited  
19 an American military in crisis. Thankfully, he delivered on  
20 his promise to begin rebuilding the U.S. Armed Forces.

21           Last year, President Trump negotiated the highest level  
22 of defense spending ever, a downpayment towards getting our  
23 military back to where it needs to be. But, that's not  
24 enough. We face a more dangerous world today than we  
25 anticipated we would. Since then, the Russian has invaded

1    Crimea, backed Assad in Syria, sent mercenaries to Libya,  
2    and violated the INF Treaty.  China began building islands  
3    in the South China Sea, harassing its neighbors more  
4    frequently, and accelerating its military and nuclear  
5    modernization.

6           The bipartisan National Defense Strategy Commission  
7    Report said, if we're going to adequately fund the National  
8    Defense Strategy and take on these threats, it's going to  
9    take a 3- to 5-percent increase, net increase above  
10   inflation each year.  Now, we're not doing that, but that's  
11   what we committed to.  We had a meeting here.  Everyone  
12   adheres to the logic of the -- of this contract that we  
13   agreed to.  But, we're not carrying through with it.  That  
14   should mean the budget request would have been, if we had  
15   adhered to that, 775 to 790 billion this year.  Instead,  
16   we've got a budget agreement that provides 740.5 billion for  
17   all that we've got to do for our military defense.  And  
18   that's not your fault, not you guys, but the Congress needs  
19   to do more, be more realistic about what it's going to take  
20   to maintain a force capable of deterring and, if needed,  
21   defeating our enemies.

22           We're trying to do more while spending less, and the  
23   math just doesn't work that way.  That's why we've -- you've  
24   seen so many stories about how we can't buy necessary  
25   equipment.  That's why we can't do the training that we need

1 to do. That's why we can't give our troops the tools that  
2 they need to keep the peace. It's all in the NDS.

3 We can pay them now, or we can pay them later, and  
4 leave when our children -- leave the debt to our children  
5 and grandchildren to pay. And they'll be doing so in the  
6 more dangerous world if we don't fix the budget tragedy that  
7 we're facing right now.

8 I know you've tried to do the best you can within the  
9 limits of what you have been given. And I appreciate that  
10 you're already have done -- you found a lot of savings, and  
11 you are to be applauded for that. That's hard to do with  
12 the decreasing budget which we have today.

13 On that happy note, I look forward to continuing to  
14 work with you to make sure our troops have the resources  
15 that they need to fight and win.

16 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           Let me join you in welcoming our witnesses today, thank  
5 them for their service to the Nation. And I look forward to  
6 their testimony.

7           Before we consider the details of the budget request,  
8 I'd like to address some broader concerns I have with the  
9 Department.

10          The National Defense Strategy Commission Report,  
11 released in November 2018, expressed significant concern  
12 about the balance of power between civilian and military  
13 leadership at the Department of Defense. Specifically, the  
14 Commission Report stated, "Civilian voices have been  
15 relatively muted on issues at the center of U.S. defense and  
16 national security policy, undermining the concept of  
17 civilian control."

18          Unfortunately, the situation has only gotten worse  
19 since the Commission issued its report. The Office of the  
20 Secretary of Defense is without Senate-confirmed leadership  
21 in many of its most important positions. In the Policy  
22 Office, of the seven positions requiring Senate  
23 confirmation, there are only two confirmed individuals, and  
24 one of these is now serving as the Acting Under Secretary.  
25 We just received the nomination for Under Secretary of

1 Personnel and Readiness, after a 2-year vacancy. Then, on  
2 Monday, the administration withdrew the nomination of Elaine  
3 McCusker to be the Department's Controller. These vacancies  
4 continue to challenge the Department's ability to  
5 effectively respond to national security challenges and  
6 undermine civilian inputs into the decisionmaking process.

7 With political appointees largely absent, a large  
8 amount of work in the Department is now being done by career  
9 civil servants, and they, too, are beleaguered. Congress  
10 shares the blame in adding to civilian workforce woes with  
11 headquarters cuts. However, pay freezes, hiring freezes,  
12 exemption from collective bargaining, and having career  
13 civil servants carry the weight of defending political  
14 decisions is likely to lead to a hollowing out of the  
15 workforce whose experience and expertise we desperately  
16 need.

17 Furthermore, October 23rd of this -- of last year, I  
18 should say -- last year, not this year -- I joined Chairman  
19 Inhofe and our HASC counterparts in sending you, Mr.  
20 Secretary, a letter expressing concern about the  
21 Department's failure to properly empower and staff the  
22 Office of the Assistant Secretary of Defense for Special  
23 Operations and Low Intensity Conflict in order to fully  
24 exercise its congressionally mandated responsibilities for  
25 oversight and advocacy of Special Operations Forces. This

1 is another position that has -- had had an Acting Principal  
2 for more than half the administration, and it's  
3 unacceptable, frankly, that we still haven't received a  
4 response to our letter, more than 4 months later.

5 Now, turning to the budget request before us, the  
6 fiscal year 2021 budget, the Department of Defense seeks  
7 \$636.4 billion for the base budget and \$69 billion in  
8 overseas contingency operations funds, of which 16 billion  
9 is designated to pay for base requirements. In its base  
10 budget request, the Defense Department highlights resources  
11 targeted for the modernization of a more lethal force that  
12 is prepared for a high-end fight against near-peer  
13 competitors and to operationalize the National Defense  
14 Strategy, including investments in the space and cyber  
15 domains, the recapitalization of our nuclear deterrent, and  
16 the largest-ever research and development budget for  
17 artificial intelligence, directed energy, and hypersonic  
18 weapons. The base budget request also supports the quality  
19 of life for our servicemembers by sustaining family support  
20 initiatives and by authorizing a 3-percent pay raise.  
21 However, it is clear that the base budget request will not  
22 cover all the Defense Department's requirements. So, once  
23 again, we have been presented with an overly generous use of  
24 the OCO account. I acknowledge that both Congress and other  
25 administrations have included elements of base funding in

1 OCO accounts in the past, but overloading the OCO request  
2 with \$16 billion worth of activities that truly belong in  
3 the base budget is difficult to justify.

4 I would also highlight that this year's budget reflects  
5 the outcomes of the Secretary's defensewide review. The  
6 Department submitted a report to Congress in January that  
7 stated, "In an era of flattening budgets, it is more  
8 important than ever that we find creative ways to fund NDS-  
9 driven activities." The review identified more than \$5  
10 million in savings from defensewide programs that were  
11 deemed a lower priority or inconsistent with the priorities  
12 of the NDS. Mr. Secretary, let me commend you for taking  
13 this review on. It's a tough job, and you did it  
14 thoroughly, and you did it with quite a bit of energy.

15 Now, these savings will be taking, however, from, among  
16 other things, health affairs, DOD schools, and cooperative  
17 threat reduction programs. So, I'm interested in hearing  
18 more about the analysis behind the programs that were cut or  
19 eliminated, and the areas in which these resources were  
20 reinvested.

21 Scrutinizing current programs to determine which ones  
22 support the Department's priorities and which ones should be  
23 reduced or eliminated is appropriate and necessary. And  
24 again, I commend you. However, it is somewhat disingenuous  
25 to argue that flat defense budgets have forced the

1 Department to realign funds internally to support NDS  
2 implementation, when the Department is making affirmative  
3 decisions to divert funding from NDS priorities. For  
4 example, the Department recently approved the transfer of  
5 \$3.8 billion from National Guard equipment, additional  
6 combat aircraft, ISR assets, and amphibious ships in order  
7 to pay for the President's border wall. In addition, the  
8 budget request before us proposes significant cuts to  
9 initiatives like the European Defense Initiative. This is  
10 after funding for several military construction projects in  
11 EDI was taken out last year to, again, pay for the wall.  
12 Our close bond with our European allies and partners is one  
13 of our greatest strategic advantages and key to countering  
14 the near-peer competitor competition of Russia. However,  
15 the cut to EDI sends exactly the wrong message to our allies  
16 and our adversaries.

17 It is the responsibility of this committee to ensure  
18 the men and women we send into harm's way have the resources  
19 necessary to complete their mission and return home safely.  
20 And I'm proud that this committee, under the Chairman's  
21 leadership, has always worked in a bipartisan fashion during  
22 this process. And I look forward to working with all the  
23 committee members to come to a reasonable agreement again  
24 this year.

25 Thank you, Mr. Chairman.

1 Chairman Inhofe: Thank you, Senator Reed.

2 We will now have opening statements from Secretary  
3 Esper and General Milley. Your entire statement will be  
4 made a part of the record. And you are recognized.

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1 STATEMENT OF HON. MARK T. ESPER, SECRETARY OF DEFENSE

2 Secretary Esper: Thank you, Mr. Chairman.

3 Chairman Inhofe, Ranking Member Reed, distinguished  
4 members of this committee, I appreciate the opportunity to  
5 testify in support of the President's Budget Request for  
6 Fiscal Year 2021. I'm joined today by the Chairman of the  
7 Joint Chiefs of Staff, General Mark Milley.

8 The 2018 National Defense Strategy provides a clear  
9 roadmap for the Department of Defense to address the  
10 reemergence of long-term strategic competition from near-  
11 peer competitors, China, then Russia. Throughout the  
12 Pentagon and across the Joint Force, the NDS guides our  
13 decisions and actions as we adapt the force to  
14 simultaneously contend with the threats of today while  
15 preparing for the challenges of tomorrow. We do this by  
16 increasing the readiness and lethality of our warfighters,  
17 strengthening our alliances and partnerships, and reforming  
18 the way the Department does business. Additionally, we have  
19 placed renewed emphasis on taking care of our servicemembers  
20 and their families.

21 The Department is grateful for the strong support  
22 provided in the FY20 NDAA and DOD appropriations, which  
23 allowed us to make vital investments in our military's  
24 modernization, enabled the creation of the Space Force, and  
25 provided our servicemembers with the largest pay increase in

1 a decade. Our continued success is contingent upon  
2 predictable, adequate, sustained, and timely funding, and I  
3 encourage Congress to pass a full-year spending package for  
4 all FY21 on time to avoid the debilitating effects of  
5 another continuing resolution.

6 The Department's total FY21 budget request is \$705.4  
7 billion. This represents a minor increase from FY20 enacted  
8 amount of \$704.6 billion, but does not keep pace with  
9 inflation. Given this flattened funding level, we were  
10 required to make many tough decisions to ensure our highest  
11 priorities were adequately funded. To enable our  
12 decisionmaking, we conducted a comprehensive defensewide  
13 review aimed at reallocating resources from programs and  
14 activities that offer a low return on investment relative to  
15 the goals and objectives of the NDS. Over a 4-month period,  
16 we conducted over 20 review sessions examining almost \$100  
17 billion in programs, agencies, and activities that make up  
18 the fourth estate. This review generated \$5.7 billion in  
19 FY21 savings that were reinvested back into readiness and  
20 lethality efforts.

21 Each of the military services is also instituting a  
22 similar review process across their budgets to achieve the  
23 same outcome of realigning resources and finding savings  
24 that can be reinvested into higher priorities.

25 Additionally, I have initiated the process of

1 conducting full reviews of all combatant commands to  
2 properly align our global military posture to the NDS. This  
3 effort will enable the Department to shift greater emphasis  
4 to our highest-priority region, the Indo-Pacific, or allow  
5 us to return troops home to build readiness. Thus far, we  
6 have ongoing reviews of AFRICOM and SOUTHCOM, and will  
7 expand to other commands over the coming months.

8 My recent decision to deploy elements of an Army  
9 Security Force Assistance Brigade to Africa to replace units  
10 from an Infantry Brigade Combat Team is an example of how  
11 this process is enabling us to better match resources to the  
12 mission of each combatant command.

13 The Department's FY21 budget request reflects the same  
14 disciplined adherence to the NDS. To preserve our  
15 overmatch, we have made significant investments into several  
16 critical technologies that will alter the future  
17 battlefield. Our RDT&E budget is the largest in our history  
18 and prioritizes hypersonics, microelectronics, 5G  
19 communications, autonomous systems, and artificial  
20 intelligence. We are moving forward with a long-overdue  
21 recapitalization of the Nation's nuclear triad, with key  
22 investments in the ground-based strategic deterrent, the B-  
23 21 stealth bomber, the Columbia-class submarine, and  
24 improved nuclear command, control, and communications  
25 systems, to name a few. We are also enhancing our missile

1 defense capabilities to protect against the growing threat  
2 of advanced enemy missile systems.

3 This budget request expands our capacity to defend our  
4 interests in space as we consolidate much of our space  
5 enterprise into the Space Force. It also advances the  
6 Department's cyber capabilities, allowing us to protect our  
7 digital infrastructure while disrupting covert foreign  
8 malign activity. This includes defending the integrity of  
9 our democracy by assisting in the security of our elections.

10 Finally, in the traditional air, land, and sea domains,  
11 we are focused on modernizing our formations by divesting  
12 from platforms and equipment that are no longer suited for  
13 the emerging strategic environment. The Department  
14 appreciates this committee's advocacy of the National  
15 Defense Strategy, and we value Congress's guidance on  
16 reform.

17 I now ask for your support so that we may fully  
18 implement our decisions and move forward with the  
19 investments needed to ensure America's military maintains  
20 our competitive advantage, continues to deter war, and  
21 preserves our Nation's security.

22 Thank you.

23 [The prepared statement of Secretary Esper follows:]

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1 Chairman Inhofe: Thank you, Secretary Esper.  
2 General Milley.

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1           STATEMENT OF GENERAL MARK A. MILLEY, USA, CHAIRMAN OF  
2 THE JOINT CHIEFS OF STAFF

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

6           It's my distinct honor and privilege to represent the  
7 almost 3 million soldiers, sailors, airmen, marines,  
8 coastguardsmen, and civilians of the United States Armed  
9 Forces, the best-trained, best-equipped, and best-led  
10 military force in the world. And it would not be possible  
11 without your continued support.

12           This budget is a strategy-driven budget. It is driven  
13 by the NDS, which you are fully aware of and I fully  
14 support. We stand really and capable to deter war, defend  
15 our homeland from attack, support our allies; and, if  
16 deterrence fails, we are fully capable today to fight and  
17 win our Nation's wars against any potential adversary,  
18 anywhere on the Earth's surface, at any time.

19           But, our competitive advantage has eroded, and no one  
20 should have any doubt about that. China and Russia are  
21 increasing their military capabilities to outmatch the  
22 United States and its allies in order to exert their global  
23 influence. And China's objective is to do that by mid-  
24 century.

25           North Korea, Iran, and violent extremist organizations

1 fuel regional instability and pose direct threats to partner  
2 nations and U.S. citizens. And, while the nature of war is  
3 constant, advanced technologies have stressed our Industrial  
4 Age capabilities, concepts, and processes, and the changing  
5 character of war is happening in a very, very fundamental  
6 way.

7       Additionally, we are recovering from readiness  
8 shortfalls and modernization deferments from 20 years of  
9 continuous warfare and a decade of fiscal instability. This  
10 year's budget builds on previous readiness and modernization  
11 gains, and I believe the FY21 budget submission is the best  
12 allocation of resource in a balanced way to support the  
13 National Defense Strategy. It builds a more lethal force.  
14 It strengthens allies and partners. And it reforms the  
15 Department for greater performance and affordability. It  
16 also prioritizes, as the Secretary said, the Indo-Pacific  
17 region to deter Chinese aggression, maintain stability, and  
18 ensure access to common domains in order to preserve a free  
19 and open international system, for which my parents fought  
20 for in the second World War. It continues in Europe to  
21 counter Russian aggression, and it will continue to allow  
22 the United States military, in concert with our allies and  
23 partners, to deter a provocative North Korea and Iran from  
24 aggressive action in their regions. And, all the while, it  
25 provides money to continue our counterterrorist operations

1 in various parts of the world. In short, PB-21 supports a  
2 ready, agile, and capable joint force that can compete,  
3 deter, and win across all domains today and in the future,  
4 and it targets specific investments in readiness,  
5 modernization, leader development, support to our people and  
6 their families. It invests in our readiness recovery that  
7 was built over the last 3 years. With this committee's  
8 support, all the services are scheduled to meet their  
9 readiness recovery goals in this FYDP. It funds  
10 modernization for great-power competition across all  
11 warfighting domains, and it improves the safety, security,  
12 and reliability of our very critical nuclear enterprise. It  
13 invests in and stands up the Space Force, and increases  
14 resiliency, deterrence capability, and warfighting options  
15 in both space and cyberspace. It funds joint all-domain  
16 command-and-control to improve our interoperability across  
17 all the services and with our allies. And it invests in the  
18 advanced technologies that the Secretary mentioned to  
19 address the more complex threats and the faster pace as the  
20 character of war changes.

21 This budget also invests in our most valuable asset.  
22 The most valuable asset of the United States military is our  
23 people. It also funds the facilities, infrastructure,  
24 family support, and quality-of-life programs in a balanced  
25 way. And it invests in education and talent management in

1 order to develop our junior leaders with the values and  
2 intellectual agility to fight and win future conflicts. The  
3 lieutenants and ensigns of today will be the generals and  
4 admirals of tomorrow.

5       Ultimately, our military needs sustained, predictable,  
6 adequate, and timely funding to retain its competitive  
7 advantage in this era of great-power competition, with the  
8 understanding that we must be good stewards of the resources  
9 entrusted to us by the American people and by Congress.

10       I want to thank this committee for your continued  
11 support to all of our military. And I look forward to  
12 answering your questions.

13       [The prepared statement of General Milley follows:]

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1 Chairman Inhofe: Thank you, General Milley.

2 Because of a scheduling problem, we'll begin our  
3 questions with Secretary -- with Senator Cotton.

4 Senator Cotton: Thank you, Mr. Chairman. I appreciate  
5 your consideration. I have to go preside over the Senate in  
6 10 minutes, known as presiding officer duty, which  
7 Lieutenant Esper and Lieutenant Milley could relate to staff  
8 duty, back in their days. It's a duty, not an honor, and  
9 only the most junior personnel get to pull it.

10 Secretary Esper, I want to commend your remarks at the  
11 Munich Security Conference about the threat that Huawei  
12 poses to the United States and our NATO allies.  
13 Unfortunately, it doesn't seem like all of our NATO allies  
14 got the message or agree with it. Could you talk about the  
15 threat that Huawei's presence in Europe, especially in  
16 nations where we have troop presence, threatens our security  
17 and NATO security?

18 Secretary Esper: Yes, Senator. Since my first NATO  
19 Ministerial -- Defense Ministerial, in June of last year --  
20 so, I've been to three or four now -- I've had a common  
21 message, one of many, and this is the threat that Huawei  
22 technology imposes on our networks. And the message has  
23 been that if countries -- if our NATO allies incorporate  
24 Huawei technology, it may very well have a severe impact on  
25 our ability to share information, to share intelligence, to

1 share operational plans, and for the alliance to conduct  
2 itself as an alliance. The fact of the matter is, some  
3 countries get it, many more don't. It's a continual  
4 process, where we're trying to work. And I think we also  
5 need to work together, some countries, on alternatives to  
6 Huawei, because otherwise we will find the alliance  
7 compromised, in due course.

8       Senator Cotton: Should some of our allies in Europe  
9 move forward with Huawei in their networks, will we have to  
10 at least consider our force posture in those countries,  
11 given what it means for the security and privacy of our  
12 troops and their families?

13       Secretary Esper: I think, Senator, depending on how  
14 they move forward, we're going to have to assess what  
15 they've done and how they've done it, and make a -- an  
16 assessment for each country, and then, from there, decide  
17 what we're going to do with regard to those things I  
18 mentioned -- information-sharing, intelligence-sharing, so  
19 forth.

20       Senator Cotton: Okay. Last month, there were media  
21 reports that the Department of Defense had reservations  
22 about a regulation related to Huawei that the Commerce  
23 Department has proposed. That regulation has now moved  
24 forward -- those objections. Could you just make clear for  
25 us, and maybe all the people that work for you directly,

1 what the Secretary's position is on Huawei?

2 Secretary Esper: Well, I'm very concerned about Huawei  
3 and other Chinese technologies, so I think we need to take a  
4 very careful eye with regard to our export controls --  
5 Chinese technology in general, Huawei specifically -- and I  
6 think we need to be very conscious of Chinese technology in  
7 our system. By the same token, I also want to -- I need to  
8 balance the equation and make sure we understand our own  
9 technology companies and ensuring that we have access to  
10 that, as well. But, overall, I'm very concerned about  
11 Chinese technology, espionage, cybertheft, you name it,  
12 that's ongoing, and has been for many years in our country.

13 Senator Cotton: Thank you.

14 On the topic of espionage, let's turn to Russia, and  
15 specifically the Open Skies Treaty, and how they use that,  
16 and how they cheat on it in their own country.  
17 Specifically, refusing to allow us to fly Open Skies flights  
18 over Kaliningrad, their strategically located enclave in  
19 Europe, and also around and near Georgia. Other witnesses  
20 in the past in front of this committee, like General  
21 Dunford, General Milley's predecessor, Vince Stewart, former  
22 head of DIA, have testified that Russia has been cheating on  
23 the Open Skies Treaty, that we don't get much benefit out of  
24 it as long as they're cheating, that -- even called it a  
25 relic of the past. Do you think that the Open Skies Treaty

1 still serves United States interests, given the fact that  
2 Russia continually cheats on that treaty?

3 Secretary Esper: Senator, they have been cheating for  
4 many years. I raised this at the Defense Ministerial last  
5 month with all of our NATO partners, that we need to speak  
6 out more clearly about Russian noncompliance. You mentioned  
7 Georgia and Kaliningrad. Those are two good examples.  
8 We've also been denied access to military exercise  
9 overflights. There are some other issues, that we cannot  
10 discuss in this session, which we should come and talk to  
11 you about. But, I have a lot of concerns about the treaty  
12 as it stands now.

13 Senator Cotton: So, I noted the President's budget did  
14 not include money to recapitalize the Open Skies Treaty  
15 aircrafts, the OC-135s. But, I've also heard that there may  
16 be, as early as next month, the possibility of contracts  
17 announced to modernize those aircraft. What can you tell us  
18 about that use of funds?

19 Secretary Esper: At this point in time, until we make  
20 a final decision on the path forward, I'm not prepared to  
21 recapitalize aircraft. I want to make sure we understand  
22 what the direction is. I would note that many of our allies  
23 that are in the Open Skies Treaty -- and I've talked to them  
24 a lot; this is important to many of our NATO allies -- that  
25 they have the means to conduct the overflights. We still

1 have the means to conduct overflights. I was at Offutt Air  
2 Force Base just last week. I had a chance to walk on -- to  
3 walk about one of the OC-135s and talk to the crew and take  
4 a look at the aircraft. But, at this point in time, we're  
5 holding until we get better direction.

6 Senator Cotton: Good.

7 Thank you.

8 Chairman Inhofe: Senator Reed.

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

10 Again, thank you, gentlemen, for being here today.

11 And, Mr. Secretary, let me return to some of my  
12 comments in the opening statement about the vacancies in the  
13 Department. There are two significant issues. One, as I  
14 highlight, civilian control of the military, which you need  
15 civilians to do that. And also, institutional capacity,  
16 people who have been on the job, have the credibility and  
17 the legitimacy of being confirmed and are not Acting. Can  
18 you tell us why we have so many unfilled positions and  
19 Acting personnel? We've -- speaking for the Chairman -- I  
20 think he's done a remarkable job of getting people through  
21 when they get up here. So, could you comment?

22 Secretary Esper: Yes, Senator. Let me, first, give  
23 you a rundown on the numbers.

24 So, of 60 confirmed slots -- it was 58 until the NDAA  
25 was passed, we added two new Space positions -- so, of 58,

1 39 are currently filled, we have two nominees waiting on the  
2 floor for a vote, we have four nominees in committee, we  
3 have two intents to nominate, we have four more that are  
4 right behind them, and then we have five more in the  
5 process. So, of the balance, there are -- I think that's  
6 six in the balance that we have to identify positions for.

7 Now, as you know, many of us have been in this town a  
8 long time. You -- it becomes more challenging as you get  
9 into the fourth year of a first term, in terms of finding  
10 people. And that is a challenge. And we have -- also have  
11 challenges with moving people through the process. These  
12 are long processes. So, with regard to where we are, I  
13 don't think the situation is as dire as some may think. And  
14 we have very capable people in the positions. I'm -- I've  
15 gotten the chance to work with them, both in their current  
16 role and my previous role as Secretary of the Army, and we  
17 have very capable DOD civilians -- career civilians who also  
18 help out.

19 At no time have I had any concerns about civilian  
20 control of the military, to be frank. I know that's part of  
21 the NDS review. When I came in, my first week or two on the  
22 job, I instituted a number of changes, where the uniform and  
23 civilian leadership works together, sits together in weekly  
24 meetings. We, together, review our National Defense  
25 Strategy implementation. We, together, review OP PLAN

1 implementation or development. And we've have a -- have a  
2 much better integration today between civilians and military  
3 than we did, I think, 9 months ago.

4 Senator Reed: In regard to the nominations that are  
5 coming up to us, I don't think I'm alone when I was  
6 surprised that Elaine McCusker's nomination was withdrawn.  
7 From everything I have heard, she's a very capable and  
8 experienced individual. In fact, that's why she was  
9 nominated in the first place. To your knowledge, can you  
10 tell us why her nomination was withdrawn?

11 Secretary Esper: Well, Elaine is a very capable and  
12 dedicated public servant, but the President has the right to  
13 choose his members, who he's going to nominate.

14 Senator Reed: So, it was the presidential decision,  
15 not a recommendation by you or anyone else in the Department  
16 of Defense.

17 Secretary Esper: Well, that's a -- it was a PPO  
18 decision. At this point, I have no -- I don't have any more  
19 fidelity at this juncture.

20 Senator Reed: Well, again, I think one of the concerns  
21 we go back to is that your role, as Secretary of Defense,  
22 you should have a critical voice in all these nominations.  
23 That goes with the territory, and --

24 Secretary Esper: Sure.

25 Senator Reed: -- you should have it. And if you

1 didn't have it in this case, I think that is a problem,  
2 which I hope we can address.

3       The other area I spoke in my opening remarks was a  
4 SOLIC position. And you realize that, over several years,  
5 through several NDAA's, we've tried to build up the capacity  
6 of the SOLIC to be a Secretary-like individual. And again,  
7 we have a -- someone who's an Acting position. That's been  
8 since last June, when Secretary West retired. So, can you  
9 promptly provide the committee with a plan for implementing,  
10 not just getting a person in place, but --

11       Secretary Esper: Right.

12       Senator Reed: -- making that person act like a Service  
13 Secretary?

14       Secretary Esper: Yes, Senator. First of all, thanks  
15 again. I think you brought this up a month ago when we sat  
16 down together. And I was not tracking it. That's on me. I  
17 have a high regard for SOLIC. Believe it or not, I worked  
18 as an IMA reservist in SOLIC many, many years ago. But,  
19 since then, we've taken a number of actions, so we're  
20 pushing forward on the nominee. We are looking at -- we are  
21 going to reconsolidate SOLIC back in the Pentagon. I have  
22 tasked the SOLIC to provide a number of recommendations on  
23 Section 922 implementation. We will begin frequent meetings  
24 between the SOLIC and myself and/or the Deputy on a routine  
25 basis. So, we're -- and then, also committed to recruiting

1 and retaining more talent in SOLIC. So, I think we're  
2 taking a number of steps to integrate SOLIC and to achieve  
3 what was in law that you talked about.

4 Senator Reed: Thank you.

5 Secretary Esper: And I look forward to updating you on  
6 this as we go forward.

7 Senator Reed: Thank you.

8 Just a different topic here, but due to exceptional  
9 staff work on both the majority and minority side, we  
10 discovered, about 2 years ago, that many of our allies were  
11 not paying for fuel, the Saudis and Emirates, for example.  
12 It was about a \$300 million bill. The Emirates, when  
13 confronted with it, paid up. The Saudis are still paying.  
14 But, just today, the GAO has released a report indicating  
15 that the Department has failed to secure reimbursement for  
16 more than \$1 billion worth of support to other nations. I  
17 have no time left, but can you, briefly -- very briefly --  
18 comment, and also indicate what you're going to do to  
19 collect the money, basically?

20 Secretary Esper: Yes, sir. I've tried to track that  
21 number down. I can't find the billion-dollar number. I am  
22 tracking that with regard to payments. They are caught up  
23 at this time. They've reimbursed us for approximately 113  
24 million. There is still approximately 38 million  
25 outstanding in flying costs. But, I want to pull the thread

1 a little bit more on that billion-dollar number to make sure  
2 I'm not missing something. And that --

3 Senator Reed: Thank you.

4 Secretary Esper: -- GAO report is helpful.

5 Senator Reed: Thank you.

6 Chairman Inhofe: Senator Fischer.

7 Senator Fischer: Thank you, Mr. Chairman.

8 Mr. Secretary and General Milley, there's been a lot of  
9 reporting about the reduction in funding for the Virginia-  
10 class submarine in connection with the NNSA's budget  
11 increase. Critics of nuclear modernization are equating  
12 concern for the Navy's shipbuilding plan with opposition to  
13 funding the NNSA, and are using some recent comments made by  
14 Acting Secretary Modly and also you, General Milley, to  
15 suggest that DOD does not support the current budget request  
16 for NNSA. Now, I share the concern for the Navy's  
17 shipbuilding budget, and Congress will have an opportunity  
18 to look at that. But, I know that you are both very strong  
19 supporters of nuclear modernization. And also, Admiral  
20 Richard was before this committee when he was here several  
21 weeks ago testifying that there was no excess margin in the  
22 NNSA's budget. So, I just want to be clear on this. Do you  
23 both support the requested level of funding for nuclear  
24 modernization at the NNSA?

25 Secretary Esper: Senator, I do. And if you don't

1 mind, I'll give a little bit explanation. I think it's  
2 vitally critical that we recapitalize our nuclear triad.  
3 That's why we placed that as number-one defense priority, in  
4 terms of our funding. That means not just the platforms --  
5 the B-21, the ground-based strategic deterrent, and the  
6 Columbia-class submarine -- but also nuclear  
7 command/control, and a few other things, like long-range  
8 strike. But, you also have to have the packages, the  
9 warheads, et cetera, the plutonium pits go with that. So,  
10 it's critical that those be funded and moved quickly forward  
11 so we can have them paired up in time to recapitalize,  
12 ensure that the strategic deterrent is modern by the year --  
13 beginning in the year 2030.

14 Senator Fischer: And there's no room for pausing --

15 Secretary Esper: Ma'am, there --

16 Senator Fischer: -- the production --

17 Secretary Esper: -- there is no room for margin. I  
18 have been working with our folks at OSD and Admiral Richard  
19 to try and actually build margin into our current fleet so  
20 that we have some room. But, it's critical that we meet  
21 that timeline.

22 Senator Fischer: General Milley?

23 General Milley: And I absolutely support fully funding  
24 the nuclear enterprise. It's the number-one priority. It's  
25 kept the peace -- world peace, actually, from great-power

1 war for going on seven and a half decades. So, I absolutely  
2 support that. I think what we're talking about is the  
3 HASC's testimony from last week. I was not involved in the  
4 decision to move the money from the SSN, but I fully support  
5 fully funding our nuclear enterprise.

6 Senator Fischer: Thank you. I think it's important  
7 that the record reflect that.

8 Mr. Secretary, Section 1039 of the 2013 NDAA requires  
9 the Nuclear Weapons Council to certify NNSA's budget and  
10 ensure it's adequate to meet requirements. Conferees  
11 clearly stated, in the accompanying report, their  
12 expectation that, through this provision, the Nuclear  
13 Weapons Council will, quote, "take an active role in shaping  
14 and reviewing the NNSA budget as it is prepared for  
15 submission to Congress and negotiated with the Office of  
16 Management and Budget during the budget review process," end  
17 quote.

18 This year, the certification letter submitted pursuant  
19 to this provision read, quote, "NNSA is unable to provide  
20 detailed budget information to support certification in  
21 advance of the budget release of the President's Fiscal Year  
22 2021 Budget Request by the Office of Management and Budget.  
23 The NWC cannot perform the analysis required to produce a  
24 budget certification letter without this information," end  
25 quote.

1 I think it's obvious that the process is not working  
2 but what is your view of the situation, and how can we  
3 resolve this to ensure the intent of the provision is being  
4 met?

5 Secretary Esper: Senator, I completely agree. I think  
6 this -- we need to let the Nuclear Weapons Council work. I  
7 think that looking at budgets needs to begin very, very  
8 early, arguably in the late summer of the year before. I  
9 would like to have a look at that, as well. I want to make  
10 sure that we're prioritizing the right thing so that we have  
11 a capable strategic deterrent. I think if that were the  
12 case, then we would have been in a much different situation.  
13 We have already got agreement from NNSA to do that in DOE,  
14 and I got an agreement also from OMB to support us on that.  
15 So, I think it's very important, and we intend to implement  
16 that, going forward.

17 Senator Fischer: Thank you. As you stated earlier,  
18 this has to work together. It has to be on time in order to  
19 meet our number-one priority of the NDS.

20 Also, Mr. Secretary, in the time since the budget was  
21 released, we've heard complaints, including many here in  
22 Congress, about things that either weren't included or were  
23 perceived to be underfunded in this budget: ships, aerial  
24 refueling tankers, Stars and Stripes, rumors about a  
25 withdrawal from Africa, the European Deterrence Initiative,

1 the list goes on and on. You've heard those. What's  
2 forgotten, sometimes, is that it is Congress that sets the  
3 funding level, not the administration.

4 So, Mr. Secretary, is it fair to say that these  
5 tradeoffs are the result of the lower top-line that was  
6 approved by Congress?

7 Secretary Esper: They are, Senator. I would still  
8 scrub my budget really hard year after year, regardless,  
9 because I think it's necessary to do defensewide reviews.  
10 But, as the Chairman mentioned up front, we have to get back  
11 on the trajectory of 3 to 5 percent annual real growth if  
12 we're going to modernize the force and implement the NDS.

13 I was shown a number, a few days ago, that if you'd go  
14 back to the Budget Control Act -- I think it was August 2011  
15 -- and the amount of funding we would have had if we hadn't  
16 gone that course, it's somewhere between 450 to 550 billion  
17 dollars lost that we could have put into modernization. And  
18 so, that's the catchup we have to look at, at this point in  
19 time.

20 Senator Fischer: Okay.

21 Thank you.

22 Chairman Inhofe: Thank you.

23 Senator Shaheen.

24 Senator Shaheen: Thank you, Mr. Chairman.

25 Thank you both for being here, and for your service.

1 Secretary Esper, I appreciate all of the comments that  
2 you've made about your efforts to find additional funding  
3 within your budget, given the constraints that you're  
4 looking at. But, as you're aware, I'm sure, last year the  
5 Department realigned \$6.1 billion for its budget towards  
6 constructing a border wall along the U.S. southern border  
7 with Mexico. And, more recently, the administration is  
8 going to divert another 3.8 billion from the Pentagon toward  
9 the border wall. They're taking that from a number of  
10 programs, in -- as Senator Reed outlined in his opening  
11 statement, including eight MQ-9 Reapers, which I -- we  
12 heard, from General Walters, are very important as they're  
13 looking at ISR along the eastern European border.

14 So, I guess -- explain to me how we can feel  
15 comfortable with raiding the Defense budget at a time when  
16 you're telling us you have needs and are expecting a  
17 shortfall based on a flatter budget for 2021. Why should we  
18 assume, if you can divert that kind of money for the border  
19 wall, that we should give you additional funding to address  
20 other areas of need?

21 Secretary Esper: Senator, the -- as you know, the  
22 southwest border is -- was declared a national emergency by  
23 the President, based on what has been happening down there.

24 Senator Shaheen: And, as I'm sure you know, the  
25 Congress actually voted that we did not agree with that

1 designation, and, in fact, it's only because the President  
2 vetoed it that that didn't change. And I think there are  
3 some real questions about whether taking money that has been  
4 appropriated by the Congress, signed into law for another  
5 use, is actually legal and constitutional.

6 Secretary Esper: Yes, Senator, I understand. It's --  
7 so, the -- with the declaration of the national emergency  
8 and -- we were asked to support Department of Homeland  
9 Security. Border security is national security. With that,  
10 it is our understanding under the law that, as directed, we  
11 were able to transfer that money to support that, much like  
12 we do many other things, whether it's fighting wildfires or  
13 helping with floods, whatever the case may be. But, I think  
14 the larger issue is with regard to modernizing the force.  
15 We're talking about, you know, making some big investments  
16 that are going to require a divestiture of things we've done  
17 in the past in order to invest in the things we need in the  
18 future. I think the demands there pale in comparison to  
19 what is being used to support DHS on the wall.

20 Senator Shaheen: We had the Acting Secretary of DHS  
21 before the Appropriations Subcommittee last week, and he  
22 showed us numbers that indicated there are significant  
23 dollars there for additional construction on a border wall  
24 that they are not likely to use in the next year. So, it's  
25 hard for me to understand how we can justify taking money

1 that we need from our military to construct a wall along the  
2 southern border. I'm not going to ask you to respond to  
3 that, because I'm going to be running out of time, but I  
4 think it's a very real question. And I certainly hope that  
5 we won't see, past this year, any further effort to take  
6 money from our military. And I hope you will commit to  
7 that.

8 Secretary Esper: Senator, at this time, we don't  
9 foresee the need, at this time, to draw upon these sources  
10 next year. And I will follow up with the Secretary to find  
11 out, because we want to support DHS, but not over-support  
12 DHS, if that makes sense.

13 Senator Shaheen: Thank you.

14 I want to commend you on, the day that you were sworn  
15 in, appointing a commission to deal with PFAS contamination.  
16 It is an issue for us in New Hampshire, as I know you're  
17 aware, as it is in so many other States. And I'm sure you  
18 know that the FY20 NDAA included a provision to phase out  
19 the use of fluorine-containing firefighting for military use  
20 by 2024. Can you give us an update on where the military is  
21 in finding an alternative?

22 Secretary Esper: Yes, ma'am. We're working that issue  
23 hard. It's -- to replacement, it's, what, the AFFF, I  
24 think. It's an acronym.

25 Senator Shaheen: Right.

1 Secretary Esper: The three things we're focusing on is  
2 the replacement for that; number two, making sure we're  
3 taking care of our people and then the communities that they  
4 live in or near; and then, number three, making sure we  
5 understand the health effects on humans from these foams.  
6 So, I -- my -- the task force has been working very hard  
7 since I launched them, integrating well with EPA and other  
8 parts of the government. I hope to have a report come up  
9 here very soon, within a week or two, to update you on that  
10 and the progress we're making. And I know we have some hard  
11 marks to make, in terms of replacing the current foam with a  
12 new mechanism. But, we've been putting a lot of dollars  
13 into researching that. I want to say, we went from 139  
14 million last year to 200 million this year requested to  
15 tackle PFOS, PFOA.

16 Senator Shaheen: Well, thank you. I appreciate your  
17 continued commitment. I think it's something that we all  
18 need to work on.

19 Secretary Esper: Yes, ma'am.

20 Senator Shaheen: Thank you, Mr. Chairman.

21 Chairman Inhofe: Senator Rounds.

22 Senator Rounds: Thank you, Mr. Chairman.

23 Gentlemen, first, let me begin by thanking you and your  
24 families for your decades of service. It is not unnoticed,  
25 and we most certainly appreciate what you have done.

1           General Milley, I'd like to begin with you. I -- part  
2 of the discussion -- and Senator Shaheen has started this  
3 discussion with regard to the resources that we have, and  
4 the need for those resources -- I'd like to give you an  
5 opportunity to talk a little bit about modernization, but  
6 also I want to talk about readiness today.

7           I want to preface it by simply sharing that, over the  
8 last number of years, this committee has received reports  
9 about the challenges we have in readiness of our Armed  
10 Forces today, and the fact that, over a period of years, and  
11 the fact, as you've both alluded to, we've had -- or we've  
12 been at war for 20 years, and that takes its toll. When it  
13 comes to the equipment that our young men and women use, I'm  
14 just going to list them out, and I'd like to have you, if  
15 you could, give us an update:

16           B-1s: May of last year, we had six of them that were  
17 actually operational.

18           F/A-18s: At one point a little over a year ago, it was  
19 reported that less than 40 percent, or at about 40 percent,  
20 were operational.

21           F-15Cs: You were limited to about 2 Gs, in terms of  
22 maneuvering, less than what a King Air would do in regular  
23 aviation.

24           You've got approximately -- on F-22s, you've got  
25 perhaps 125 remaining that might be operational at a time, a

1 percentage of those.

2 With regard to your nuclear submarines, your attack  
3 submarines, you've got four of them right now that are at  
4 dock. I believe the Boise may be in drydock now, but,  
5 nonetheless, clearly we've got a shortfall there of nuclear  
6 attack submarines that are sitting, waiting for their half-  
7 life to begin.

8 Along with that right now, I think you've got somewhere  
9 around 31 BCTs in the Army. I'd like to know -- I think, at  
10 one point, we had as few as -- less than single digits, the  
11 numbers that were ready to "fight tonight."

12 General Milley, are we making progress? And can you  
13 give us an update, just on these particular ones, with  
14 regard to where we may have improved on those numbers over  
15 the last couple of years?

16 General Milley: Thanks, Senator, for the opportunity.

17 What I'd like to do, if I could, is get you the  
18 specific numbers. They're on this card, but this card's  
19 classified. So, actual readiness data, by type weapon  
20 system, with numbers that you're talking about, are -- is  
21 classified information. We don't want the enemy of our  
22 country to know all that. On the one hand.

23 On the other hand, I can tell you that it has improved,  
24 and I would put it in the -- about a third or so -- as I  
25 look at these numbers, about a third improved over the

1 numbers that you probably saw anywhere between 12 and 24  
2 months ago. So, there is -- there's two steps forward, one  
3 step backward in some of this stuff, in terms of readiness.  
4 And we monitor it very, very closely every month. And it is  
5 -- it has improved, and I can get you the exact data, if  
6 you'd allow me to do that in a classified way.

7 [The information referred to follows:]

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1           Senator Rounds: Well, that's fine, sir, but I just  
2 want to make it clear, the numbers that I gave you, I  
3 received in a non-classified session. Matter of fact, in  
4 open session, just like this. So --

5           General Milley: Okay.

6           Senator Rounds: But, I -- the reason for my point is  
7 not to be critical, but, rather, to point out how important  
8 it is that we have the resources available to you --

9           General Milley: Sure.

10          Senator Rounds: -- to continue to make those  
11 improvements. And --

12          General Milley: Well, readiness is our number-one --  
13 in terms of the amount of money that we're putting towards  
14 this budget and in past budgets, we're trying to radically  
15 improve the readiness of the force, the "fight tonight" sort  
16 of thing. And, at the same time, you have to have balance  
17 for modernization, for the changing character of war,  
18 against those investments that the Secretary talked about  
19 earlier.

20          Senator Rounds: Well, and I think the fact that we're  
21 modernizing our nuclear weapon systems is probably  
22 absolutely --

23          General Milley: Sure.

24          Senator Rounds: -- it is absolutely critical, because  
25 right now, based upon our nonmilitary capabilities --

1 General Milley: Right.

2 Senator Rounds: -- they fear our military because of  
3 our nuclear capabilities as much as anything else.

4 General Milley: There's no question about it, that the  
5 -- "peace through strength" is not just a bumper sticker.  
6 It matters in the whole idea of deterrence. And you have to  
7 have the capability, and the will to use it, and your  
8 enemy's got to know that you have the capability and the  
9 will. So, the capability's important. And that goes right  
10 into the readiness piece. And we want to make sure that our  
11 enemies know that we are ready. In my opening statement, I  
12 said we are ready. I don't expect you to take it on faith.  
13 I'd like to report out, in a classified way, exactly how  
14 ready, by type system, if I could.

15 Senator Rounds: Thank you.

16 Secretary Esper: Senator, if I may, what you're  
17 looking at it is a tradeoff between current readiness and  
18 future readiness. And Senator Fischer draw this out. I  
19 talk about the 450 to 550 billion dollars of lost funding.  
20 That's really important when you're trying to recapitalize,  
21 whether it's the Army, Navy, Air Force, or Marine Corps, but  
22 particularly big capital projects, like shipbuilding. If  
23 you don't have that funding, if it's not predictable and  
24 steady for the industrial base, they just can't -- you just  
25 can't build. What you do is -- so, what you're doing is --

1 as you know, it's like driving an old car; you reach the  
2 point where you're putting so much maintenance into the old  
3 car, you've got to buy the new one, or else it's a losing  
4 battle.

5 Senator Rounds: No question, sir. And you're making  
6 the point that I think we want to have made --

7 Secretary Esper: Right.

8 Senator Rounds: -- which is -- and you can't do it  
9 without continued resources --

10 Secretary Esper: Right.

11 Senator Rounds: -- on an expected basis year to year.  
12 And I think you are making progress. And I was hoping to be  
13 able to share some of that progress, but to say, if given  
14 the appropriate resources, we are making improvements, and  
15 will continue to. But, I agree, it's readiness versus  
16 modernization in many, many cases. And that tradeoff is  
17 tough to handle once in a while.

18 Secretary Esper: Yes, sir.

19 Senator Rounds: Thank you, Mr. Chairman.

20 Chairman Inhofe: Senator Hirono.

21 Senator Hirono: Thank you, Mr. Chairman.

22 We're all monitoring the coronavirus closely, and I  
23 appreciate the Department taking this seriously and working  
24 to keep our servicemembers and their families safe. And,  
25 while in Hawaii we do not have any confirmed cases, we are a

1 gateway for travelers from China, South Korea, Japan, so we  
2 must be exceptionally vigilant and coordinated.

3 Mr. Secretary, will you commit to me that the DOD will  
4 act quickly on requests made by the State of Hawaii to  
5 assist with response, in the event it is needed -- I know  
6 there are some factors we have to meet -- pursuant to the  
7 National Response Framework and DOD Directive 3025.18?

8 Secretary Esper: Yes, ma'am, under Title 10. Of  
9 course, Title 32 would require action by the Governor first.

10 Senator Hirono: Yes, I understand.

11 Secretary Esper: Okay.

12 Senator Hirono: That's my question.

13 So, Mr. Secretary, you say in your posture statement  
14 that the Indo-Pacific remains DOD's number-one priority  
15 region. I have a series of questions about the threat in  
16 this region. And, as I have only, now, 4 minutes left, I'd  
17 really appreciate your answers to be very brief, and a yes  
18 or no would be great.

19 In your statement, you say North Korea is seeking to  
20 build legitimacy through the development of a variety of  
21 nuclear, conventional, and unconventional weapons, and by  
22 growing its ballistic missile capabilities. Is the threat  
23 of North Korea's ballistic missile capabilities becoming  
24 increasingly dangerous?

25 Secretary Esper: It's becoming increasingly

1 complicated as they seek to modernize the --

2 Senator Hirono: Yes.

3 Secretary Esper: -- full range of missile systems.

4 Senator Hirono: So, I'd say that's a yes.

5 You say in your posture statement that the FY21 budget  
6 request is directed toward achieving an, and I quote,  
7 "irreversible implementation of NDS," end quote, which  
8 includes enhancing missile defense capabilities pursuant to  
9 the 2019 Missile Defense Review. That's correct, isn't it?

10 Secretary Esper: Yes. We are putting additional money  
11 into missile defense and defeat.

12 Senator Hirono: And do the North Korean long-range  
13 ballistic missiles pose a threat to the United States,  
14 which, of course, includes Hawaii?

15 Secretary Esper: Yes, if our intelligence is correct,  
16 they would.

17 Senator Hirono: Yes. And you also state, your budget  
18 request, quote, "increases missile defense capability and  
19 capacity to keep pace with adversary missile systems," end  
20 quote, while investing in a layered defense of the homeland.  
21 But, Mr. Secretary, in spite of 4 years of authorizations  
22 and 3 years of appropriations from Congress, and your own  
23 2019 Missile Defense Review, you have zeroed out the HDR  
24 Hawaii, which is the radar for Hawaii, which is part of a  
25 system that provides layered defense of the homeland. Is

1 this decision to zero out the funding for HDRH a decision to  
2 not build this radar at all in Hawaii?

3 Secretary Esper: Not necessarily, Senator. As you  
4 know, there -- for many years now, we've had a problem with  
5 State and local authorities giving us permission to get onto  
6 that site and do what we need to do, if I recall correctly,  
7 and it seemed -- the latest report we had at the time of  
8 building the budget is, we probably wouldn't see any  
9 resolution for another year or two or three.

10 Senator Hirono: So, does that mean that we can expect  
11 you to request -- I am very familiar with certain delays --

12 Secretary Esper: Right.

13 Senator Hirono: -- with regard to the siting. So,  
14 does this mean that we can expect a request of money for the  
15 HDRH in fiscal year '22?

16 Secretary Esper: I think, when we see a light at the  
17 end of the tunnel with regard to getting clearance to build,  
18 yes, ma'am.

19 Senator Hirono: Okay. That's good to know.

20 And -- because, otherwise, the decision to zero out the  
21 HDRH and reprioritizing the funds from DOD's number-one  
22 priority region, as you say, for another purpose, really  
23 doesn't make sense.

24 And I'd also like to have a commitment from you now  
25 that you will not seek to repurpose F-20 funding for this

1 radar that is still being used to continue the HDRH Hawaii  
2 contract.

3 Secretary Esper: Senator, I'm not sure I can make that  
4 commitment, because I'm not sure I fully understand what  
5 you're asking. But, again, our --

6 Senator Hirono: Well --

7 Secretary Esper: What we're trying to do is, in the  
8 era of tight budgets, make sure we don't put money against  
9 something that has no possibility of being effected in the  
10 near term.

11 Senator Hirono: Well, I don't know what you mean by  
12 the "near term," because --

13 Secretary Esper: Well, in the --

14 Senator Hirono: -- this radar --

15 Secretary Esper: -- upcoming fiscal year --

16 Senator Hirono: -- this radar is part of a system, and  
17 was supposed to be pretty much operational by 2023, which  
18 means that it's -- aside from the delays that I understand  
19 that's occurred, we're supposed to be on track, because  
20 that's what the National Defense Strategy calls for. So, in  
21 2020, there was some \$188 million. This is being expended  
22 right -- even as we speak. So, I would like to know that  
23 you are not going to repurpose this funding that's already  
24 there --

25 Secretary Esper: Well, Senator, if I recall the --

1 Senator Hirono: -- for other purposes.

2 Secretary Esper: Yes, ma'am. If I call -- recall the  
3 issue properly, it's -- developing of the system is one  
4 thing, but if I develop a system and I can't put it  
5 somewhere, that it has no effect, it's wasted money.

6 Senator Hirono: Well, you know that this contract is  
7 -- as far as I know, Lockheed Martin is already building  
8 this radar. So, they've already -- there is already a  
9 contract for them. This thing was supposed to be, in fact,  
10 operational in 2023. So, if we don't go ahead with this, I  
11 think that you're going to have some contractual things to  
12 deal with. But, you know, what I'm hearing from you is,  
13 aside from the delays that were caused by the siting,  
14 mainly, of this radar, that you have a commitment to pursue  
15 the radar and have it built in Hawaii as a part of our  
16 system -- missile defense system.

17 Secretary Esper: I am making a commitment to you that  
18 we, of course, intend to defend all 50 United States and  
19 territories with radars and effectors as necessary. What I  
20 don't under- -- what I need to come back to you with is a  
21 better understanding where things lie. It's one thing to  
22 build a radar, but if I invest hundreds of million dollars  
23 in the radar and then not -- cannot place it somewhere, then  
24 it's wasted money.

25 Senator Hirono: Of course I realize that. That's not

1 what I'm asking.

2 Thank you, Mr. Chairman.

3 Chairman Inhofe: Senator Ernst is recognized.

4 Senator Fischer is presiding.

5 Senator Ernst: Thank you, Mr. Chair.

6 And thank you, gentlemen, very much for being with us  
7 this afternoon.

8 There are a few things that I'm very interested in as  
9 the chair of Emerging Treats and Capabilities. And, of  
10 course, one of those is hypersonics. And, Secretary Esper,  
11 if I could focus on that for a moment. A key component of  
12 our NDS is assessing and recalibrating our posture with  
13 regards, of course, to the great-power competition. China  
14 has a leg up -- I can't -- we can't dispute that -- in  
15 developing technologies like a hypersonic aircraft and  
16 missiles. And the technology could give users the tactical  
17 long-range capability to hit targets yet with such speed and  
18 surprise that defending against them is very, very  
19 difficult. Great concern to all of us.

20 So, how is the DOD investing in deconflicting research  
21 priorities across the services -- we have a lot of research  
22 going on out there -- to limit the duplicative spending on  
23 hypersonics?

24 Secretary Esper: Thank you, Senator.

25 And, first of all, you're correct, hypersonics is one

1 of our top priorities, in terms of developing capability,  
2 lethality in that field. We are doing very innovative work.  
3 And I would tell you it's more innovative than what you  
4 would see coming out of Russia or China. I can --

5 Senator Ernst: Right.

6 Secretary Esper: -- assure you of that.

7 Senator Ernst: Good.

8 Secretary Esper: We have maximized every dollar. We  
9 put into this year, I think it's \$3.2 billion, and over the  
10 FYDP, to make sure that we get inventory out in the field as  
11 soon as possible. Each of the services has a variety of  
12 programs. DARPA has programs, as well. And through either  
13 collaboration between the services or through work through  
14 our R&E shop under Dr. Griffin, we're working very hard to  
15 make sure there's not duplication, but, more importantly,  
16 sharing. And we see a lot of sharing between the services.  
17 So, I'm very confident that, in the next few years, we'll be  
18 deploying hypersonic weapons, as the commanders need them,  
19 throughout the theater, but in the Indo-Pacific theater in  
20 particular.

21 Senator Ernst: Okay. Just to be clear, you said it's  
22 3.2 billion over FYDA --

23 Secretary Esper: No, ma'am, it's 3.2 billion this  
24 year.

25 Senator Ernst: This year, okay. And is that -- you

1 feel that that is sufficient --

2 Secretary Esper: I asked multiple times to make sure,  
3 "Is that every single dollar we can put against it and  
4 effectively use?" In other words, there's no more -- one  
5 more extra dollar would be a wasted dollar. And I was  
6 assured multiple times that that was the max we could put  
7 into that.

8 Senator Ernst: Okay. And -- thank you, Senator. And  
9 how does this fit into our nuclear modernization efforts?

10 Secretary Esper: It certainly gives us -- we're  
11 talking about conventional systems here -- it gives us a --  
12 an incredible strike capability below the nuclear threshold,  
13 which is important, to reach out at long ranges to strike  
14 somebody with precision, at speeds of 5, 10 times the speed  
15 of sound, with great capability. And it's going to give us  
16 a lot of reach, which is what we'll need in the -- in a  
17 conflict against a near peer.

18 Senator Ernst: Absolutely. Thank you.

19 And, Mr. Secretary, I know that we're embracing  
20 innovation at every level possible -- and I appreciate that  
21 -- within the DOD. And we're modernizing to give our  
22 warfighters that tactical advantage over our adversaries.  
23 And, of course, another area I'm interested in is quantum  
24 information systems technology. Again, one of Mr. Griffin's  
25 areas. But, we are exploring options for quantum

1 integration in a variety of areas. However, we hear, from  
2 various industry, that DOD requirements are too broad for  
3 the current scope of research. And what the industry  
4 leaders are recommending is that the DOD refine their  
5 requirements. And this can help drive unified efforts to  
6 advance rapidly first in the narrow area instead of slowly  
7 across a very large spectrum. Can you speak a little bit to  
8 some of the advances we're seeing in quantum information  
9 systems?

10 Secretary Esper: Yes, ma'am. Quantum definitely is a  
11 top priority. It's probably in the top tier, if you will.  
12 Dr. Griffin's very passionate about this. I'll have to go  
13 back and get you an answer. Typically, what we ask of  
14 industry, though, is -- they ask us not to give them  
15 requirements, per se, and they ask us to tell them the  
16 solution we're looking for, help us -- tell them the problem  
17 we're trying to solve, and help them -- let them help us  
18 develop the solution. So, this is a little bit different  
19 than what I typically hear, so I'd like to --

20 Senator Ernst: Okay.

21 Secretary Esper: -- run this down and come back to you  
22 on it.

23 [The information referred to follows:]

24

25

1           Senator Ernst:  And certainly, we'd love to partner on  
2 that.  It's just critical that, in some of these areas that  
3 we see in Emerging Threats and Capabilities, a lot of the  
4 discussions that we have, that are very focused on advancing  
5 technology and working with industry partners, small  
6 businesses, and so forth --

7           Secretary Esper:  Right.

8           Senator Ernst:  -- in that area.

9           But, I do appreciate you both, gentlemen, very much for  
10 being here today, and look forward to working further with  
11 you.

12          Secretary Esper:  Yes, ma'am.

13          Senator Ernst:  Thank you.

14          Senator Fischer [presiding]:  Senator Jones.

15          Senator Jones:  Thank you both for being here, and for  
16 your service.  I really appreciate your opportunity to come  
17 here.

18          Secretary Esper, it would come as no surprise to folks  
19 here that I have been advocating Redstone Arsenal to be the  
20 head of Space Command.  You and I have talked about that --

21          Secretary Esper:  Yes, sir.

22          Senator Jones:  -- a good bit.  And in May of 2019,  
23 before you were even the Acting Secretary, there was -- the  
24 list was winnowed down.  There was a series of visits, an  
25 extensive process that was winnowed down to a few sites, and

1 Redstone Arsenal was a part of those. Space Command was  
2 supposed to be announced in the fall. It wasn't. And we're  
3 still -- now we're in March, it's still not. And then,  
4 yesterday, Lieutenant General Thompson testified before the  
5 House Armed Services Committee that the Air Force had been  
6 directed -- and he emphasized the word "directed" -- to go  
7 back and open this up. He said open up the aperture and  
8 look at all of them, including some nontraditional  
9 locations, and that they would establish the criteria, which  
10 I thought had already been established months, if not a  
11 couple of years, ago, and that none of these -- the list --  
12 Redstone Arsenal and others were on there. So, you know, a  
13 cynical person would, in today's world, think that there was  
14 some political electoral politics coming into this -- into  
15 play into this, because Congress has wanted to do this, and  
16 we've been supportive, but now we're going to get delayed  
17 again in opening this process up.

18 So, I have a series of questions. Number one, did this  
19 come from the White House? If so, who? If it didn't -- or  
20 if it did, was there pushback? If not, if it came from you  
21 or others -- tell me how that process up to open this up  
22 again, because a lot of folks have been looking at this for  
23 a long time.

24 Secretary Esper: Yes, Senator. It came from me.

25 Senator Jones: All right.

1           Secretary Esper: I'm the responsible party. During my  
2 talks on the Hill, prior to my nomination -- more  
3 particularly, after my hearing here -- I visited the House,  
4 and I heard from members, on both sides of the aisle, that  
5 they felt that the process that had been run was unfair and  
6 not transparent, and there were a number of complaints. So,  
7 I directed, at that time, that it -- we pause in place. I  
8 took a briefing on it, along with Deputy Secretary Norquist,  
9 and we did not feel, as well, that it was transparent  
10 enough, that enough States, members, et cetera, had a chance  
11 to participate. So, we directed that it be revisited and a  
12 different approach be taken, where they outline the  
13 criteria, the screening criteria by which a place would meet  
14 as a qualifying material, that we would go out to all  
15 members and offer them to nominate locations, if you will.  
16 We'd screen from there. But, do a very iterative,  
17 transparent thing, where members can also comment on the  
18 criteria, we would update at various points in time, and  
19 then keep narrowing it down, much like we did on Futures  
20 Command, till you get to the final site, so that everybody  
21 had confidence that it was fair and there were no politics  
22 involved in it, and that it was the best site for the  
23 mission at hand.

24           I regret to say that that process began late. I had  
25 another revisit with them, about a month ago, which is what

1 probably prompted that testimony. But, I'm the one that did  
2 it. It was my initiative, simply to make sure that there  
3 was transparency and buy-in and consent from members who  
4 were --

5 Senator Jones: How long will the process take now?

6 Secretary Esper: It's going to take several months. I  
7 think -- I don't see anything being announced -- if it helps  
8 to assure you, I don't see anything being announced before  
9 the election.

10 Senator Jones: All right. Great.

11 Secretary Esper: In fact, I would probably --  
12 regardless, I think it's best to keep it out of the  
13 election, for the reasons that you cited.

14 Senator Jones: All right.

15 Let me ask you about some -- a concern that I think has  
16 been raised by a couple of folks here, and that is the  
17 transfer of funds to build the border wall. Taken out of  
18 that was \$261 million out of Mobile, Alabama, at Austal, to  
19 build an EPF, which is, I think, a very, very important  
20 ship, and it was one that is in part of this transition.  
21 Austal, as you know, is the only shipbuilder that's  
22 delivering ships to the Navy on time and on budget. Was any  
23 consideration given to how that might impact folks like down  
24 in Mobile when these decisions were made? And the first  
25 part of that question, though, is -- I want to make sure I

1 understood the reasons. The reasons for this part of the  
2 money is strictly for trying to close off drug smuggling.  
3 It has nothing to do with immigration, but drug smuggling.  
4 Is that correct?

5 Secretary Esper: It's -- under this authority, the 284  
6 authority, it's directed at counterdrug, narcotrafficking  
7 routes, if you will, in support of DHS. That's the  
8 provision of law under which it falls.

9 Senator Jones: All right. And I'll --

10 Secretary Esper: I'm sorry.

11 Senator Jones: Talk to me about Austal.

12 Secretary Esper: Yes, sir. So, what we tried to do in  
13 this process is to make sure that we could find, as best as  
14 possible, a way to look at the problem that was objective  
15 and apolitical, and that we could stand behind. And the  
16 staff came up with -- as they looked at it, is the fact that  
17 the items that were either not requested in the FY20 budget  
18 or items that were "early need," either. So, either "excess  
19 to need" or "early to need" was a very clean-cut line that  
20 took -- did not take politics or anything like that into  
21 account, and it was very objective. And that was the  
22 standard by which we went. I consulted with my Service  
23 Secretaries. The Chairman consulted with the Chiefs of  
24 Staff, the Joint Chiefs. And that was the basis upon which  
25 we made the decision, recognizing fully that there are a lot

1 of different players and equipment and things caught up in  
2 that, but that was the way we approached it.

3 Senator Jones: All right. Well, I will -- out of  
4 time, but I will have some questions for the record,  
5 including maybe a little bit more of an explanation on the  
6 Space Command, and also a report, the current conditions of  
7 facilities used by the Senior Reserve Officer Training Corps  
8 at minority-serving institution, another on the commitment  
9 to the Junior ROTC Pilot Program -- Scholarship Program that  
10 we're doing, and also --

11 Secretary Esper: Great program, by the way.

12 Senator Jones: Thank you. And also, review a report  
13 about the Department of Defense Child Development Center.  
14 So, I'll have those for the --

15 Secretary Esper: Yes, sir.

16 Senator Jones: -- questions for the record.

17 Thank you.

18 Thank you, Madam Chairman.

19 Senator Fischer: Senator Cramer.

20 Senator Cramer: Thank you, Madam Chairman.

21 Thank you, Secretary and General, for your service, for  
22 your appearance today.

23 A special thank you, Mr. Secretary, for your recent  
24 trip to Minot. And please thank Leah, as well. It was an  
25 exceptional day for the airmen and missileers in Minot. And

1 I hope you took something away from it, as well.

2 And, since we're on the topic, and since the --

3 Secretary Esper: I went there in the winter, so --

4 Senator Cramer: You -- well, the fact you came in  
5 February does add to your "street cred," without a doubt,  
6 but you also got to see them at their best, in the toughest  
7 conditions, working with some very old equipment --

8 Secretary Esper: Right.

9 Senator Cramer: -- as you noticed, no doubt -- some  
10 very old airplanes flown and maintained by some very young  
11 airmen, and some very old missiles maintained by some very  
12 young missileers. And so, we appreciate that -- the  
13 priority of modernization, obviously.

14 And with regard to the missiles, specifically, you  
15 know, ever since the GBSD has been on -- you know, on the  
16 planning board, I've pressed pretty hard about the timeline,  
17 and particularly knowing there are detractors here and  
18 there, and, of course, the -- you know, the lack of  
19 competitive -- added to that. I just -- if you could just  
20 give an update on GBSD, the progress, and what you see, if  
21 any, challenges there might be, and what -- you know, what  
22 risks we run if there is a delay.

23 Secretary Esper: Thank you, Senator. Yes, it's -- we  
24 continue to move forward on GBSD. It's vitally important as  
25 the land-based leg of the triad, as you know. What concerns

1 me most is the same thing that I discussed with Senator  
2 Fischer, is, we have no margin left with regard to the  
3 timeline. It's utterly important that we move out quickly.  
4 I share your concerns about lack of competition, so we're  
5 going to have to be very clever. And Under Secretary Lord  
6 is working on a number of ways by which we keep the pressure  
7 on the contractor to stick to cost and stick to performance  
8 and timeline, to schedule associated with that, because  
9 there is no margin with regard to replacing that. We tend  
10 to have this recapitalization problem coming all together at  
11 around the same time.

12 But, that said, I'm also looking for ways to build  
13 margin in that leg of the triad. Are there different things  
14 we can do to extend it? And then, as you know, I have --  
15 personal concern after speaking to folks there is to make  
16 sure we maintain the health and vitality and readiness of  
17 the missile force, itself. A very important mission, and a  
18 very tough mission, when you have a chance to get down one  
19 of those silos and experience what they go through.

20 Senator Cramer: It is that.

21 General Milley, with regard to this -- you know, I  
22 think the Secretary referred to the divest -- to divest of  
23 some of the things of the past, to invest in things of the  
24 future. We hear a lot lately in this budget about the risk  
25 associated with, you know, getting from here to there, and

1 the divestiture of some of those legacy systems. And one of  
2 the things that comes up often, of course, is the ISR  
3 demands in the theater. I think pretty much every combatant  
4 commander I've talked to says we're woefully short. And  
5 yet, some of the legacy systems that are being targeted for  
6 retirement to make room for modernization include some very  
7 important ISR assets. And I just -- I'd be interested in,  
8 sort of, your take on all that, if you're comfortable with,  
9 for example, Global Hawk, future MQ-9, whether the risk is  
10 worth it, or what the risk might even be.

11 General Milley: Well, it depends on what adversary or  
12 enemy you're talking about. So, many of the ISR systems  
13 that we have today that are in very high demand are very,  
14 very useful against terrorists, insurgents, against fixed  
15 sites, et cetera, and they have clear penetration capability  
16 when there's no significant air defense threat or there's no  
17 other types of threats. If you're talking about great-power  
18 competition, which is what this NDS talks about and what  
19 this budget is all about, that's a different type of ISR.  
20 So, we're trying to divest ourselves of the ISR that is not  
21 particularly useful against a Russia or China, or even high  
22 dense air defense systems of an Iran or a North Korea, and  
23 invest in those ISR systems that do have penetration  
24 capability. And that's why you see some of the "divest in  
25 order to invest." Now, there's no need -- it makes no sense

1 to me to continue to buy stuff that isn't in alignment with  
2 the NDS. So, it's a "depends" question on what your enemy  
3 is.

4 With respect to the quantity or capacity relative to  
5 the COCOMs, you'll never find a combatant commander who has  
6 enough ISR. It's just not going to happen. We are -- we  
7 have been, every single year, year in and year out for 20  
8 years, always been short of ISR. We continue to build it.  
9 And you're never going to buy your way out of the problem,  
10 because it has to do with information and having to do with  
11 knowledge and decisionmaking. So, we will always be  
12 chronically short of ISR. But, the key, though, for the  
13 "divest to invest" is, it depends on who you're going  
14 against. And we need to invest in the capabilities that are  
15 worthwhile against a China or a Russia.

16 Senator Cramer: Thank you, both of you. Thank you.

17 Thank you, Madam Chair.

18 Senator Fischer: Senator Manchin.

19 Senator Manchin: Thank you, Madam Chairman.

20 And thank both of you all for your service. I  
21 appreciate very much your being here today.

22 Secretary Esper, I support the wall, and I have always  
23 supported the wall. But, I really have a problem with the  
24 funding, which I think you all know our position on. It  
25 should be appropriated by us. That's our job. The

1 reprogramming of the \$3.8 billion of appropriated funds to  
2 support the border wall -- and the reason it troubles me is  
3 that it's -- 1.3 billion of that is taken out of the  
4 National Guard and the Reserve equipment. And the National  
5 Guard is -- every one of us have an affinity with our  
6 National Guards.

7       So, how do we justify the disproportionate cuts to the  
8 Guard despite knowing the vital and ever-growing role in  
9 aspects of national security? And I know about homeland  
10 security. But, the Guard's our front-line defense in  
11 homeland security.

12       Secretary Esper: Yes, sir. I -- thank you, I  
13 appreciate that. And I think, with regard to your first  
14 remark, we would agree, it's -- our preference would be that  
15 the -- that this be funded through DHS.

16       Senator Manchin: Right.

17       Secretary Esper: But, that said, we are where we are,  
18 and DOD will support DHS in this regard. And, as I was  
19 saying to Senator Jones, when we try to find a clear line,  
20 objective line by which to draw the sources, we came up with  
21 the one with regard "either to need" or "excess to need."  
22 And, as things popped out, it became obvious that the impact  
23 would be on the National Guard. It's no pleasure for me --

24       Senator Manchin: Yeah.

25       Secretary Esper: -- to have to make that --

1 Senator Manchin: I know.

2 Secretary Esper: -- decision, as a former guardsman  
3 myself, but it -- we tried to not play --

4 Senator Manchin: Well, you know, also, Secretary, you  
5 have said that your Night Court Program has been very  
6 successful at freeing up money. Could nothing be freed up  
7 there, on the Night Court?

8 Secretary Esper: Well, we -- I spent 22 sessions over  
9 4 months, and we found \$5.7 billion out of 99 to free up. I  
10 -- we're going to -- we've started again this year. So, I  
11 did find 5.7 to put into our NDS priorities, Senator.

12 Senator Manchin: Well, let me -- another thing I would  
13 just say, since the TAGs and the Governors are so  
14 intertwined --

15 Secretary Esper: Right.

16 Senator Manchin: -- have they had any forewarning of  
17 this whatsoever?

18 Secretary Esper: No, sir. The only forewarnings went  
19 out were the consultations I had with the Service  
20 Secretaries and that the Chairman had with General Lengyel  
21 and the Service Chiefs.

22 Senator Manchin: I'll -- another question is, I've  
23 just been briefed on the Afghan fighting that's going on,  
24 attacks from today -- I think the 4th. I just got briefed  
25 on that. Maybe you could bring me up to where we are in

1 Afghanistan with the Taliban right now. Also, the peace  
2 agreement, do you think it might hold? Because it hasn't  
3 helped very long. And what direction and what do I tell  
4 West Virginians and people that have been upset about the  
5 problems in releasing 5,000 enemy fighters? That did not go  
6 over well in the State of West Virginia.

7 Secretary Esper: Sir, I'm not sure I can do it justice  
8 in 2 minutes and 12 seconds, but I'll say this much. I --  
9 it's my view -- and I -- I'll let the Chairman -- I'll save  
10 time for the Chairman --

11 Senator Manchin: Sure.

12 Secretary Esper: -- to speak. But, my view is, the  
13 best, if not only, path forward is through a political  
14 agreement. We have an historic opportunity here. We  
15 signed, on Saturday in Qatar -- I was in Kabul at the same  
16 time -- this agreement that lays out a framework by which we  
17 could proceed toward an eventual intra-Afghan negotiation.  
18 It was supposed to happen, at this point, 5 days from now.  
19 And the results, so far, have been mixed.

20 Senator Manchin: What kind of signals will we get  
21 today? I'm pleased to see at least we've supported  
22 defending the Afghan fighters. We didn't just leave them.

23 Secretary Esper: Which is what -- what has allowed us,  
24 under the document, under the agreement, to defend them.  
25 And it's the commitment I made to the Afghans when I was

1 there on Saturday.

2 Senator Manchin: Right.

3 Secretary Esper: We will continue to defend the  
4 Afghans, support them. The Taliban, to their -- are  
5 honoring their piece, but -- in terms of not attacking U.S.  
6 and coalition forces, but not in terms of sustaining a  
7 reduction of violence. Our Special Envoy is over there now.  
8 He's going to be pulling the parties back together. The  
9 critical thing, in the next 5 days -- few days, will be  
10 getting the conditions set for them to sit down with regard  
11 to negotiations.

12 Senator Manchin: Will we see any retreat whatsoever  
13 once we hit the Taliban today? From their aggressiveness  
14 against the Afghan fighters?

15 Secretary Esper: You know, the Chairman and I spoke to  
16 General Miller earlier on this.

17 Do you want to comment?

18 General Milley: Yes, Senator. Bottom line is, there  
19 was a variety of attacks over the last 24 to 48 hours.  
20 They're all beaten back. They're at small little outposts.  
21 We did use U.S. air in support of our Afghan allies.

22 What is important, though, for the agreement -- we're  
23 on day 4. This was small, lower-level attacks out on  
24 checkpoints, et cetera. But, the Taliban have signed up to  
25 a whole series of conditions, of which -- I believe the

1 committee and the -- all the Members of the Congress have  
2 all the documents associated with this agreement. You can  
3 go through all of it. And, of significance, there's no  
4 attacks in 34 provincial capitals, there's no attacks in  
5 Kabul, there's no high-profile attacks, there's no suicide  
6 bombers, there's no vehicle-borne suicide, no attack against  
7 U.S. forces, no attack against coalition. There's a whole  
8 laundry list of these things that aren't happening. Yes,  
9 there were significant numbers of attacks, small attacks.  
10 They were all beaten back. And we will continue to support  
11 --

12 Senator Manchin: Well, we've seen that they've been  
13 able -- we've seen that they've been able to control their  
14 field fighters, right?

15 General Milley: We saw that over the 7 days, where  
16 they were able to --

17 Senator Manchin: So, but --

18 General Milley: -- go from a high of about 125 attacks  
19 a day down to about 15 a day. They issued out instructions  
20 not to attack. That's correct.

21 Senator Manchin: So, we don't know what the cause is.

22 Secretary Esper: Well, they're -- keeping that group  
23 of people on board is a challenge. They've got their range  
24 of hardliners and softliners, and so they're wrestling with  
25 that, too, I think.

1           Senator Manchin: Please keep us informed. I  
2 appreciate it.

3           Secretary Esper: Yes, sir.

4           Senator Fischer: Senator Perdue.

5           Senator Perdue: Thank you, Chairman.

6           Thank you both for being here.

7           General Milley, I want to address -- and both of you,  
8 actually, on this thing -- you mentioned ISR just now. And  
9 I agree 100 percent. One of those -- perfect examples. I  
10 want to lead into my question about asset allocation. As  
11 JSTAR is going to ABMS, and then the JDC2 development, this  
12 is a lot of moving parts, very rapidly, and I'm shocked at,  
13 really, the progress we've made in the last year. I know  
14 we're not in a classified environment; I'm not going to go  
15 there. I want to know -- first, Secretary, if you don't  
16 mind -- the allocation of resources, after we take about 14  
17 or 15 percent for overhead in the DOD, the -- what's  
18 remaining after that, we allocate almost a third, a third, a  
19 third. Is that consistent with the NDS refocus on the  
20 maritime that General Mattis talked about, back in '16 -- or  
21 '17, relative to standing up to our major competitor, China?

22           Secretary Esper: Yes, sir. It's -- first of all, it's  
23 not cleanly a third and a third and a third. There is a  
24 traditional background. Normally, Navy --

25           Senator Perdue: It's very close.

1 Secretary Esper: -- Navy has the highest, Army usually  
2 has the lowest, Air Force in between. And there's a lot of  
3 different things --

4 Senator Perdue: Well, actually -- I'm sorry to  
5 correct, but I -- the '21 budget, Army and Navy are almost  
6 equal.

7 Secretary Esper: Oh, I -- no, sir, they're quite  
8 different --

9 Senator Perdue: Okay. Well, let's -- we'll take that  
10 offline --

11 Secretary Esper: Okay.

12 Senator Perdue: -- but, I'd like to see that, because  
13 the numbers I have are a little bit different.

14 Secretary Esper: The Navy's at 207 --

15 Senator Perdue: Correct.

16 Secretary Esper: -- billion, and the Army at 177.

17 Senator Perdue: Okay. Go ahead. I'll --

18 Secretary Esper: So, anyways, I -- that said, it --  
19 that is where it is. What -- as the Chairman and I have  
20 talked about this, we've talked about with the chain of  
21 command, what we need to do, I think, is, first of all, have  
22 -- update our war plans -- they haven't been updated -- and  
23 have OP PLANS that are relevant in the post-NDS environment,  
24 number one.

25 Number two -- and the Chairman's working on this -- we

1 need a new joint warfighting concept that takes into account  
2 all domains of warfare. The Joint Staff is working on that  
3 right now. I think, once we have updated war plans that --  
4 and we have a new warfighting concept, and we have a good  
5 sense of what future systems will look like, I do think we  
6 need to look at that reallocation. But, to kind of scramble  
7 it up right now, I think would be premature.

8       Senator Perdue: That's a great characterization. I  
9 accept that. I have all the respect in the world for you  
10 two, and I'm not questioning your authority at all. I know  
11 this is a moving target right now.

12       The shipbuilding plan, though, was due with the budget.  
13 I know it's on your desk, and I know that -- I think I  
14 understand all the reasons why. It's a tough decision.  
15 You've got the Columbia-class requirement sitting right  
16 there as the number-one priority. I wouldn't argue with  
17 that at all. That's going to be about 25 percent -- in some  
18 years, as much as 30-plus percent -- of the total  
19 shipbuilding budget.

20       But, I want to highlight some numbers that are just  
21 shocking today. I mean, today China has about 345 -- I  
22 think these numbers are correct -- 345 service ships, ours  
23 to 295. Over the next 15 years, their plan right now, based  
24 on what we are seeing publicly, is, they're taking it to  
25 435, and we have a 355 plan, comes from 16. Is the 355

1 consistent with the NDS? And, secondarily, is that being  
2 looked at seriously in the shipbuilding -- the 30-year  
3 shipbuilding plan that we're going to see when it comes out  
4 of your office?

5 Secretary Esper: Well, on the plan, I think the Navy's  
6 going to brief me sometime in the next few days on what  
7 their proposal is with regard to the plan.

8 With regard to the number, I'll echo what the CNO says.  
9 The -- the CNO says he -- 355 is the number, but we need to  
10 look at effects and capabilities. But, if you want to stick  
11 to the number, I actually -- my gut feeling is, we need more  
12 than 355, not just to deliver effects, but we need presence.

13 Senator Perdue: But, is that a function of lethality,  
14 as well, given we're not hamstrung by INF anymore, and with  
15 ranges and new capabilities that we're also --

16 Secretary Esper: I think, as I've laid out in my plan,  
17 my thinking -- because we're going to do -- we're going to  
18 run some internal wargames to look at our range of options.  
19 The Navy has some ideas. CAPE has some ideas. Some think  
20 tanks have done some good work. I think some core  
21 principles we've worked around is, we have to have more  
22 ships, but smaller. We need to have, I believe, more attack  
23 submarines. We need to move more quickly into unmanned.  
24 And, in all cases, we need to have distributed sensors and  
25 shooters, we need to have the ability to be survivable in

1 this environment, and there are a number of other things.  
2 But, again, I was just meeting with the CNO and the Acting  
3 Secretary yesterday on this. We agree that you -- lethality  
4 is critical at range, but, for the Navy, it's also presence.  
5 You have to have enough surface combatants available at any  
6 one time to have a presence, to show U.S. assurance,  
7 deterrence, et cetera, which is why my instinct is that we  
8 need more than 355.

9 Senator Perdue: Well, we have many more combatant  
10 commanding areas at other than the Indo-Pacific that we are  
11 responsible for today.

12 Secretary Esper: Yes, sir. Many responsibilities,  
13 whether it's counterdrug --

14 Senator Perdue: Yes, sir.

15 Secretary Esper: -- or maintaining freedom of the  
16 seas, and all that. We have the world's greatest Navy, and  
17 we need to keep it that way.

18 Senator Perdue: General Milley, going to one other  
19 thing. We're talking about finding every billion dollars,  
20 right? And you've railed about this, and I have, too, so  
21 has the Secretary. You've got 23 seconds. Go after CRs.  
22 Tell us exactly what continuing -- 12 of the last 13 years,  
23 we have hamstrung the military with a continuing resolution  
24 for at least the first quarter of the fiscal year. We're in  
25 the sixth month of our fiscal year, we haven't even started

1 this process yet. So, we're facing down another CR this  
2 year. It'll be the 13th in 14 years. And so, we are  
3 estimating, now -- your service directors -- surface  
4 commanders have told us, roughly, in aggregate, it's about  
5 \$5 billion per quarter.

6 General Milley: Per quarter.

7 Senator Perdue: Per quarter.

8 Secretary Esper: Lost buying power.

9 Senator Perdue: So, General Milley, tell us how it  
10 really affects our readiness and our recapitalization  
11 efforts. That's -- over 10 -- that's \$50 billion. I mean,  
12 that takes care of a lot of these long-term shipbuilding  
13 issues that we're talking about.

14 General Milley: Well, I'm already over time, and I  
15 haven't even started, but --

16 Senator Perdue: No, you go, sir.

17 General Milley: -- I would just tell you that it's a  
18 very ineffective, inefficient way of managing the taxpayers'  
19 money, because industry can't rely on a steady cashflow and  
20 stream and predictability in industry. And then we, in  
21 terms of programming and acquisition, et cetera, our program  
22 managers can't rely on steady building, as well. So, it's a  
23 very inefficient way. We're budgeting, basically, 9 out of  
24 12 months, or 6 out of 12 months of a year, and that's just  
25 no way to ruin a railroad station, sir. It's just not a

1 good way to do it.

2 Senator Perdue: Well, thank you.

3 General Milley: CRs are not good.

4 Secretary Esper: I do.

5 Senator Perdue: Yes, sir.

6 Secretary Esper: Just a quick followup. I -- one  
7 thing the -- that the DOD is going to come with you soon,  
8 Senator, is a legislative provision. Other departments of  
9 the Federal Government have it. It would seek legislative  
10 authority to transfer any expired Navy funds, which  
11 otherwise would go back to Treasury, back into the SCN  
12 account. Our conservative estimate is, this would free up  
13 another billion dollars a year that we can go back and --  
14 put back into shipbuilding. Otherwise, it goes back into  
15 the Treasury. And it would be money that you've already  
16 appropriated and authorized to us for this purpose.

17 Senator Perdue: I want to indulge the Chairman for one  
18 last comment on this.

19 We're working with OMB, too. And I think there are  
20 opportunities in there. We're going to give some freedom,  
21 and our appropriators to give you some freedom, within the  
22 current rules, that they've never envisioned before, because  
23 they never realized how expensive this is, to give you some  
24 latitude that, when you are in a CR, you're not as hamstrung  
25 as you are today. But, I agree with General Milley, this is

1 an absolute travesty.

2 Secretary Esper: Particularly important for the  
3 shipyards.

4 Senator Perdue: Thank you.

5 Senator Fischer: Senator Kaine.

6 Senator Kaine: Thank you, Madam Chair.

7 And thank you, to our two witnesses, to the Chairman  
8 and the Secretary. I appreciate each of your service.

9 Testimony today has been about this budget being  
10 directed toward the National Defense Strategy. General  
11 Milley said, about something, "Why would I purchase  
12 something not aligned with the National Defense Strategy?"  
13 And we've also heard, "in an era of tight budgets." So,  
14 where in the National Defense Strategy is there a phrase "a  
15 border wall on America's southern border"?

16 Secretary Esper: Senator, there's -- homeland security  
17 is in the National Defense Strategy. It's --

18 Senator Kaine: It is, but is there a mention of a  
19 border wall on the southern border?

20 Secretary Esper: I don't believe so, but nor is there  
21 --

22 Senator Kaine: You're right.

23 Secretary Esper: -- mention of dealing with floods and  
24 putting out wildfires and --

25 Senator Kaine: Right. I just read the NDS, and you're

1 talking about -- this is a budget that is focused on the  
2 NDS. The National Defense Strategy has a 14-page synopsis.  
3 The border wall on the southern border is not mentioned.  
4 The southern border of the United States is not mentioned.  
5 There's one mention of a border in the 14-page public  
6 synopsis, and it is this: "Russia has violated the borders  
7 of other nations."

8 So, when you come and tell me that this is focused on  
9 the NDS, I've got a real problem with that. And I know that  
10 that's maybe above decisions or other people's decisions,  
11 but \$6 billion came out of the Pentagon's budget last year,  
12 3-and-a-half for MILCON and 2-and-a-half coming to -- from  
13 the -- into the counterdrug fund and then into the border  
14 wall.

15 You have done a reprogramming, I believe, of 3.9 --  
16 There have been earlier questions about that -- 3.8 into  
17 this counterdrug fund. There's also been a report in the  
18 Washington Post that there's another shoe to drop, and about  
19 3.7 billion is likely to be taken out of MILCON. Is that  
20 accurate? Should we expect to see that?

21 Secretary Esper: That is not an accurate number, but  
22 it is a possibility that that could happen. Yes, Senator.

23 Senator Kaine: So, the number may not be accurate, but  
24 it is -- is it likely that we're going to see another  
25 tranche taken out of MILCON?

1 Secretary Esper: We could. I don't want to put an  
2 estimate on it, at this point in time.

3 Senator Kaine: So, I mean, it's just -- I can't  
4 imagine a scenario in which this committee -- I'll just say  
5 it bluntly -- would allow a Democratic President to take  
6 money out of the Defense budgets used for nondefense  
7 priority. I cannot imagine it. I appreciate, Secretary  
8 Esper, that you, in response to Senator Manchin, said the  
9 preferred way would be to have a tough appropriations  
10 battle, appropriate money for the border wall, and then  
11 spend the money appropriated for the DOD within DOD  
12 accounts. I think that makes perfect sense. But, you know,  
13 it's just -- it's hard for you to look us in the eye and  
14 say, "This is very focused on the NDS," when I can't find  
15 mention of the border wall or the border in the NDS, and  
16 when earlier witnesses have testified, though this be an  
17 emergency, it's not a military emergency.

18 Let me dig into another issue. When you do the -- just  
19 using the 3.8 figure -- you do that transfer within the DOD  
20 into the counterdrug fund, and then use that for the wall.  
21 Is that transfer subject to the transfer authority that we  
22 give you, where there's a general transfer authority in the  
23 Appropriations Act, where you can transfer up to \$4 billion  
24 a year within DOD accounts, with notice to Congress, but  
25 without approval. Is that 3.8 transfer within that \$4

1 billion transfer authority?

2 Secretary Esper: I think so, Senator, but I'd want to  
3 come back with you to affirm it.

4 Senator Kaine: I'd love that.

5 [The information referred to follows:]

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1           Senator Kaine: But, my belief that it is, too. So,  
2 you have \$4 billion of transfer authority. We're a few  
3 months into the fiscal year. It's often the case that  
4 transfer authorities are most needed at the end of the  
5 fiscal year. And you've used 3.8 billion of the transfer  
6 authority by the beginning of March, when we have a whole  
7 lot of months left in the fiscal year. So, for example, how  
8 much in the President's budget for DOD is coronavirus  
9 response if we need to maintain people in place on South  
10 Korean bases and on bases in Italy, bases in Germany, bases  
11 in other places around the world, our troops and our  
12 families? It's probably not in the PB. But, that would be  
13 the kind of thing for which we give you transfer authority.  
14 But, you've now almost bumped up against the limit of your  
15 transfer authority out of that 4 billion to build money at  
16 the wall, and we still have, you know, 8 months left in the  
17 fiscal year. Isn't that right?

18           Secretary Esper: Your assessment is correct, Senator.

19           Senator Kaine: Should -- would it make your job easier  
20 if we eliminated your transfer authority and said, any  
21 transfer authority, you had to come to us for permission?  
22 The 4 billion, you can do it without our permission. Over 4  
23 billion, you have to get our permission. If we had said you  
24 can't do any transfers without Congress's position, would  
25 that actually help you? Because it would enable us to say

1 you've got to get it through appropriations. If you want  
2 something for a wall, if you want to fight climate change,  
3 if you want to fight gun violence, you've got to get it  
4 through appropriations. Because if you had to come back to  
5 us to ask for authority to do that \$4 billion transfer, then  
6 we could actually keep the money in the budget that is  
7 directed toward the National Defense Strategy.

8 Secretary Esper: Senator, as -- there's no head of any  
9 organization that wants his or her hands tied by narrowing  
10 the options. You always want to expand your options in your  
11 maneuver space. So, no, not necessarily.

12 Senator Kaine: But, in an odd way, aren't your hands  
13 kind of tied in this way? I mean, if money can be taken out  
14 of your budget to use for DHS or to battle climate change or  
15 gun violence, if it can be taken out of your hands, that's  
16 sort of a tying of your hands, in terms of putting together  
17 a budget that promotes the National Defense Strategy, isn't  
18 it?

19 Secretary Esper: Senator, I recognize what you're  
20 saying. Like I said, the President has declared a national  
21 emergency. We've been tasked to support DHS. And it's --  
22 if it's legally available, we intend to support DHS.

23 Senator Kaine: I appreciate your answers.

24 Thanks, Madam Chair.

25 Senator Fischer: Senator McSally.

1 Senator McSally: Thank you, Madam Chair.

2 Good to see you again, Secretary Esper and General  
3 Milley.

4 I want to talk about the killing of terrorist leader  
5 Qasem Soleimani. It's been about 2 months. I agreed with  
6 that important decision to take out that terrorist leader  
7 who has a lot of American blood on his hands. Despite the  
8 ridiculous politicizing that we saw at the time, people  
9 almost cheering that we were about to go to war with Iran.  
10 And, unfortunately, it should have been a unifying issue.  
11 It's now been 2 months. Can you share at all what you've  
12 seen? I believe that that was a body blow. We heard, from  
13 you and others, that it was a body blow, the impact that  
14 that's having on Iran's terrorist activities, their threats  
15 in the region, their proxy forces, and the threat to us and  
16 Israel?

17 Secretary Esper: I think, Senator, that -- as you  
18 well know, the -- he, Soleimani, was a terrorist leader of a  
19 terrorist organization who killed many, many Americans,  
20 wounded thousands more, killed his own people, killed people  
21 throughout the region, a very capable adversary. But, I  
22 think it's clear that taking him off the battlefield has set  
23 back the IRGC and the Iranian government with regard to  
24 spreading their malign activity throughout the region. I  
25 think, at the same -- by the same action, we have restored

1 deterrence, to a degree. And so, for all those things, I  
2 still believe it was the right call made by the Commander in  
3 Chief.

4 Senator McSally: As do I. Thanks.

5 General Milley, you got anything to add to that?

6 General Milley: I would add that -- absolutely think  
7 it was the right goal. And I second the idea that we  
8 reestablished deterrence. I think that's really critical.  
9 And we can talk about that in a classified forum, exactly  
10 what makes me believe that. But, I do believe that's been  
11 reestablished.

12 Senator McSally: Thanks.

13 Staying on Iran, the reports of coronavirus there --  
14 again, another totalitarian opaque country. I don't believe  
15 anything they're reporting or the way they're going to  
16 handle it. But, there's been reports that 23 members of  
17 Parliament, 10 percent of their Parliament, a senior advisor  
18 to the Supreme Leader, Vice President, Deputy Health  
19 Minister, all contracted the virus. Are you seeing anything  
20 related to the impact, especially with Iraq, with our forces  
21 in the region, or how that may further put pressure on the  
22 regime, both internally from their own people as they are  
23 failing to deal with this?

24 Secretary Esper: I think that, Senator, becomes a  
25 factor. Obviously, as we see this unfold, authoritarian

1 countries having a problem with transparency and being  
2 forthright with their folks. Quite honestly, though, my  
3 attention has been focused on the three priorities I've been  
4 outlining internally to my commanders. One is protection of  
5 our force, our servicemembers and their families. Number  
6 two, safeguarding our mission capability. And number three,  
7 supporting the interagency.

8 Senator McSally: Great. Thank you.

9 I want to totally change topics here on military sexual  
10 assault. So, last year I worked with your predecessors, and  
11 I championed reforms that made it into the NDAA specifically  
12 focused on improving the process from a report forward, the  
13 investigative process and the support, going forward, after  
14 a report has been made. When I went to Yuma, in Arizona, I  
15 had heard they had no special victims counsel there full-  
16 time, that oftentimes victims were waiting a significant  
17 amount of time before they get to meet with an SVC, which  
18 they often wanted before their first, you know, meeting with  
19 investigators. So, I put in the bill that they needed to  
20 have an SVC available within 72 hours, every single victim.  
21 We now have a full-time one at Yuma, for example, but we're  
22 seeing this all over the country now. And victims are able  
23 to get their special victims counsel quicker, and have a  
24 more immediate response. We're also hearing other reports  
25 of just increases to NCIS and how that's having a positive

1 impact.

2 So, just a question. Given the successes, we still  
3 need to prioritize implementation of those provisions. Can  
4 you report back to me on anything else you're seeing in the  
5 field and the implementation?

6 Secretary Esper: Yes, ma'am. First of all, your  
7 efforts and assistance in establishing the Sexual Assault  
8 Accountability Investigative Task Force are directly helping  
9 servicemembers. We have a lot of good information data so  
10 far, both factually and anecdotally. The Department has  
11 approved all 22 recommendations in the four critical focus  
12 areas. They are all now policy, which I'm pleased to  
13 report, and we're in the process of implementation across  
14 the board. And the task force continues to meet the track  
15 implementation. So, a lot of this is moving on. It's  
16 critical to reducing timelines for cases and ensuring the  
17 best evidence for consideration. And I'd love to come back  
18 or send a team up to update you. But, it's all, it seems to  
19 me, moving in the right direction, generally, and it's --

20 Senator McSally: Great.

21 Secretary Esper: -- having an impact.

22 Senator McSally: Great. Thanks.

23 And the next thing we want to now focus on, obviously,  
24 is prevention, stopping these crimes --

25 Secretary Esper: Right.

1           Senator McSally:  -- from happening in the first place.  
2   And we've talked extensively about this.  I don't know,  
3   General Milley, if you want to pipe in and -- you know, in  
4   your long experience in the military, how we get to the  
5   front end in preventing these crimes from happening, in the  
6   age groups where it's happening.  We know exactly what we  
7   need to get after, but what we've been doing for training  
8   and prevention is just not working.

9           General Milley:  I -- again, I want to thank you for  
10   your personal leadership.  But, the key here is the chain of  
11   command, and commanders and noncommissioned officers,  
12   starting at the senior levels, but also going all the way  
13   down to team sergeants and team leaders and first-line  
14   supervisors.  And everyone is, as the Sergeant Major of the  
15   Army used to say, "not in my squad" sort of thing, or "not  
16   in my squadron," or "not in my battalion."  This takes  
17   ownership, and you have to embrace it completely.  And it's  
18   a function of good order and discipline of the force for  
19   which commanders, and commanders alone, are personally  
20   responsible and should be held accountable, for the good  
21   order and discipline of their force.  Regardless of whether  
22   it's sexual assault or drugs or crimes of violence or  
23   whatever the -- whatever it is, the key here to success is  
24   commanders.

25           Senator McSally:  Thanks.

1 I'm over my time. I look forward to continuing to  
2 working with you on this issue.

3 Thanks.

4 Senator Fischer: Senator Blumenthal.

5 Senator Blumenthal: Thanks, Madam Chair.

6 Thank you both for your service and for being here  
7 today.

8 I sent a letter last month, along with Senator Murphy,  
9 to express my frustration that the Navy budget included  
10 funding for only one Virginia-class submarine, and reports  
11 that you signed off on a decision to shift 1.6 billion in  
12 funding from Virginia-class submarine construction to the  
13 National Nuclear Security Administration. I'm not here to  
14 ask any questions about it, because I hope that you continue  
15 to believe, as you expressed when you pivoted -- Groton --  
16 the last time you were there, Mr. Secretary, that the  
17 undersea warfare superiority of the United States cannot and  
18 should not be compromised, that we need to meet the goals  
19 for submarine production, and that, hopefully, two Virginia-  
20 class submarines for FY-2021 will be accomplished. But, I'm  
21 concerned, also, about the delay in delivering the Force  
22 Structure Assessment and 30-Year Shipbuilding Plan that  
23 apparently is still on your desk or somewhere in the  
24 Pentagon for approval. I expect that both will be delivered  
25 to Congress and the Navy as soon as possible, both in a

1 classified and unclassified version. I hope that's true.

2 Would you confirm that it is?

3 Secretary Esper: Senator, I've been briefed, about a  
4 week ago, on the INFSA, the Integrated Naval Force Structure  
5 Assessment. And I have yet to be briefed on the 30-Year  
6 Shipbuilding Plan. Of course, they cover different  
7 timelines, different horizons.

8 But, what I want to do is step back and look at, not  
9 just one view, in terms of the future fleet, but I want to  
10 take in a range of views. So, I regret that it's late. I  
11 don't have a good reason why. But, what I want to do is  
12 give you a full, good assessment of what I think the future  
13 is. And I'll give you a quick note on this.

14 I am a big believer in attack subs. I believe it's an  
15 advantage we have, a distinct advantage we need to grow,  
16 both in terms of capability and capacity. I was very  
17 impressed by the trip I had up to Groton. But, the numbers  
18 I see right in that -- in at least the INFSA right now for  
19 attack subs, I think the number needs to be higher. So,  
20 what I want to do is take a broad look at this, in light of  
21 an approved OP PLAN, in light of other ideas out there, and  
22 make sure that, before I sign off on it, albeit late --  
23 while it may be late, I want to make sure I get it right, or  
24 at least I'm comfortable with it, because I do think we need  
25 a bigger fleet, and I think we need to put more emphasis on

1 attack submarines.

2 Senator Blumenthal: Well, you couldn't find a more  
3 enthusiastic and passionate supporter of a bigger submarine  
4 fleet, and I hope we have an opportunity to discuss it --

5 Secretary Esper: The Chairman's with me, too, on that.

6 Senator Blumenthal: -- before our markup in May on  
7 this committee.

8 I want to shift slightly to a point that's been raised  
9 by at least one of my colleagues, Senator Hirono, the  
10 coronavirus impact on not only our service men and women and  
11 their families, grave and important as it is, but also on,  
12 for example, F-35 production. Right today, the supply line  
13 in Japan was completely shut down. That's just one example  
14 of our defense industrial base that could be gravely  
15 impaired by coronavirus. And I'd like, from you and the  
16 Chairman, an assessment of what the impact is likely to be,  
17 what you're doing about it, and what your plans are to be  
18 more specific.

19 And, by the way, I was disappointed by a report that I  
20 saw -- I'm not vouching, necessarily, for its accuracy --  
21 that you indicated that American military commanders were  
22 warned overseas, quote, "not to surprise President Trump on  
23 the coronavirus," end quote. So, maybe you can respond.

24 Secretary Esper: Yes, sir. First of all, that -- I  
25 was disappointed by that story, as well. It's completely

1 wrong. It's bad reporting, at its worst. I've been very  
2 clear with my commanders, both privately and publicly -- I  
3 said this at a press conference Monday -- our three  
4 priorities, in this order, are: protection of our  
5 servicemembers and their families; number two, safeguarding  
6 our missions, which could include production; and then,  
7 number three, support the interagency. I've -- the  
8 commanders have all the authorities they need, and I'm  
9 providing them resources, to make decisions. They've made  
10 any number of decisions. I don't think I've had to make  
11 one. My one request of them -- and the Chairman will vouch  
12 for this -- is, "If you're going to make a very big  
13 decision, a high-profile decision, give me a heads-up,  
14 because I want to make sure that we're integrated across the  
15 interagency, that HHS knows, that State knows -- indeed, the  
16 White House knows, and that Congress knows," because that's  
17 what I've got to do. I've got to make sure we're integrated  
18 across. So, that was a bad report, completely false.

19 And, Chairman, if you want to add anything on that --  
20 General Milley: Senator, thanks. Two things. One is,  
21 I was in the VDC. All the Secretary said -- it was to  
22 Abrams, General Abrams, over in Korea -- all he said was,  
23 "Hey, look-it, if you're going to make the decision of  
24 imposing this emergency declaration that he has authority to  
25 do, please give me a heads-up so I can make sure everybody

1 here in D.C. is informed." That's all it was. It wasn't  
2 any kind of thing where -- trying to squelch people. So,  
3 that was a mischaracterization. I read the article, and I  
4 was in the thing, and I -- it struck me as very odd.

5 But, more importantly is the impact on the military.  
6 On the uniform military, we have a demographic that's  
7 different than society at large -- young, healthy, fit. To  
8 date, we've only got -- unless there's some new ones today  
9 or something -- but, the reporting I've got as of 24 hours  
10 ago is, we've got one uniform member that's been -- that's  
11 come down with it over in Korea. A couple of family  
12 members. We're screening lots of people. So, in terms of  
13 the numbers relative to the whole, very small impact.

14 Secondly is on exercises. There are exercises, mostly  
15 in Indo-Pacific, that we're taking a hard look at. One of  
16 the CPXs, for example, at the request of the ROK Chairman,  
17 was canceled over on the Peninsula of Korea. There are some  
18 other exercises that are being looked at to scale down or  
19 canceled or postponed. So, there might be some impact on  
20 exercises.

21 But, broadly speaking right now, the impact on the  
22 uniformed military is very, very minimal. Break. We are  
23 also preparing to help whatever the Nation needs, and we've  
24 got all kinds of plans, and we're able to support other  
25 agencies, as necessary and as required by the President and

1 Congress.

2 Secretary Esper: To include our medical research  
3 institutes, et cetera. We're all -- all hands are in, in  
4 terms of supporting this effort to come up with the  
5 solutions.

6 Senator Blumenthal: My time is expired. I want to  
7 thank you both. I want to suggest, respectfully, that  
8 telling the American people more about those plans, to use  
9 your word, would be reassuring. You know, the enemy here  
10 really --

11 Secretary Esper: It's panic. It's lack of  
12 information.

13 General Milley: Lack of information, lack of panic,  
14 and --

15 Senator Blumenthal: Exactly.

16 General Milley: -- and these aren't classified plans  
17 and all that kind of stuff. This is stuff that we could  
18 easily --

19 Senator Blumenthal: It's not like the enemy --

20 General Milley: No, that's right. We could easily let  
21 people know.

22 Secretary Esper: Right. Completely agree.

23 Senator Blumenthal: Thank you.

24 Senator Fischer: Thank you, Senator Blumenthal.

25 Senator Sullivan is going to ask questions now.

1 Senator Sullivan [presiding]: Thank you, Madam Chair.

2 Gentlemen, I want to thank you for your exceptional  
3 service. I appreciated our meetings yesterday. I think  
4 both of you are doing an excellent job for our Nation.

5 General Milley, I wanted to just get a little bit more.  
6 You have stated publicly -- you stated in our classified  
7 hearing on the Soleimani strike, which I think was not only  
8 constitutional, but in the Nation's interest -- you  
9 mentioned about your duty, how you saw that strike after you  
10 read the intel. As we all know, General Soleimani wasn't in  
11 Iraq on vacation, he was there targeting the killing of more  
12 American servicemembers, which he has a long history of  
13 doing. Almost half the servicemembers in Iraq at the time  
14 were Alaskan-based forces, so this was something that  
15 particularly of interest to me.

16 Can you succinctly say what you've said otherwise --  
17 because I think it's very important to hear directly from  
18 you, someone with over 35 years of military experience,  
19 service to your country -- about what you thought your duty  
20 was after reading the intel?

21 General Milley: Well, what I had said publicly, and I  
22 reiterated it in classified sessions, was -- and reiterated  
23 in more detail -- was, I believe the intelligence was  
24 compelling. I believe it was imminent. And not only was  
25 Soleimani have a long track record, going all the way back

1 to the Beirut bombing and being involved in that, but, more  
2 importantly, his command-and-control role and what he was  
3 about to do. And I believe that I, Secretary Esper, the  
4 President, and many, many others would have been culpably  
5 negligent had we not take the action we did, because I think  
6 many Americans would have died as a result. So, I believe  
7 it was the right thing to do then, and I believe it was the  
8 right thing to -- I still believe that. And I believe we  
9 contributed to reestablishing deterrence with aggressive  
10 action from Iran.

11 Senator Sullivan: So, I appreciate that. I think  
12 reestablishing deterrence anywhere, in any theater, is  
13 actually really hard to do, and you've been able to do it,  
14 so far. And I appreciate that.

15 Mr. Secretary, we had a good discussion yesterday on  
16 this issue of the DPRI, and I'd like to get your views --  
17 you know, there was language in the NDAA from last year  
18 that, essentially, has the two of you focusing on the DPRI.  
19 And the issue of, I think, the National Defense Strategy is  
20 warmly and strongly received here in the Senate, in a  
21 bipartisan way. But, if you look at our force posture,  
22 particularly in the Asia Pacific, it's stale. A lot of it  
23 exists, really, after World War II or the Korean War. How  
24 are you thinking about that, and how should we be thinking  
25 about that here in the Senate?

1           Secretary Esper: Thank you, Senator. I do think we  
2 need to take a fresh look at our force posture in the  
3 Pacific. By the way, I think we need to take a fresh look  
4 at our force posture everywhere, which is why we're doing  
5 these COCOM reviews. So, I'll be working my way through  
6 these to look at just these things. And we're -- by the  
7 way, we're finding some things already that just don't make  
8 sense.

9           But, with regard to INDOPACOM, absolutely, we should  
10 think about what it means to -- if we have to face off  
11 against China in the year 2035 or 2049. DPRI is one example  
12 of something that was developed many, many years ago. And I  
13 know it's a little bit tricky. There's a lot of diplomacy  
14 involved in this. But, I think that's something also we  
15 should take a look at to make sure that we are well  
16 postured, particularly our Marine capabilities, our Marine  
17 forces, to not just be able to respond flexibly, but also be  
18 able to train and sustain our forces in the region for an  
19 extended period in light of --

20          Senator Sullivan: So, can I dig into that a little bit  
21 with you? The issue of training, I think, is a really  
22 important one, whether it's on Guam, whether it's other  
23 places -- Okinawa, for example. We don't get the  
24 opportunity to do a lot of training in those places, and, I  
25 think, to have sustainable deployments, but also keeping our

1 forces sharp, we need good training areas. Would you agree  
2 with that?

3 Secretary Esper: We absolutely -- I mean, training is  
4 the -- it's the lifeblood of a unit's effectiveness, his  
5 ability to train, maintain, and equipment their force.

6 Senator Sullivan: Well, we look forward to working  
7 with both of you on that continued important reassessment  
8 that you're doing.

9 The other issue that I know -- I've been raising quite  
10 a long time -- Mr. Secretary, you might remember, in your  
11 confirmation hearing, you mentioned that if the Air Force,  
12 in its upcoming OCONUS decision on where to place the next  
13 squadrons of KC-46s, did it in an area that was -- that  
14 could -- was colocated with over fifth-gen- -- with over 100  
15 fifth-generation fighters, that it would provide the United  
16 States with extreme strategic reach, and it would show that  
17 to our potential adversaries. The TRANSCOM Commander  
18 testified last week that one of the most stress-capable  
19 aspects and their number-one readiness concern was the air  
20 refueling fleet. My question to him, and to you, and the  
21 Secretary of the Air Force yesterday -- having a deployment  
22 of KC-46s in the OCONUS bed-down in an area that can reach  
23 multiple COCOMs, like a place like Alaska, with the 100  
24 fifth-gen fighters -- from your perspective, what message  
25 does that additionally send to our adversaries? You've

1 already talked about the issue of extreme strategic reach  
2 when I asked that question earlier.

3 Secretary Esper: Well, I do think -- I think two  
4 critical needs for our forces right now are to have that  
5 strategic lift, refueling, and sealift, by the way. But,  
6 the location of Alaska gives you great reach, in terms of  
7 whether you go across the Pole into Russia or toward China.  
8 When you couple it up with an amalgamation of forces, it  
9 does put the enemy in a different posture, your adversaries  
10 in a different posture, because you now have that reach,  
11 that lethality at hand, and ready to do what it might need  
12 to do, if called upon.

13 Senator Sullivan: Great. Thank you very much.

14 General Milley: Senator, if I might.

15 Senator Sullivan: General, please.

16 General Milley: I also don't want any adversary to  
17 walk away thinking that the United States of America cannot  
18 project power because of stress on the tanker fleet. We  
19 can. And they should have no doubt about it. Yes, we're  
20 giving up 10 KC-10s, and 13 KC-135s, but we still have  
21 almost 500. We can get there, "the firstest with the  
22 mostest." And no one should doubt that.

23 Senator Sullivan: But, certainly one of the best ways  
24 to relieve the stress is to have --

25 General Milley: It is.

1           Senator Sullivan:  -- tankers in places that can reach  
2 several --

3           General Milley:  It is.

4           Senator Sullivan:  -- COCOMs.

5           General Milley:  But, we can get there.

6           Senator Sullivan:  Thank you.

7           General Milley:  I don't want anybody to think we  
8 can't.

9           Senator Sullivan:  Thank you.

10          Senator King.

11          Senator King:  Thank you, Mr. Acting Chairman.  I  
12 appreciate it.

13          Senator Sullivan:  I know you're going to ask a  
14 question on the Arctic, so --

15          Senator King:  I am, as a matter of fact.

16          Senator Sullivan:  Excellent.

17          Senator King:  You left it for me.

18          Secretary Esper, first, I want to thank you personally  
19 for the participation of the Department in the National  
20 Cyber Solarium Process.  Over a year, we've worked very  
21 hard.  Ken Rapuano and David Norquist made significant  
22 contributions in intellectual firepower and criticism and  
23 thoughtfulness.  And I just want to thank you for your  
24 authorization for that participation.  It was very  
25 meaningful.

1 Secretary Esper: Thank you, Senator. I'm very  
2 encouraged by that -- by all that, too. It's -- there's a  
3 lot good coming out of it.

4 Senator King: Well, we'll be releasing our report next  
5 Wednesday, as a matter of fact, and --

6 Secretary Esper: Oh, great.

7 Senator King: -- and I think it's a good piece of  
8 work. And, indeed, we've -- have spent a whole session here  
9 and really haven't talked about cyber, which is a -- an  
10 essential -- that's not the right word -- a very real domain  
11 of warfare today. And that's what we'll be talking about  
12 extensively next week. So, I just wanted to thank you.

13 Secretary Esper: Well, thanks. And we're in cyber  
14 competition, if not conflict, every single day.

15 Senator King: Exactly. We're at war today.

16 Secretary Esper: Yes, sir.

17 Senator King: General Milley -- I guess this is a  
18 question for both of you -- I'm very concerned about a gap  
19 in defense against hypersonic weapons. Both of our  
20 principal adversaries, China and Russia, have developed  
21 these weapons, have actually deployed them. And this puts  
22 at risk our -- particularly, our naval resources. Talk to  
23 me about what we're doing to counter that threat.

24 Secretary Esper: Senator, as part of our hypersonics  
25 research, we are putting money into defensive systems. One

1 of the early things that we know we need, that money is  
2 going directly into, is a low-Earth orbit missile tracking  
3 system, if you will, that would be able to track hypersonic  
4 systems moving through the atmosphere or --

5 Senator King: Because one of the problems with  
6 hypersonics is, they don't leave a radar signal. They move  
7 so fast, they create a plasma shield. So, we need the  
8 tracking.

9 Secretary Esper: You need a -- we've determined that  
10 you need a low- -- a LEO tracking system to do that. So,  
11 that's one of the priorities of our R&E efforts to do that.  
12 And then, of course, you have to figure out the effectors by  
13 which you would knock one out of the sky, if you will. And  
14 there are a variety of things that we're exploring. But, it  
15 is critical to have that defense, because it is such -- the  
16 maneuverability, the speed, the effectiveness of these  
17 systems is remarkable.

18 Senator King: Another --

19 General Milley: Two things --

20 Senator King: Yes, sir.

21 General Milley: -- Senator King, on that. One, on the  
22 defense, if it can be seen, it can be hit. And there is no  
23 defense against hypersonic. It goes five to ten times the  
24 speed of sound. You're not going to defend against it. So,  
25 what you have to do is be invisible. And there's all kinds

1 of techniques and procedures that we're working on in order  
2 to make our forces very difficult to see, from an  
3 acquisition standpoint, of enemy radar. So, that's on the  
4 defense.

5 On the other part, you're not going to shoot the arrow.  
6 Those things are going so fast, you're not going to get it.

7 Senator King: Right.

8 General Milley: You've got to shoot the archer.  
9 You've got to go deep downtown, and you've got to get on the  
10 offense. If you want to defeat hypersonics, you've got to  
11 go to the source, the launch pads --

12 Senator King: And you have -- ISR in order to --

13 General Milley: That's right.

14 Senator King: -- know where --

15 General Milley: You've got to have the ISR to get in  
16 there. And if you're launching hypersonics at the United  
17 States, then you're going to war with the United States, and  
18 you're going to pour it on, and pour it on with mass and  
19 firepower, and fast and hard.

20 Senator King: But, I thought you made an important  
21 point earlier in the hearing, where you talked about ISR.  
22 We've sort of had a vacation on ISR.

23 Secretary Esper: That's right.

24 Senator King: Because we've been acting against  
25 enemies --

1 Secretary Esper: That's right.

2 Senator King: -- that don't have any -- that capacity.  
3 It's a whole different ball game when we're talking about a  
4 peer-state competitor.

5 Secretary Esper: That's right.

6 General Milley: And you want to invest in ISR that can  
7 penetrate --

8 Secretary Esper: Right.

9 General Milley: -- the airspace of these great-power  
10 competitors.

11 Secretary Esper: It's also why we talk -- as I've laid  
12 out the shipbuilding principles, if you will, going forward,  
13 is to -- and the Navy agrees with this -- is a move away  
14 from very large platforms into smaller platforms, a more  
15 distributed force so that you complicate the enemy's plans,  
16 particularly with regard to the employment of hypersonics.

17 Senator King: Well, you raised shipbuilding. We talk  
18 about the Indo-Pacific as being the most important region.  
19 We talk about the National Defense Strategy. And yet, the  
20 budget talks about knocking out four destroyers and, I  
21 think, an amphib in the future plan. How was that decision  
22 made? How firm is it? Can we revisit it? I want to get a  
23 little bit of thoughts on that.

24 By the way --

25 Secretary Esper: Yeah.

1           Senator King: -- one thought -- the other thought is,  
2 you know, we're doing this recapitalization out of operating  
3 costs. In any other organization, you'd have a capital  
4 budget and a -- and you're building 40-year -- an asset -- a  
5 Columbia submarine is a 40-year asset, and yet we're  
6 building them out of cashflow instead of some kind of long-  
7 range attributing to the cost over the life of the object.  
8 But, to get back -- talk to me about --

9           Secretary Esper: Yes, sir.

10          Senator King: -- the shipbuilding.

11          Secretary Esper: Well, as I said earlier, I think we  
12 need -- to me, I don't focus as much of the number, but that  
13 number, 355, is out there. I think we need to be -- have a  
14 fleet larger than 355. My gut tells me that. I'm convinced  
15 of that.

16          Senator King: Senator Purdue had a chart this morning  
17 at the Seapower Subcommittee that, if you saw it, the -- it  
18 shows what China is doing -- you'd feel vindicated.

19          Secretary Esper: Yes, sir. But, we do have a  
20 qualitative capability over them. There are some other  
21 things out there. But, nonetheless, it's -- if it's not  
22 just capability and lethality, it's presence. You have to  
23 have the presence. And so, I do think we need to get on  
24 that path. I think there are a number of things that we  
25 need to do.

1 First of all, I completely support what the CNO did.  
2 The CNO decided to reallocate 4 billion or so out of SCN and  
3 put it into O&M to get readiness up. We have a readiness  
4 challenge. It's been well documented.

5 Senator King: The ship's no good if it's in the dock.

6 Secretary Esper: Yes, sir. And, you know, I think the  
7 GAO said, last year, in 2019, due to maintenance challenges,  
8 the equivalent of 19 ships didn't go to sea. And so, we've  
9 got to fix the readiness challenge and then put more money  
10 into shipbuilding. If we can get the legislative approval  
11 change, Secretary Modly is digging in deep. He's doing what  
12 the Army and Air Force did to find \$40 billion over 5 years.  
13 That'll free up a good chunk of what they think they need.  
14 And then we've got to get this higher top-line moving in the  
15 right direction.

16 Senator King: Well, but we also have to -- I mean,  
17 what worries me about what you're talking about -- and I'm  
18 sorry, I know I'm over time -- but, I worry about -- there's  
19 a -- you can't turn the industrial base off and on with a  
20 switch. And if we drive it down, and you have a loss of  
21 personnel, loss of welders, loss of skilled boat- --  
22 shipbuilders in Bath, Maine, or Pascagoula or Marinette,  
23 Wisconsin, you can't turn them back on.

24 Secretary Esper: Completely agree, Senator. I --  
25 that's why I think we need to look more, particularly with

1 large capital investments like ships, multiyear, and even --  
2 I think the Navy, we discussed yesterday, is, Can you  
3 multiyear O&M so that your -- you don't have the same  
4 perturbations in your maintenance cycle?

5 Senator King: Right.

6 Secretary Esper: Because you can't afford to go -- you  
7 know, take a ship out of maintenance and then have a month  
8 or 2-month gap. And I know they're struggling with this up  
9 in Groton right now, with the sub -- with the maintenance up  
10 there. So, you've got to figure out a way to smooth that  
11 out so workers will be incentivized to stay in the trade.

12 Senator King: Are you suggesting that consistent  
13 funding from Congress might be a benefit?

14 [Laughter.]

15 Senator King: I'm shocked.

16 Secretary Esper: Consistent and timely.

17 Senator King: Thank you.

18 Thank you, gentlemen.

19 Senator Sullivan [presiding]: Senator Hawley.

20 Senator Hawley: Thank you, Mr. Chairman.

21 Secretary Esper, General, thank you for being here.

22 Thank you for your service.

23 Mr. Secretary, let me start with you. In your  
24 confirmation testimony last summer, you wrote that we needed  
25 a distributed and resilient force posture in the Indo-

1 Pacific. I'm concerned about the concentration of our  
2 forces currently in Japan and South Korea. Give me your  
3 assessment about our ability to compete effectively with  
4 China, given that concentration.

5 Secretary Esper: Yes, sir. What we -- those forces  
6 are there for -- you know, for a variety of reasons. I  
7 think Senator Sullivan mentioned it. You know, we have a  
8 presence that largely reflects where we've been for many,  
9 many years. And so, I do think we need to step back and  
10 look at that. I know Admiral Davidson is looking at that to  
11 make sure we have more distribution. I'm trying to get out  
12 there. I've traveled to the INDOPACOM two or three times  
13 now to visit nontraditional partners. I've been from  
14 Mongolia to Vietnam, I'll be going to Indonesia. I think  
15 there's much more ground we can cover and to build more  
16 relationships with more countries.

17 Senator Hawley: You anticipate my next question, which  
18 is whether we can disperse U.S. forces to other locations in  
19 the Pacific to improve survivability and reduce risk to  
20 operations. You think that we can?

21 Secretary Esper: Improve survivability, but also grow  
22 more partners and more people, in terms of standing up and  
23 telling the Chinese they have to obey the international  
24 rules of order, and abide by that. That's going to take a  
25 lot of investment. So.

1           Senator Hawley:  What investment do we need to be able  
2 to disperse our forces along those lines?

3           Secretary Esper:  Well, I think we need to think  
4 creatively, Senator, about -- you know, as you think through  
5 the war plans, how we might fight in the future, is -- where  
6 do we need to be?  Is it -- does it require MILCON, does it  
7 require -- I'm -- the Chairman and I are big believers in  
8 IMET.  So, get more countries from the Indo-Pacific, even  
9 nontraditional partners, into our schoolhouses, grow that  
10 relationship over a career.  There are a number of things  
11 that we should do that, by the way, the DOD is doing.  We're  
12 committed to a 50-percent growth in IMET over 5 years.

13          Senator Hawley:  Just sticking with the question of  
14 investment.  At your confirmation hearing, you said that you  
15 were open, in principle, to using something like EDI to  
16 accelerate investment in INDOPACOM.  I don't see anything  
17 like that, however, in your budget.  Why is that?

18          Secretary Esper:  The more I think about that -- I  
19 mean, we've discussed this a lot, and sometimes I get  
20 concerned, if you bucket a certain amount of money for a  
21 certain region, it can be both limiting and -- in other  
22 words, if you put so much money in there, people say,  
23 "That's it, and that's all you need," or you get trapped by  
24 that fund.  And I actually appreciate the flexibility of  
25 putting more or less in, depending on how circumstances

1 change. But, clearly, I think -- and we're talking to the  
2 commander out there about, "What are your investment plans,  
3 focusing them more, in terms of future presence, what do we  
4 need to do, where do we need to grow relationships?"

5 Senator Hawley: EDI has been so successful in that  
6 theater and for our needs there. I continue to believe that  
7 something like that mechanism --

8 Secretary Esper: The one fact -- the only thing I'd  
9 say, Senator, is, sometimes it takes the pressure off of  
10 countries to invest their own dollars into supporting us and  
11 providing host-nation support. Because they see that fund  
12 out there, and they go after that instead of going to their  
13 parliaments and saying, "How can we support the U.S.  
14 presence?"

15 Senator Hawley: I just want to make sure that we are  
16 getting the resources we need to what is our priority  
17 theater, I believe, under the NDS, in a timely fashion, if  
18 we're going to be postured successfully. I mean, we are --  
19 we're behind the curve, I think.

20 Secretary Esper: I'm impatient. I think we can and  
21 should do more. That's why I'm trying to do these COCOM  
22 reviews to free up time, money, and manpower, to invest more  
23 into that future fight.

24 Senator Hawley: I applaud your COCOM reviews, by the  
25 way. And let's talk for a second about AFRICOM. The

1 AFRICOM Commander, General Townsend, recently testified that  
2 he thought our European allies could send more forces to  
3 West Africa and take over some of the missions currently  
4 being done by our forces, like airlift, for instance, and  
5 aerial refueling.

6 Secretary Esper: Sure.

7 Senator Hawley: Do you agree with that assessment?

8 Secretary Esper: Absolutely. And I've talked to the  
9 allies about this, and we've talked a few times about aerial  
10 refueling. We provide that to the French for free, if you  
11 will. And that's one of the areas where I've talked to the  
12 French to say, "Look, I'm having a problem with air  
13 refuelers right now. If somebody else can pick up that  
14 mission, that helps us all out a lot." That's part of the  
15 review, is looking at, How do we do the same mission, but  
16 maybe do it differently?

17 Senator Hawley: Yeah. Well, this seems to me like a  
18 clear situation where we can and should expect our allies to  
19 do more. And again, I applaud your COCOM reviews.

20 General Milley, let me switch topics. Let's talk about  
21 Iran. If Iran resumes provocations in coming months, what  
22 is your assessment of how many troops we can send to that  
23 theater without risking our situation in INDOPACOM, without  
24 undermining deterrence, if you like, in the Indo-Pacific?

25 General Milley: I don't think I could answer that in

1 an open session. I'd rather come back to you in a  
2 classified session, point one.

3 Point two, just to be clear, though, there is a  
4 significant amount of force in Indo-Pacific -- 300,000  
5 troops, seven aircraft carriers, the -- I mean, there's a  
6 lot of force in the Pacific. And in Central Command, you're  
7 looking at about 70,000 troops currently, right now.  
8 There's an adequate amount of force in Central Command to  
9 maintain deterrence. If deterrence breaks down, we'll  
10 analyze the situation, and we'll do whatever is required to  
11 achieve whatever national security objectives are necessary,  
12 relative to Iran. And I'd rather get back to you in  
13 classified session on exactly what that would be.

14 Senator Hawley: You bet. I'll pursue that with you in  
15 a classified setting.

16 My last question on this, Mr. Chairman, is just to your  
17 comments about the relative balance between CENTCOM and  
18 PACOM. Is it your sense that there's a little bit of slack,  
19 then, General, in INDOPACOM? I mean, is that -- am I --

20 General Milley: Well, I mean, again, it's a "depends"  
21 I mean, if you think that, you know, you're close to a war  
22 with Korea or China, then probably not, but -- so, it  
23 depends on what the situation is in INDOPACOM at the moment  
24 in time. It -- we will do whatever is required to achieve  
25 U.S. national security interests, no matter where it's at in

1 the world. And if something were to happen, very  
2 significantly more than what's current in the Middle East,  
3 then decisions will be made by the President and Secretary  
4 of Defense to move the right amount of forces to achieve our  
5 objectives.

6 Senator Hawley: Thank you, General.

7 Thank you, Mr. Secretary.

8 Senator Reed [presiding]: On behalf of the Chairman,  
9 let me recognize Senator Peters.

10 Senator Peters: Thank you, Ranking Member Reed.

11 And, to our -- both the gentlemen, thank you for  
12 testimony here today, and your service.

13 Secretary Esper, briefly, I'd like to discuss  
14 prescription drug prices under TRICARE. This is an issue  
15 that Senator Rounds and I have been working on, along with  
16 some of the other members of the committee here. This  
17 committee previously authorized a pilot program that would  
18 lower the cost of prescription drugs for TRICARE  
19 beneficiaries, including servicemembers, their families, and  
20 our military retirees. I know that the Department has begun  
21 the process of preparing for this prescription drug parity  
22 pilot program, but it still has not begun. So, my question  
23 is, Can you commit to working to -- with us on action to  
24 lower the cost of prescription drugs for our servicemembers  
25 under TRICARE, and particularly expanding their

1 opportunities to purchase these drugs?

2 Secretary Esper: Yes, sir. Without knowing -- having  
3 too much detail, I'm always committed to improving quality  
4 and access.

5 Senator Peters: Great.

6 Secretary Esper, last week, Senator Cotton and I sent a  
7 letter urging you to establish a U.S.-Israel Operations  
8 Technology Working Group. This group would coordinate and  
9 canalize military research and development efforts between  
10 the United States and Israel, focusing on the shared threats  
11 that our countries face, and capitalizing on, clearly, the  
12 world's leading national security innovation base in both  
13 countries, both the U.S. and Israel. So, this is to both  
14 Secretary Esper and General Milley. What is your view on  
15 enhancing the security cooperation with Israel, particularly  
16 in the areas of technology research and development? How  
17 can we strengthen that between our two countries?

18 Secretary Esper: Senator, without having seen your  
19 letter yet, I would tell you that, you know, we have a very  
20 good innovative base. They have a very good innovative  
21 base. And I think the more we can cooperate together as  
22 allies and partners to come up with common solutions, the  
23 better. We do a lot of work with them now on a number of  
24 things. Certainly, at the industrial level, they compete to  
25 against -- against and with American companies. So, I think

1 if there are ways to improve that, we should pursue it.

2 General Milley: And we -- as you know, we work very  
3 closely with Israel on a lot of areas, and specifically in  
4 R&D and S&T. In combat developments, for example, we have  
5 the active protective system on our up -- on our armored  
6 vehicles. That's an Israeli-produced system. We've looked  
7 at the Arrow for our ballistic missile defense system, and a  
8 wide variety of other systems. So, there's a -- there's an  
9 exchange of ideas and knowledge, research, development  
10 between us and the Israelis on a regular basis.

11 Senator Peters: Secretary Esper, on February 24th of  
12 this year, the DOD officially adopted a series of ethical  
13 principles for the military use of artificial intelligence.  
14 The principles were designed to complement existing ethical  
15 frameworks. And you structured the ethical framework around  
16 five specific areas for military use of AI: responsible,  
17 equitable, traceable, reliable, and governable. I've had  
18 longstanding concerns about the consequences of the United  
19 States and our allies adopting ethical standards without  
20 similar and equitable standards being adopted by our  
21 competitors and adversaries that operate under a different  
22 framework than we do. My question is, Is the U.S. placed at  
23 a competitive disadvantage at the tactical and operational  
24 level by adopting AI ethical standards not shared by our  
25 adversaries? And, if so, how do we compensate for that

1 disadvantage?

2 Secretary Esper: Yes, Senator. First of all, it's a  
3 lot of good work done by the Defense Industrial Board with a  
4 lot of outreach to a wide range of persons and organizations  
5 to develop these. I was briefed on them. I had a number of  
6 discussions with a lot of leaders about them. But, look, I  
7 think this is an area where we lead. And I think the  
8 principles, from what I've read and studied and learned, I  
9 think they put us in a leadership position. So, I think  
10 it's -- we are establishing the standard, if you will, and I  
11 think it will make us better. And the more we can get other  
12 countries to come on board and align themselves to those,  
13 the better.

14 Senator Peters: In the past, the U.S. has successfully  
15 used international agreements and arms control treaties to  
16 provide some stability, particularly with emerging  
17 technologies and in the attempt to minimize potential  
18 catastrophic mistakes that could occur. In terms of AR, are  
19 we at a stage where AI requires the equivalent of an arms  
20 control treaty to ensure the current rules-based  
21 international order? And, if so, how would that look?

22 Secretary Esper: It's a good question, Senator. I'd  
23 have to think about it and get back to you and consult with  
24 people. And I just don't know. It's not something I would  
25 take off the table, but it's a fair question. Again, I

1 think we want to develop some common standards, if you will,  
2 and I -- we try to set the bar by my signing out that AI --  
3 those AI ethical principles and to set a high bar from the  
4 beginning, and urge others to come on board.

5 [The information referred to follows:]

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1 Senator Peters: General Milley, any thoughts?

2 General Milley: I think artificial intelligence, as  
3 I've testified before, is sort of the mother of all  
4 technologies out there. It's extraordinarily powerful, and  
5 there's no doubt in my mind that it's going to be used for  
6 military purposes in the not-too-distant future. There's a  
7 wide variety of ethical concerns with that. I don't know if  
8 arms control agreements are the right mechanism or not.  
9 But, all countries, not just the United States, are going to  
10 have to come to grips with the introduction of artificial  
11 intelligence for use in military operations. It is  
12 extremely powerful, and it's going to have to be dealt with.

13 Senator Peters: Great.

14 Thank you, gentlemen.

15 Senator Reed: On behalf of the Chairman, let me  
16 recognize Senator Duckworth.

17 Senator Duckworth: Thank you, Mr. Chairman.

18 I'd like to thank both of the witnesses for appearing  
19 before the committee today.

20 And I'd like to follow up on what my colleague, Mr.  
21 Hawley, touched on, which is the Indo-Pacific Strategy. I  
22 feel very strongly that this is a part of the world we need  
23 to spend more attention on. And I have heard, from both of  
24 you, the emphasis on INDOPACOM and our role -- and the  
25 importance of our role there. And, while I applaud the

1 Department's messaging about prioritizing great-power  
2 competition in this region over other activities, I do  
3 remain concerned that we've not matched our rhetoric with  
4 our actions. How are we able to divert some 7 billion to  
5 border wall construction and yet we're not -- the Pacific  
6 region is our main effort? And, you know, Secretary Esper,  
7 I agree with you that IMET is certainly very important. In  
8 fact, I recently met with General Aparit Kongsompong, who is  
9 the Thai Army leader, and he talked very fondly about how  
10 his time that he spent at U.S. training facilities. And, in  
11 fact, he said it was his joint experience, training at U.S.  
12 facilities, as that of General Andika, from Indonesia, that  
13 led them to form a friendship based on their experience in  
14 the U.S., that then led to this recent agreement they just  
15 signed, 2 months ago, on information-sharing.

16 But, I think it takes more than IMET. I think you need  
17 to put some MILCON in this. I think we need to look at  
18 staffing and resources increasing for the INDOPACOM in order  
19 to really deter Chinese aggression. So, I'd love to hear  
20 from both of you as to when we're going to see more of a  
21 plus-up in this region, beyond just talking about how great  
22 this is.

23 Secretary Esper: Senator, I think the -- first of all,  
24 you know I agree with the importance of INDOPACOM, and its  
25 -- because it's number-one in our strategy, to say the

1 least. But, if you look at the simple disposition of  
2 forces, INDOPACOM has five times as many forces as any other  
3 theater, over 350,000. The next-closest theater is 70,000.  
4 If you added up every other theater, INDOPACOM would still  
5 be twice as big as all of them, combined. So, we have a lot  
6 of forces in the theater. I think the challenge isn't  
7 necessarily putting more forces in, it's making sure that we  
8 look at our disposition on the ground and think, How do we  
9 use them more effectively to grow partners and allies, and  
10 how do we exercise with them, et cetera, et cetera? That's  
11 my quick assessment. I don't --

12 Senator Duckworth: I mean, I don't disagree with you  
13 that it's not about -- it's not just about the number of  
14 troops that are on the ground, it's about resourcing  
15 INDOPACOM so that they can go out -- I think we need to be  
16 -- you know, I mean, you're already talking about this --  
17 more basing agreements.

18 Secretary Esper: Right.

19 Senator Duckworth: I was very impressed with what was  
20 done in South Korea when we didn't have enough ammunition,  
21 and we -- you guys, out of -- you know, took that out of  
22 Hyde and plussed them up. But, this is -- the reason that  
23 you have more troops is because it's a larger geographic  
24 region than, say, CENTCOM is. You know, I'll -- maybe  
25 AFRICOM would have more geographic area. But, the geography

1 is different.

2 General, you were going to --

3 General Milley: Well, the -- you're exactly right, the  
4 geography is completely different, the politics are  
5 different, the international politics, the threats are  
6 different, the allies are different. All of that is  
7 different, and you have to factor all of that in. But, in  
8 terms of main effort versus supporting efforts and economy-  
9 of-force efforts -- in the NDS, the Central Command area,  
10 AFRICOM, and SOUTHCOM are all designated as economy of  
11 force. And you're familiar with that term from your  
12 military experience. And EUCOM is a supporting effort, and  
13 PACOM is, quote/unquote, "the main effort." And it's all  
14 part of a globally integrated level of effort with all the  
15 resources the Department of Defense has.

16 With respect to INDOPACOM, you know, the Secretary  
17 mentioned 350,000 troops. He's also got, you know, 200  
18 ships, seven aircraft carriers. He's got three ARG/MEUs.  
19 He's got 1600 high-performance aircraft. This is a highly  
20 resourced -- from a military standpoint, highly resourced  
21 theater. So, it's not so much the numbers of the ships,  
22 planes, trains, and automobiles sort of thing. It's how we  
23 use it, where we put it, and what our broader strategy is  
24 with respect to what we think is going to be the most  
25 significant adversary for the next 100 years, which is

1 China, and the rise of China, how we, as a nation, deal with  
2 that. Military is one aspect of a much broader strategy  
3 that we've got to come to grips with.

4 But, I do think that INDOPACOM is well resourced, from  
5 a departmental standpoint, in terms of military capability,  
6 right now.

7 Senator Duckworth: But, the Chinese are really moving  
8 ahead of us --

9 General Milley: They are.

10 Senator Duckworth: -- when it comes to basing issues  
11 there. And --

12 General Milley: They are.

13 Senator Duckworth: -- we have to have more than a  
14 little toehold there in order to --

15 General Milley: Sure.

16 Senator Duckworth: -- ensure freedom of navigation --

17 General Milley: That's right. And access, basing,  
18 overflight, all of that stuff plays into it.

19 Senator Duckworth: So, adjacent to this issue, I want  
20 to shift slightly to the other -- if there was a bet on what  
21 I -- questions I was going to ask you, I'm sure this was one  
22 of the ones that would have come up, which is logistics.  
23 I'm deeply concerned about our ability to transport and  
24 sustain our forces overseas, especially in places like  
25 INDOPACOM. Contested logistics is something I believe we

1 need to pay far more attention to. This year's cuts to the  
2 tanker fleet and anemic investment in sealift replacement  
3 and maintenance really worry me.

4 Secretary Esper and General Milley, can you tell me how  
5 this year's Defense budget request preserves or improves our  
6 ability to transport and sustain our forces in a --

7 Secretary Esper: Yeah.

8 Senator Duckworth: -- contested environment? The days  
9 that we're going not be able to send ships full of what we  
10 need without our enemy trying to attack, take the ship out,  
11 are behind us.

12 Secretary Esper: Senator, you're exactly right. I  
13 don't know if you were here earlier, but I mentioned this.  
14 You know, I'm concerned that -- two important things that  
15 often get overlooked because they're not sexy are things  
16 like airlift and aerial refueling and strategic sealift.  
17 And, you know, we've invested in two surge ships this year,  
18 but if you -- I've had a lot of conversations with General  
19 Lyons -- we need to do more, and we need to do more, soon.  
20 That's why we've talked a few times about the shipbuilding  
21 plan, but one of the things the shipbuilding plan doesn't  
22 incorporate is strategic lift, sealift. So, I sent a letter  
23 to the committees, and I said, when I look at the  
24 shipbuilding plan, I think we should factor in strategic  
25 sealift, because it also competes for budget dollars, and I

1 -- it's a critical factor. So, between that -- I'm very  
2 concerned about the delays in the KC-46. I had the chance  
3 to crawl through one about a week -- 2 weeks ago, and look  
4 at the problems. We -- so we're going to have to look  
5 restoring some -- maybe some 10s, some 135s, so we keep that  
6 -- at least 479 aircraft going. But, it's a very capable  
7 airplane, it's just going to take some time. But, the --  
8 those are critical things, particularly when you see the  
9 distances from CONUS or Alaska all the way into theater,  
10 into INDOPACOM theater. And then forward basing is another  
11 way you offset that, of course.

12 Senator Duckworth: Yeah. And you're right, because  
13 it's not just about the sealift, it's -- the tanker fleet,  
14 as you were mentioning --

15 Secretary Esper: Right.

16 Senator Duckworth: -- but it's also fueling.

17 Secretary Esper: Yes, ma'am.

18 Senator Duckworth: We've got to have forward fueling  
19 capability. We can't just be shipping our fuel there for  
20 every, you know, thing that sucks gas. Right?

21 Secretary Esper: That's right.

22 General Milley: And you're right. You're over --  
23 we're over time, so I can get you an answer for the record,  
24 but --

25 Senator Duckworth: Thank you, General.

[The information referred to follows:]

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1           General Milley:  -- you're absolutely right to be  
2 concerned about the maritime sealift.  We've given that up,  
3 as a nation, for the most part, over the last many, many  
4 years, and the tanker fleet and the airlift fleet.

5           On the tankers, though, I just want to be clear again,  
6 you know, we've got almost 500 tankers, so, in this budget,  
7 there's 10 KC-10s and 13 KC-135s.  Yes, there's stress on  
8 the force.  No question about it.  You've heard from General  
9 Lyons and others.  But, at the same time, I don't want  
10 people who are watching this, especially in certain  
11 countries, to think that the United States of America cannot  
12 project power overseas, when needed.  We can, and we will,  
13 if required.

14           Senator Duckworth:  Thank you.

15           Senator Reed:  Gentlemen, let me thank you for your  
16 testimony, and thank you, particularly, for your service.

17           And, on behalf of the Chairman, Chairman Inhofe, let me  
18 call the adjournment of the hearing.

19           Thank you, gentlemen.

20           [Whereupon, at 4:40 p.m., the hearing was adjourned.]

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