HEARING TO RECEIVE TESTIMONY ON THE DEPARTMENT OF DEFENSE
BUDGET POSTURE IN REVIEW OF THE DEFENSE AUTHORIZATION
REQUEST FOR FISCAL YEAR 2023 AND THE FUTURE YEARS DEFENSE
PROGRAM

Thursday, April 7, 2022

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

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

Committee members present: Senators Reed [presiding],
Shaheen, Gillibrand, Blumenthal, Hirono, Kaine, King,
Warren, Peters, Manchin, Rosen, Kelly, Inhofe, Wicker,
Fischer, Cotton, Rounds, Ernst, Tillis, Sullivan, Cramer,
Scott, Blackburn, Hawley, and Tuberville.
OPENING STATEMENT OF HON. JACK REED, U.S. SENATOR FROM RHODE ISLAND

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

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

Last week, President Biden released his Defense Department budget request for Fiscal Year 2023 with a top line of $773 billion. The request focuses on several key areas, including prioritizing China as our key strategic competitor, addressing the acute threats posed by Russia and other adversaries, and modernizing the Defense Department. Our national security challenges have never been more stark.

One month ago, Russia unleashed its illegal and unprovoked, and indeed, a barbaric attack on Ukraine, upending peace and stability in Europe. Putin's invasion has inflicted horrific suffering upon innocent civilians in Ukraine, threatened European security, and caused serious
consequences for the global economy.

The Ukrainian military has performed heroically in the face of this overwhelming violence and the Ukrainian people have shown the world what true courage looks like.

If Putin thought his actions would drive a wedge between NATO members and within the international community, he was badly mistaken. The conflict in Ukraine has reinvigorated the NATO alliance and exposed the brittle nature of Putin's regime. Since the start of the conflict, the international community has implemented a severe and far-reaching series of economic and energy sanctions against Russia, increased military and humanitarian assistance to Ukraine, and reinforced NATO's military presence along the eastern flank. The international community has united in a way not seen in decades, and our potential adversaries around the world are taking note.

With that in mind, this budget request appropriately recognizes China and then Russia, as the key strategic competitors for our military. Concurrent with the release of the budget, the Defense Department submitted to Congress classified versions of the National Defense Strategy, the national Nuclear Posture Review, and the Missile Defense Review. These, along with other strategic planning documents yet to be released, will serve as key guideposts for this committee as we take a clear-eyed
approach to what is necessary to succeed in our long-term strategic competition.

An essential element of our strategy going forward is the need to build the joint capabilities of our armed forces across all domains, including space, cyber, and information operations, and I am interested to hear from our witnesses how this budget supports joint capabilities to ensure our military remains the world's premier fighting force.

I am encouraged that this budget includes the largest-ever request for research, development, testing, and evaluation: a total of $130 billion, or a 9.5 percent increase over last year's enacted levels. The budget includes significant funding for modernization areas such as microelectronics, artificial intelligence, hypersonics, and 5G; technologies which will be critical for our national defense.

Our strategy toward China and Russia should not be solely defined in dollars by "how much," but rather "where" and "why" to achieve the greatest comparative advantage. I am also pleased to see that this budget request places a priority on taking care of our men and women in uniform and the civilians who serve alongside them, by including an across-the-board pay raise for military and civilian personnel of 4.6 percent. While this pay raise is required by law for military personnel, too often Defense Department
civilians have been overlooked. This increase in civilian pay sends an important message to the workforce.

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

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

With regard to our nuclear strategy, I understand that the budget request supports important steps for the modernization of our nuclear triad. Given the reckless statements by Putin over the past several months, including
an out-of-cycle nuclear exercise before invading Ukraine, our allies and partners depend on our extended deterrence now more than ever.

We must also be acutely aware of China's rapidly growing arsenal. Modernization of our strategic forces is needed to reassure not only our allies but deter any attack on our homeland by either of our near-peer, nuclear-armed competitors. But even as we modernize, we should seek ways to promote strategic stability, including follow-on talks beyond New START to cover all types of nuclear weapons and, if possible, reduce nuclear stockpiles when verifiable for all parties.

Given these strategic threats, the proposed investment in tried-and-true platforms like the Columbia- and Virginia-class submarines is a prudent decision. Similarly, this budget supports the development of a new long-range stealth bomber, strengthening the fighter fleet, and building up the defense industrial base, including upgrades to the Navy's public and private shipyards. Keeping the nature of strategic competition in mind, however, it is also necessary to divest of platforms and capabilities that are either not necessary or inefficient for supporting our strategy.

Belt-tightening in any department, particularly Defense, is always a challenge, but it is also an opportunity to evaluate what is necessary and what drives
innovation. The Department has taken the first difficult step in proposing $2.8 billion worth of divestments and retirements of platforms, and I will work with my colleagues to evaluate these proposals and make hard, but necessary, choices.

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

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

[The statement of Chairman Reed follows:]
Chairman Reed: Let me now recognize Ranking Member Inhofe.
STATEMENT OF HON. JAMES INHOFE, U.S. SENATOR FROM OKLAHOMA

Senator Inhofe: Thank you, Mr. Chairman. I thank you, and I join in welcoming our witnesses.

For 4 years, this committee has been using this 2018 document, the National Defense Strategy Commission and I don't recall ever having one document hanging around for so long. The 12 who got involved with this to start with did a good job in putting us where we are now.

Last week, we received the classified version of the Biden administration's new NDS; that is this. From what I have seen so far, it appears that the new strategy document does a good job expanding our understanding of the scale and the scope of the threat from the Chinese Communist Party and its military modernization.

There are some things that we will probably have disagreements about. We have done that in the past, but we continue to consider the new strategy. For example, there are, there may be some areas of the strategy that the administration is willing to take risks, and the Congress may or may not agree.

But it is clear, and I really can't stress this enough, the Chinese threat is beyond anything that we have dealt with before in our lives.

General Milley, last year, you told us that the Chinese
and Russians, combined, spend more than we did on national defense. This year, Beijing announced an additional 7.1 percent increase in their defense budget. This is a scary thing; this is a big deal.

Mr. Secretary, I do appreciate that based on the new NDS, that you went to the White House to ask for more resources, and I appreciate that very much. But even then, the budget just doesn't rise to the moment. It doesn't deliver the real growth our military needs. And it says it very clearly in this document, in the very beginning of the document, the 3 percent-to-5 percent range is where we need to be. And that real growth is a recommendation that comes from the bipartisan committee.

The budget also doesn't reckon with record-high inflation we are seeing today in the realm of 7 to 8 percent. And on the bipartisan basis, Congress tried to give our defense budget real growth in 2022, but the military will end up losing buying power due to inflation. This historic inflation is a new, I call it the "new sequestration." We all remember when we went through sequestration together.

And for me, this isn't just about how much money we spend on defense; this is about how we spend that money. And we need a higher top line because what is0 in this budget right now is not nearly enough to make up for lost
This budget shrinks both, our naval fleet and our Air Force aircraft fleet. It cuts end-strength. The end-strength has been very disturbing to all of us and I am glad to see the investments in research and development. So some good things are out there working and we are all doing it together.

And the reason I took so long in this opening is that this is the first budget hearing of the season. You know, people don't realize that this goes on 12 months a year, and that is what this is all about. And we are going to do a good job.

Thank you, Mr. Chairman.

[The statement of Senator Inhofe follows:]
Chairman Reed: Well, thank you very much, Senator Inhofe.

And thank you, Mr. Secretary, the Chairman, and Secretary McCord.

We have been informed that there is a vote that will commence at 10:00 a.m. There will be three votes in order.

So, we will be slipping out, ones and twos, but we will continue the hearing throughout the morning and then we will go into the classified section at the conclusion of this open session.

With that, let me address a question to Secretary McCord.

I am trying to anticipate the votes, so I jumped ahead. Secretary Austin, let me recognize you for your opening statement.

[Laughter.]
SECRETARY Austin: Well, thank you, Chairman.

Good morning. Chairman Reed, Ranking Member Inhofe, distinguished members of the committee, thanks for the opportunity to testify today in support of the President's budget request for fiscal year 2023.

It is great to be here with General Milley, who has been an outstanding partner. And I am also glad to be joined today by our comptroller and chief financial officer, Mike McCord.

Mr. Chairman, we are still focused on three key priorities at the Department of Defense and they include defending our nation, taking care of our people, and succeeding through teamwork. And the budget request that we have submitted to you helps us meet each one of those priorities.

Our budget seeks more than $56 billion for air power platforms and systems and more than $40 billion to maintain our dominance at sea, including buying nine more battle force ships and almost $13 billion to support and modernize our combat-credible forces on land. Our budget request also funds the modernization of all three legs of the nuclear triad do ensure that we maintain the safe, secure, and effective strategic deterrent.
Of course none of these capabilities matter without our people and their families. So, we are seeking your support for a 4.6 percent pay raise for our military and civilian personnel and other special pay and benefits. We also plan to invest in outstanding and affordable childcare and the construction of on-base child-development centers and ensuring that all our families can always put good and healthy food on the table.

We are also deeply focused on the terrible problem of suicide in the U.S. military. And I will keep on saying it: mental health is health, period. So, we are increasing access to mental health care, expanding telehealth capacities, and fighting the tired, old stigmas against seeking help. And with your support, I have just ordered the establishment of an independent review committee to help us grapple with suicide, to better understand it, to prevent it, and treat the unseen wounds that lead to it.

At the same time, we are still working hard to implement the recommendations of the Independent Review Commission on Sexual Assault, because we know that we have a long way to go to rid ourselves of this scourge. Our budget seeks nearly $480 million for that enterprise. Sexual assault is not just a crime; it is an affront to our values and to everything that we are supposed to represent to each other and to this country. And this is a leadership issue
and you have my personal commitment to keep leading.

Now, while I am on the topic of leadership, let me briefly address our military's role in the world, because, as I have said, we succeed through teamwork. And as I have witnessed myself in the last several weeks, countries around the world continue to look to the United States to provide that sort of leadership. With help from Congress, we have been able to rush security assistance to Ukraine to help the Ukrainian people defend their lives and their country and their freedom.

Last October, I visited Kyiv to meet both, my Ukrainian counterpart and President Zelenskyy. And we discussed our deepening defense partnership and our unwavering support for Ukrainian sovereignty in the face of Russian aggression.

Even before Russia's unprovoked and illegal invasion, we provided Ukraine with a billion dollars' worth of weapons and gear through presidential drawdown authority. Now, we are delivering on another billion dollars pledged by President Biden.

And our budget includes $650 million more for security assistance in Europe, including $300 million for the Ukraine Security Assistance Initiative. And just a couple of days ago, the President authorized an additional $100 million to send more Javelin anti-armor systems, weapons that will provide critical support to the Ukrainians as they continue
to resist Russian offenses in the east and in the south of the country. We are also helping to coordinate the delivery of material provided by other nations, which continues to flow in every day. And let me thank you for your strong leadership toward our shared goal of helping Ukraine defend itself.

Since the invasion, I have spoken and met frequently with Minister Reznikov, my counterpart, including on Monday, and I have assured him that we will continue this effort and we will get him and his troops the tools and the inventory that they need most and that they are using most effectively against Russian forces.

We have also reinforced our NATO allies. We sped additional combat power to the alliance's eastern flank, raising our posture in Europe to more than 100,000 troops. These reinforcements include dozens of aircraft, an aircraft carrier strike group, two brigade combat teams.

As President Biden made clear, we will defend every inch of NATO territory, if required, and we are making good on that promise.

Mr. Chairman, as you have heard me say many times, we need resources to matched to strategy and strategy matched to policy and policy matched to the will of the American people. And this budget gives us the resources that we need to deliver on that promise, as well. It reflects our
recently submitted National Defense Strategy, which highlights the pacing challenge of China. And that is why we are investing some $6 billion of this budget in the Pacific Deterrence Initiative. It is why we are realigning our posture in the Indo-Pacific toward a more distributed footprint.

We are going to enhance our force posture, infrastructure, presence, and readiness in the Indo-Pacific. This includes the missile defense of Guam. And that is why we are making broad investments in such key areas as undersea dominance, fighter aircraft modernization, and advanced weaponry, including Hypersonic Strike.

And many of these investments will pay dividends in countering the acute threat of Russia, as well, which our strategy underscores. At the same time, we must be prepared for threats that don't observe borders, from pandemics to climate change, and we must tackle the persistent threats posed by North Korea, Iran, and global terrorist groups.

Now, the National Defense Strategy advances our goals in three main ways: forging integrated deterrence, campaigning, and building enduring advantages. An integrated deterrence means combining our strengths across all warfighting domains to maximum effect to ward off potential conflict. Campaigning means day-to-day efforts to gain and sustain military advantage and to counter acute
forms of coercion by our competitors and to complicate their preparation for aggression. And to build enduring advantages, we need to accelerate force development, acquiring the technology that our warfighters need.

And so, our budget seeks more than $130 billion, as you point out, Mr. Chairman, for research, development, testing, and evaluation. And that is the largest R&D request this Department has ever made. It is nearly a 10 percent increase over last year, which was the Department's previous high-watermark.

This includes $2 billion for artificial intelligence, $250 million for 5G, nearly $28 billion for space capabilities, and another $11 billion to protect our networks and develop a cyber mission force. This budget maintains our edge, but it does not take that edge for granted and, quite frankly, Mr. Chairman, in the twenty-first century, you either innovate or you get left behind.

And through the President's budget and with the help of this committee, we will continue to innovate. And with your help, we will continue to defend this nation, take care of our people, and support our allies and partners. And with your help, I know we will continue to lead.

Thank you, and I look forward to your questions.

[The statement of Secretary Austin follows:]
Chairman Reed: Thank you very much, Mr. Secretary. General Milley, please?
STATEMENT OF GENERAL MARK MILLEY, CHAIRMAN OF THE
JOINT CHIEFS OF STAFF

General Milley: Chairman Reed, and Ranking Member
Inhofe, and members of the committee, I am privileged to
represent the soldiers, sailors, airmen, marines, and
guardians of the United States Joint Force.

Our troops are the best led, best equipped, best
trained, most lethal, and most capable military force in the
world. Alongside our allies and partners at any given time,
approximately 400,000 American troops are currently standing
watch in 155 locations around the world, conducting
operations every day to keep Americans safe.

Currently, we are supporting our European allies and
guarding Europe's eastern flank in the face of an
unnecessary war of aggression by Russia against the people
of Ukraine and the assault on democratic institutions and
rules-based international order that have prevented the
great power war for the last 78 years, since the end of
World War II.

We are now facing two global powers: China and Russia,
each with significant military capabilities, both of whom
intend to fundamentally change the current rules-based
global order. We are entering a world that is becoming more
unstable and the potential for significant international
conflict between great powers is increasing, not decreasing.
The United States military comprises one of the four key components of America's national power: diplomatic, economic, informational, and military, to protect the homeland and sustain a stable and open international system.

In coordination with the other elements of power, we constantly develop a wide range of military options for the President, as Commander-in-Chief, and for this Congress to consider.

As the U.S. military, we are prepared to deter and, if necessary, fight and win against anyone who seeks to attack the United States, our allies, or our significant, vital national security interests.

The Joint Force appreciates the work that our elected representatives do to ensure that we have the resources needed to train, equip, and manage the force in order to be ready. We thank this Congress for increasing last fiscal year's level of funding and we look forward to your support for this year's budget.

The Joint Force will deliver modernization and redlines for Armed Forces and security to the people of the United States at the fiscal year 2023 budget request of $773 billion. This budget will enable the decisions, the modernization, and the transformation of the Joint Force in order to set and meet the conditions of the operating environment that we are likely to face in 2030 and beyond;
the so-called changing character of war that we have
discussed many times in the past. We will work diligently
to ensure the resources of the American people entrust to us
are spent prudently and in the best interests of the nation.

In alignment with the forthcoming National Defense
Strategy, the classified document is out. In the national
military strategy, this budget delivers a ready, agile, and
capable Joint Force that will defend the nation, while
taking care of our people and working with our partners and
allies.

We are currently witness to the greatest threat to the
peace and security of Europe and, perhaps, the world, in my
42 years of service in uniform. The Russian invasion of
Ukraine is threatening to undermine not only European peace
and stability, but global peace and stability that my
parents and generations of Americans fought so hard to
defend.

The islands of the Pacific and the beaches of Normandy
bore witness to the incredible tragedy that befalls humanity
when nations seek power through military aggression across
sovereign borders. Despite this horrific assault on the
institutions of freedom, it is heartening to see the world
rally and say, never again, to the specter of war in Europe.

Your military stands ready to do whatever it is
directed in order to maintain peace and stability on the
European continent, a peace that ensures global stability and international order where all nations can prosper in peace. We are also prepared and need to sustain our capabilities anywhere else on the globe, as well as our priority effort in the Asia-Pacific region, measured against our pacing challenge of the People's Republic of China. And in defense of our nation, we must maintain competitive overmatch in all the domains of war: space, cyber, land, sea, and air.

The United States is at a very critical and historic geostrategic inflection point. We need to pursue a clear-eyed strategy of maintaining peace to the unambiguous capability of strengthen relative to China or Russia. This requires that we simultaneously maintain readiness and modernize for the future. If we do not do that, then we are risking the security of future generations and I believe that this budget is a major step in the right direction.

I look forward to your questions.

[The statement of General Milley follows:]
Chairman Reed: Well, thank you very much, General, and Mr. Secretary.

I would like to address my first question to Secretary McCord, and that is, one of the concerns everyone has right now is the impact of inflation on the budget.

Can you explain how the Department calculates inflation and how it was taken into account in this budget request, both in terms of personnel and in major contracts.

Mr. McCord: Yes, Chairman.

We paid just as much attention to this as we did to the program content that we are going to spend most of the hearing discussing. So, when we saw prices changing last year, we jumped on it at the same time we were doing our program review. We took all the information available to us at the time, up to the time we had to finish, which is basically the end of last calendar year, built that into our budget.

What did that mean?

The GDP deflator, which is what we use at DOD, not the CPI, the CPI does not reflect what we buy, so we weren't chasing 7 percent, but we were chasing an increase up to 4 percent vice two. We built that into the pricing of what we buy from contractors and then we also, the pay rates, which you described, the 4.6 pay raise, we took the increase in wages into account.
The result of both of those things, we added $20 billion a year to our program from 2023 through 2027. Working with the White House, the Secretary made both points to the President both, on the content of the program and on the cost of the program. On top of the twenty to $30 billion of programming content that we added, we added $20 billion a year to catch up on this pricing increase that we saw last year.

Then comes the tricky part, Mr. Chairman, is the world keeps changing. After we finished the budget, the invasion of Ukraine spiked, rattled the markets, spiked energy prices. You know, we do not have that in our budget. So, the world keeps evolving. The global economy, let alone the U.S. economy, are very complex and hard to predict what is going to happen next.

So, what we saw happen last year is not what we see happening today and may not be what we see happening tomorrow. But with all the information we had when we finished, we caught up so that we would not start behind on our pricing.

The last point I would want to make, I want to acknowledge that we have a letter from Ranking Member Inhofe and Ranking Member Rogers with a detailed set of questions. That would be another opportunity for us to explain this in more detail going forward.
Chairman Reed: Thank you very much, Mr. Secretary.

Secretary Austin, could you highlight for us some of the key capabilities that are included in this budget that will implement the National Defense Strategy that you just proposed and the President has proposed.

Secretary Austin: Well, thank you, Chairman.

You know, one of the tenets of this strategy is, as you heard me say earlier, is this concept of integrated deterrence and the principle here is that we maximize the capability, capacity resident in every warfighting domain: air, land, space, sea, cyber, and that we are able to network those capabilities in new and different ways.

So, you can see from this budget that we are investing in space in a significant way, $27 billion. Cyberspace is another $11 billion. Missile defeat and defense, $24 billion. Long-range fire is another $7 billion.

And so, a significant investment in the types of capabilities that we know we will need to be relevant, not only relevant, but dominant in future conflict.

Chairman Reed: Thank you, Mr. Secretary.

I indicated in my statement the difficult choices you had to make with respect to retiring platforms, et cetera, which I presume, and I will ask you, is essential to being able to, first, have the efficiency to continue to operate, have the innovation to anticipate problems going forward.
Might you and General Milley talk about the needs for this disinvestment.

Secretary Austin: Absolutely, Mr. Chairman.

As you know, it becomes very difficult and costly to try to maintain platforms that will not be relevant and effective in a fight with a peer competitor, and so because these platforms, in many cases, are very difficult to continue to maintain, we need to choose to off-ramp those capabilities and invest in capabilities that we know that will provide us what we need in a future fight.

Chairman Reed: Thank you.

General Milley, please?

General Milley: Thank you, Senator.

The divestment to invest strategy that retires a variety of platforms, mostly Navy and Air Force that are quite expensive, and the cost-benefit analysis to sustain them over time doesn't add up, number one. And number two is the technologies in those systems, many of those systems that we are divesting are old, so we are trying to modernize the force for the future operating environment, 2030 and beyond, and that is where the investments are in this budget.

Chairman Reed: And I appreciate that.

And I think looking at not just the fighting in Ukraine, but also the fighting recently in Azerbaijan or
Armenia, the impact of drones, for example, vis-a-vis, tanks, they symbolize, I think, in a way, the future, where large systems which we assumed in the past were difficult to defeat have been handled quite adroitly by the Ukrainians.

So, with that, let me recognize Senator Inhofe?

Senator Inhofe: Thank you, Mr. Chairman.

Mr. McCord, the chairman asked a question and led off with, which I was going to do, but currently now, the question would be in 2022, do you want to expand a little bit on that year.

Mr. McCord: Yes, Senator.

On inflation in 2022, the GDP deflator, which is what the Department has always used, was the budget that you got last year at this time was built on 2 percent. We now saw the year ended at 4 and that is what we caught up on, so that that pricing going forward, building it into our program going forward would not be behind.

The tricky part from now is assessing what is going to happen in 2023 going forward, given how hard it is to predict these things and whether oil-price spikes are going to persist or not persist, things like that.

Senator Inhofe: Uh-huh. Which I think they will be persisting.

Secretary Austin, there are some who say that we shouldn't be talking about the top line; we should be
talk about how the budget aligns with the strategy. And I think we need to talk about both, but we only have a classified defense strategy and we have no National Security Strategy.

So, how are we supposed to connect the dots between the strategy and the budget? Is there any timeline for the White House to release the National Security Strategy to that we could have a debate in public about the strategy?

Secretary Austin: Well, if you, Senator.

I can't offer you a timeline on when that is going to be released. I would only say that as we construct the National Defense Strategy, we used the guidance that was available in the very detailed national security -- security strategy guidance that was published very early on in this administration. And that was very helpful to us to allow us to map out the strategy that you now see.

And if you look at that strategy and you look at the budget, you will see direct linkages between the budget and the strategy, because we used the strategy to fabricate the budget.

Senator Inhofe: That is good. Thank you very much.

General Milley, I am going to ask you one question, and I already know the answer, because I know you, and I think it needs to be stated in this hearing. I want to follow-up on this Congresswoman Turner's question from the task
hearing earlier this week.

You said your position on the sub-launch nuclear missile hadn't changed. I just wanted to confirm, Admiral Richard and General Walter your best military advice is to continue development of this missile for deterrence purposes.

General Milley: That is correct, Senator.

My position didn't change and I think that it is important to have as many options as possible for this President or any other President.

But I do want to state, also, that we have lots of options and we have a significant nuclear capability, so I don't want any foreign adversary to misread what I am saying. I just happened to believe that this President and every President needs lots of options, which we have, but I think more options are better.

Senator Inhofe: Okay. Great.

Chairman Reed: Thank you, Senator Inhofe.

Senator Shaheen, please?

Senator Shaheen: Thank you.

And thank you, Secretary Austin, Chairman Milley, and Under Secretary McCord for being here this morning and for your service.

Secretary Austin, the Senate NATO Observer Group, which I co-chair with Senator Tillis, recently sent a letter to
President Biden. And one of the things we raised in the letter was in view of what is happening in Ukraine, whether we should have a more strategic and comprehensive approach toward the Black Sea region, which, as we are watching Russia is freely using to attack Ukraine and has the potential to shut off that region.

As we think about our future strategy, how are we factoring in efforts to address what is happening in the Black Sea region, particularly?

Secretary Austin: Well, thank you, Senator.

This unlawful and unprovoked aggression by Putin has had the effect of changing the security architecture in the region for some time to come. And so, what NATO is now doing is taking a look at what has changed and what NATO will need to do to make sure that we continue to do what is necessary in protecting our NATO countries, defending our NATO countries.

That work has just commenced. It is ongoing. I expect that we will have a robust discussion as we go to the summit in June, but, again, it is ongoing work.

We recognize, however, that change has occurred and that change needs to be accounted for.

Senator Shaheen: Well, again, the Black Sea region is a particular vulnerability right now, given what is happening. And are we working with our allies in the region
on what that strategy should look like?

Secretary Austin: Absolutely, Senator.

And well prior to this, we were working with the countries in the region on, in terms of their capability and capacity and what needed to do to evolve that. That will all be a part of the ongoing discussion, but, clearly, they will have a voice in that discussion.

Senator Shaheen: And as we look, as you pointed out, the architecture of Europe is going to be different because of this war, and it appears that we are, right now, looking at a much more robust presence in Europe.

How do we think that is going to affect our long-term military posture in Europe?

General Milley: I wouldn't care to speculate at this point, Senator. I would say that as we look at that posture, we are going to look at capability in all five warfighting domains and we are going to look at capability across NATO.

We do expect that it will change our footprint. In terms of how much it changes the U.S. contribution, that is left to be seen, and whether or not it includes permanent stake, permanent basing forward or, you know, additional rotational forces in and out of the eastern flank, or a combination of both. These are things that have to be worked out.
Again, we will work with NATO on this and to your point, it, no doubt, will be different going forward.

Senator Shaheen: Chairman Milley, would you like to speculate?

General Milley: I won't speculate, Senator.

We are developing options for the Secretary and President to consider on the future force posture in Europe to achieve the two fundamental purposes, which is to assure our allies and deter any adversaries, specifically, Russia. But right now, those are under development.

Senator Shaheen: Well, I was pleased to see that the President's budget included $4.2 billion for the European Deterrence Initiative, but in view of what is happening in Ukraine, do we not think we are going to have to increase that request?

You don't know if that is for Under Secretary McCord or for you, Mr. Secretary.

Secretary Austin: Well, certainly, that is something that we will look at, but let me take this opportunity to thank you for what you did in the past to provide us with that. That enabled to us very rapidly flow forces into theater. You saw us flow a brigade combat team from Georgia into Europe, fall in on pre-positioned equipment, and we are ready to go in a very short period of time.

That, in addition to a number of other things that you
helped us with, created some great capability. But to your point, I think we will need more of that going forward. Exactly how much, unknown.

Senator Shaheen: Thank you.

I am almost out of time, but I do want to raise an issue around PFAS because the 2022 NDAA and the omnibus budget bill contained funding for PFAS testing and remediation at DOD installations. And for those of us who have constituents who are affected by what has happened with PFAS exposure at military installations, it is nice to be able to say help is on the way.

So, are you committed to ensuring that all of the initiatives that are funded as part of both of those bills get out on time and as quickly as possible?

Secretary Austin: I am absolutely committed, Senator.

Senator Shaheen: Thank you.

Thank you, Mr. Chairman.

Chairman Reed: Thank you, Senator Shaheen.

Senator Wicker, please?

Senator Wicker: Thank you, Mr. Chairman.

In your opening statement, Mr. Chairman, you talked about the acute threat we are facing. You termed the challenges as being stark.

In the statement by General Milley, he said the danger is increasing, not decreasing. Certainly, Senator Shaheen
is correct about a more robust presence in Europe and of course that is going to require more funds from the Congress, the branch of our government that has the power of the purse.

I don't see how we can view the current climate as being one in which budget tightening is appropriate. So, I would just challenge my colleagues on this committee and in the House and Senate to assert our authority as the appropriators and as the branch of government charged with providing enough funds to provide for the common defense under the Constitution.

Now, Secretary Austin, let me talk about amphibious ships. To your credit, you assured Senator Kaine and me that you would fund the Commandant's need for amphibious ships to conduct Marine Corps missions. You did this in the Department's fiscal year 2023 budget; it calls for full funding of LPD 32 and funds LHA 9. So, thank you for working with Senator Kaine and me on that.

However, I have significant concerns for the future of amphibious ships. The Department of Defense has not delivered the Navy's 30-year shipbuilding plan for Congress. When are we going to get that?

Further, the Department of Defense has not delivered its amphibious ship study to Congress; again, when will we get that?
Yet, even without these two documents, the Department is proposing to end the LPD amphibious ship construction line after LPD 32. Now, by contrast, the Commandant of the Marine Corps has been clear: he needs a minimum of 31 amphibs.

The math is simple. If you end the LPD line after LPD 32, you cannot reach the 31 traditional amphibious ships. The Marine Corps even included funding for an entire LPD 33 as its number one, unfunded priority in fiscal year 2023.

So, Secretary Austin, why did you not include funding for LPD 33 in the fiscal year 2023 budget? How do you propose filling the operational gap that this is going to cause? And do you think we should take note of the fact that the Marine Corps chose LPD 33 as its top choice for additional funding?

Secretary Austin: Well, thanks, Senator.

And let me also thank you for what you have done to continue to support us and continue to support our Navy and our Marine Corps.

As you pointed out, there is $2.8 billion in the 2023 budget focused on amphibs. Amphibs are important to us today. That will be important to us going forward. There is $5 billion allocated to amphibs across the FITA.

As you know, based upon the Commandant's vision of the future Corps, we will track along with what the Commandant's
needs are, we will continue to work with him. We are also investing in an amphibious warfare ship, which is a lighter version of an amphib, and we will make those investments.

But we will continue to work with the Commandant going forward and those two reports that you mentioned earlier, the shipbuilding plan and also the amphib study, those are forthcoming in the next several weeks.

Senator Wicker: In the next several weeks. Well, very good.

Let me ask you this, Secretary Austin, with regard to Ukraine. You said on Tuesday it is the objective of the Government to deter Putin, but as General Milley describes, it is very difficult to do so unless you put forces on the ground.

In the Omni, Congress provided you with $3 billion in authority to further arm the Ukrainians, yet we have only used $900 million of this, less than a third of the amount authorized. This could also be used to backfill the eastern flank NATO partners.

Why hasn't the administration provided the full $3 billion? Does the administration not want to send it yet? Is it not available yet? Are there throughput problems at the Pentagon and how do we fix these problems to get our friends in Ukraine, the commitment, the weaponry they need to defeat the Russians?
Secretary Austin: Well, we communicate with the Ukrainian leadership routinely. As I indicated, Senator, I just talked to Minister Reznikov on Monday. I will talk to him again this afternoon. The chairman is in close contact with his counterpart, as well. We base what we are doing on their needs and those needs are identified in those frequent engagements.

We are flowing resources into Ukraine faster than most people would have ever believed conceivable. Now, from a time, in some cases, from a time that authorization is provided, you know, 4 or 5 days later, we see real capability begin to show up.

Senator Wicker: You are not suggesting they are receiving everything that they are asking for?

Secretary Austin: If I said that, I certainly didn't mean to say that.

What I meant to say, Senator, was we are providing them with those capabilities that are relevant and effective in this fight. And you have seen us do, provide a tremendous amount of anti-armor, anti-aircraft capability and also communications capabilities, as well as UAVs. And we are also looking to help them in a number of other ways.

But we are providing those capabilities that have proven to be absolutely effective in this fight.

Senator Shaheen: [Presiding.] Thank you, Senator
Wicker.

Senator Gillibrand?

Senator Gillibrand: Thank you, Madam Chairwoman.

General Milley and Secretary Austin, I just want to commend the fine work you are doing in Ukraine, with regard to being supportive of the Ukrainian people's will to fight and will to win.

I went with a delegation with Senator Ernst just a few weeks ago and we were able to meet with the 82nd Airborne, as well as our troops in Poland, as well as troops that are doing exercises in Germany. And I can say it was extremely inspiring and something I think that you should be very proud of.

Do you believe our current strategy is sufficient for Ukraine to win the war against Russia and if not, what shifts in strategy would you suggest, and second, we talked about how this conflict could ultimately be resolved and I want to know if you are engaging with any Russian counterparts or whether any NATO allies are doing so?

Secretary Austin: In terms of whether or not we are engaging with Russian counterparts, both the Chairman and myself have frequently reached out to our counterparts in Russia to try to ensure that we maintain a dialogue; that is, in the last, since mid-February, that has not been very, we have not been very successful because the Russians have
not responded.

In terms of whether or not, you know, this is the right approach, you know, our goal, our objective has been to make sure that we help Ukraine defend itself, protect its sovereign territory. And they have done a credible job of doing that, because they have the will, the determination to defend their sovereign territory; that has been really, really impressive.

But you also need the equipment, as well, to do that. And so, we provided them those antiarmor and anti-aircraft weapons and also the UAVs that they have been really somewhat decisive, for lack of a better term, in a number of these fights.

Putin thought that he could very rapidly take over the country of Ukraine, very rapidly capture the capital city, but he was wrong. And he was wrong, in part, because he made a number of bad assumptions, but also, in part, because of the stiffness of resistance that he encountered.

I think, you know, Putin has given up on his efforts to capture the capital city. He is now focused on the South and East of the country and our goal is to make sure that we give the Ukrainians everything that they need, that we can possibly get to them, as fast as we can get it to them, and we are pushing it very, very quickly, so that they can be successful in that fight, as well. And that will be our
focus going forward.

Senator Gillibrand: General Milley?

General Milley: Yeah, Senator, I would say that, you know, what does winning look like?

I think winning is Ukraine remains a free and independent nation that it has been since 1991, with their territorial integrity intact. That is going to be very difficult; it is going to be a long slog. This is not an easy fight that they are involved in.

The first part of it has probably and successfully been waged here in the last 6 weeks. They have managed to defeat the Russian onslaught on to Kyiv, but there is a significant battle yet ahead down in the Southeast, down around the Donbas-Donetsk region, where the Russians intend to amass forces and continue their assault.

So, I think it is an open question right now, how this ends. Ideally, Putin decides to ceasefire, stop his aggression, and there is some sort of diplomatic intervention, but right now, that doesn't look like it is on the horizon, the immediate horizon.

Senator Gillibrand: And do you believe we need any shifts in strategy or are you, do you believe that the current course is the best course? And are there any concerns about escalation that you need to mitigate?

Secretary Austin: Yes, I do think the current strategy
is the right strategy, which is, number one, do not engage
in armed conflict with Russia; United States forces don't
engage in armed conflict with Russia. And second is to
continue to support the Ukrainian people and their
government with sufficient weapons and arms, et cetera, so
that they can help defend themselves. Third is to maintain
the cohesion of NATO, because NATO is a very powerful
organization in its both, the military and political
alliance in many ways, and it definitely acts as a
deterrence.

So, those are the three main objectives the President
has laid out for us as the uniform military and we will
continue to execute those and I think that is the right
track.

Senator Gillibrand: Thank you.

I have expired my time, but I want a question for the
record. Secretary Austin, the People's Republic of China
have rapidly advanced their cyber and information warfare
capabilities and Russia's ongoing cyberattacks against
Ukraine are an indication of how this dimension of warfare
is bound to become more complex.

What are some broad strategies and approaches that we
should be considering to recruit more civilians and
uniformed personnel to improve our cyber readiness?

And you either do a short answer now or submit your
answer for the record; it is your choice.

Secretary Austin: I will take the question for the record, Senator. Thank you.

Senator Gillibrand: Thank you very much.

[The information follows:]

[COMMITTEE INSERT]
Chairman Reed: [Presiding.] Thank you, Senator Gillibrand.

Senator Fischer, please?

Senator Fischer: Thank you, Mr. Chairman.

I want to begin by noting my frustration with the timing of this hearing. We are here today to review the Department's budget, but we have no detailed budget justification data. My understanding is that the J book will be released mid-April.

We can't talk about any strategy, either. The administration's National Defense Strategy, the Nuclear Posture Review, and the Missile Defense Review, were submitted to Congress last week, but all of those documents are classified. Last year and in 2017 and 2018, this committee delayed the Secretary's testimony so that there was ample time to review the budget and have a meaningful oversight hearing and I am disappointed that that is not the case.

With respect to the NDS and the NPR, I would note that the previous administration released these documents publicly in early 2018 and the committee had almost 3 months to review them before Secretary Mattis and General Dunford appeared to testify.

Secretary Austin, in your opening comments, you said that in this budget, resources are matched to strategy,
matched to policy, matched to the will of the people.

I think having this hearing without any detailed information about the budget and when we are unable to openly discuss any of the administration's strategy documents directly undermines the Committee's ability to conduct its oversight work and it is contrary to the spirit of transparent government that these public hearings are intended to support.

I will be deferring most of my questions to the classified portion, but I do have a few that we were able to glean from the top lines that we were given.

Secretary Austin, in Section 1684 of the 2017 NDAA, it was directed that the Department would designate an acquisition authority to be responsible for defense of the homeland from cruise missile threats, but the Department has still not made such a designation.

What is the status of this and does the Department intend to make a designation and when or can we expect that to happen in the near future?

Secretary Austin: Well, thanks, Senator.

We do intend to make a designation and we will, again, we will move out smartly on that.

In terms of being transparent and when the budget, detailed budget is released, I would like to ask, invite Mr. McCord to make a couple of comments there. But it is our
goal, it is our desire, it is our mandate to be as transparent with you as possible and we will do that.

Senator Fischer: I would like to continue with my questions, since I will run out of time here, but I would point out that one of my missions, and I have talked to you about it, I have talked to all of the service chiefs to the Joint Chiefs, to be able to declassify much of the material that we see as members of Congress. And I think there are ways to do that, and we have to be able to do that so that the people of this country understand the threats that we face. So that when they have the information and can review that for themselves, they will support our national defense.

They will support our national security. And I feel that we have gone backwards here in making these classified documents and not being transparent.

But if I could continue, given the increasing cruise missile threat to the United States, again, I think it is important that we make this designation. It was in the 2017 NDAA and that was a long time ago, so I hope that you will step up and do this.

Also, Secretary Austin, under this budget, the Air Force is divesting 369 aircraft this year and buying 87, which is a net loss of 282. The 5-year plan projects buying 467 aircraft and divesting 1,468, a loss of 1,001. And the Navy's battle force shrinks as well, under this budget,
dropping from 298 ships today, to 280 in fiscal year 2027.

You know, I am open to the concept of divesting of legacy platforms, but I think that is dangerous and a dangerous way to put stress on the force that we have.

So, how are we planning to deal with that dilemma and are we expecting operational demands to fall, you know, how realistic is that?

Secretary Austin: Well, thanks, Senator.

First, let me just highlight that there -- affirm that there will be an unclassified version of the strategy that comes out a bit later.

Again, in terms of a divestment and investment, we are investing in those capabilities that will enable us to be decisive in the future fight. And those capabilities that are not survivable in that fight, I think that we have divest of them, and also, because they are very expensive to maintain.

We can use those resources to invest in future capabilities, the kind that we need to the next fight. And so, that is our strategy. And, again, as you match the budget to the strategy, I think you will find a direct match there.

Senator Fischer: Thank you. I hope you remember it has to be matched to the will of the American people, as well.
Thank you.

Chairman Reed: Thank you, Senator Fischer.

Senator Blumenthal, please?

Senator Blumenthal: Thank you, Mr. Chairman.

Thank you both for your service. I will say on my own behalf, that we are very, very fortunate at this very dangerous time in our nation's history to have one of the most impress I defense and national security teams in recent history. So, thank you for your service to our nation at this very perilous time.

You know, I have visited Ukraine, as well as more recently, Poland, the Ukrainian border with a number of my colleagues. Since 2014, I have very vocal, indeed, vehement, in support of more lethal arms delivered more quickly to Ukrainians while they have lost 14,000 of their men and women in this fight for close to a decade against the Russians.

And now I must say that I continue to feel that we need to do more and do it more quickly in providing lethal arms to Ukraine, including fighter jets, air defense systems, ammunition, Javelin missiles, Stingers, and other systems that the Ukrainians can use.

Now, I agree that it is going to be a long slog, Mr. Chairman. It is a protracted war going to the east, but we need to be there for the Ukrainians in the midst of this
long slog.

And you have said that the outcome is an open question, but what troubles me is that saying it is an open question is a prediction. The objective is to enable the Ukrainians to win and it seems to me that often our strategy seems somewhat schizophrenic.

We want the Ukrainians to defeat the Russians, but we are afraid that pushing Putin into a defeat may provoke escalation. It seems to me that we need to address those fears and realistically provide Ukrainians what they need to win.

And so let me ask you whether you feel, for example, that we can do more to train the Ukrainians in anticipation of that long slog to use more advanced weapon systems that we could provide. Number two, can we provide systems such as the A-10s that we are, in fact, diminishing in use in our own armed services? Can we provide more enabled assets to be more effective in the kinds of aerial defenses that will stop Putin's reign of terror?

Can you give me an assurance that we will do whatever it takes to enable the Ukrainians to win, while avoiding the escalation into a nuclear confrontation?

Secretary Austin: Well, thank you, sir.

Well, first of all, I have to tell you that providing the Ukrainians what they need is at the top of my list of
things to focus on every day, and this is a thing that the Chairman and I talk about with our subordinate commanders every day. And we are personally involved in engaging countries in the region and around the world, quite frankly, in trying to make sure that we not only provide what we can, but that we are getting some assistance from other countries.

There are some 30 nations that are providing assistance, in addition to us, and that is the part that you don't see on a daily basis, because we don't talk about it very often. Many of these systems are systems that the Ukrainians are used to using. They have been very effective, thus far, and we will continue that work.

Can we provide them training?

Our focus right now is to provide training, where necessary, on those systems that we are providing them, you know, that we can get that training done in short order.

They are in a knife fight and so, you know, taxes large numbers of people out for long periods of time is not helpful to them.

On the A-10, I will invite the Chairman to comment on this, but, again, this is a high-threat, air defense environment and the A-10, we have to do the analysis to ensure that if you did that, it could survive and I question whether or not it would survive in the current environment.
Senator Blumenthal: Let me ask you this, Mr. Secretary, shouldn't we be using, now, the Defense Production Act to produce more of the Javelins, the Stingers, all of the stocks that we are using and diminishing and running low on and our allies, as well, shouldn't we be applying the Defense Production Act?

Secretary Austin: We are pushing hard and engaging industry to make sure that we move the production of these items as quickly as we can, and that is not an easy task with at least one of the items there. But we will move this, continue to move this in terms of additional production as fast and efficiently as we can.

Senator Blumenthal: And are you alarmed that the Russians are not returning your call, that they are not communicating with you? Shouldn't we be alarmed?

Secretary Austin: Disappointed, for sure. But, you know, again, based upon what they have done, nothing surprises me, but it doesn't mean that we will stop reaching out to engage them. I think we have to have the ability to talk to the leadership.

Chairman Reed: Thank you, Senator Blumenthal.

Senator Cotton, please?

Senator Cotton: Secretary Austin, why will you not say the words "win" and "victory" when it comes to Ukraine?

Senator Blumenthal just gave an impassioned speech
about this. It is clear that it is what both parties want.

I reviewed your written testimony. You talk about
deterrence 29 times. You never once used the word "win" or
"victory" in reference to Ukraine, nor does the Secretary of
State, the National Security Advisor, the vice president, or
the President.

Have the words "win" and "victory" been purged from the
administration's vocabulary when it comes to Ukraine?

Secretary Austin: The word "win" has certainly not
been purged from our vocabulary.

Senator Cotton: Do you want Ukraine to win or do you
want this war merely to end?

Secretary Austin: I think the Chairman pointed out
very accurately what our desired end state would be:
Ukraine maintains its sovereignty and its ability to protect
its country, defend itself; it maintains its government.

Russia is weakened militarily and Russia, from a
geopolitical standpoint, has, you know, is a pariah and, you
know, countries will not volunteer to align itself with
Russia. Some of that will happen, but we can see those
kinds of things beginning to happen.

Senator Cotton: I thought, I mean, I thought the
Chairman's response to Senator Gillibrand was pretty good on
this point about what Ukraine winning looked like: a free
and independent Ukraine with sovereignty and control over
its own territory.

Does that include the territory that Russia or Russian proxies controlling the Donbas, as of February 24, the day before the invasion?

Secretary Austin: I think it is appropriate to let President Zelenskyy and the Government of Ukraine define what that is going forward, sir.

Senator Cotton: Are you or anyone else in the administration discouraging President Zelenskyy or your counterparts from launching attacks that would involve taking back any part of the Donbas or the Crimea?

Secretary Austin: No.

Senator Cotton: Are you providing them intelligence to conduct such attacks?

Secretary Austin: We are providing them intelligence to conduct operations in the Donbas; that is correct.

Senator Cotton: In the Donbas, on the territory that Russia or its proxies controlled before the invasion?

Secretary Austin: Yeah. And we are going to make --

Senator Cotton: Offensive operations to reclaim their own territory, are you providing that intelligence to them?

Secretary Austin: We want to make sure that is clear to our force, and so updated guidance that goes out today, we will make sure that that is clear.

Senator Cotton: Updated guidance. So, that means that
the current guidance has said, don't provide that information?

Secretary Austin: Well, certainly, the current guidance was not clear in that regard, so we will make sure it is clear.

Senator Cotton: And I think this is part of what you heard from both parties in this committee, is that as much as we have done, we are still engaged in too many half-measures. There is still too much hesitancy intended to miss in our posture towards this war.

And I just want to talk about our own posture. Admiral Richard testified to the committee that he had advised that we should go forward with a normal routine, regularly scheduled test of our ICBMs. That test was postponed and now it has been canceled.

Why did you cancel that test, Mr. Secretary?

Secretary Austin: Well, we postponed it so that, you know, again, we are at a very tenuous point. We wanted to make sure that we were doing prudent things and managing escalation. And we reached a point where I made the decision that we had postponed it to the degree that it was best to go ahead and cancel it.

I would tell you that I am confident in our ability to maintain our programs and to stay on track and to provide a credible deterrence and to protect our allies and partners.
Senator Cotton: Well, this, see, I am confident, as well. I am confident because we do conduct these routine tests. We don't cancel them because Volodymyr Putin has decided to invade one of his neighbors.

And the fact that we postponed it and then we canceled it because it is escalatory, to me, just says to Volodymyr Putin, that we are nervous about what he is going to do, as opposed to trying to make him nervous about what Ukraine and America and NATO is going to do next. This is a form of --

Secretary Austin: If we were concerned about him being nervous --

Senator Cotton: This is a form of self-deterrence. I mean, the Chairman has said this war could go on for years.

If a missile test in March of 2022 is escalatory, is it going to be escalatory in 2023 and 2024 and 2025?

Secretary Austin: It really depends on what is going on at that point in time.

Senator Cotton: All right.

Secretary Austin: If you will look at, I know it is not lost on you, Senator, that we have rapidly deployed forces to the eastern flank. We have pushed in a tremendous amount of security assistance to Ukraine. And none of those actions indicate that we are afraid of Mr. Putin.

Senator Cotton: All right.

One final question for the Mr. Chairman. General
Milley, I constantly hear concerns about professional military education across the services, that it is not focused enough on rigorous, operationally focused education. There is too much things that are kind of beyond the core warfighters' domain like, you know, international studies, or development, economics. You put out a very strong memo on this in May of 2020. Unfortunately, I still hear that some of the schools are not implementing that fully.

Could you talk to me a little bit about your concerns in that memo and what plans you have to make sure that that is driven down to the lowest level at our professional military education schools?

General Milley: Yeah, thanks, Senator.

Look, the U.S. military has two tasks: prepare for war and fight and win wars. That is it. And the PME is designed to do that.

We set out that guidance in 2020 to emphasize that, warfighting, operational skills, strategic thought, et cetera, and we do periodic reviews. I just got a report probably about a couple of weeks ago, actually.

I said, how many contact hours do we do in the war colleges and staff colleges? It came out to, round figures, just under 5,000.

I did the math, my guys did the math, the analysis, and
80 percent of that time was spent on warfighting, operational art, and strategy. The others are spent on things like congressional engagement, public affairs, administrative tests you have to do to run the military. So, it is focused, 80 percent of the time is focused on the warfighting skills necessary for command and leadership at the staff level at different organizations.

Chairman Reed: Thank you, Senator Cotton.

Senator Cotton: I would really like to take it to 100 percent.

General Milley: Sure.

Senator Cotton: I bet the one thing you would like to strike is the congressional engagement?

General Milley: No, it is an important --

Chairman Reed: Thank you, Senator Cotton.

Senator Hirono, please?

Senator Hirono: Thank you, Mr. Chairman.

Secretary Austin, I want to commend you for reaching the decision that you did to de-fuel and permanently close the Red Hill storage facility on Oahu. Ensuring the health and safety of our citizens has been my number one priority, and this decision not only protects the island's drinking water, but will ultimately benefit operations in INDOPACOM as we look to expand our ability to operate in a distributed manner across the AOR.
I also would like to particularly thank Deputy Secretary of Defense Katherine Hicks for her diligent work on this issue and her communicating with me personally. And the closure of Red Hill is going to be a multi-year, multi-phase endeavor. There is a de-fueling process, itself; the closure of the facility; the cleanup of the site. The entire effort will require significant planning and resources for years to come.

I ask you to work closely with the Hawaii Department of health and the EPA as we go forward. And the funding in the President's budget shows DOD's commitment to the long-term closure and cleanup of Red Hill and demonstrates, very importantly to the people of Hawaii that the environmental remediation will not fall to the wayside.

Secretary Austin, would you like to add any comment to this?

Secretary Austin: Just a couple, Senator.

First of all, I want to thank you, personally, for your leadership and that of your colleagues in doing the work that you did to help us work our way through this and we remain grateful to that. I would also highlight that the safety and security and the health of, you know, our troops, our families, the people in the community, it is absolutely important to the Department of Defense.

And you are correct, we have allocated funds that will
help us begin to address the critical components here going forward. The de-fueling process, remediation, will be, no doubt, carry a significant expense. And I certainly hope that Congress will continue to support us, as you have done to this point. So, thank you.

Senator Hirono: Thank you for your continued leadership.

Secretary, it is my understanding that this year, the National Defense Strategy and the Missile Defense Review were developed simultaneously for the first time to ensure alignment of decision-making across these documents.

In the NDS, one of your four stated priorities is defending the homeland, which will make sense to ensure that missile defense is in line with that priority. And though the budget justification books are not out yet, one concern I have is for the defense of Hawaii for missile threats.

To date, the Department has spent significant resources on HDH -- HDR-H Hawaii, which I have supported, because we were told many times that this was required by the operational commanders. And while we wait for greater detail on the Department's decision relating to the future of HDR-H Hawaii, I would like to understand the Department's position on defense of Hawaii and how, if HDR-H Hawaii is not funded, how the Department plans to upgrade radar discrimination capability for the defense of Hawaii.
And the question is, Secretary Austin, what is your plan for the future defense of Hawaii from missile threats?

Secretary Austin: In terms of the defense of Hawaii right now, we are absolutely committed to defending this country. Hawaii is a key part of that defense and certainly is defended as we speak.

Now, going forward, Senator, you will note that we are investing $24.7 billion in --

Senator Hirono: Yes.

Secretary Austin: -- in missile defense and defeat.

And so, you know, we are developing the next-generation interceptor and, you know, our goal is to stay two steps ahead of our adversaries' emerging technologies and Hawaii will absolutely be a key part of that.

Senator Hirono: So, just to be clear, then, if we are not going to be continuing to fund HDR-H Hawaii, that you are developing, as you mentioned, the next-gen interceptors to make sure that Hawaii is defended against missile threats?

Secretary Austin: Absolutely, Senator.

Senator Hirono: Thank you.

I just want to add my voice of concern regarding Senator Wicker's line of questioning, relating to amphibious ships and the fact that there will be only 3 of the 13 planned purchases of the San Antonio-class ships. So, I
just want to add my concern that General Berger had asked for 31 ships and we are falling short of that, so I hope that you have said that you are continuing to work with General Berger, so I hope that we can come to a positive resolution of the need that he has for these ships.

Thank you, Mr. Chairman.

Chairman Reed: Thank you, Senator Hirono.

Senator Rounds, please?

Senator Rounds: Well, thank you, Mr. Chairman.

Gentlemen, let me begin by saying thank you to all of you for your service to our country.

Secretary Austin, I appreciated the comments, the clarifications, and so forth that you shared with Senator Cotton. I think it is really important that the American people understand that we want the Ukrainians to win and that we will support them with the appropriate background intelligence information and weapons so that they can regain the territory that has been lost to Russia, and that includes the area in the Donbas. I think that is a very important, clarifying point, so I thank you for that, sir.

I also, Mr. Secretary, and if this is an issue which you would prefer to have Mr. McCord address, that is fine with me, sir, but the industrial base that we have today in the United States is one that we, particularly, the Defense Industrial Base is one that sometimes comes under question
with regard to our long-term capabilities and, yet, it is something that has been of concern to this committee. And I think that the Joint Chiefs have expressed their concern in the past about our ability to respond and to build the weapons and to maintain the weapon systems that we have.

I want to point out one that we have in the past, and while it did not start on your watch, sir, I think it is critical that we fix it as soon as possible. And what I would like to talk about is an example that I have talked about before. The ability of the Navy, and I am going to use the Navy, because we have used the Navy in the past, the ability of the Navy to manage scheduled maintenance for its vessels is beyond concerning.

The USS Boise is a case in point, but far from being the only example. Now, the USS Boise is a Los Angeles-class nuclear attack sub. It was commissioned in November of 1992. The Boise has not been on patrol since 2015. It lost its dive certification in 2017.

Now, we have had some of our folks, my MLA was onboard the Boise in September of 2019, as its crew executed pre-maintenance procedures. Here we are, 7-years-plus later since it was last on patrol and it is still awaiting its engineered overhaul and there is no funding to allow this to happen until at the earliest, fiscal year 2024, but probably fiscal year 2025.
Now, this is what is concerning. Multiple captains of the Boise have spent their entire command at sea tour while it has been stuck in limbo. American taxpayers continue to pay for a nuclear attack submarine that hasn't executed its mission in 7 years.

Now, myself and my colleagues have asked tough questions of Navy leaders for at least the last 5 years and yet nobody in the Navy has been able to solve the problem.

Now, I am hearing that the Boise may be decommissioned without ever receiving an overhaul.

I think this is simply not acceptable to have the taxpayer-funded, nuclear attack submarine with those capabilities out of service for more than 7 years and we can't seem to get to the bottom of what the problem is.

Mr. Secretary, I am not sure if you are prepared to discuss this or if you would like to have Mr. McCord attempt it, but I would sure like to hear your thoughts.

Secretary Austin: Well, thanks, sir.

I would certainly invite Secretary McCord to make comments as well, but a couple of points that I would make up front is that, as you have heard me say, we continue to invest in our sub capability, especially the Columbia-class and that will continue going forward. We think it is critical.

But the issue that you raise, I think, is an issue of
capacity in our shipyards and so this budget invests $1.7 billion in public shipyard capacity and the industrial base. I think it is critical and we will continue to do our part to make sure that we are helping industry have what it, are helping create the capacity to take care of our capabilities here.

Senator Rounds: Mr. Secretary, thank you.

And perhaps rather than spending the rest of my time on this particular one, could I ask, would you get back with us and let's find a solution to this problem.

Secretary Austin: Sure. Absolutely.

Senator Rounds: Thank you.

General Milley, I have just one question for you and that is, I know that you have been an Army officer and that you have commanded ground troops and you understand the need to have all possible systems available for their use.

There was and there continues to be a question as to whether or not land mines should be a part of our systems of operations and, yet, sometimes I think people get a misunderstanding of the difference between anti-vehicle land mines and those which are anti-personnel land mines and they don't understand the differences on them.

This is a needed capability for our Armed Forces, is to have the ability for these land mines to be able to be used in certain situations. You understand that.
The Army has been developing land mine alternatives for over 12 years, yet the objective capability is not scheduled to be fielded until at least fiscal year 2030 or 2031. To me, the results are unacceptable to the mission and to the force.

General Milley, could you, using your best professional military advice, share with this committee, the need or without the need for the upgrade of land mines and its critical importance to our Armed Forces.

General Milley: Thank you, Senator.

I do think land mines are important, especially if you are in the defense, but also in any other capability in order to shape enemy operations. We need to look no further than what is happening, actually, in Ukraine. Land mines are being effectively used by the Ukrainian Forces to shape the avenues of approach by Russian armored forces, which puts them into engagement areas and makes them vulnerable to the anti-tank, the 60,000 anti-tank weapon systems that we are providing the Ukrainians. So, that is one of the reasons why you see column after column of Russian vehicles that are destroyed.

So, anti-tank or anti-personnel mines are a very effective use in combat. There is a policy governing those for the United States for use and we are, the reason we are developing a newer one is so that they time out and they
don't present harm after the conclusion of hostilities and they would self-detonate or self-, you know, destroy. They become inert at the end of hostilities. So, but land mines are a very effective use in combat.

Senator Rounds: Thank you.

Thank you, Chairman.

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

Senator Kaine, please?

Senator Kaine: Thank you, Mr. Chair.

And thank you to our witnesses for your service and for your effective work in recent months.

So, as Russia moves the focus on their military operations to Donbas and the South, how would you, Secretary and Chairman, characterize North and West Ukraine, now, is it battlefield or non-battlefield?

Secretary Austin: Well, I would still categorize it as part of the operating environment, the battlefield, the battle space. There is no telling what Mr. Putin will decide going forward. Certainly, we expect that he will continue to conduct strikes throughout that landscape and so, in my view, it is still part of the battlefield.

Senator Kaine: General?

General Milley: Yeah, the same thing.

I mean, the main effort, if you will, of the Russians
is shifting to the South and the city of Donbas, as reported through the news. And that really goes from Kherson all the way up through Kharkiv with the main effort in the vicinity of Izium.

But the rest of Ukraine is still a battlefield, because there is air and missile strikes that still go on and, you know, Russian Special Operations Forces are still operating in some of those areas. So, it is clearly still a combat zone and the rest of Ukraine, as well.

Senator Kaine: As the war ratchets up in the South and East, do you agree with me that it is likely that Ukrainians in that region, in some numbers, will try to flee the region, either to other parts of Ukraine or to other countries?

General Milley: I think for civilians, the answer, you know, the human instinct to survive is very powerful, so as they recognize the danger they are in, I think there will be a high likelihood that additional refugees or internally displaced persons will leave. We already have got five million or so refugees and another five million, I think, of internally displaced. We are well over 10 million right now and I would imagine more will leave that area.

Senator Kaine: And as a general matter, I think Ukrainians would like to say in their own country.

If we could shape it, wouldn't it be better for those
fleeing the East to go elsewhere in Ukraine if they were safe, rather than to go into other nations, where they are a significant burden on other countries?

General Milley: Sure.

Senator Kaine: If President Zelenskyy were to appeal to the United States, NATO, the U.N., and say, the ratcheting up of the war in the East is going to create such a pressure for people to flee, these people want to stay in Ukraine, can you guys, our allies and NGOs flood humanitarian relief into Western Ukraine, shelter, medical capacity, food, so that displaced persons in large numbers, will be able to come to a place in Ukraine, rather than flee across the borders and if President Zelenskyy were to ask for the United States' assistance in doing that, should we seriously entertain that request?

General Milley: I would say that is a policy question, but in terms of humanitarian aid, there is a lot of humanitarian aid moving into Ukraine in addition to the military. But the latter question, or the question, itself, I think is more appropriate as a policy question.

Senator Kaine: Mr. Secretary?

Secretary Austin: I agree with the Chairman, Senator. It is a question that our leadership will have to take on and be very deliberate about. And one of the things that we would need to consider is what we need to do if we are going
to put people in there to protect that area, and that is a
decision that takes you to, you know, to fighting the
Russians.

And so, that is a pretty significant decision, but I
would emphasize what the Chairman has said, USAID and others
are flowing a lot of humanitarian assistance across the
border now and the Europeans are pretty good at providing
this kind of assistance.

Senator Kaine: Right. Let me switch topics.

Some of my colleagues have raised the concern about
inflation and what that means with respect to the defense
budget. There is other economic trends, other than
inflation: historic job growth right now, historic growth
in the GDP, historic growth in wages and salaries.

This morning, new unemployment claims were announced
and it is the lowest number since 1968. In January of 2021,
we are seeing 965,000 new unemployment claims a week. It is
166,000 now.

Many of us met with Admiral Gilday and Secretary Del
Toro this morning. We asked about, hey, that is fantastic,
the strong job growth is great, but it also creates
workforce challenges, both within the uniform service, but
also in our industrial base.

How are you tackling the workforce needs of our defense
system today when the unemployment rate is dropping so
quickly?

Secretary Austin: Well, that certainly does, one of the things that creates headwinds for us going forward in terms of recruiting not only uniform personnel, but also getting the right kinds of talent that we need to fill our ranks here. We will continue to, you know, devote resources to making sure that we are doing the right things and marketing and advertising and outreach.

But these are challenges that we faced before and we are just going to have to double-down and make sure that we are active in the right areas and we are committing the right resources to make sure that we get the quality people that we need to be successful.

Chairman Reed: Thank you, Senator Kaine.

Senator Ernst, please?

Senator Ernst: Thank you, Mr. Chair.

And gentlemen, thank you so much for your continued service to our great country. We are appreciative.

And Secretary Austin, there has been a lot of discussion about Ukraine and Russia this morning. And in your opening statement, you did say that U.S. security policy must reflect the will of the American people. And the American people right now, we are calling on the administration to do more and to be tougher on Russia and bring more capability to bear for Ukraine.
The Washington Post just this morning, in one of their polls, found that 56 percent of Americans think we haven't been tough enough on Russia. And so, whatever the hesitancy to say when for Ukraine, victory for Ukraine, I will say it, and I know a number of my colleagues will say it. I feel very firmly about victory for Ukraine and maintaining its sovereign integrity as a nation. Their democratic form of governance, is it all very important to so many Americans, because so much Americans see themselves reflected in the Ukrainians. They are a first world country. They have come a long way over the last 30 years. So, success to me, is still a free and sovereign Ukraine.

So, I do hope that we will continue to press very hard to make sure. As you say, things are speeding up, delivery of lethal aid, but we absolutely must ensure that we are doing everything we can for the country of Ukraine and the citizens that are there.

And so, I am going to turn, because we have focused lot offer Ukraine and Russia. General Milley, I just, I would like to jump to Central Command, if we can. I am concerned about the budgetary cuts and some of the flatlines that we are seeing across our CENTCOM operations budget.

And many of the extremist organizations that are backed by the Iranian regime are striking across the region and there are four terrorist organizations that are now
operating in Afghanistan and yet we don't have a U.S. footprint there to make sure that they aren't pushing threats against our homeland.

So, have your Gulf State military counterparts, particularly, Egypt, Saudi Arabia, and the Abraham Accords-member countries, react to our reduced military budget, have you had any input from them?

General Milley: Not about the budget per se, but there is concern because we have, the Department of Defense, we are doing a global posture review, as you know, and we are making adjustments to the footprint and then the Ukraine situation is a new development since we began that review quite some time ago. And CENTCOM is part of that review, as well.

So, there is concern in the CENTCOM area of operations about what the result will be in terms of the footprint in CENTCOM and we are continuing to work with our allies and partners to make sure that it is appropriate to the level of threat. We clearly recognize the terrorist threat both, the residual threat in Afghanistan, but also throughout the region --

Senator Ernst: Uh-huh.

General Milley: -- and we think that we do have "over the horizon" capabilities, which we can discuss in classified session, but we do think we are effective in
being able to find, fix, and when necessary, strike any potential threat to the homeland.

Senator Ernst: And it has been reported that the Emirates won't accept the President's phone calls. Are you able to visit with your counterparts in the U.A.E.?

General Milley: I have not had any issue contacting counterparts in the Middle East.

Senator Ernst: And thank you for continuing the conversation with them. It is important that we maintain relationships through the Middle East, so I do appreciate that.

With the administration continuing the negotiation of the Iranian nuclear deal and then pair that with the reduced footprint that we have in the Middle East, is that driving some of the Gulf States' neutrality when it comes to the Russian-Ukrainian conflict, your opinion?

General Milley: I actually don't know. I would have to ask them point-blank. I haven't asked those questions point-blank to them. I think they probably, I don't know, I would be speculating, so I would have to get back to you on that.

Senator Ernst: Oh, okay. No, I appreciate that.

And then just very briefly, as well, we haven't talked about this today, but it is something that is on my mind, and that is recruiting for our military. And we have found
that Americans between the age of 17 to 24, only 29 percent of them would even be eligible to enlist.

Just very briefly, thoughts on that?

General Milley: That is, you are about right, 29 percent are eligible to meet the standards: medical, educational, discipline, legal, all that. And even less than that have a propensity, it is less than 5 percent that have a propensity to serve. And we know that part of that is because of COVID. We know that propensity to serve goes up once you make contact.

So, contact, personal contact with individuals out there in the recruiting regions, that is the key to propensity to serve. So, it is a tough recruiting environment right now, and as you know, I think the Army is a little bit behind. The Navy, Marines, and Air Force are all meeting their marks. We are only 4 months into the year and that will get adjusted as high schools graduate in the summer. And I think at the end of the year, the Army is projected to come in a point or two below the 100 percent.

The other services are going to be at 100 percent.

Senator Ernst: Thank you.

Thank you, Gentlemen.

Thank you, Mr. Chair.

Chairman Reed: Thank you, Senator Ernst.

Senator Warren, please?
Senator Warren: Thank you, Mr. Chairman.

So, in the new budget, the Pentagon is asking for a lot of money: $773 billion. But some lawmakers say this is too low and last week they proposed adding as much as ninety to $100 billion more. The claim is that the extra money is needed because of inflation.

Now, there is no question that inflation is raising costs across the country, but we have also seen big companies taking advantage of inflation to jack up prices and to pad their profit margins. That is a particular problem in industries with lots of consolidation.

The defense industry, which had 51 major companies competing for defense contracts 30 years ago, today, has five. That is concentration.

Price gouging by defense contractors has been a big problem for a long time. Inspector General reports have found that defense contractors charge DOD $71 for a pen that should have cost less than a nickel and $80 for a drainpipe segment that should have cost $1.41. And CEOs are already investing to their investors that profits will be even higher this year. That kind of profiteering wastes taxpayer dollars and it hurts military readiness.

Secretary Austin, let me ask you, under our budget, obviously, you have to account, we have to account for cases where suppliers are increasing prices to cover higher costs
elsewhere in the supply chain. We understand that. But these companies are doing very well for themselves.

Should taxpayers be expected to subsidize higher profits for contractors that are using inflation as a cover to raise their prices above and beyond what is justified by an increase in expenses?

Secretary Austin: The short answer, Senator, is no. And you have any commitment and the commitment of my entire team that we are going to do everything within our power to make sure that we are managing contracts and monitoring behavior so that we enable the people of the United States of America to get best value for its investments.

Senator Warren: Good. I very much appreciate that, Secretary Austin.

You know, one of the things that defense contractors love to do when they are flush with extra cash, courtesy of the taxpayers, is to goose their stock prices. The Pentagon's top contractors spent $15.5 billion on net buybacks last year, sending their stock prices zooming. That is the most of any year on record ever.

But it is not just members of Congress who are using inflation as an excuse to ask for more money from the Pentagon. I was actually troubled to hear some Pentagon officials doing the same earlier this week.

So, Secretary Austin, let me ask you directly: Are you
comfortable with the figure in the President's proposed budget?

Secretary Austin: I am comfortable, and here is why, Senator. I you may have heard me say earlier that we went through great pains to develop a National Defense Strategy and we knew that our budget would have to match that strategy. And so, we went through great pains to make sure that was the case.

This is a robust budget and I think it allows us to get the capabilities that we need to support our operational concepts.

Senator Warren: Okay. And you are good on this number, without adding another ninety or $100 billion to it?

Secretary Austin: We certainly want to have the buying power to get the things that we need, but, yeah, this is, this budget gives us what we need to get the operational capabilities.

Senator Warren: I think that $773 billion for the Pentagon is already way too high, but the notion that we need to increase the total by another $100 billion or $400 billion every year just invites defense contractors to pick taxpayers' pockets.

The American people are willing to pay to defend this country, but they are not going to sit still for being gouged by hugely profitable defense companies. And I
appreciate your help on this, Secretary Austin.

I am almost out of time. But, Mr. McCord, I want to remind you that you owe this committee a backlog of several years of reports on the European Deterrence Initiative.

Do I have your word we are going to get that done soon?

Mr. McCord: Yes, Senator. We will get those reports.

Senator Warren: All right. Thank you very much.

Chairman Reed: Thank you, Senator Warren.

Senator Sullivan, please?

Senator Sullivan: Thank you, Mr. Chairman.

And, gentlemen, thank you for your hard work. I know you have been burning the midnight oil. This committee certainly appreciates it.

I want to agree with Senator Fischer on the NDS and getting that out. I actually read the classified version.

I think there is not much in it that is classified, actually. I think you could get that out publicly pretty soon, you know, maybe remove a certain element to it, but I think that would be important.

I was struck by pretty much everybody here, the Chairman, all of you gentlemen talking about how dire the global security challenges are, great power conflict increasing, more likely.

General Milley, you said the greatest to global peace and security in your lifetime right now.
So, clearly, national security threats have increased since the last time you were here a year ago, isn't that correct, Mr. Secretary? General Milley?

Secretary Austin: Well, certainly, you know, we have been focused on our pacing challenge of China.

Senator Sullivan: Yeah.

Secretary Austin: And Russia is an acute threat and, right --

Senator Sullivan: But I mean, I don't want to be rude, but since you testified last year, your testimony today, both of yours with last year's, the security threat has been significantly heightened and that is what you have both just said, correct?

Secretary Austin: Tensions are certainly heightened, that's right.

Senator Sullivan: General Milley?

Well, you already said it, so --

General Milley: That is correct.

Senator Sullivan: So, here is the thing on that. I am actually stunned that the President put forward another budget that actually calls for real defense cuts. A 4 percent increase with 8 percent inflation is a 4 percent real inflation adjusted budget.

I think it is irresponsible. I think it is dangerous.

When you look at shrinking the Navy, shrinking the Air
Force, there is no doubt in my mind that that gives our enemies comfort and I think that this budget doesn't align with your statements about the severity of the national security challenges we face right now.

And what is likely to happen, and it is sad, is that once again, we are going to have to push the President to increase the budget in a bipartisan way, the way we did it last year. It is sad.

The Commander-in-Chief can't reject some of his far left members and say, we need a robust budget. We put forward a budget that cuts defense spending, so I am going to have problems with that.

General Milley, I want to compliment you on your speech. I think it was in 2016, you gave a really prophetic, in my view, speech on Putin and the threat he brings forward. And you were all criticized for that speech, I remember, but I think if you re-read the speech, you were right on with what was happening.

But you are seeing, here, I think there is a source of bipartisan frustration to what is happening. I know you have been working hard on Ukraine, but I think when the intel committees were briefing us prior to the invasion, they got it right and so did all of you, what was going to happen.

Then there was this notion that, and we were all
briefed on it, that they were going to lose, the Ukrainians, within 7 to 10 days. That was the uniform briefing: they are going to get crushed.

Okay. They got that wrong. A lot of people got that wrong.

I think the shift that we need to do now is to Senator Blumenthal, Senator Cotton, Senator Ernst, to strategically think about victory. And, again, General Milley, I know you are working this hard, but when you have to talk about key objectives, number one, don't engage Russia with a conflict, keep NATO cohesion, support the Ukrainian people as the key objectives, doesn't it make sense to have as our number one objective, imposing a strategic defeat on Putin that we have the opportunity to do right now in align with what you said.

And I think that is a source of frustration for a lot of senators. We are not hearing that language.

General Milley: I mean, I think, well, I have heard that language many times, actually.

Senator Sullivan: Well, I mean, you just listed the three objectives.

General Milley: I did.

Senator Sullivan: Those were the, to be honest, they were all defensive-sounding.

General Milley: Yeah.

Senator Sullivan: Here is what we won't do. Here is
what we won't do.

General Milley: Right.

Senator Sullivan: Here is what we will do.

But what about, we are at a big moment. This is bigger than Ukraine. What about --

General Milley: If I may?

Senator Sullivan: Yes, sir, go ahead.

General Milley: At the national level, the President has said to us, at large, the national security team, to impose severe costs and do not let Putin win to ensure that Ukraine --

Senator Sullivan: I would respectfully recommend you put that as your number one objective. You didn't even mention that in your three objectives.

General Milley: Right. But those severe costs are being done by other elements, not the U.S. uniform military. That is why, the U.S. uniform military has a different task here, which is to ensure, deter our NATO allies to prevent war expanding and escalating, to ensure that Ukraine gets the means that are necessary in order to defend itself so it can remain free and sovereign, and then also to continue to maintain the cohesion of NATO. Those are the uniform military tasks. We are not talking about a broad, but just the uniform military tasks.

Senator Sullivan: Let me -- I have one question, Mr.
Chairman, and it will be quick, just one final one.

There are press reports that the JCPOA consideration, one of the big redline debates right now is for us to agree, us, the United States, the to delist the RGC as an organization that sponsors terrorism. The Iranians want it.

You gentlemen, unfortunately, have led troops, some of our finest, over 2,000 wounded and killed by the Quds Force IRGC with the weapons they supplied to Iraqi militias. I am sure hundreds under your command were killed or wounded. The IRGC has recently been responsible for missile attacks in coordination with the Houthis against U.A.E. civilians, our longstanding ally in the region, U.A.E.

Is there any universe in which the two of you could say you support the delisting of this terrorist organization with blood of American soldiers on its hands, recently, and delist them as state sponsor of terrorism because Iran wants it?

We should tell Iran to go pound sand. There is no way in hell that they shouldn't be delisted. What do you two in your personal opinion, given how much experience you have with Iran in the Middle East, believe on that question?

Secretary Austin: Senator, respectfully, I won't comment on negotiations that are ongoing and speculate on what my advice to the President is going to be. So, I will --
Senator Sullivan: In your personal opinion, we have asked you before that you can give us that, even though it might conflict with the administration's view. That is what you committed to do with this committee, so I would ask you, again, both of you, your personal opinion.

Secretary Austin: And my answer remains unchanged, Senator. Thank you.

Senator Sullivan: General Milley, you have been asked in your personal opinion.

General Milley: Yeah, Senator, just for clarity, political appointees are different than me. I have to sign a document that requires me to give you --

Senator Sullivan: You are right.

And I am sorry, Mr. Secretary, I didn't mean you. I meant General Milley.

General Milley: So, in my personal opinion, I believe the IRGC Quds Force to be a terrorist organization and I do not support them being delisted from the foreign terrorist organization.

Senator Sullivan: Thank you for your honesty.

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

Senator King, please?

Senator King: Thank you.

A series of fairly detailed questions. Mr. McCord, you
haven't had much fun this morning, so I want to try to get you into this discussion.

The Ukrainian aid that we have supplied thus far and we are planning to supply and will undoubtedly supply more in the future, where does that fit into the defense budget? We don't have OCO anymore. Is this coming out of the current defense budget? Are they extra budgetary appropriations?

Mr. McCord: Senator, the aid that the Secretary has been talked about this morning, the Javelins, the Stingers, the body armor, all those things have come out of the funding that was provided in the supplemental attach to the omnibus funding bill that was enacted --

Senator King: So, it is not. And there will be a replenishment as well. We are going to have to replenish stocks that we are supplying and also replenishment to some of our NATO allies.

Will that come out of the future defense budget? I am not -- this is isn't an argumentative question, I am legitimately curious.

Mr. McCord: No, you are correct, Senator.

The funding to replenish, part of that supplemental $3 and a half billion of that supplemental was funds to replenish the drawdown materials provided to Ukraine. The first tranche of that was notified to the committee, I believe, last Friday. A billion and a half of those funds
will start flowing, but it is not part of the normal defense budget build to exercise drawdown authority at this level. So, if we are going to continue, that might be something we need to look at going forward.

Senator King: Two other questions. I think you testified you wrestled with inflation as you were preparing the budget. I think you said that the general CPI rate of inflation doesn't necessarily apply to the things that you buy; is that correct? So, it is not accurate to say if we have 7 percent inflation, the military, and the military budget doesn't have 7 percent increase, then it is a cut.

Please explain the inflation as it applies to the military budget.

Mr. McCord: That is correct. About 60 to 65 percent of our budget is buying goods and services from our industrial base and about 25, 30 percent goes to military pay, and then we have a couple other if factors like fuel. We have different inflation rates that are applied to each of them, but by and large, a GDP deflator is the most accurate description of what we buy. That went up 4 percent last year, not 7 percent. That is the point that I was making.

Senator King: A quick other question for you. How are we doing on the audit? That has been something that has been going on as long as I have been on this
committee. Are we making progress to getting toward a clean audit?

Mr. McCord: Senator, we are making progress, but the progress is not where it needs to be. The Secretary has been clear with me on that. The progress we made last year was not where it needed to be and there was a couple of reasons for that, from the gaps in a transition year to COVID.

We have been making some progress that is a bit below the radar screen. It has not yet translated to the pass-fail grades that are the heart of an audit. We do need to redouble our efforts and Secretary --

Senator King: Well, I would appreciate it.

The prior administration made some progress on that and I hope that that momentum won't be lost. This is a responsibility that we have to the American people.

Secretary Austin, there are several wars going on right now. One is in Ukraine, but one of them is also within the United States where about, I think 100,000 people died of overdose deaths last year. That is an attack on our country.

My concern is, when we had SOUTHCOM in here, they don't have, they have 1 percent of the ISR resources worldwide and they don't have adequate resources to interdict those shipments by sea that we know about through our limited ISR.
I would hope that you would pay some attention to that, to add to your attention to that, and also to think about setting this up in some way that there is somebody in charge.

My worry is you have got DEA, you have got the Coast Guard, you have partners, you have the CIA, and you have the Defense Department and nobody is in charge, and the result is two people a day in my state are dying. And I understand we have to work on the demand side, but it is very frustrating when I have testimony year after year that we are only interdicting 25 percent of the shipments that we know about. That is inexcusable.

Mr. Secretary, I hope you will recommit to this war.

Secretary Austin: Two things, Senator. We will certainly make sure that SOUTHCOM Commander has what she needs to be effective in these efforts and, you know, I have discussed this with her before, but clearly, you know, the limiting factor is ISR. And we will work with her to make sure that, where possible, we get her more capability.

Senator King: Well, let's put it in the budget and buy more. I mean, ISR in a function of how many devices you have and it seems to me that is an engineering problem and we should be able to solve that.

I am out of time, but Mr. Secretary, I want to commend you on the significant both in the R&D budget. I think that
is an enormously important area and, frankly, it is an area
where we have fallen behind. Hypersonics and directed
energy are two areas that are strategic game changers that,
frankly, I think our country is behind, and so the
additional resources into R&D is absolutely critical.
Wars often turn on the utilization of new technology. The
English at the Battle of Agincourt with one-third of the
French Army, won that battle because the radical utilization
of the long bow. That changed warfare in 1450 and it is
technology that is going to win the next war.

And so, again, I want to commend you for the commitment
to R&D, and standfast on that. I don't think there is a
more expenditure in the budget.

Senator King: [Presiding.] Senator Cramer?

Senator Cramer: Thank you, Senator.

Thank you both for being here and for your service.

Mr. Secretary, last month, your deputy said that the
Department, as directed by President Biden, aims to reach
net-zero greenhouse gas emissions by 2050. Then, she said,
she mentioned the danger posed by China, illegal Russian
aggression in Europe, persistent threats from Iran, North
Korea, and other state actors. You both, and others that
work with and under you, consistently and appropriately
referenced the importance of modernization, lethality,
readiness, obviously.
My question is, do you think China, Russia, Iran, and North Korea are going to be slowed in their military development by climate-change concerns?

Secretary Austin: I don't believe so and I don't believe we will either, Senator.

Senator Cramer: Do you know if they have plans to reach net-zero, any of them?

Secretary Austin: Senator, I, again, I have asked you for $773 billion to support the capabilities that we think we need and I certainly appreciate what you have done for us in the past, but I think there is also things that we can and should be doing to address the climate issue, as well. It affects our installations. It causes problems that cause mass migration and other things in the areas that we operate in and our forces are committed to fighting wildfires and helping in the aftermath of severe storms on an increasing basis.

So, I don't think this is a thing that we can discount and I think the Defense Department has to do its part.

Senator Cramer: I appreciate that.

And, frankly, I hope that we can give you a lot more than you have asked for to actually do those things, Mr. Secretary. But as you are talking with me, I am imagining the calculation that would measure the negative impact of say, our failure to deter the Russian invasion of Ukraine;
in other words, I appreciate that you have this concern, but I also hope we can keep the main thing the main thing, because just like more energy development in the United States and providing that energy to our allies actually brings down greenhouse gas emissions, I think deterring the same polluters that have benefited from a lower standard than ours would also do the same.

And so, we want to make sure that you have the resources to do exactly what you need to do to get -- to accomplish all of those good goals.

General Milley, maybe I can just ask you. I noticed you don't mention it much; in fact, you didn't at all. The Secretary mentioned climate change five times in his written opening comments. It is referenced in the National Defense Strategy, sort of highlighted. We will see if it is in the national military strategy when you provide that.

But do you think climate change is a military objective that the Department should be focused on tackling?

General Milley: It is a Departmental objective.

For the military, though, for the uniform military, it is a condition under which we will operate and it is something that we will have to took into consideration in the conduct of our operations, for sure, because you know, if you look at Lake Chad as just one example, if you look at a picture in 1950 and look at Lake Chad and look at it
today, well, the reason that there is a lot of instability in that particular region is because there is no water and there are a lot of resource struggles going on.

So, climate change has an impact on military operations for sure, and it is going to be a predictor for where likely instability will occur in the future. So, it is a condition under which we operate, as opposed to something that we can fix.

Senator Cramer: Mr. Secretary, I want to talk a little bit about the fear of escalation. That is, we hear that a lot. It seems that many times the fear of escalating the situation in Russia depends on us and a lot less on Volodymyr Putin. And I just think we have made too many, my personal view is we have made too many decisions based on how we think Volodymyr Putin would respond to this situation, things like limiting the kind of help we would provide Ukraine, how quickly we would provide that help, postponing and then canceling a Minuteman test that was scheduled, a Minuteman-III test and not facilitating the transfer of MiGs, just a few of the examples.

Do you have any evidence that Volodymyr Putin is ever worried that his massacre of women and children civilians would escalatory?

Secretary Austin: You know, I don't know what is in the mind of Volodymyr Putin and a lot of other people don't
either, Senator.

You use the word "fear" and Putin in the same sentence and I just want to point out that my job, one of my key responsibilities is to manage escalation and make sure that we don't find ourselves in a nuclear contest in that is avoidable.

And, again, there is nothing about Mr. Putin that we fear. And you see the kinds of things that we have done in rapidly deploying combat power to Europe and the eastern flank. And what we have done, and continue to do, is provide assistance to Ukraine.

And, you know, not a military issue, but the sanctions that we have imposed on Mr. Putin are going to have a significant impact on his economy for years to come.

Senator Cramer: Thank you, Mr. Chairman.

Chairman Reed: [Presiding.] Thank you, Senator Cramer.

Senator Rosen, please?

Senator Rosen: Oh, there it is. Thank you, Chairman Reed, Ranking Member Inhofe, and thank you all for your service and for being here. Again, we appreciate how accessible you are to this committee and others.

General Milley, last month, I traveled to Poland and Germany as part of a bipartisan codel led by Senator Ernst, several other members of this committee on the codel. We
had the privilege of meeting the U.S. forces, receiving briefings from commanders on the situation in Ukraine, seeing firsthand, the security assistance and training NATO is providing the Ukrainians.

And this trip: horrific. Horrific is too light of a word, I guess, to use, but the horrific images of the Russian war crimes we have seen since, it really underscores for me that we can and we must do more to support Ukraine, defeat Volodymyr Putin, and defeat what he is doing.

So, President Zelenskyy continues to ask for greater American support to close the skies, allow Ukraine to defend itself. I do understand the arguments as to why the MiG-29, specifically, might not make sense for Ukrainians' defensive battle, but is there another aircraft they could fly that could be impactful, something else that could provide close support?

And I understand we are not in the classified setting. Are there other forms of lethal assistance you could talk about here that might help Ukrainians defend themselves against this brutality?

General Milley: The most effective is that, which we have been providing, which is air defense systems. So, the Russian Air Force has not even today established air superiority, let alone, air supremacy, which is one of the reasons why they have having great difficulty on the ground.
So, the air superiority mission has not been achieved.

Why is that? It is because of the survival of the air defense systems, both, the -- that we have been providing Stingers and the like from other NATO countries, plus the longer-range SAMs that have been provided and that they already had. So, that system has denied the airspace, effective use of the airspace to the Russian military.

Now, that is not to say Russian air is not getting through. They are on occasion, but for the most part, they are not being very effective, the Russian Air Force, and that is the reason, is because of the air defense.

So, the best method right now, and the Ukrainians, I have talked to my Ukrainian counterpart every couple of days, they are very, very thankful, extraordinarily thankful on the 60,000 anti-tank weapons, which is the second system that is really effective and the 25,000 anti-aircraft weapons systems that have been sent by the United States and our allies and partners.

So, those are the two weapon systems that have proven most effective and the one for the air, in particular, the best way to deny the Soviets -- or the Soviets -- the airspace is through the air defense systems and that is what they are using.

Senator Rosen: Well, given the heavy losses that the Russian military has suffered in the Ukraine, we know they
are repositioning. Like you said, we are doing a good job.
We are getting them the lethal support that they need.

How do you assess their ability as they are
repositioning and trying to resupply their forces --

General Milley: The Russian ability?

Senator Rosen: The Russian ability in their attack on
Eastern Ukraine as they begin to reposition themselves more
down towards the Donbas.

General Milley: The Russians have been struggling with
their logistical resupplying: fuel, ammunition, food, also
med evac, et cetera, they have been having a very, very
difficult time. Part of that is because the lines of
communications that they have, the ground lines of
communications are at risk to dismounted and mounted
Ukrainian Forces that are conducting ambushes along those
lines of communications. So, they have really had a
difficult time with logistics.

Senator Rosen: Well, and so, on the other side of
that, we know if they are repositioning, the Ukrainian
military and ground forces there have to reposition as well.
So, looking ahead, do you think the Ukrainians have the
right equipment and logistics in place to defend against
this repositioning that Russia is, seems to be doing?

General Milley: They are asking for, and they could
probably use additional armor and artillery, and we are
looking around through allies and partners to get those
types of weapon systems that require no training.

Of course, we have armor artillery, but it is not the
kind that they have used before and it would require months
of training to get them into a U.S. system. So, we are
looking around, along with other countries and NATO, to help
them out in terms of building them up for armor and
artillery.

The fighting down in the Southeast, the terrain is
different than it is in the north; it is much more open and
lends itself to armor, mechanized offensive operations on
both sides. So, those are the systems that they are looking
for and that is what people are trying to help them out
with.

Senator Rosen: Thank you.

I want to submit my next questions for the record, but
they are really important. They will be for Secretary
Austin and Under Secretary McCord. It is about housing for
our junior enlisted troops. They are not able to receive
their base allowance for housing, they are transitioning,
the cost of housing is expensive, they are not getting
reimbursed in the way they should be. We also have issues
for those on Creech that have to travel a far way to go to
Las Vegas and go to work, and so I am going to submit those
for the record.
I see my time is up and I will look forward to speaking with you about that.

[The information follows:]

[COMMITTEE INSERT]
Chairman Reed: Thank you, Senator Rosen.
Senator Tuberville, please?
Senator Tuberville: Thank you very much.
Thank you for being here today, Secretary.
General Milley, good to see you last week. I thought that was a great change of command down in CENTCOM.
Secretary Austin, as we all know in the near future, we are going to get the IG report on Space Command hopefully moving to Huntsville. And the Redstone Arsenal, we have got a lot of great comments from you and Acting Secretary of the Air Force, Secretary of the Air Force Frank Kendall and, of course, General James Dickinson. All positive comments. The IG report will come out in the future.
Any thoughts about the future?
Secretary Austin: Well, thanks, Senator.
As you know, I will never comment on an IG, on a subject that is under IG scrutiny. So, when that report comes out, we will make sure that we get, analyze it as quickly as possible and take on the recommendations.
Senator Tuberville: Thank you.
General Milley, last year's NDAA 2022, we got a jump-start on the Aegis system in Guam. Hopefully, we can continue that in the next few years. It is going to take a while to get that done on a land base, which I think all of us agree we need. And then we have an Iron Dome there. You
know, that is, to me, after visiting Guam a few months ago, that would be kind of like swatting flies.

What do you think in the near future, we could do with that Iron Dome?

General Milley: Well, the Iron Dome is a very effective system, but let me just take a step back for the ballistic missile defense in the Pacific region, and Senator Hirono had asked about that earlier.

It is a layered system that starts, literally, over in Japan and comes through the entire Pacific and includes radars and various missile systems that are arrayed throughout to include Guam, Hawaii, Alaska, et cetera. Specifically, to the Iron Dome, is it a great system and it is a very accurate system and it has a very good track record, and there is all kinds of utility for it in a wide variety of environments. So, I am a big fan of the Iron Dome.

Senator Tuberville: Thank you.

Secretary Austin, extremely concerned about the situation at the southwest border. According to the latest data, the Border Patrol has encountered more than 150,000 illegal immigrants a month for at least the past 12 months and it is estimated that at least 500 illegal immigrants that evaded the border just recently.

I am especially concerned about the trafficking of
drugs, fentanyl, and the new drug most people haven't heard of called another called "ISO," which is 20 times more lethal than fentanyl coming across the border. The New York Post reported yesterday that you approved DHS' request for additional DOD at the border; is that accurate?

Secretary Austin: DHS did submit a request for our support and as we have done in the past, we -- I approved the request. We, again, DHS is a lead federal agency in this endeavor. We provide enabling support to DHS when and where we can and where legally possible.

Senator Tuberville: Yeah. It is obvious that we need help, especially if we do away with Title 42, which it looks like it is coming.

Have you done any assessment of, or has the secretary given you any assessment of about how many we would need down there if we did do something in your purview?

Secretary Austin: Secretary Mayorkas, obviously, Senator, will work up his requirements and his assessments and provide those to the President and, you know, he certainly has not provided that assessment to me.

Senator Tuberville: Has he talked to you about it, you know, maybe in the future?

Secretary Austin: Not about future requirements. He has only talked to me about current requirements.

Senator Tuberville: Yeah, okay.
I want to pick up where Senator Ernst was at the end of her questioning, and anybody can answer this, but you know, we are going to spend all this money on all this great equipment and we are all good with that, but it takes people to do that, and you all know that.

And I would love to see a better recruiting effort of spending some money, because we are fighting big tech. We are fighting a lot of areas now. Being an all-volunteer army, I think we have got to put a larger foot forward in getting the best and the brightest young men and women in whatever part of our military, and I think it is going to be one of the most important things we do. We can't fight a war or have a deterrent unless people really understand we have got a fighting force that really is sold out on this country and wants to lay their life on the line.

And just your thoughts, both of your all's thoughts on that real quick.

Secretary Austin: I absolutely agree with you, sir. We need to continue to invest in the quality of our force. That is exactly what you have heard come from our Army leadership, the Secretary and the Chief. And it is what you will hear coming from all of our Secretaries. It is what -- what we need, what has made us dominant and the best force in the world, and what we will need, going forward, to continue to be the best force in the world.
General Milley: And I just want to assure you and everyone that is listening, that we have tremendous standards and we have tremendous people in uniform today. As we go forward, we have to take into account the future operating environment, the change in the character of war.

So, our recruiting does need to be adjusted. We need to up our game. We are going to have to look at, in some cases, look at different recruiting bases in order to get people for cyber and space and some of the other high-tech things, because we are moving into, literally, a different era in warfare and we are going to have to adjust our recruiting to match that future.

Senator Tuberville: Thank you. Thank you for your service.

Thank you, Mr. Chair.

Chairman Reed: Thank you, Senator Tuberville.

Senator Kelly, please?

Senator Kelly: Thank you, Mr. Chairman.

And thank you to all of you for being here today.

Secretary Austin, I want to discuss PFAS contamination near military facilities. This is a big challenge in Arizona. Both, the Phoenix and Tucson areas have growing PFAS plumes in the groundwater aquifers and as we face worsening drought conditions along the Colorado River, the
groundwater, so groundwater will become a more important
source of drinking water for our communities, including our
military installations.

The Department of Defense has remedial investigations
into PFAS contamination in aquifers near both, Luke Air
Force Base and Davis Monthan Air Force Base. While, I
understand that these investigations can take time and rely
on scarce resources, affected communities that can't move
forward on permanent solutions with DOD until these
investigations have concluded.

With conditions on the Colorado River degrading
rapidly, I mean, we are in a 1200-year drought, or the worst
drought in 1200 years and this one we are in has been going
on for 20 years; it is significant. And I am worried that
we may need to rely on these groundwater aquifer sources as
sources of drinking water, instead of getting all of our
drinking water off of the river.

So, Mr. Secretary, as the Department makes
determinations about which remedial investigations to
prioritize, how is it accounting for the needs of
communities in regions that have a prolonged drought and
because of that, has a higher likelihood of a future need of
using the groundwater?

Secretary Austin: Thank you, Senator.

I would just like to emphasize to you that the health
and welfare of our troops, our families, and the people in the community are very, very important to me and I, and, certainly, we will continue to focus on getting these assessments done and work with the appropriate regulatory agencies to make sure that we are doing the right things and we will move out as quickly as possible.

In terms of, you know, where we go, how we go forward, I think what you have raised is an important issue. If you are dependent upon that ground source of water, then that needs to go into the equation there in terms of what we address first and that -- we are going to comply with the regulations, you know, work with the regulatory commissions, but certainly take into account the things that you just raised.

Senator Kelly: Well, thank you.

The fiscal year 2022 NDAA requires that DOD produce a schedule. So, it would be really appreciated if you could consider the drought situation as that schedule is being developed.

Secretary Austin, I also have a question on TRICARE eligibility in our remaining time here. With a 4.6 percent increase in pay and increases in basic needs and DHS housing allowance that I pushed for, this budget goes a long way to addressing the needs of our servicemembers.

And this builds on the work that the Department and
Congress did last year in addressing suicide and sexual assault in the military. I commend your attention on these issues, however, I want to address one other disparity in the military when it comes to pay and benefits and that relate to healthcare.

I am concerned about the fact that military families don't have the same healthcare coverage that Americans enjoy. And what I am getting at is one specific thing. And I introduced some bipartisan legislation on this to bring TRICARE plans in line with private insurance plans.

My bill, the Healthcare Fairness for Military Families Act would allow the children of servicemembers to stay on their parents' insurance until they are 26. That exists in civilian life. It does not exist currently under TRICARE.

So, Mr. Secretary, can I get your commitment that you will work with my office and this committee on efforts to bring TRICARE in line with private insurance plans?

Secretary Austin: Yes, Senator, you can.

Senator Kelly: Thank you.

And I yield back the remainder of my time.

Chairman Reed: Thank you, Senator Kelly.

Senator Hawley, please?

Senator Hawley: Thank you, Mr. Chairman.

Thank you, gentlemen, for being here.

General Milley, let me start with you, if I could.
Following Russia's first invasion of Ukraine back in 2014, Congress stood up the Ukraine Security Assistance Initiative, which I hope has been of some help the Ukrainians in the lead-up to this most recent invasion. I want to ask you about that, what we can draw from that, with regard to Taiwan and over in PACOM.

If Congress were to enact a similar funding mechanism for Taiwan, do you think that would help strengthen Taiwan's ability to defend itself against a potential invasion by China?

General Milley: I do, yes.

Senator Hawley: And from a military perspective, is it fair to say that strengthening Taiwan's defenses would help bolster deterrence against China, number one, but also reduce the operational risk to American forces, who might be called upon to help Taiwan in the event of an invasion?

General Milley: Absolutely, yes.

Senator Hawley: This is, I agree with you and thank you for those comments, this is why I think it is important to take that action right now and not to wait and get behind the 8 ball. I introduced the Arm Taiwan Act, which would establish the Taiwan Security Assistance Initiative, modeled on what we did in Ukraine those years ago and I think, I hope the committee will take it up. I think it is an important initiative.
Mr. Secretary, if I could switch to you, Secretary Austin. The Assistant Secretary for Defense Mara Karlin wrote, prior to her confirmation, I am going to quote her here so I get it right, that deterrence by denial should be prioritized when it comes to China and Taiwan, in particular, and she went on, deterrence by cost imposition can complement, but shouldn't supplant deterrence by denial when it comes to deterring China.

And Assistant Secretary of Defense Eli Ratner had said something similar. He told the committee, with China as the pacing challenge, the Taiwan is the pacing scenario and that is driven by a strategy of denial.

Okay. With that setup, here is my question to you. When it comes to the 2022 NDS and the NDS priorities, can you -- and I am aware we are in an unclassified setting here -- but could you, can you tell us that we will see in the unclassified summary of the NDS, a commitment to deterrence by denial, especially when it comes to China and Taiwan?

Secretary Austin: Our defense strategy accounts for the things that you just highlighted, Senator, which is why both of my Assistant Secretaries have highlighted that.

But, yeah, that is in the strategy and we will make sure that the, you know, our unclassified version of the strategy appropriately reflects what is in the strategy.
Senator Hawley: Good. So, just to make sure I understand, when you say it is in the strategy, you mean deterring --

Secretary Austin: It is accounted for in the strategy.

Senator Hawley: -- deterring by denial, deterrence by denial, when it comes to China and Taiwan is in the strategy. Have I got that right?

Secretary Austin: That is right.

And then I can entertain your other questions in the classified setting.

Senator Hawley: Great. Fair enough.

But just to close the loop on this, you said we would see that reflected in the unclassified summary when that is made available?

Secretary Austin: What I said was you will see the unclassified summary reflect what is in the classified summary.

Senator Hawley: Okay.

Secretary Austin: We need to be mindful of what is transportable, what we can move to the unclassified section.

Senator Hawley: Okay. Good.

Just staying on the same here, Assistant Secretary Ratner has also testified that Taiwan is the pacing scenario. I think you have testified to that effect, Mr. Secretary, I think. I know that General Milley has.
Secretary Austin: I said that China was the pacing challenge.

Senator Hawley: Okay. Great.

I think General Milley had said that the Taiwan scenario, the fait accompli scenario was the pacing scenario. If I am wrong about that, General, I don't want to put words in your mouth, you correct me.

I know that Dr. Ratner has, so let's stick on that.

General Milley: I said that before.

Senator Hawley: Go ahead, General.

General Milley: And I have said that before, and that is the scenario, that is one of the scenarios that we use for force development and so on and so forth --

Senator Hawley: Thank you.

General Milley: -- but it is clearly the most important one.

Senator Hawley: Thank you.

So, here is my question, then, to you, Mr. Secretary. Will we see that, the Taiwan scenario, the danger of a fait accompli, will we see that in the unclassified summary of the 2022 NDS?

Secretary Austin: Again, I will just say that the unclassified summary will reflect what is in the National Defense Strategy. In terms of specific wording, I won't commit to a specific wording at this point.
Senator Hawley: Could you, could I get you to commit to this, would you echo what General Milley just said and that I assume your Assistant Secretaries reflect your views, but --

Secretary Austin: That is exactly right; they do.

Senator Hawley: Okay. So, could you tell me in your own words, though, Mr. Secretary, I mean, is it -- let me ask you this way. I don't want to put the words in your mouth, so let me ask you, is it your view that the Taiwan fait accompli scenario is the pacing scenario, just as China is the pacing threat; is that fair to say?

Secretary Austin: It is a pacing scenario and I would say that our policy, our China policy has not changed.

Senator Hawley: My time has expired. I will have a few more follow-up questions and hopefully also in the classified setting.

Thank you, Mr. Chairman.

Chairman Reed: Thank you, Senator Hawley.

Senator Peters, please?

Senator Peters: Thank you, Mr. Chairman.

And, gentlemen, thank you for being here today.

I understand that as part of the U.S. deterrence, the measures up to and after the invasion of Ukraine, there are now three U.S. armor brigades forward-deployed in Europe.

That is the most since the early 2000s, when the U.S.
made a strategic decision to permanently move its heavy armored forces out of Europe and bring them back to the United States.

Recently, Army senior leaders have said that the strain on the Army's 11 active-duty armored brigades, ABCTs, is at a high point and noting that the rotational units basically need a 3:1 rotation, a ratio to avoid excessive operational tempo and that 11 active ABCTs falls short of a sustainable ratio.

I also note that while Congress has consistently provided funding for at least one brigade of tanks each funding cycle, only three U.S. Army brigades have been fielded, the most modern Abrams tanks, including one brigade set in Army preposition stock in Germany, that is now being forward-deployed to Poland.

So, my question for you, Secretary Austin, do you think that we need more armored forces now than we did last year, as this budget was being developed both, in terms of those armored brigades forward-deployed to Europe and those which we could rotate worldwide?

Secretary Austin: Thank you, Senator.

I truly believe that we have what we need currently. As we figure out the future footprint in NATO, especially on the eastern flank, if we have additional requirements, then, certainly, we will come back and ask for additional
resources.

I would remind you that we have over 100,000 troops in either stationed in Europe or deployed to Europe or operating in Europe's waters and so we have a robust capability there now. We were able to do what we did recently, as you heard me say, Senator, because of what you did earlier, to provide us with the resources and EDI. You saw that armored brigade combat team deploy rapidly from Fort Stewart, fall in on pre-positioned equipment, and then rapidly move to Germany. And, again, that was all possible because of EDI. We have been able to train heel-to-toe along the Eastern flank because of the resources that you provided us, as well.

So, as we do our analysis going forward, if we need additional resources, I will work with the Secretary of the Army and the Chief of Staff of the Army, the Chairman, and come back and ask for more resources if we need them.

Senator Peters: Great, thank you.

General Milley, do you think the up tempo on the 11 ABCTs that we have will be sustainable over the long-term, given Russia's apparent expansionist goals in Europe?

General Milley: Senator, I think that with 11, you know, the 3:1 ratio, you got three over there. 3:1 will get you nine, so you need armored brigades, plus we have one rotating back and forth to the fence line. So, I think it
is about right, but I will go back to General McConville, the chief staff of the Army, to make sure that my analysis is correct and I will get you a better answer.

If there is some sort of stress on the up tempo of the armored force, that hasn't been brought up to me yet, specific to this contingency.

Now, long-haul, that depends on how long the long-haul is and that is not known right now. We are taking a look at that and we are going to adjust as we go here.

Senator Peters: Right.

General Milley: Thank you.

Senator Peters: And General Milley, the recently released National Defense Strategy describes China as, quote, our most consequential strategic competitor and the pacing challenge for the Department, end of quote. And, certainly, the Department will have to bring the full might of our Joint Force to bear in order to compete with this challenge.

Now INDOPACOM is a maritime domain, so certainly, the role of the Navy and the Marine Corps is very clear, as well as the Air Force and Space Force will also play a vital role.

But I would like your thoughts as Chairman of the Joint Chiefs of Staff and a decorated Army officer, I would like to hear your view as to the role of the Army in the Indo-
General Milley: The Army has a very important role in the Indo-Pacific. And, you know, just to go back to World War II, there was, I think, 15 or 20 divisions of the Army and Marines in the Indo-Pacific. Our largest land wars of the United States that we fought in the Indo-Pacific with Vietnam, Korea, and the World War II Pacific campaigns. So the ground forces have a very Gant role, but I would say that in any sort of future conflict, if there was one, hopefully, there will never be one with China, my estimate is that the maritime forces and the naval forces will be the predominante player but the military forces that are on the ground, Army special forces, Marine forces, and Army ground forces will be really significant, especially in areas like air defense, long-range fires, precision fires, and Special Operations.

In addition to that, the amphibious forces of the Marines will be key. So, there is a very important, very significant role for ground forces in the Pacific, but the predominance will likely be maritime or Air Forces.

Senator Peters: [Presiding.] Great. Thank you, General Milley.

Senator Scott, you are recognized for your questions.

Senator Scott: Thank you, Senator Peters.

I thank each of you for being here. I thank you for
your hard work. I know this is a very, this is a tough time
to serve. I mean, this is probably, in my lifetime, this is
probably one of the most difficult times to serve with all
of our enemies.

I share the concerns of the ranking member and many of
my colleagues in the Senate that President Biden's budget
request does not reflect our current defense needs. After
many years of underspending, we recently began to grow the
defense budget in line with the threats we face,
particularly, Communist China.

So, just last year, we had to increase the President's
budget by more than $25 billion and for months now, owe have
been urging the administration to increase our defense
spending so we can meet our modernization needs, deter and,
if needed, defeat our enemies and overcome the impact of the
terrible inflation this administration has caused with
reckless spending.

So, we are living in some of the most difficult times
since the Cold War with Communist China, Russia, Iran, North
Korea, reflecting their muscles, increasing their hostility
to us and our allies, but you wouldn't know it, based on
this budget request. So, to me, it is disappointing that
the President didn't request a budget that would do a better
job of putting us in a position that we can deter our
enemies and make sure we take care of our servicemembers and
their needs.

I was disappointed the administration wants to decommission 24 ships and weaken our Navy's power and capabilities. I know the administration has said this is enough.

General Milley, I think you have previously stated that if you combine Communist China and Russia, that they spend more than the U.S. does now. Beijing just announced a 7.1 percent increase for 2022 and I think you just testified to the House that this budget assumes an inflation rate of 2.2 percent, but we all know it is 8 percent-plus right now.

All the manufacturers I talk to, you know, are saying it is actually more than that. So, while inflations could go up and go down, this, I don't think the budget is clearly enough and it doesn't seem to me that you think it is enough.

So, tell me, how does this happen? I mean, you seem pretty persuasive. So, how does this happen that we end up with a budget that doesn't stay up with inflation and doesn't do a lot more to deter our enemies, especially Communist China?

General Milley: Well, let me say a couple of things. First, on the inflation piece, I would ask that Mr. McCord talk about the details and how they did the calculations, et cetera. But I fully support this budget.
Seven hundred and seventy-three billion dollars is a lot of money and it is our duty, those of us in uniform, to make every cent of those dollars count and to deliver for the nation, a force that is capable of defending it.

And I think, as I said in my opening statement, we can do that on 773. Having said that, there is always elements of risk and there is always elements to mitigate, but we have to focus on the future. This budget does that. We have to focus on modernization. This budget does that.

We put more money in research and development intentionally in this budget than has ever been done in any defense budget and we have to focus on the pacing threat of China with the acute threat, as we call it, with Russia.

It is very significant. There are areas of risk. We recognize those areas of risk. But I do think that this budget will allow us to move forward and take the next steps towards protecting the United States.

Senator Scott: Could I ask each of you, what, how comfortable are you that this budget is going to do enough to deter Communist China and why do you think, what in the budget, and what are the things that we are doing that you think are going to be the key things that are going to deter Communist China from trying to expand, first, I guess, would be into Taiwan?

Do you want to start, Secretary Austin?
Secretary Austin: Thanks, Senator.

I think when we look at the challenge of China, we consider China to be a now and forever problem, in terms of a challenge. And so, we want to invest in those things that help keep us ready, capable, and dominant today, but also recognizing that the challenge of China will evolve over time, investing now in those capabilities that will be relevant down the road, as well. So, you have seen us invest in technology in this budget. You have seen us invest in space capabilities, cyberspace, undersea capabilities. All those things are focused on not only the China set, but also provides us great capability, with respect to the acute threat that we are experiencing right now and that is Russia.

General Milley: And, Senator, I would just add, with respect to deterring China and Taiwan, I think Senator Hawley hit it right on the head. The best defense of Taiwan is done by the Taiwanese. We can certainly help them. This is being done in Ukraine, for example, and I think there are a lot of lessons that are coming out of the Ukraine that China is taking very, very seriously.

Crossing the Taiwan straits and conducting an amphibious and/or air assault on the island of Taiwan and the city of Taipei with the millions upon millions of people there, the mountainous terrain of Taiwan. Taiwan is a
defensible island, we just need to help the Taiwanese defend it a little bit better and we can do that.

But that is the best deterrent, is to make sure that deterrent by denial, to make sure that the Chinese know that if they were to attack Taiwan, it is a very, very difficult objective to take.

Senator Scott: Thank you to each of you.

I know this is a very difficult time. I mean, in my lifetime, I don't think we have ever had a threat like we have now with what Putin is doing and what Xi says he is going to do, so thank you for what you are doing.

Senator Duckworth: [Presiding.] Thank you, Senator Scott.

And the chairman is still voting, so I get to recognize myself. Serving is truly a selfless act and I want to thank each of our witnesses for your service and commitment to our national security. That service comes with honor and strength, as well as pride and humility. These attributes make our military the most capable, most combat-credible force in the world. You already know this.

But to ensure that this continues long into the future, we must take care of the military's most important assets: our people. Each of you have spoken to this.

As leaders, we must remove barriers our military members face in supporting their families as well. This is
an important readiness issue. Knowing that their family is
safe and healthy relieves a burden on servicemembers so that
they can better focus on the mission and, if necessary,
fight for the safety of others.

That is why I hope the Department will work with me to
finally solve a critical issue facing our men and women in
uniform, along with their families, and that is food
insecurity. Advocacy groups that serve military families
report an increased demand for support during the pandemic.

And Secretary Austin, I appreciate your leadership in
issuing guidance to the DOD late last year to begin
addressing military hunger challenges; however, despite your
leadership, there appears to be a hesitation to fully engage
on this pressing, readiness issue Department-wide.

And we are still hearing heartbreaking stories of less-
senior members of the military struggling to pay their
bills, to put good, quality food on the table for their
families. They are still met, you know, these stories are
still met in some quarters with skepticism and denial that
the problem even exists.

I think that is why it is vital that the DOD fulfills
its statutory mandate under the fiscal year 2020 NDAA and
provide Congress with a comprehensive report examining food
and securities challenges experienced by servicemembers and
military families.
Secretary Austin, will you commit to me that you will deliver the DOD study on food and security in the military by the end of this month, and if you can't do it by the end of this month, when can you deliver it?

Secretary Austin: We will deliver it as quickly as we possibly can.

And, Senator, let me thank you for your leadership in that area. You know, I have really set out to tackle the issue of economic insecurity across the board. That is why you see the pay raise, the elevation of BAH, and some other things.

And, certainly, I appreciate the support that you are giving us and I know you will continue to give us, but we will move out and get you the report as quickly as possible.

Senator Duckworth: Thank you.

I have no question of the commitment of each of the witnesses here today to making sure that we address this issue. That has not been the problem.

The issue that I have is that there is still resistance across the Department. And Secretary Austin, in fact, when you first addressed this issue last November, you tasked the Under Secretary of Defense for Personnel and Readiness to deliver a strategy and implementation roadmap to strengthen food security within the force.

Would you commit to sharing that strategy and
implementation roadmap with Congress once it is developed to help us better understand how DOD is addressed military hunger?

Secretary Austin: I will, Senator. Thank you.

Senator Duckworth: Thank you.

And last year, I led the bipartisan effort to authorize a new basic needs allowance under fiscal year 2022 NDAA and I am encouraged that the services are planning to provide this new assistance in their annual budgets; however, questions still remain on how the Department will roll out this new allowance.

For example, Secretary Austin, the final text includes a compromise that allows you to not count, so you have the discretion to not count BAH as income, when determining who is eligible to receive the basic needs allowance. And, additionally, families are going to need to opt-in to this, so they must understand how to opt-in to the food allowance, which over the years, we have learned is often much easier said than done when it comes to program participation for anything you have to opt-in for.

Secretary Austin, what is the status of developing an implementing the basic needs allowance and can you share actions that the Department intends to take to ensure that all servicemembers are made aware of this new support and encouraged to apply, if eligible?
Secretary Austin: Yeah. As you may know, we are still working our way through this, but I will tell you, Senator, that I am predisposed to making sure that we provide as many benefits to our troops and our family members as possible. And so, as we work our way through this, we are going to make sure that it is streamlined so that it is easy for people to understand what they need to do to qualify and we are going to, again, I am predisposed to making sure that they get as much as they possibly can.

Senator Duckworth: Thank you.

Will you commit to using your discretion to not count BAH as income to the maximum extent possible?

Secretary Austin: I will do everything I can that is legally possible and feasible to give our troops greater capability of greater resources.

Senator Duckworth: Thank you, General.

And with that, yield back.

Chairman Reed: [Presiding.] Thank you, Senator Duckworth.

Senator Blackburn, please?

Senator Blackburn: Thank you, Mr. Chairman.

Secretary Austin, why don't we make our intelligence reports public?

Secretary Austin: We share as much as we can from our intel reports, but as you know, we have to be careful about
Senator Blackburn: Yeah, would you agree --
Secretary Austin: -- sources and methods --
Senator Blackburn: Right.
Secretary Austin: -- so that we don't lose capability.
Senator Blackburn: And would you agree that giving our
adversaries access to our intel reports is a poor decision?
Secretary Austin: Exactly. I think that is something
that we need to absolutely work to avoid.
Senator Blackburn: Okay. And so, then, why did senior
Biden official hold nearly half a dozen meetings with top
Chinese officials to give them information on Russian troop
movements?
Secretary Austin: I don't know of, I don't have
insights on any occurrences like that.
Senator Blackburn: Okay. So, it seems the Chinese
called up their comrades in Russia and sent Moscow the intel
that binder staffers provided them. And it appears that
U.S. officials knew Beijing gave the intel to Moscow.
So, I would imagine you do not support giving Russia
our intelligence?
Secretary Austin: I am unfamiliar with the issue that
you raise.
Senator Blackburn: Okay.
Secretary Austin: But you are right, I do not support
Senator Blackburn: All right. General Milley, under what circumstances, if any, have you advised intelligence-sharing with Beijing?


Senator Blackburn: Thank you.

And given what we know now about how that subsequently shared information, this intelligence went to Moscow, what would you advise for similar scenarios going forward?

General Milley: I don't think you should give intelligence to your adversary, period.

Senator Blackburn: Okay. Thank you.

What senior leader is ultimately responsible for this decision of intel-sharing; is it you? Is it Secretary Austin? Is it Jake Sullivan? Is it the President? Who is it?

General Milley: My opinion is, well, I will give you a couple of answers to that. One is the Director of National Intelligence is responsible for all the intelligence agencies in the --

Senator Blackburn: National Intelligence.

General Milley: DNI.

Senator Blackburn: Okay.

General Milley: So, that is the person who is technically responsible, but, obviously, the President is
responsible for everything the Government does, the Executive Branch does.

And then each of us are responsible for within our areas of responsibility.

Senator Blackburn: Okay. So, under what authorities would we share our intelligence with Beijing?

General Milley: I would ask that you ask these questions of the DNI; however, my knowledge of the system is that the President and/or the Director of National Intelligence or perhaps the director of the CIA or someone like that does have authorities, but I don't know what those are, specifically --

Senator Blackburn: Okay.

General Milley: -- and it is not something I can answer with accuracy.

Senator Blackburn: So, it is not a practice that you approve of, but we do know that it has happened, correct?

General Milley: I don't know that it has happened. I am not aware of what you are talking about, actually.

Senator Blackburn: Okay. We have talked a good bit about Afghanistan today, so did Biden's precipitous withdrawal from Afghanistan, which really fed perceptions of America in retreat, did that play a role in shaping Putin's decision to invade Ukraine?

General Milley: From the intelligence I have read, it
is not clear. I think it certainly is possible, but I also know that Putin had aims on Ukraine long before the end of the war in Afghanistan, in fact --

Senator Blackburn: I think we all know that.

General Milley: Yeah.

Senator Blackburn: So, he saw his opening, right?

General Milley: Well, the forces were building up. They began to build up their forces in September and October, so I think in order to do that, they would have had to have the plans and approval long before September, October.

Senator Blackburn: Okay. They have a habit of moving forward at the end of the Olympics.

General Milley: Yes.

Senator Blackburn: They did it 2008. They did it in 2014. We were watching and the White House chose not to move forward.

I want to ask you, you have both failed, and this comes to each of you, to share with us the budget line items for diversity and inclusion initiatives and much less, any way that you would tie those initiatives to warfighting, but public reporting has given us some insight into what is being spent and how some of that money has been spent.

And Secretary Austin, earlier this year, there was a report that said the Department of Defense is studying the
issue of allowing gender, non-binary people to serve in the military; is that true?

Secretary Austin: I am supportive of allowing any person that is eligible and can meet the qualifications to serve their country.

Senator Blackburn: And who is involved in this study? Our uniformed military personnel involved?

Secretary Austin: I can't speak to, at this point, who was involved in any of the studies that we have ongoing, just off the top of my head. But I will certainly take the question for the record.

Senator Blackburn: And what will the living arrangements be made for non-binary servicemembers? Are you all going to come back to us and ask for an appropriation for housing?

Secretary Austin: Senator, any study that we do, it will make, certainly be transparent and make it available to you.

Senator Blackburn: And what about gender-fluid individuals, how will you handle a servicemember who identifies as male on some days and female on other days, or polygender individuals?

Secretary Austin: I don't care to speculate on, you know, what we are going to ask you for or what we are going to -- how we are going to qualify people.
Again, some of this is in litigation in various states and, you know, I think it is best to take your question for the record.

Senator Blackburn: Okay. I have some questions, Mr. Chairman, that I will submit for the record.

Chairman Reed: Thank you, Senator.

Senator Blackburn: But Secretary Austin, I do have some questions on hypersonics.

[The information follows:]

[COMMITTEE INSERT]
Chairman Reed: We will be going, immediately, Senator Blackburn into a classified session and those questions, I think, would be answered there.

Gentlemen, let me thank you for your testimony. We will adjourn the open hearing and reconstitute the committee in SV-217 at 12:30.

And at this point, I will adjourn the open session and join you at 2:30 at SV-217, SVC-217. Thank you.

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