

Stenographic Transcript
Before the

COMMITTEE ON
ARMED SERVICES

UNITED STATES SENATE

TO CONSIDER THE NOMINATION OF MR. STEPHEN A.
FEINBERG
TO BE DEPUTY SECRETARY OF DEFENSE

Tuesday, February 25, 2025

Washington, D.C.

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1 TO CONSIDER THE NOMINATION OF MR. STEPHEN A. FEINBERG
2 TO BE DEPUTY SECRETARY OF DEFENSE

3
4 Tuesday, February 25, 2025

5
6 U.S. Senate
7 Committee on Armed Services
8 Washington, D.C.
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10 The committee met, pursuant to notice, at 9:30 a.m. in
11 Room SD-G50, Dirksen Senate Office Building, Hon. Roger
12 Wicker, chairman of the committee, presiding.

13 Committee Members Present: Senators Wicker, Fischer,
14 Cotton, Rounds, Ernst, Sullivan, Scott, Mullin, Budd,
15 Schmitt, Banks, Sheehy, Reed, Shaheen, Blumenthal, Hirono,
16 Kaine, King, Warren, Peters, Duckworth, Rosen, Kelly, and
17 Slotkin.
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1 OPENING STATEMENT OF HON. ROGER WICKER, U.S. SENATOR
2 FROM MISSISSIPPI

3 Chairman Wicker: The Committee will come to order. I
4 thank our guest for being here. And we are here this
5 morning to consider the nomination of Stephen Feinberg, who
6 has been nominated to be Deputy Secretary of Defense.

7 If confirmed, Mr. Feinberg would join the Department
8 of Defense during the most dangerous security environment
9 since World War II. He would oversee the operations of the
10 Department as it faces an emerging Axis of Aggressors.
11 This dangerous coalition, which is characterized by
12 military cooperation between China, Russia, Iran, and North
13 Korea, presents a complex and far-reaching set of threats.
14 Make no mistake: our enemies do not want a 21st century
15 defined by peace and prosperity for the American people.
16 Mr. Feinberg would be a crucial part of the team tasked
17 with meeting those threats.

18 Unfortunately, the defense investments we have made
19 during the Cold War have long since evaporated. Defense
20 spending is near record lows as a percentage of our gross
21 domestic product, and all aspects of our military forces
22 are now in dire need of repair or replacement.

23 Our Navy, once the envy of all seafaring nations, is
24 now too small and too old to meet the growing demands of
25 our combatant commanders. Our nuclear forces used to be

1 the most robust and effective on the planet. Now they are
2 decades older than their intended service lives. Our Air
3 Force continues to shrink. We have yet to figure out how
4 to scale innovative weapons into mass production. We have
5 a \$200 billion backlog in basic maintenance that leaves our
6 troops living and working in substandard conditions -- \$200
7 billion just dealing with living and working conditions.
8 And I could go on.

9 Clearly, there are many things that need fixing at the
10 Department of Defense. Fortunately, Mr. Feinberg has spent
11 his entire career fixing things. I believe he will make a
12 very fine Deputy Secretary of Defense.

13 Mr. Feinberg ran a highly successful, large
14 organization for three decades, making him eminently
15 qualified to run the Pentagon effectively. He brings
16 extensive experience at the intersection of international
17 economics and national security. Mr. Feinberg is
18 remarkably attuned to the scope and scale of the challenges
19 we face, as well as the opportunities we might exploit.
20 His work on national defense is significant, and has ranged
21 from Subic Bay acquisition to counter-Huawei efforts, and
22 from spectrum sharing to hypersonic testing.

23 Unlike the Secretary of Defense, the Deputy does not
24 often make high-profile policy speeches or travel around
25 the world to engage with allies and adversaries. I do not

1 expect to see much of Mr. Feinberg in the news if he is
2 confirmed. But make no mistake: the Pentagon cannot
3 function without a capable deputy.

4 In many ways, the deputy runs the day-to-day
5 operations of the department -- driving the budget process,
6 managing the principal staff assistance, and ensuring the
7 Secretary of Defense is provided with data-driven and
8 thoughtful options.

9 In Mr. Feinberg, President Trump has found a deputy
10 who combines cutting-edge private sector skills with a
11 thorough understanding of U.S. national security interests
12 and the Department of Defense.

13 Today, we will hear Mr. Feinberg's views on issues
14 facing the Department of Defense. I look forward to his
15 thoughts on my proposals. Last year, I released a report
16 entitled "21st Century Peace Through Strength." I hope
17 this can serve as a blueprint to reinvigorate and rebuild
18 our military.

19 Additionally, I released a Pentagon reform and
20 innovation plan called "Restoring Freedom's Forge: American
21 Innovation Unleashed." I hope it brings much-needed
22 reforms and fundamentally changes the way the Department
23 does business. We must cut red tape and get better weapons
24 to our troops faster, all while maximizing taxpayer
25 dollars.

1 So, I thank Mr. Feinberg and his family and his
2 friends for being here today. I believe he has a lot to
3 offer as the Department of Defense directs its focus to
4 lethality, efficiency, speed, and accountability.

5 And I now recognize my friend and Ranking Member Reed
6 for any opening remarks he would like to deliver.

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

3 Senator Reed: Thank you very much, Mr. Chairman. Mr.
4 Feinberg, congratulations on your nomination and welcome to
5 today's hearing. I would also like to recognize your wife,
6 Gisella, and your family that are here today. Also,
7 welcome, Bill Hagerty. Senator, thank you. You will be
8 introducing Mr. Feinberg.

9 Mr. Feinberg, you have been nominated to be Deputy
10 Secretary of Defense. Traditionally, the Deputy handles
11 the day-to-day operations of the Department, with a primary
12 focus on managing the workforce and budget processes. The
13 Deputy keeps the trains running on time. But also serves
14 as the Department's main troubleshooter for high-priority
15 problems or decisions. This, in turn, allows the Secretary
16 to focus on policy, strategy, and relationships abroad.

17 However, I am concerned that the Deputy's primary
18 roles, workforce and budget management, have already been
19 undermined by the chaotic actions we have seen over the
20 past week. Last Tuesday, Secretary Hegseth ordered the
21 Defense Department leadership to submit plans to slash
22 spending by 8 percent annually. He suggested that these
23 cuts would be covered largely by cancelling DEI and climate
24 change programs. But I would note that these programs
25 combined account for barely 0.1 percent of the annual

1 budget. The cuts will go much, much deeper to systems, and
2 you will be part of that process.

3 In addition, after pressure from DOGE, Mr. Hegseth
4 announced a plan to fire 5,400 Defense Department
5 probationary employees beginning this week, and eventually
6 to 5 to 8 percent of the entire workforce, as many as
7 75,000 workers across the country.

8 Let me make one point clear. The United States'
9 greatest national security assets is not its ships, the
10 aircraft, weapons, or technology. Our greatest security
11 asset is our people. We have the most professional and
12 dedicated defense workforce in the world to complement the
13 greatest and most lethal fighting force in the world. The
14 men and women who serve our military, both in uniform and
15 as civilians, are among the most skilled and valuable
16 professionals in the country, and they serve in the
17 Department of Defense not because it is a lucrative or easy
18 career. They do so because they care about the mission and
19 protecting their fellow citizens. In a word, they are
20 patriots. They are not opponents; they are patriots.

21 That is why I am so disturbed by the Trump
22 administration's apparent animosity towards that.
23 Arbitrarily firing tens of thousands of workers and
24 slashing the defense budget will not create efficiency in
25 our military. It will cripple it.

1 This Committee has always advocated for cutting
2 wasteful spending at the Department of Defense, but tough
3 budget decisions should be based on facts and analysis, not
4 reckless [unclear]. Such actions will harm our economy and
5 industrial base and will be felt in every state, not just
6 inside the Pentagon. Defense civilians work in communities
7 around the country, at shipyards, military bases, depots,
8 manufacturing sites, schools, and research centers.

9 Mr. Feinberg, if you are confirmed you will be
10 responsible for managing the fallout from these budget and
11 personnel cuts. At a time when we face unprecedented
12 threats from China, Russia, and other adversaries, you will
13 need to find a way to balance these reductions while also
14 ensuring the Department has the resources it needs to
15 achieve current missions and invest in modern technology.
16 You will need the expertise of these civilians who now are
17 in the fear of losing their jobs, without cause, or you
18 will have to rely on contractors or military personnel to
19 fill their cover work, which in the past has proved only to
20 degrade readiness and drive up costs. I hope you will
21 explain to this Committee how you intend to resolve these
22 contradictory demands while ensuring the Department of
23 Defense accomplishes its mission.

24 Finally, I feel compelled to take a moment to
25 addresses the firings of senior military leaders this

1 weekend. I am deeply troubled that these firings appear to
2 be part of a broader campaign by President Trump and
3 Secretary Hegseth to politicize the military. I salute
4 General CQ Brown, Admiral Lisa Franchetti, General James
5 Slife, and General Jennifer Short for their outstanding
6 service. Each of them have had brilliant careers and have
7 led with great courage, honor, and distinction. We all owe
8 them a debt of gratitude for their service and sacrifice.

9 However, the timing of these dismissals and the lack
10 of any explanation for why risks politicizing the military
11 and sending a chilling message to the ranks that political
12 loyalty to President Trump supersedes loyalty to the
13 Constitution.

14 Mr. Feinberg, these actions will also cause issues for
15 you, if confirmed, because the Deputy Secretary of Defense
16 works closely with the Vice Chiefs of the Joint Staff and
17 the services, most of whom are now either relieved of duty
18 or covering two jobs. This will make it difficult for you
19 to get the focus and time needed from these officers to
20 address the difficult problems facing the Department.

21 I am most alarmed, however, by Secretary Hegseth's
22 dismissal of the Judge Advocate Generals of the Armed
23 Forces. These officers, known as TJAGs, are among the most
24 senior uniformed lawyers in the military, strictly
25 apolitical, and they have a fundamental role in ensuring

1 that balanced, lawful counsel is part of any military
2 policy discussion. The TJAGs provide legal oversight that
3 spans military justice, operational law, administrative
4 compliance, and U.S. compliance with the law of armed
5 conflict. We expect the TJAGs to always provide their best
6 military advice, regardless of politics.

7 These firings, along with the firings of the
8 inspectors generals, should alarm everyone about the
9 President's commitment to the rule of law, especially for
10 the military. Laws, rules, and regulations are of utmost
11 importance in an institution with an enormous budget and a
12 lethal mission. If adherence to the law becomes option,
13 the job of the Deputy Secretary becomes infinitely more
14 difficult.

15 Mr. Feinberg, if confirmed, you may be one of the most
16 important advocates for our military servicemembers and
17 defense civilians within the Department of Defense. I hope
18 you understand the responsibilities that come with your
19 position, and that you will commit to speaking truth to
20 power for the sake of our security. I hope you will also
21 give us your assurances that you will communicate regularly
22 and be transparent with this Committee. A close bipartisan
23 relationship has always been the hallmark of this Committee
24 in dealing with the Department of Defense.

25 Thank you for stepping forward to lead at a critical

1 time for our nation, and I look forward to your testimony.

2 Thank you, Mr. Chairman.

3 Chairman Wicker: Thank you, Senator Reed. We are now
4 joined by our distinguished colleague and friend, Senator
5 Hagerty, of Tennessee, who will make introductory remarks
6 for our nominee. Senator Hagerty.

7 Senator Hagerty: Thank you, Chairman Wicker and
8 Ranking Member Reed. I want to let you know how much I
9 appreciate you holding this important nomination hearing
10 today.

11 It is a real privilege for me to introduce my good
12 friend, Steve Feinberg. Steve is President Trump's nominee
13 to be our Deputy Secretary of Defense. During the first
14 Trump administration, from 2018 to 2021, Steve chaired the
15 President's Intelligence Advisory Board. There he brought
16 a fresh perspective and provided expert advice on a range
17 of challenge that confronted U.S. national security.

18 Before his nomination, Steve was co-CEO and Chief
19 Investment Officer of Cerberus Capital Management, a global
20 investment firm that he co-founded in 1992, and today
21 manages some \$68 billion of capital. At Cerberus, Steve
22 spent 34 years investing in, fixing, and operating a
23 variety of businesses, including those related to national
24 defense and the U.S. intelligence community.

25 Steve is a patriot with a great heart. One of the

1 many things that sets Steve apart is his strategic vision
2 and his willingness and desire to invest in ways that not
3 only create and grow value for his investors but also
4 advance U.S. national security interests.

5 I want to quickly share a powerful story based on my
6 own personal experience with Steve's leadership. When I
7 served as U.S. Ambassador to Japan, I discovered that two
8 Chinese firms were attempting to acquire the bankrupt
9 Hanjin shipyard at Subic Bay in the Philippines. Subic Bay
10 had previously served as a U.S. naval base, with a
11 deepwater shipyard that is quite strategically located on
12 the South China Sea.

13 For various reasons, the International Development
14 Finance Corporation and other parts of the U.S. government
15 were not in a position to engage nor to help us solve this
16 problem. So I engaged with top officials in the Trump
17 administration and the governments of Japan and the
18 Philippines, as well as with top actors in the private
19 sectors, and in specific, with Steve Feinberg and Cerberus.

20 Working together, we assembled an ad hoc, public-
21 private solution to this problem and thwarted China's
22 effort to acquire this very strategic port. Thanks to
23 leadership from the Trump administration and Steve Feinberg
24 and his team, we succeeded. Today Hanjin shipyard is known
25 as Agila Subic shipyard, and it is own by American

1 investors.

2 As a result, U.S. and allied firms have a joint
3 presence there. For example, HAD Hyundai, a South Korean
4 firm, will build and maintain vessels at the shipyard, and
5 SubCom, a U.S.-based undersea cable firm, is advancing
6 projects in the region from that location. U.S. military
7 and the Armed Forces of the Philippines also have a
8 significant presence there now.

9 If Steven's team had not stepped up to solve the
10 problem, the Chinese Communist Party today would likely
11 possess a vital piece of strategic infrastructure in the
12 South China Sea, and the threats to the security of the
13 United States and our partners would be enormous as a
14 result.

15 At Cerberus, Steve also worked hard on another issue
16 that I dealt with firsthand as U.S. Ambassador to Japan,
17 and that is helping the United States and our partners
18 counter China's threat in 5G telecommunications by
19 investing in commercial alternatives to Huawei and other
20 Chinese telecom companies. Here again, Steve recognized a
21 strategic challenge to the United States and sought to
22 counter and minimize the influence and access that China
23 could gain from control over spectrum and
24 telecommunications infrastructure.

25 On that note, I want to commend the Committee for its

1 strong support of the Defense Department's efforts to
2 accelerate adoption of 5G and ORAN technologies in order to
3 provide strategic advantages to the warfighter, including
4 by directing the Pentagon to establish a Secretary of
5 Defense 5G cross-functional team to accomplish this
6 objective.

7 We could not have addressed these problems without
8 Steve Feinberg, an outsider with a fresh perspective, who,
9 at the same time, knows how to work on the inside while
10 bringing innovation and ingenuity to the table. Steve, if
11 confirmed, will do an outstanding job as the Pentagon's
12 second-highest-ranking civilian official.

13 Steve understands the mission. He will leverage his
14 leadership, his strategic thinking, his deep knowledge, his
15 decades of experience, and his vast professional network,
16 as well as his willingness to listen and learn, and his
17 decisiveness to improve the Defense Department. Just as he
18 did at Cerberus for the past 34 years, Steve will work his
19 heart out every day at the Department of Defense. He will
20 ensure that the building, its management, its operations,
21 and its programs run better and more efficiently, and he
22 will focus on the Department's goal of providing decisive,
23 strategic operational and tactical advances to the
24 warfighter.

25 Steve Feinberg is the right man for this job. I look

1 forward to his testimony today and to working with my
2 colleagues to advance his nomination as quickly as
3 possible. Thank you.

4 Chairman Wicker: Thank you very much, Senator
5 Hagerty. We would love to have you stay with us all
6 morning, but perhaps you have other engagements. So feel
7 free to go, and you have our thanks.

8 Mr. Feinberg, welcome, and you are now recognized for
9 your testimony.

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1 STATEMENT OF STEPHEN A. FEINBERG TO BE DEPUTY
2 SECRETARY OF DEFENSE

3 Mr. Feinberg: Thank you, Senator Hagerty. Your words
4 are too kind. I very much appreciate it. I would like to
5 thank Chairman Wicker, Ranking Member Senator Reed, and all
6 the distinguished Senators on the Committee for this
7 opportunity to speak in front of you today. It is a real
8 honor. I would like to thank the President of the United
9 States, President Trump, for his nomination, giving me this
10 great opportunity to serve our great nation.

11 While the United States has all types of threats
12 today, from North Korea to Russia to Iran, by far our
13 biggest threat and most challenging is China. China is the
14 first nation we have ever competed with that has both a
15 great economy and a great military. China's entire private
16 sector is fully committed in supporting that military
17 development, and as such, they effectively have unlimited
18 funding. China is incredibly determined, they feel a great
19 sense of urgency, and they are fully dedicated to becoming
20 the strongest nation in the world and having dominance over
21 the United States.

22 This is coming at a time when the United States has
23 significant shortages in both our national security, many
24 areas from weaknesses to shortages to problems. Chairman
25 Wicker outlined so many of these in his opening remarks.

1 We have shortages, obviously, in shipbuilding, nuclear
2 modernization, aircraft development, cyber defense,
3 hypersonics, counter-space, defending our satellites,
4 counter-drones, defending against drone attacks, and so
5 forth. There are so many more. Our workforce is
6 challenged. Fabrication and batteries, two major areas of
7 our industry, we are relying on China for.

8 So a lot of big challenges that we have to face, and
9 it is all coming at a time when our budget is challenged,
10 when all the services do not have enough money to meet all
11 our current and future needs.

12 However, there is some good news here, is DoD,
13 Pentagon, there is great opportunity to improve our cost
14 structure, our efficiency, our operations, to really save a
15 lot of money, that could be plowed into mission. We do not
16 have great financial accountability, financial metrics,
17 poor systems, awful lot of low-hanging fruit there, so we
18 can improve our cost structure.

19 This is in my wheelhouse, hopefully. I spent a career
20 helping organizations improve, and after doing it for so
21 many years, I have certainly made my share of mistakes, but
22 I certainly believe I understand and I think I can add some
23 value there.

24 There are great people in the Pentagon, great people,
25 and there is so much to work with. And any time when you

1 are trying to improve operations and efficiency and do
2 better, there are going to be changes. Those changes could
3 be initially difficult, but with the right leadership, the
4 right focus there are so many people at the Pentagon that
5 want to do better at our Department of Defense and will
6 work incredibly hard to do that. We will find the top
7 people. We will give them autonomy, flexibility to do
8 things, but of course we will hold them accountable.

9 As Chairman of the President's Intelligence Advisory
10 Board under President Trump in the first administration, it
11 was clear that we had some of these deficiencies. Five
12 years later, I think things have only gotten worse. In our
13 DoD companies, which we have bought over the years,
14 certainly we were insiders, but I also have an outside
15 perspective to bring. I think that is a good combination.

16 Not meaning to be too negative, but we really need to
17 plug these shortages, focus on our priorities, get rid of
18 legacy programs, be very disciplined, and while, at the
19 same time, focusing on the economics. If we do that, given
20 America's great innovative capabilities and
21 entrepreneurship, we will defeat China. If we do not, our
22 very national security is at risk.

23 With that, Mr. Chairman, I was wondering if I could
24 introduce my family, if that is okay.

25 Chairman Wicker: Please do, yes. We would love to

1 get to know them better.

2 Mr. Feinberg: Thank you. Well, I am fortunate to
3 have behind me my nephew, Jovan Diaz, who is currently a
4 major in Special Forces, Green Beret, served multiple tours
5 in Iraq and Afghanistan. His brother, Eric Diaz, retired,
6 former officer, served multiple tours in Iraq and Central
7 America. My brother-in-law, Joe Swallow, former Marine.
8 My godson here today, Moses Franco, former Marine NCO.
9 And, of course, my brother-in-law, Fred Sanchez, who is not
10 in the military but sort of like it. He spent nearly 27
11 years, New York Police.

12 And my dad, who is too ill to be here today, is going
13 to be 99. He served in the South Pacific. I believe he is
14 watching. And all my uncles, may they rest in peace, all
15 served in World War II.

16 None of this would be possible without my wife of
17 almost 39 years, Gisella, and my three daughters, Madeline,
18 Joanne --

19 Chairman Wicker: I am glad you finally got around to
20 them.

21 Mr. Feinberg: I'm sorry?

22 Chairman Wicker: Just a quip.

23 Mr. Feinberg: And my son-in-law, also who worked at
24 Cerberus today, buying companies that help America, which
25 is a big part of our business.

1 Thank you, Mr. Chairman.

2 [The prepared statement of Mr. Feinberg follows:]

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1 Chairman Wicker: Well, thank you very, very much for
2 that testimony. We now have some standard questions that
3 are required of civilian nominees, so I ask you simply to
4 answer with yes or no.

5 Have you adhered to applicable laws and regulations
6 governing conflicts of interest?

7 Mr. Feinberg: Yes.

8 Chairman Wicker: Have you assumed any duties or taken
9 any actions that would appear to presume the outcome of the
10 confirmation process?

11 Mr. Feinberg: No.

12 Chairman Wicker: Exercising our legislative and
13 oversight responsibilities makes it important that this
14 Committee, its Subcommittees, and other appropriate
15 committees of Congress receive testimony, briefings,
16 reports, records, and other information from the executive
17 branch on a timely basis. Do you agree, if confirmed, to
18 appear and testify before this Committee, when requested?

19 Mr. Feinberg: Yes.

20 Chairman Wicker: Do you agree to provide records,
21 documents, and electronic communications in a timely manner
22 when requested by this Committee, its Subcommittees, or
23 other appropriate committees of Congress, and to consult
24 with the requestor regarding the basis for any good faith
25 delay or denial in providing such records?

1 Mr. Feinberg: Yes.

2 Chairman Wicker: And I assume there will be no bad
3 faith delay.

4 Will you ensure that your staff complies with
5 deadlines established by this Committee for the production
6 of reports, records, and other information, including
7 timely responding to hearing questions for the record?

8 Mr. Feinberg: Yes.

9 Chairman Wicker: And there may be, indeed,
10 undoubtedly will be some questions for the record.

11 Will you cooperate in providing witnesses and briefers
12 in response to congressional requests?

13 Mr. Feinberg: Yes.

14 Chairman Wicker: Will those witnesses and briefers be
15 protected from reprisal for their testimony or briefings?

16 Mr. Feinberg: Yes.

17 Chairman Wicker: Thank you very much for those
18 answers.

19 Now, you really have answered something that we are
20 all interested in. We are not where we need to be, and we
21 are facing two nuclear near-peer adversaries, and, for
22 example, our shipbuilding. according to your testimony, is
23 nowhere near where it should be.

24 There are people who say we do not have the industrial
25 capacity, so what is the answer to that?

1 Mr. Feinberg: Well, Senator, it is a tough problem.
2 Our supply chain is definitely weak. Our workforce needs
3 to be improved. But a big piece of improving our supply
4 chain is working more closely with our private sector. We
5 have companies that can get us where our needs are, where
6 our shortages are, and we need to work more closely with
7 them. We need people inside of government, that understand
8 their issues, understand what drives their boards, what
9 drives the pressure they get from shareholders. And that
10 kind of knowledge will enable us to try to find and work
11 with more private sector companies who would be willing to
12 get into this space.

13 We certainly have the manufacturing capability to meet
14 the shortages in our supply chain. We have just got to
15 encourage those companies to do it.

16 Chairman Wicker: Okay. And we probably will want you
17 to enlarge on that on the record.

18 We are at 3 percent of GDP now. Is a percentage of
19 GDP an accurate measure? I have been advocating for 5
20 percent. Why do people talk about a percentage of GDP?

21 Mr. Feinberg: Well, I think historically our military
22 spending has been at a higher percentage of GDP, and of
23 course, more funds would help us in a very difficult
24 period. But my humble opinion, my job as Deputy, if I am
25 fortunate enough to be confirmed, would be work with

1 whatever the funding the Senate and the House gives me, and
2 I will do my best with that.

3 Chairman Wicker: Well, I think we took a real good
4 step Thursday night, early into early hours Friday morning.
5 You mentioned in terms of doing the sorts of things that I
6 mentioned in my FORGED Act, in my paper, about restoring
7 freedoms forge. You mentioned there is some low-hanging
8 fruit. There is discussion about the 8 percent request
9 that went out from the new Administration. I can tell you
10 you are going to be very thoughtful about this, but
11 discuss, if you will, the extent of this low-hanging fruit
12 and to what extent do you think we can get started on that
13 in this fiscal year.

14 Mr. Feinberg: Yes, Senator, thank you. You know, for
15 example, in our program requirements, they are very rigid,
16 gold-plated, expensive. We can get the job done with a
17 simplification of many of those requirements. And then
18 often, as the program starts, the requirements get changed,
19 and then the industry has to then make changes, which
20 really drive costs up. There are all types of things we
21 can talk about regarding that.

22 I will say, on the cut, and obviously I have not been
23 involved in any of the conversations, but I do believe that
24 part of the plan should be, and will be, a lot of that
25 money they are talking about saving will be reallocated

1 inside DoD to mission priorities.

2 Chairman Wicker: Of course. Absolutely.

3 Well, let me briefly ask you. This Committee has been
4 supportive of the Office of Strategic Capital and the idea
5 of leveraging comparative advantages in private capital.
6 Do you support the OSC and do you believe we need to
7 significantly grow the Office of Strategic Capital?

8 Mr. Feinberg: Yeah, I would agree, but I think they
9 also need to move faster. Right now it is a great concept.
10 It can really help. But funding has to come quicker, with
11 a faster, less bureaucratic process, and it is very key for
12 us to address that or else that office will not be
13 successful. But if we move at the speed of urgency, given
14 our threats, that could be a great asset for us.

15 Chairman Wicker: Thank you for that commitment to the
16 speed of urgency. Senator Reed.

17 Senator Reed: Thank you very much, Mr. Chairman, and
18 thank you, Mr. Feinberg, for your testimony. You have
19 already highlighted one of your major issues. That is
20 building a budget and managing resources in which the
21 threat environment is accelerating, and we still have
22 current crises and commitments we must make. And with this
23 8 percent cut, that is very deep. You go after the low-
24 hanging fruit and then you have got a lot more work to do,
25 I perceive.

1 Can you tell us how you are you are going to approach
2 this problem?

3 Mr. Feinberg: Thank you, Senator. I think that when
4 you look at DoD today you do not have good systems, good
5 understanding of our cost structure, you do not have the
6 right financial metrics. So much is possible if you put in
7 those types of capabilities into the Department.

8 I think that in most cases that I have seen, in
9 businesses that there is the need to do better, we always
10 are able to find more cuts than we would have expected,
11 without hurting mission. And of course, all of these cuts
12 can be reappropriated to the things we really need.

13 So I do not think the idea is just to slash. The idea
14 is to reallocate from things we do not need, which, for
15 example, could be legacy systems that are not valuable in
16 the fight anymore, to things we do need.

17 Senator Reed: But reallocation, does that get you an
18 8 percent reduction, if you take X money and put X money
19 someplace else?

20 Mr. Feinberg: I'm sorry, Senator?

21 Senator Reed: Reallocation. If you take X dollars
22 from one account and put it in another account, how do you
23 cut 8 percent of the DoD budget?

24 Mr. Feinberg: My understanding of what I thought
25 those cuts were is that we would have an ability to put it

1 into the mission in ways that we cannot today. But if that
2 is not available, if confirmed as Deputy Secretary, I think
3 that there is so much there we can get at without cutting
4 into the bone, and a lot of it is systems, capabilities,
5 reporting, transparency. There is so much you can do when
6 you do that.

7 Senator Reed: Thank you. Over the weekend, the
8 Secretary announced that 5,400 probationary employees would
9 be dismissed, and it apparently was not done with any
10 analysis. It was just preemptive. And you have run
11 companies. Have you ever walked in and fired thousands of
12 people without any analysis of the cost or benefits?

13 Mr. Feinberg: Well, I believe that every person is
14 significant, and these cuts are always hard. But I believe
15 that most of the cuts that we will see will be from people
16 that want to retire, people who would like to resign early.
17 You know, obviously there are over 900,000 civilians in
18 DoD.

19 So while you can never not take one person seriously,
20 in these kinds of reorganizations there is always turnover,
21 and without some turnover you cannot become an efficient
22 organization.

23 Senator Reed: And another topic is, I mentioned in my
24 statement, Secretary Hegseth fired essentially all the
25 TJAGs of the military services. And one of his rationales

1 is, quote, "removing blockades to what is going to happen."

2 In usual terms, those blockades are called laws, so I
3 believe Secretary Hegseth has just shown, again, his
4 contempt for the law.

5 Do you commit to following the rule of law in your
6 job?

7 Mr. Feinberg: Absolutely, Senator.

8 Senator Reed: Federal law states clearly that no DoD
9 employee may interfere with the provisions of independent
10 advice by TJAGs, military service leadership, and by JAG
11 officers to commanders. Do you commit to respecting their
12 independence?

13 Mr. Feinberg: Yes.

14 Senator Reed: And also instructing others to do so?

15 Mr. Feinberg: Absolutely.

16 Senator Reed: Relatedly, do you commit to the
17 independence of DoD and other agencies' inspectors general?

18 Mr. Feinberg: Yes.

19 Senator Reed: Thank you very much, Mr. Feinberg.
20 Thank you.

21 Chairman Wicker: Thank you, Senator Reed. Senator
22 Cotton.

23 Senator Cotton: Mr. Feinberg, it was already
24 mentioned in your opening remarks and in your exchange with
25 Senator Wicker the importance of revitalizing our defense

1 industry. One important tool the Department has is the
2 Defense Production Act, going back decades. But
3 unfortunately it has frequently struggled to effectively
4 use the Defense Production Act. The previous
5 administration used it for non-critical needs like so-
6 called green energy.

7 What are your thoughts on how we could reform the
8 Defense Production Act and use it more effectively to
9 jumpstart our defense industry?

10 Mr. Feinberg: Yes, Senator, thank you. It is a great
11 tool for us. I think we have to combine some of our top
12 people at the Pentagon with private sector capability and
13 look at the kind of things that we really need, with
14 urgency, speed, of course, a lot of due diligence, but not
15 crushing due diligence, which takes us 6 months, a year, a
16 year and a half, which often happens in those kinds of
17 programs. We have got to go faster. We have got to
18 realize the threat. We have got to put the right people
19 who can go faster.

20 Senator Cotton: Thank you. I appreciate that, and I
21 agree, and especially when you get to the subcomponent
22 level in industry, there are a lot of challenges with
23 supply, and the Defense Production Act was passed decades
24 ago out of recognition that when we are in a crisis, as I
25 think we face now around the world, the defense industry

1 simply has to come first when it comes to certain critical
2 components or supply chain challenges.

3 You identified China as the most serious threat we
4 face, certainly the most serious long-term threat we face.

5 I completely agree with that. I am curious about your
6 thoughts on what are the key acquisition programs underway
7 right now, or that might soon be underway, that you think
8 we would need in a conflict in the Western Pacific,
9 obviously a conflict most likely to happen if Communist
10 China decided to go for the jugular in Taiwan.

11 Mr. Feinberg: Yeah, I mean, clearly we need to
12 develop autonomy, autonomy in significant numbers with a
13 centralized command, effectively brain. And we have to
14 make the right decision on whether we need to build the
15 next generation of aircraft, or we can rely on autonomy.
16 Of course, we have got to improve our shipbuilding. China
17 is very strong there. Our nuclear capabilities, we have to
18 upgrade them, and we have to develop hypersonics. We
19 cannot allow the Chinese to be faster than us, both in
20 their weaponry and aircraft. And so many more, Senator.

21 Senator Cotton: Yeah, thank you. I agree on all of
22 those. One question or issue that you mentioned in there
23 is whether we have a manned, sixth-generation fighter. I
24 know that you have not been on the job yet, you have not
25 gotten all the briefings that we have had on the Committee.

1 Do you have any preliminary thoughts on the need for a
2 manned fighter?

3 Mr. Feinberg: Well, that is a controversial issue,
4 Senator, that are used on both sides. I want to get in
5 there, if I am fortunate enough to be confirmed, look at
6 all the classified information, and ultimately that
7 decision could be made by the Secretary or the President
8 even, and see if I can add some value to it.

9 Senator Cotton: Sure. And as we discussed, I hope
10 that we can move along promptly, and you can get the same
11 information the Committee has. It is a decision that needs
12 to be made soon, but it is not imminent, in a matter of
13 days. I mean, there are several weeks left, I believe,
14 before the decision needs to be made.

15 Any thoughts on munitions? Obviously, munitions are
16 complicated these days, but they are still not a stealth
17 bomber, they are not an aircraft carrier. We do need to
18 increase basic rates of production on these. It is not
19 reinventing the wheel. It is just making more of the same
20 stuff. Any thoughts on how we can accelerate production
21 rates in private industry?

22 Mr. Feinberg: It is a tough problems. A lot of times
23 in ammunition you need ammunition machines, effectively, to
24 help build it, and those are in short supply.

25 You know, my hope is, if I am confirmed, that for each

1 of these shortages, get in there, look at the specific
2 facts, go over it in detail, understand the weaknesses, and
3 come up with a detailed operating plan. In my humble
4 opinion, often, in the past, maybe some of the senior
5 civilian leadership in the Pentagon may be not as deep into
6 the detail of these. Every operating entity has all sorts
7 of detail you have got to get into.

8 So I do not know yet, but I think there are a lot of
9 companies we can attract to help us with this problem. It
10 is not rocket science, munitions, and there is an ability
11 to expand.

12 Senator Cotton: Okay. Thank you, and thanks to your
13 family, your very large, extended family, and their record
14 of service to our nation and the military and in law
15 enforcement, and also thanks to your father who is watching
16 today, part of the Greatest Generation, along with your
17 uncles. It is a great American story that reflects the
18 story of so many other of our military families.

19 Mr. Feinberg: Thank you for your service, Senator. I
20 appreciate it.

21 Chairman Wicker: Thank you, Senator Cotton. Senator
22 Shaheen.

23 Senator Shaheen: Mr. Feinberg, congratulations on
24 your nomination and welcome to all of your family. Thank
25 you for your willingness to serve.

1 Mr. Feinberg: Thank you.

2 Senator Shaheen: Chairman Wicker and you, yourself,
3 in your opening statement, made the point that we have been
4 underinvesting in our defense in order to ensure the
5 national security of this country. So I am a little
6 confused about the strategy that, on the one hand, we have
7 the Administration talking about cutting 8 percent across
8 the board, primarily. There are about 17 areas exempt from
9 those cuts, but those do not include any manned aircraft,
10 so no fighter jets, no tankers, excludes military
11 construction for the Indo-Pacific area.

12 And so on the one hand we are talking about cutting 8
13 percent for 5 years, and on the other hand we have upped
14 the budget by \$150 billion, based on what the Senate voted
15 to do on Thursday.

16 So help me understand what the strategy is here, and
17 why, on the one hand -- I can understand, as you pointed
18 out and I think you are absolutely correct, that being
19 strategic and thoughtful about how we become more efficient
20 is really important. But across-the-board cuts do not do
21 that. So how is this making us more secure, based on
22 upping the budget on the one hand and cutting it on the
23 other?

24 Mr. Feinberg: Yeah, obviously I do not have the
25 detail on where these cuts are going to go. But there is

1 always significant opportunities of things we do not need
2 when you really get into the detail. In my humble opinion,
3 if I am able to get through confirmation, I think I can add
4 value to that discussion and try to ensure that we make the
5 right cuts. I do trust the Secretary's judgment on where
6 he wants to go.

7 But there is a real opportunity to make the right
8 cuts, and it has to be done thoughtfully, to your point.
9 But I do not think the exact nature of these cuts have yet
10 been determined, so I think there is an opportunity to
11 apply them correctly.

12 Senator Shaheen: Perhaps the nature of the cuts have
13 not been determined, but the layoffs have already started.

14 One of the places where layoffs have been proposed is with
15 our public shipyards. We have the Portsmouth Naval
16 Shipyard that New Hampshire and Maine share. It is the
17 oldest continuously operating shipyard in the country. It
18 has the best on-time record in terms of maintenance. It
19 maintains our nuclear attack submarines. And I guess I
20 would raise real concerns about whether it makes sense to
21 cut our workforce when those attack submarines are one of
22 the real advantages we have over China.

23 Would you agree with me that we need to look long and
24 hard before we start talking about cutting a workforce that
25 maintains our nuclear attack submarines and gets them out

1 on time and on budget?

2 Mr. Feinberg: Yes, Senator. Again, I have not seen
3 the detail of this, but if I am able to get in the job I
4 will look at it super carefully and try to ensure that we
5 make the right cuts that will not cut into mission.

6 Senator Shaheen: And Senator Reed talked about his
7 concerns about the firing of some of the top generals at
8 the Pentagon, and I share that concern. I appreciate that
9 the President can put in whoever he wants, but get rid of
10 the years of experience and expertise so quickly seems to
11 me to be short-sighted. But the question that I have for
12 you is, if you are confirmed as Deputy Secretary of
13 Defense, would you support military officers providing the
14 Committee their best military advice on issues, even if
15 that advice differs from the Trump administration, or
16 President Trump's views?

17 Mr. Feinberg: Well, as Deputy I believe I am an
18 execution person, and I do not think it is my place to, you
19 know, make decisions on what our top military officers
20 communicate. But I would support an honest, transparent
21 conversation at all times, and I am confident in President
22 Trump's strategies, and I think that the military will work
23 well with him and support the Administration's goals.

24 Senator Shaheen: Well, certainly and honest and
25 transparent conversation is important to ensure we have the

1 best military advice, which should be based on military
2 capability and not based on politics.

3 Thank you, Mr. Chairman.

4 Chairman Wicker: Thank you, Senator Shaheen. Senator
5 Fischer.

6 Senator Fischer: Thank you, Mr. Chairman, and
7 welcome, Mr. Feinberg, both to you and to your family
8 today, and thank you for putting yourself forward in these
9 times to serve your country.

10 Historically, nuclear deterrence has been the highest
11 priority mission of the Department of Defense. Our triad
12 protects the United States every single day from the only
13 true existential threat that we face, and nuclear weapons
14 guarantee our sovereignty. Mr. Feinberg, do you believe
15 that nuclear deterrence should be the Department's highest
16 priority mission?

17 Mr. Feinberg: Yes. It is one of our very top
18 priorities.

19 Senator Fischer: Is it the highest priority, sir?

20 Mr. Feinberg: It might be. If I am able to get in
21 there and look at all the classified data and all our
22 problems, I could certainly answer more directly. But
23 there is nothing that could be more important than our
24 nuclear modernization.

25 Senator Fischer: Today, for the first time in

1 history, we face two peer competitors when it comes to our
2 nuclear posture that we have. We have a current force
3 posture that was designed in 2010, when the threat
4 environment looked different, before Russia and China
5 modernized, before they expanded their own arsenals. So I
6 look forward to being able to have conversations with you
7 in the future on the importance of making that, continuing
8 to make that the Department and our nation's highest
9 priority. Mr. Feinberg --

10 Mr. Feinberg: Senator, you know, I was thinking, one
11 of the reasons why I hesitated on if it is the most
12 important is clearly modernization is key. We also need
13 hypersonics, you know, because if our enemy can carry
14 nuclear capability on things faster than ours, it is a big
15 problem. So I think it is a coordinated effort.

16 Senator Fischer: It is all part of the problem that
17 we have when we have those peer adversaries threatening
18 this country every single day.

19 If confirmed, would you work with the Secretary to
20 make sure that these modernization programs continue, and
21 continue as best they can on schedule, and if opportunities
22 present themselves to accelerate those programs would you
23 be supportive of that, as well, and work with the Secretary
24 on that?

25 Mr. Feinberg: Yes.

1 Senator Fischer: Thank you. Mr. Feinberg, given your
2 experience in the private sector, if confirmed, how would
3 you foster greater innovation inside the Department, and
4 what can the Department do to make itself more attractive
5 to private sector companies in developing that innovation?

6 Mr. Feinberg: Well right now, with the way our
7 programs work, it is very rigid, gold-plated, endless
8 rules, and the big defense contractors have an advantage
9 just based on how contracts work, bids and proposals. The
10 process is cumbersome, and often they win simply because
11 they are better at it. So if we can simplify that process,
12 make it fairer, not be as inflexible, that will promote
13 competition, so competing companies can worry more about
14 capabilities than the process.

15 I also think that the cost of our very tough, rigid
16 requirements sometimes is too gold-plated, which makes
17 companies without as much capital unwilling to take the
18 kind of risk. Some of that risk is unnecessary in
19 development.

20 So a lot we can do by getting into the program detail,
21 line by line.

22 Senator Fischer: Good.

23 Mr. Feinberg: My view is that the Deputy has to go
24 program by program, line by line, not hand it off to
25 somebody else.

1 Senator Fischer: Okay. Good. Mr. Feinberg, there
2 are currently efforts underway to force the Department of
3 Defense to vacate critical bands of spectrum, including the
4 lower 3 band and the 7-8 gigahertz band. And this would
5 mean that the Department would not be allowed to operate
6 radar systems or satellite systems that allow our
7 warfighters to detect, to discriminate, track, and shoot
8 incoming missiles and enemy targets. I adamantly believe
9 that forcing national security systems to vacate these
10 bands would be detrimental to national security. It would
11 degrade our missile defense capabilities when we should be
12 aggressively pursuing an Iron Dome for America. That would
13 be off the table if these were vacated.

14 However, I also understand that sharing these bands
15 with commercial entities may be possible. This would
16 potentially allow DoD systems to operate and coexist with
17 commercial systems in the same exact bands without forcing
18 us to lose these capabilities.

19 Do you believe the Department of Defense must have
20 meaningful co-leadership role in interagency determinations
21 about the future of Federal spectrum? Should DoD be at the
22 table to be involved in those decisions?

23 Mr. Feinberg: I totally agree. We need spectrum to
24 defend our country. We also need commercial use of it to
25 develop the technology to be able to defend our country.

1 The best solution is sharing, but we have to get it right,
2 make sure sharing can be done without risk. That needs to
3 get tested, and until that is clear that it can be done
4 without risk, we must protect DoD's spectrum position.

5 Senator Fischer: Thank you. It must be clear that it
6 can be done without risk. Correct?

7 Mr. Feinberg: Yes, Senator.

8 Senator Fischer: Thank you, sir.

9 Chairman Wicker: Thank you, Senator Fischer. Senator
10 Hirono.

11 Senator Hirono: Thank you, Mr. Chairman. Mr.
12 Feinberg, welcome to you and your family.

13 I ask the following two initial questions of all
14 nominees before any of my committees, to address the
15 fitness to serve.

16 Since you became a legal adult, have you ever made
17 unwanted requests for sexual favors or committed any verbal
18 or physical harassment or assault of a sexual nature?

19 Mr. Feinberg: No.

20 Senator Hirono: Have you ever faced discipline or
21 entered into a settlement relating to this kind of conduct?

22 Mr. Feinberg: No.

23 Senator Hirono: Now, the DoD will need to cut some 8
24 percent off its budget, and again, we wonder how that
25 happens when, at the same time, other parts of the budget

1 is being increased. But a lot of these cuts, I think, will
2 come from the workforce, which I think we acknowledge is a
3 critical part of our readiness.

4 So here we see that some 5,400 people have already
5 been, or will soon be let go from DoD, and these are people
6 who are on probationary status. These are not people
7 getting ready to retire. In fact, across the many
8 departments, people on probation are being let go, 1,000 in
9 DOJ, 250 in SBA. So these are cuts that are happening
10 across the board, not based on any analysis of impact. And
11 there are some 55,000 people on probation within the DoD,
12 and I think the expectation is that many of them will be
13 also let go. There are some 350 people on probationary
14 status at Pearl Harbor Naval Shipyard, and so these are
15 critical people in our shipyards, as also mentioned by my
16 colleague, Senator Shaheen.

17 So since all these cuts are being made without any
18 kind of analysis, don't you have a concern that these cuts
19 will have an impact on readiness?

20 Mr. Feinberg: Well, most of the substantial cuts that
21 they are talking about are yet to happen.

22 Senator Hirono: As I mentioned, though, they are
23 happening to those in the probationary status. These are
24 people who just got hired, who are just being trained to
25 serve.

1 Mr. Feinberg: Yeah. So, you know, I have spent a
2 career in restricting companies and dealing with these
3 workforce issues. If I can get through confirmation I do
4 think I can add some real value working with the Secretary,
5 of course, in the process to do that properly, fairly, with
6 the right people.

7 Every organization goes through some turnover when you
8 have really needs to improve. Initially it is difficult,
9 but the top people will step up, and it can be ultimately
10 improving the culture.

11 Senator Hirono: Mr. Feinberg, as I mentioned, these
12 are not based on any kind of analysis that you would
13 normally do in the civilian sector, which you are very
14 familiar with. I hardly think that in your business you
15 would just start getting rid of people across the board,
16 especially new hires who presumably went through the
17 process of vetting.

18 Now regarding the concerns about the purging of senior
19 military officers, I too have the concern. Let me just ask
20 you a series of questions that I expect either a yes or no
21 answer.

22 Do you believe it is important that senior military
23 officers be able to provide their best military advice,
24 regardless of politics and without fear of reprisal?

25 Mr. Feinberg: Yes.

1 Senator Hirono: Do you believe that it is important
2 that uniformed JAG officers feel free to provide their best
3 legal advice on the fair administration of military justice
4 and compliance with the law of armed conflict?

5 Mr. Feinberg: Yes.

6 Senator Hirono: Do you believe in the independence of
7 the inspectors general to root out fraud, waste, and abuse?

8 Mr. Feinberg: Yes.

9 Senator Hirono: We are concerned about similar cuts
10 to USAID, and we are talking about thousands of people who
11 were providing services to not just very important to our
12 own country but obviously to our allies. Mr. Feinberg, do
13 you agree that gutting USAID funding and personnel
14 endangers our interests around the globe, especially in the
15 Indo-Pacific?

16 Mr. Feinberg: I do not know. You know, I do not have
17 all the facts and knowledge of that USAID and what the
18 considerations were in making those decisions. But I do
19 trust the Secretary and the President's judgment on that.

20 Senator Hirono: Wouldn't you say that if you were a
21 country, including island nations, who receive USAID funds,
22 this kind of cut would be shocking and would have negative
23 impacts on their economy and their people?

24 Chairman Wicker: Thank you very much, Senator Hirono.

25 Senator Hirono: I would say the answer has to be yes.

1 Thank you.

2 Chairman Wicker: Thank you, Senator Hirono. Senator
3 Rounds.

4 Senator Rounds: Thank you, Mr. Chairman. Mr.
5 Feinberg, first of all, thank you for the opportunity to
6 visit beforehand in my office. I enjoyed that discussion.

7 I want to also thank your family for their service to our
8 country and also thank you for taking the time to leave the
9 private sector and to come in and to offer your expertise.

10 The time that you spent at Cerberus Capital and the
11 fact that you have looked at a number of different defense-
12 related businesses in the past really does help with regard
13 to how we make changes at the Pentagon level.

14 I want to start just by clarifying one thing. When we
15 talk about an 8 percent cut, we are talking about
16 prioritizing, which is the bottom 8 percent that they
17 think, or that they want leaders within the Pentagon to
18 identify as perhaps being reappropriable to other more
19 important portions. Is that your understanding as well,
20 sir?

21 Mr. Feinberg: It is.

22 Senator Rounds: Thank you. Your background has also
23 given you some insight, even before getting classified
24 briefings, with regard to spectrum, and I want to spend
25 some time on that once again. I think this is one of the

1 most important issues that faces the Department of Defense
2 right now, and that is spectrum sharing, which you are
3 familiar with because actually one of the companies which
4 you had invested in actually looked at spectrum sharing and
5 the need for that. So that is the reason why I want to go
6 through this a little bit.

7 Senator Fischer did an excellent job of laying out the
8 real serious threat to our national security should we lose
9 the ability to use radar, which is located in the 3.1 to
10 3.45 gigahertz of the spectrum. I do not want to get real
11 deep technically, but basically that is the most advanced
12 radars we have. You indicated hypersonics was an important
13 part of the discussion right now. Those weapon systems,
14 you are aware that we detect them using this portion of the
15 spectrum. Are you familiar with that, sir?

16 Mr. Feinberg: Yes, Senator.

17 Senator Rounds: So if the Department of Defense was
18 forced to either give it up or because of interference have
19 a less likely chance of identifying that, it would make
20 those systems less reliable. Would you agree with that,
21 sir?

22 Mr. Feinberg: Yes, sir.

23 Senator Rounds: Right now, in Hawaii, it is defended
24 by destroyers that carry this portion of it that provides
25 the radar defenses. The Secretary of the Navy, or the Navy

1 as indicated, in multiple testimonies before this
2 Committee, that there is a cost should they have to either
3 make significant changes or lose that part of the spectrum
4 or replace it elsewhere, at \$250 billion for the Navy alone
5 to replace it over a period of perhaps 20 years. Are you
6 familiar with that, sir?

7 Mr. Feinberg: Yes, I am.

8 Senator Rounds: Okay. Right now, we need to find a
9 solution that allows for further development of spectrum by
10 our commercial sectors, but at the same time, we cannot
11 lose or force the Department of Defense to give this
12 portion up, or our nation is at risk. Would you agree with
13 that, sir?

14 Mr. Feinberg: I do agree.

15 Senator Rounds: Today, if we look at the President's
16 new idea, and I fully support him in this, President Trump
17 has issued what I believe is a game-changing executive
18 order, directing the Department of Defense to develop and
19 build an Iron Dome missile defense shield for America. I
20 think some people called it the "golden dome." This dome
21 for America would not be possible if the Department of
22 Defense has to vacate some or all of the lower 3 band and
23 other crucial portions of the spectrum.

24 In fact, as Senator Fischer noted last week, Iron Dome
25 for America will need even more radars than we currently

1 have, and those systems cannot function properly if there
2 is too much noise, which includes development of 5G by the
3 commercial sectors, that noise on the spectrum, where they
4 are operating.

5 If confirmed, will you protect the Department of
6 Defense's spectrum so that the President's Iron Dome for
7 America can be built and function optimally?

8 Mr. Feinberg: Yes.

9 Senator Rounds: Thank you, sir. Look, your
10 background, you are a finance guy. You invested in a
11 company that looks at spectrum sharing. Can you share a
12 little bit of the expertise that you picked up with regard
13 to spectrum sharing and the availability of it, if we are
14 allowed the time to actually get it developed and prove it
15 to be function?

16 Chairman Wicker: About 30 seconds worth of that, sir.

17 Mr. Feinberg: Okay, there are two ways. One is
18 managed spectrum share, which we have to improve
19 significantly to ensure it can be done safely and still
20 protect our country. But I think we can do that over time.
21 It has to be tested.

22 The other is simultaneous share, and that is what DoD
23 really would love. And that is early in its stage, it has
24 to be tested, but it does provide great promise in terms of
25 solving these problems. We have got to really test it and

1 make it sure it works.

2 Senator Rounds: But it is a path forward, but it has
3 to be tested.

4 Mr. Feinberg: Yes.

5 Senator Rounds: Thank you. Thank you, Mr. Chairman.

6 Chairman Wicker: Thank you, Senator Rounds. Senator
7 Ernst.

8 Senator Ernst: Yes, thank you, Mr. Chair, and thank
9 you, Mr. Feinberg, for being here today. And I want to
10 thank your family, as well, for their service.

11 Let's start with our defense budget auditability,
12 okay. We spoke about this in my office. I have been long
13 committed to cutting unnecessary spending in Washington,
14 D.C., and the Pentagon is no exception to this. The DoD,
15 which controls the largest discretionary budget in the
16 Federal Government has never passed a full financial audit.
17 This failure continues to erode our public trust, and it
18 prevents the efficient use of taxpayer dollars for critical
19 defense priorities.

20 So Mr. Feinberg, what specific measures will you
21 implement to ensure the DoD finally passes an audit, as our
22 law requires?

23 Mr. Feinberg: Yes. It is super important. I mean,
24 we have got to have financial accountability. I guess I
25 was told we have 480 systems at DoD. I am not sure of the

1 exact number, but obviously we have got to consolidate
2 systems. We have got to bring in the right help to work
3 closely with the Pentagon to be able to clarify and make
4 simpler our financial process.

5 You know, if confirmed, I can get in there and look at
6 the specific details. We have done this, historically, in
7 so many companies. Generally when a company has a problem,
8 they often have financial issues.

9 So I cannot say exactly, but it is all achievable.
10 Financial audits are very achievable. We will get it done.

11 Senator Ernst: Yes, and that is why I am trusting
12 that your background and expertise can make this possible.

13 We know that there are many private organizations and
14 businesses that are of a similar scale to the Pentagon,
15 maybe not quite as large. But they successfully undergo
16 rigorous financial audits all the time. This is possible.

17 But I do believe you are heading on the right thing when
18 you talk about structural changes, the siloing of
19 information within the Department. That needs to change
20 for auditability.

21 Are there also cultural changes that would be
22 necessary at the Pentagon to make sure that there is
23 financial accountability?

24 Mr. Feinberg: For sure, it has to be a priority. We
25 have to recognize the importance of it. Because not only

1 it is about, as you said, getting an audit done. It is
2 about being able to understand our finances, understand our
3 cost structure. I do not believe, in the Department of
4 Defense, any of our leaders fully understand our cost
5 structure, and at one hit of a button to say, like most of
6 our CEOs say this is what this costs, this is what that is,
7 this is where we are spending money. That specificity is
8 simple, but it is key.

9 So it has to be a priority. Not that easy to do
10 quickly, to change all the different systems in a way that
11 does not make things worse. It has to be done carefully.
12 We need a great controller at DoD, one that has great
13 private sector experience. But we also need a great deputy
14 for him that understands the FAR and all the issues that
15 relate to government.

16 Senator Ernst: Yeah, thank you. Another issue, very
17 quickly, is making sure that we are streamlining the
18 acquisition process. Procurement is a mess at the DoD, and
19 anyone familiar with the Pentagon understands that the
20 current acquisition process is very sluggish. It is
21 burdened by a lot of bureaucracy, and obviously everyone is
22 prone to cost overruns.

23 So, Mr. Feinberg, what steps will you take to
24 accelerate the transition of AI and other emerging
25 technologies from research and development to actual

1 operational deployment?

2 Mr. Feinberg: You know, AI is an overused word in
3 this sense. Most of it is just high-end data analytics.
4 Of course, there is some of use of AI, but it is
5 developing.

6 The key, I think, to success, is having the operators
7 partner with the technologists, and they really have to
8 work together. Often the technologists are, you know, we
9 know it all, and other times the operators are, hey, don't
10 bother me with this, I'm busy.

11 So both sides have to accept that partnership.
12 Technologists have to accept the operators' knowledge is
13 essential in developing better data analytics and AI, and
14 the technologists have to work closely, and the operators
15 have to understand the value and the benefit. Part is
16 culture. Every company that is successful at that
17 integration has that partnership.

18 Senator Ernst: Very good. Thank you so much, Mr.
19 Feinberg.

20 Chairman Wicker: Thank you. Thank you very much,
21 Senator Ernst. Senator Kaine has slipped in under the
22 wire.

23 Senator Kaine: Thank you, Mr. Chair. Congratulations
24 to the nominee. I am still huffing and puffing from racing
25 from another meeting. But I really appreciated the meeting

1 that we had in my office. I think you have sort of a
2 nontraditional skill set to bring to this nomination, but
3 for reasons I may get into with my questions and that we
4 discussed in the office, I think some nontraditional skills
5 are sort of necessary right now in some of the matters you
6 discussed in your opening statement.

7 Mr. Feinberg: Thank you.

8 Senator Kaine: Before I ask you a question I just
9 want to tell my colleagues, I had a whirlwind weekend. We
10 were on the floor until 5 a.m. Friday on the reconciliation
11 bill, and then I flew to Finland. And I just spent the
12 weekend with the Virginia Army Guard and the Karelia
13 Brigade, which is one of the three brigades of the Finnish
14 Army, doing a joint training exercise in snow-covered birch
15 forests in southern Finland. It was a fascinating 48 hours
16 on the ground with a great NATO ally.

17 I met with the President, the Foreign Minister, the
18 Department of Defense Secretary of the shipbuilding
19 industry. And Finland is a great ally and a great friend,
20 and it is important to hear what your friends say.

21 I came back with some thoughts. We have got to
22 remember 1938, a desire on behalf of the Prime Minister of
23 England to declare peace in our time. He was able to
24 achieve it and declare peace in our time, but it was a
25 disaster because the peace of appeasing a bully was a

1 catastrophe.

2 In 1975, in Helsinki, 50 years ago this summer, we
3 entered into the Helsinki Accords to create stability in
4 Europe, and the then-Soviet Union pledged to respect the
5 sovereign integrity of every other nation. In fact, all
6 the signators to the accords did. That is worthy of
7 celebration after 50 years, and revitalizing.

8 In 1995, we created the OSCE coming out of the
9 Helsinki Accords, to essentially do the same thing.

10 Five years ago this week, President Trump negotiated a
11 deal with the Taliban, leaving the government of
12 Afghanistan out of the deal, and we were able to declare
13 peace in our time. But the decision to omit Afghan
14 participation in that peace deal turned into a catastrophe,
15 and the inspector general that did the after-assessment,
16 after August of 2021, indicated that cutting the Afghans
17 out led to such a feeling of abandonment that that was one
18 of the critical factors in that going wrong.

19 Even if you forget all the history, just remember what
20 your parents told you when you were going to school, the
21 first time you complained about a bully. They said, "You
22 have got to stand up to a bully, or a bully will keep
23 bullying you, and others."

24 And so yesterday, in the meetings in Helsinki, it was
25 the third anniversary of the invasion of Ukraine by Russia,

1 and a resolution as offered at the UN General Assembly
2 containing this phrase: "The full-scale invasion of
3 Ukraine by the Russian Federation has persisted for three
4 years." That phrase, saying that it was an invasion by the
5 Russian Federation, led the United States of America to
6 vote no. The resolution failed. The U.S. voted no, along
7 with Russia, Nicaragua, North Korea.

8 It was sobering to be in Helsinki with this new NATO
9 ally, who joined NATO and is exercising with Virginia
10 troops, and have the U.S. unwilling -- unwilling -- to vote
11 for something because it placed the blame for the invasion
12 on the Russian Federation. We have a President who will
13 not clearly say it. We have a Secretary of Defense who
14 will not clearly say it. We have too many people who will
15 not speak the truth. This was a Russian invasion of
16 Ukraine. And at the highest levels of our government right
17 now we have folks who will not speak the truth, and they
18 will stand with Russia and Nicaragua and North Korea rather
19 than standing with allies.

20 It is important that we not let these things just pass
21 by unremarked upon. This is the first Armed Services
22 hearing we have had since the third anniversary, and I just
23 felt like I wanted to put it on the record. Would you
24 agree with me, Mr. Feinberg? You talked about the
25 competition with China and what it is going to take for us

1 to succeed. Would you agree with me that in that
2 competition, a robust network of allies is one of the great
3 assets that the United States has, and we should work to
4 maintain it?

5 Mr. Feinberg: Yes. I think our allies are very
6 important, but our relationships with them need to be fair
7 to America and in our interests.

8 Senator Kaine: I would never suggest otherwise.

9 Mr. Feinberg: Of course, Senator. And also, as
10 Deputy, execution would be my job, and making diplomatic
11 policy and relationship decisions would be more of a job of
12 the Secretary and, of course, the President.

13 Senator Kaine: I really will want your help, and we
14 talked at length about shipbuilding. We are putting more
15 money in, year after year, and then let's put more money in
16 is not getting us the result that we need. And I think you
17 have a skill set, again, that is a little bit
18 nontraditional, but we are not going to be able to solve
19 our production woes just by this Committee voting for
20 greater appropriations. If we do not have some
21 changemakers, we are not going to get to where we need to
22 get, and I look forward to continuing that discussion.

23 With that, Mr. President, I yield. I would like to
24 ask that the UN General Assembly resolution that I referred
25 to, that the U.S. voted against and caused it to fail, I

1 would like to ask that it be entered into the record.

2 Chairman Wicker: Reserving the right to object, I was
3 told the resolution was adopted by the General Assembly.

4 Senator Kaine: There was a resolution adopted. The
5 one that I read that put the onus on Russia was defeated.
6 One that removed it, the Security Council did approve it,
7 although the U.S. abstained.

8 Chairman Wicker: If it is all right, let's put both
9 of them in the record, for clarity.

10 Senator Kaine: No worries.

11 [The information follows:]

12 [COMMITTEE INSERT]

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1
2 Chairman Wicker: Thank you very much. Take a deep
3 breath. Perhaps Senator Scott would like to pass. Senator
4 Mullin.

5 Senator Mullin: Now that is a gentleman there. Thank
6 you, sir.

7 Chairman Wicker: Who are you speaking of? I am just
8 kidding.

9 Senator Mullin: Both. I want to take some time here,
10 because it was not where I was planning to go, but I just
11 cannot allow my colleagues on the other side to just spew
12 100 percent mistruths constantly, and then play into the
13 fear of the American people.

14 And I am just going to start, first of all, with
15 national security issues. National security issue one is
16 our national debt, and our national debt is now costing us
17 more to just pay interest than we spend on our military.
18 That is a huge national security risk.

19 So at what point do we start making cuts? And people
20 want to start talking about cutting 5,400 jobs out of the
21 DoD as a whole when they have 950,000 employees, and we are
22 talking about less than 0.5 percent of the workforce, where
23 do we start cutting? We are spending trillions of dollars
24 with agencies that are not unfunded, and you are going to
25 tell me we do not have the ability to cut some employees

1 when underneath the Biden administration it was bloated,
2 and there is not room to cut? When a company is going
3 underwater you do have to take a look at the workforce. I
4 do not want to suggest that our country is going
5 underwater, but if we continue this path, we will.

6 And I commend President Trump and those that he has
7 put in place to actually make hard cuts. Making cuts are
8 difficult. It is tough. But when are we supposed to start
9 if we do not start now? The previous administration was
10 not willing to do that.

11 And then, as the Senator that just asked questions,
12 wanted to bring up the Afghanistan withdrawal? Brother,
13 that is very close to me. That hits home. And you are
14 going to lay the withdrawal on President Trump and say it
15 was his fault? The disastrous withdrawal came 100 percent
16 from the Biden administration, and American lives were left
17 behind, and they are still dying because of it. And
18 Americans' lives were lost during the withdrawal, and you
19 are going to sit there with a straight face and try to say
20 that it was President Trump's fault, when the Biden
21 administration, and all of know this because we were
22 briefed on this, that the Biden administration threw out
23 the entire withdrawal plan that the Trump administration
24 had, and decided to go their own way, and man, wasn't that
25 great.

1 And then we are going to start talking about President
2 Trump not calling a bully out, like Putin? Did we forget
3 what happened in 2017, when Trump 100 percent told Russia
4 to stay out of Syria, not to be involved, especially with
5 the bombing of Assad's own people? And when they did,
6 President Trump, within 30 minutes, took out the airfield
7 that they operated out of, destroyed it, and then took back
8 the airspace, and we had the airspace in Syria all the way
9 up until Biden took office, and we gave it back to Putin.

10 Or stand up to a bully, do we want to go back to
11 Israel and Hamas, and discuss the way the Biden
12 administration handled that, and the way they refused to
13 call Hamas a terrorist organization, and the Houthis a
14 terrorist organization, and Iran a terrorist organization?

15 And you are going to sit there with a straight face and
16 actually say that about President Trump. Are you joking
17 me?

18 Are we serious saying that President Trump is not
19 willing to stand up to a bully when underneath his
20 administration was the only time that Russia did not
21 advance into Ukraine, because they did it underneath Obama
22 when they took Crimea, and they did it underneath Biden
23 because they did not respect him because of the disastrous
24 withdrawal from Afghanistan, and every expert will tell you
25 that.

1 So where is it that we are coming up with this, other
2 than just plain fear? All I want to do is just stroke fear
3 into the American people and try to divide something
4 between us and the President. Because the President is
5 bringing back hostages. He also brought back a hostage
6 that Biden left behind, and he did not give up one thing to
7 Russia, including a guy that was highly, highly considered
8 a threat to the world. What was his name, anybody? What
9 was his nickname? No, not Soleimani. Dr. Death, that we
10 decided to trade for. And I am sure you guys thought that
11 was a good trade.

12 Guys, give me a break. We are trying to advance
13 America's agenda and do what is best for this country, and
14 the American people agree with the direction we are going.

15 So, sir, sorry about going on a rant here, because I
16 actually did want to get into your business and the
17 direction that you can take our defense industry. But that
18 could not go without answers.

19 You and I have already had a conversation, and we will
20 continue our conversation, and I look forward to working
21 with you. With that, I yield back.

22 Chairman Wicker: Thank you, Senator Mullin. Senator
23 Warren.

24 Senator Warren: So, Mr. Feinberg, you have been
25 nominated to be Secretary of Defense in charge of DoD's

1 \$850 billion budget. Your main qualification is that you
2 have built one of the world's largest private equity
3 companies. You have spent your entire career honing the
4 private equity tools that used to hollow out our
5 businesses, from department stores to veterinary practices,
6 and presumably those are the skills that you would bring to
7 the Department of Defense.

8 So I just want to look at how that has worked. Let's
9 start with how you treat people. In Massachusetts, in
10 2010, your private equity firm bought six nonprofit
11 hospitals, turned them into for-profit hospitals, called
12 Steward. Ten years later, you cashed out, having made a
13 profit a little shy of a billion dollars, and leaving
14 behind a hospital system that was stagged under a load of
15 debt, and 4 years later, collapsed into bankruptcy.

16 Now, Mr. Feinberg, when we met in my office you told
17 me that your private equity outfit made an average 23
18 percent annual return each year that you owned your
19 hospitals. If Steward nurses had gotten the same 23
20 percent salary increases that your investors effectively
21 got every year, do you know how much they would be paid at
22 the time you sold off your hospitals?

23 Mr. Feinberg: Well, I do know that in 2010, the
24 hospitals were going under, and we were --

25 Senator Warren: I am sorry, Mr. Feinberg, we have

1 very limited time here and I actually want to spend it on
2 your qualifications to do this job, and it is about how you
3 treat people. The average nurse in the Steward hospitals
4 at the time you bought them made \$85,120. At a 23 percent
5 annual raise, how much money would they be making right
6 now?

7 Mr. Feinberg: I am not going to do the math, but --

8 Senator Warren: Okay. I will do the math for you.

9 Mr. Feinberg: -- but what I could tell you --

10 Senator Warren: \$829,828. Now, of course, the nurses
11 did not do that well. During that same period of time,
12 Kearney Hospital, one of the hospitals you bought in
13 Massachusetts, raised nurses' salaries about 1.5 percent a
14 year, and that was the best increase across the Steward
15 hospitals that you were running.

16 Mr. Feinberg: That is incorrect.

17 Senator Warren: In other words, you seem to think
18 that when it is time to reorganize a business, that equity
19 should get about 15 times as much return on their
20 investment as the people who actually do the work.

21 So let's take a look at the second issue, and that is
22 maintaining critical functions.

23 Mr. Feinberg: Senator, would you like me to respond
24 to --

25 Senator Warren: We need to make progress at the

1 Department of Defense --

2 Mr. Feinberg: -- because a lot of inaccurate
3 statements.

4 Senator Warren: But we also --

5 Chairman Wicker: Mr. Feinberg, she is entitled to
6 make a speech.

7 Mr. Feinberg: I apologize.

8 Chairman Wicker: She is entitled to go on and on.

9 Senator Warren: Now let's go back to Steward
10 hospitals. Did you cut fat or did you cut vital functions?

11 Now, Mr. Feinberg, the town of Quincy used to have a
12 full medical center, with primary and specialty care, a
13 surgery department, an urgent care department, and a VA
14 clinic. That was its basic function. After your private
15 equity company finished with it, what was left?

16 Mr. Feinberg: Well, when we exited the investment in
17 2020, the company was doing well.

18 Senator Warren: I am asking, what was left of the
19 Quincy hospital?

20 Chairman Wicker: Now, Senator, he is trying to answer
21 a question.

22 Senator Warren: That is what I am asking.

23 Chairman Wicker: You finally stopped for a breath.
24 Do you intend to let him at least have maybe 20, 30 seconds
25 to answer a question?

1 Senator Warren: Can I have my time back?

2 Chairman Wicker: Yes. I said you are entitled to
3 make a speech. But you stopped with a question mark, and
4 he started to try to answer the question.

5 Senator Warren: All right. What is the answer to the
6 question? What was left of the Quincy hospital? That was
7 my question.

8 Mr. Feinberg: Lots happened after we exited, and
9 there has been mismanagement.

10 Senator Warren: My question, what was left when you
11 exited?

12 Mr. Feinberg: I am not certain that that changed.

13 Senator Warren: It was an emergency room and nothing
14 more.

15 Mr. Feinberg: But, but, we took those hospitals from
16 collapse, in 2010, and we were going to shut it down, as
17 the 10th-largest employer of Massachusetts. We turned them
18 around, fixed them, grew them, had a tremendous amount of
19 success, worked closely with the governor, and the problems
20 at Steward happened after we exited the investment.

21 Senator Warren: I am asking about questions as you
22 exited and during the period of time you ran it.

23 Now, of course, a hospital is supposed to provide good
24 quality care, and that takes qualified nurses and other
25 staffers. Mr. Feinberg, the hospitals that did not close

1 down, during the time you ran it, do you know how many
2 unsafe staffing complaints were filed?

3 Mr. Feinberg: I do know the vast majority of problems
4 happened after we left. And by the way, our nurses were
5 among the highest paid in the country.

6 Senator Warren: Is that a no, that you do not know
7 how much --

8 Mr. Feinberg: I do not know.

9 Senator Warren: -- how many unsafe staffing
10 complaints were filed? Well, let me tell you. There were
11 1,000 filed. That is five times the normal rate in
12 Massachusetts.

13 Mr. Feinberg: What year was that?

14 Senator Warren: This is the years that you were in
15 control. So the two hospitals --

16 Chairman Wicker: Senator Warren, perhaps you would
17 like to take another round.

18 Senator Warren: No. I would like to just finish. I
19 just have a quote.

20 Chairman Wicker: Your time has expired, Senator.
21 Your time has expired.

22 Senator Warren: I spent a great deal of that time
23 listening to the Chairman tell me how I have to conduct my
24 questions.

25 Chairman Wicker: Your time has expired. The

1 Senator's time has expired.

2 Senator Warren: No. Could I just close --

3 Chairman Wicker: Senator Sullivan.

4 Senator Warren: -- could I just close, Mr. Chairman?

5 I would just like to say why I care about this issue.

6 Senator Sullivan: I have a --

7 Chairman Wicker: Your time has expired. She can have
8 another round.

9 Senator Sullivan: Mr. Feinberg, thank you for your
10 service, and I appreciated our meetings over the last
11 several months.

12 Let me just begin. The Ranking Member mentioned the
13 apolitical military. Secretary Hegseth, in his
14 confirmation hearing, said that the professional uniformed
15 military, quote, "must remain patriotically apolitical and
16 stridently constitutional." That is the Secretary's
17 statement. I agree with that. Do you agree with that?

18 Mr. Feinberg: Yes, sir.

19 Senator Sullivan: And this is a unique and important
20 attribute of our U.S. military that makes our country very
21 strong and our military very strong. Do you agree with
22 that, as well?

23 Mr. Feinberg: Yes.

24 Senator Sullivan: Let me ask another question that I
25 raised in Secretary Hegseth's hearing. He got the

1 question, I asked him, right, about when Billy Mitchell,
2 the father of the U.S. Air Force, testified in front of
3 this Committee in the mid-1930s, calling a Alaska the most
4 strategic place in the world. Do you agree with that?

5 Mr. Feinberg: I agree it is one of the most strategic
6 places in the world.

7 Senator Sullivan: All right. Well, maybe I will not
8 support your nomination. I am kidding. It is not
9 Greenland, though. Let's make that --

10 In all seriousness, we have a lot going on in Alaska.
11 We have had Russian, Chinese, Asia's incursions, naval
12 incursions. It is a real active place. The Lower 48 media
13 does not cover it. We had two incursions just last week by
14 Russian air bombers.

15 Will you commit to come to Alaska with me, if
16 confirmed, to see our great military up there and just how
17 strategic it is?

18 Mr. Feinberg: I will.

19 Senator Sullivan: Let me ask on shipbuilding. We are
20 in a crisis. The Biden administration focused more on
21 climate change than shipbuilding. The Congressional
22 Research Service, which is our research service here in the
23 Congress, their experts said we are in the worst crisis in
24 shipbuilding in over 40 years. The Chinese are building a
25 giant navy. It is already bigger than ours. By 2030, I

1 think it is going to be over 420 ships. It will be about
2 120, 130 times bigger, in terms of ships, 120, 130 ships
3 bigger than our Navy.

4 We could spend two hearings on shipbuilding. But can
5 you give me a sense. You have done this kind of thing,
6 where you have turned around a real big problem in the
7 private sector. This is a huge private sector and
8 government challenge. Give me a couple of big ideas. My
9 team and I have put together a big shipbuilding plan. So
10 has the Chairman. This is a bipartisan issue, by the way.

11 Senator Kelly is very focused on this. Our National
12 Security Advisor now, Mike Waltz, is very focused on this.

13 There are a lot of good ideas there. But give me a couple
14 of key elements of how we turn this around.

15 And I mentioned this to President Trump. Republicans
16 actually have a history of this. Theodore Roosevelt's
17 Great White Fleet. President Reagan's 600-ship Navy. This
18 should be a priority, and I think it is, of the President,
19 the Secretary of the Navy. But we are going to need your
20 experience to do this. What are some big ideas you have on
21 this?

22 Mr. Feinberg: You know, talent is everything, people.

23 HR is hard, and trying to get the right people. Even the
24 best leaders will have failures. But I think we need to
25 work very closely with, you know, the PPO and the

1 administration and find really strong manufacturing,
2 private leaders who understand process workforce, who have
3 done this before, and really drive talent into the
4 struggling shipyards. They could partner with a lot of our
5 great people in the Pentagon and DoD, to help improve.

6 This is an operational turnaround. It is about
7 people. It is about talent. There are plenty of leaders in
8 America that have done this. We have just got to get them
9 on the home team, there, and all in.

10 Senator Sullivan: Well, I think this Committee wants
11 to work with you on this. It is really important issue.
12 It is a bipartisan issue. It is a critical issue.

13 Let me ask one final question, Mr. Feinberg. The
14 President has declared a national energy emergency.
15 Unfortunately, the last administration did not recognize
16 the strategic assets of our country, especially my state.
17 The Biden administration issued 70 executive orders to shut
18 down Alaska. President Trump, on day one, issued this
19 executive order on unleashing Alaska's extraordinary
20 resource potential. I talked to Secretary Hegseth about
21 this over the weekend.

22 Can you commit to me -- the Secretary of Defense is
23 mentioned in this EO, and many others -- to work with me
24 and this Committee on unleashing our critical mineral
25 potential, natural gas potential, military bases, buying

1 natural gas in Alaska. This is a key component of the
2 President's strategy. It is going to make our country
3 stronger, and it is far cry from what we just experienced
4 under the Biden administration --

5 Chairman Wicker: Will you make that --

6 Senator Sullivan: -- to shut down critical minerals.

7 Chairman Wicker: Will you make that commitment, Mr.
8 Feinberg?

9 Mr. Feinberg: Yes, I will.

10 Chairman Wicker: Thank you very much.

11 Senator Sullivan: Thank you, Mr. Chairman.

12 Chairman Wicker: Thank you, Senator Sullivan.

13 Senator Blumenthal.

14 Senator Blumenthal: Thank you, Mr. Chairman. Thank
15 you for your willingness to serve, Mr. Feinberg, and
16 welcome to the Committee.

17 Mr. Feinberg: Thank you.

18 Senator Blumenthal: As you know, 5,000 probationary
19 employees have been fired. The plan apparently is to cut
20 another 75,000 Department of Defense civilian employees.
21 You would agree with me that civilian employees often
22 perform a very critical role for the Department of Defense.

23 Mr. Feinberg: Yes, I do.

24 Senator Blumenthal: And many of these layoffs, in
25 fact, will undercut our national security. I have just

1 come from a hearing of the Veterans Affairs Committee, a
2 join House/Senate. I am the Ranking Member on the Veterans
3 Affairs Committee. Many of them are deeply concerned about
4 their jobs in the VA and the Department of Defense.

5 The position you have been nominated to fill oversees
6 the entirety of the workforce and the civilian workforce at
7 the DoD. My question is really simple. What do you have
8 to say to the veterans at the Department of Defense whom
9 Elon Musk is firing?

10 Mr. Feinberg: Well, we certainly have a cost problem,
11 and addressing cost problems are difficult. Sometimes we
12 have to make change to help an organization do better in
13 the future. It has to be done thoughtfully. So I would
14 say to those veterans, we have got to make our Department
15 of Defense stronger. The majority of cuts are coming. If
16 I am able to get confirmed --

17 Senator Blumenthal: What I hear you saying, sir,
18 essentially we do not need you. You are expendable. Your
19 life of service is meaningless, and the job you are doing
20 now is going to be road kill.

21 Mr. Feinberg: Sir, I --

22 Senator Blumenthal: That is the message that is being
23 sent to these veterans. And so I would simply urge you to
24 take into account that these Department of Defense civilian
25 employees were once wearing a uniform.

1 Mr. Feinberg: I totally understand, and it is
2 something that has to be done the right way. And all of
3 these people are super important. But every organization
4 has turnover, has to make change, and if you do not make
5 change you can end up in a much worse position. So we
6 cannot endlessly expand the force. We have to sometimes
7 make change.

8 Senator Blumenthal: And you know, from your -- and I
9 apologize for --

10 Mr. Feinberg: I apologize.

11 Senator Blumenthal: -- interrupting, but as you know,
12 my time is limited.

13 Mr. Feinberg: Yes.

14 Senator Blumenthal: You know, from all of your
15 experience in the private sector that you just cannot take
16 a meat ax. You have to use a scalpel in determining who is
17 necessary and not. And eliminating waste does not mean you
18 lay waste to the Department of Defense.

19 Let me move on to another topic, if I may. The United
20 States military is the best-trained and most effective
21 fighting force the world has ever seen. We depend on our
22 armed forces to protect us from hostile foreign powers.
23 But unlike in countries where autocratic leaders deploy
24 their military against their own people, the United States
25 military is not a weapon to be used against Americans.

1 Domestic deployment of Federal armed forces is legally
2 authorized under very narrow circumstances, and only in the
3 most extreme emergency scenarios.

4 Would you agree with me that any use of the American
5 military against American people should be an absolute last
6 resort?

7 Mr. Feinberg: Yes.

8 Senator Blumenthal: I welcome that statement, because
9 the Administration has implied, in fact, explicitly said
10 that it may use the American military for mass
11 deportations, suppressing protests, responding to crime in
12 cities and urban areas. I hope those statements prove to
13 be untrue and exaggerations. But I welcome your statement.

14 Mr. Feinberg: Well, I do have faith that President
15 Trump will follow the law and do that appropriately.

16 Senator Blumenthal: Well, more than faith will be
17 required. I think you will need to stand up and speak out,
18 and, if necessary, resign if you are asked to do something
19 that you feel is illegal or immoral.

20 Mr. Feinberg: I do not believe President Trump will
21 ever ask me to break the law.

22 Senator Blumenthal: That is what we have heard, again
23 and again and again, and history, I think, is a fair
24 warning to us about what we can expect.

25 Thank you, Mr. Chairman.

1 Chairman Wicker: Thank you, Senator Blumenthal.
2 Senator Scott, you have been most patient.

3 Senator Scott: Thank you, Chairman. Well, Mr.
4 Feinberg, you are going to do a great job. You have got a
5 great background. You believe in transparency. You
6 believe in accountability. You are going to bring a breath
7 of fresh air because you know in the private sector you
8 have got to get results by holding people accountable but
9 give them specific tasks to get done, and you are going to
10 do a great job.

11 In the last 6 years, we have passed a significant
12 amount of legislation through the National Defense
13 Authorization Act to hold China accountable, whether it is
14 we do not buy Chinese drones in our military and our
15 government, Federal Government, we do not buy LIDAR
16 technology, we stopped buying Chinese garlic that is made
17 in sewer water in commissaries, we hopefully are starting
18 the process of not buying Chinese drugs for our military.
19 How important is it to our fighting men and women that we
20 do not rely on Communist China, who has decided to be our
21 adversary, for anything in time of war?

22 Mr. Feinberg: I am sorry, Senator?

23 Senator Scott: How important is it to completely
24 decouple from China from the standpoint of what our
25 military is doing?

1 Mr. Feinberg: It is very important and very
2 difficult, but we have got to do it with urgency.

3 Senator Scott: So do you think we ought to be buying
4 Chinese computers for our military?

5 Mr. Feinberg: No.

6 Senator Scott: Do you think we ought to be buying
7 Chinese medicines for our military?

8 Mr. Feinberg: No.

9 Senator Scott: What about Chinese chips? How about
10 Chinese telephones?

11 Mr. Feinberg: No.

12 Senator Scott: Can you name anything that is made in
13 China that we ought to just go full force and be buying for
14 our military?

15 Mr. Feinberg: Well, there are some completely
16 commoditized, basic products that would not put our
17 national security in jeopardy, but it is certainly a
18 difficult problem.

19 Senator Scott: Yeah. So the audits. You have
20 invested in a lot of companies. Did you ever do an audit?

21 Mr. Feinberg: Did I ever do an audit personally?

22 Senator Scott: Yeah, no, but are you companies
23 audited?

24 Mr. Feinberg: All of them are.

25 Senator Scott: Yeah. And if the auditor gave you

1 some points that you had to get fixed by the next audit,
2 did you do it?

3 Mr. Feinberg: You better fix it by that audit.

4 Senator Scott: Yeah. And if not, what would you do?

5 Mr. Feinberg: If you don't have an audit, big
6 problem.

7 Senator Scott: Yeah. So would you keep the CFO?

8 Mr. Feinberg: No.

9 Senator Scott: No. So our military does their own
10 audit, and I think the Marines are the only ones that have
11 completed an audit. So what do you think ought to happen
12 to change the attitude with regard to audits of our
13 Department of Defense?

14 Mr. Feinberg: Well, we have got to make it a
15 priority, but in making audit a priority it will also help
16 us on all types of understanding of financial metrics, our
17 cost structure, our capabilities.

18 You know, one thing that I observed is that while we
19 have had some great, obviously, civilian leadership in the
20 Pentagon, in my humble opinion at times some of the people
21 in the operational execution jobs are not involved in
22 detail. And we are going to set up a war room, if I am
23 fortunate enough to be confirmed, and we are going to go
24 over every program, every cost, line by line, with an army
25 of people, until it is done 24/7. And we are going to

1 understand where our costs are, why we do not have our
2 audit, where the financial problems are, and then we are
3 going to come up with a plan to fix it. But it has to be
4 done line by line. It is a big task. It is a big war
5 room. And I think the Pentagon will support it, and I think
6 the people will be excited to see it, as well.

7 Senator Scott: So in your private sector, as you made
8 investments, a lot of times did you have to make tough
9 decisions other people would not make? Was it as simple as
10 that, they just would not make the decision to look at how
11 things were being spent, or programs that did not work, or
12 things like that?

13 Mr. Feinberg: We had to make tough decisions all the
14 time, and not everyone is right. But if you are afraid to
15 act, the problem is worse.

16 Senator Scott: Right. So are you optimistic that you
17 will be able to have a positive impact on getting military
18 in a position that we are the most lethal fighting force
19 out there?

20 Mr. Feinberg: The Secretary has made that a big
21 priority, and I think we can absolutely make great strides
22 toward it.

23 Senator Scott: So let's assume you serve for 4 years.
24 What would you like to say you accomplished at the end of
25 those 4 years?

1 Mr. Feinberg: Basically that I have helped the
2 Secretary and the President improve DoD, preferably in
3 total anonymity, and I will fade off into the sunset, some
4 better performance, that hopefully I had some small role
5 in.

6 Senator Scott: Thank you. Thank you, Chairman.

7 Chairman Wicker: Thank you, Senator Scott. Senator
8 King.

9 Senator King: Thank you, Mr. Chairman. Total
10 anonymity is something all of us seek but none of us
11 achieve.

12 Mr. Feinberg: Yes, sir.

13 Senator King: I understand your impulse.

14 I apologize for not being here. I was at a Veterans
15 Affairs Committee on the House side, and I know there has
16 been a great deal of discussion about the potential cuts in
17 the workforce. What I am interested in is the discussion
18 of 8 percent. That is 70,000 people. What I am interested
19 in, of you as a manager, how do you intend to go about
20 that, because the cuts that have been occurring throughout
21 the Federal Government so far have not been very
22 thoughtful. For all probationary people, for example, that
23 is not a terribly rational way to make these decisions.
24 There may be great people who are probationary.

25 So what would the process be whereby you reduce the

1 Department of Defense workforce by 70,000 people?

2 Mr. Feinberg: Yeah. Most of the cuts that are
3 potentially -- that might happen going forward have not yet
4 been made, and hopefully, if I am fortunate enough to get
5 through, I think that I can be helpful in the analysis,
6 study, the considerations --

7 Senator King: You are the chief operating officer.
8 You should not be helpful. You are in charge of this
9 process.

10 Mr. Feinberg: Yes, sir.

11 Senator King: I would like to know the process you
12 intend to follow.

13 Mr. Feinberg: Yeah. Well, I do not know what role
14 the Secretary would want me to play, but assuming I am in
15 charge of that, we would look at the exact detail of
16 people, who is doing what, what jobs contribute what, what
17 do we need, what do we not need. Study it carefully, and
18 really come up with a concrete, specific, granular plan
19 before we would have final --

20 Senator King: So firing all probationary employees
21 would not be how you would go about it. Is that correct?

22 Mr. Feinberg: Well, I was not involved in that. I do
23 not know the detail, so not fair for me to say.

24 Senator King: No, but you can comment on the
25 rationality of firing all probationary employees, some of

1 whom maybe have been in the Department for 10 years and
2 just got promoted and are there for a probationary. Others
3 may be the best person the Department has ever hired but
4 they have only been there for a year. Do you think it is a
5 rational process to simply arbitrarily fire all
6 probationary employees?

7 Mr. Feinberg: You know, I do not know how it was
8 done. I do not know the considerations.

9 Senator King: No, I am asking you not how it was
10 done, but I am asking you if that approach is a rational
11 way to reduce a workforce, fire everybody that has been
12 hired in the last couple of years. Is that a good
13 management practice? Is that what you would have done at
14 Cerberus?

15 Mr. Feinberg: Well, I will say that we have over
16 900,000 civilian employees --

17 Senator King: Right.

18 Mr. Feinberg: -- so while every person counts and is,
19 of course, very important, there is going to be some change
20 that the numbers are more significant.

21 Senator King: That is not my question. There has
22 been a stated goal of reducing the workforce by 8 percent.

23 That is 70,000 people.

24 Mr. Feinberg: Yeah.

25 Senator King: You are the chief operating officer.

1 Presumably, you will be in charge of the process of
2 reducing the workforce by 70,000 people. I want to know
3 how you are going to do it, and one of my questions is, are
4 you going to use the arbitrary yardstick of probationary
5 employees? Yes or no.

6 Mr. Feinberg: I do not know the considerations or the
7 detail on what was thought before that cut. What I can
8 tell you is, if I am in there, we will carefully look at
9 the cuts, balance and weigh what we need and what we do
10 not, be careful not to cut into mission, and do it in a
11 granular, bottoms-up, person-by-person detailed way.

12 Senator King: So does that answer, I mean, you are
13 not going to cut all probationary employees arbitrarily?
14 Is that a no to that question? It sounded like it. This
15 is a pretty straightforward question. Are you going to
16 fire all probationary employees first, to get to the
17 70,000? Yes or no.

18 Mr. Feinberg: I have to look at the detail. I do not
19 know yet. I do not think, and I do not know the
20 considerations that were thought through before that cut,
21 those cuts were made.

22 Senator King: Okay. You are a smart guy.

23 Mr. Feinberg: I just do not know.

24 Senator King: You know what I am asking. I do not
25 understand why you cannot tell me yes or no, whether this

1 is going to be one of the tools you use to reduce the
2 workforce.

3 Let me change the subject. There is a lot of
4 discussion around here about reinvigorating the defense
5 industrial base. Any thoughts on how we actually do that?

6 I have heard that phrase a thousand times. I have never
7 heard anybody say exactly how we go about it.

8 Mr. Feinberg: I think we need to bring in new
9 companies. We have great manufacturing capabilities in the
10 United States. For example, if we were to call up General
11 Motors or Ford, and say, "We need you in our defense base."
12 Find ways under OTA or sole source where we can give new
13 companies, especially the ones that scale and can operate.
14 So much is talked about venture.

15 It is far more important, in my opinion, in scale and
16 operations, are larger businesses. They are at a
17 disadvantage competing with the big defense companies.

18 They are not in the bids and proposals of contracting area.

19 There are a lot of restrictions, a lot of tough things to
20 get in there. We have got to make it easier for them.

21 Maybe not the most competitive answer on the surface, but
22 it will lead to much more competitive in the future.

23 I would go to a big manufacturing company, give them a
24 shot on new programs that we think their capabilities can
25 meet it, and let them figure out a way, under FAR, to give

1 them a shot without a wide-scale competition with all our
2 big defense companies, which, by the way, are too
3 consolidated.

4 Chairman Wicker: Thank you.

5 Senator King: Thank you.

6 Chairman Wicker: As a matter of fact, Senator King
7 and Mr. Feinberg, it is fact that General Mills actually
8 used to be in the defense manufacturing business, so good
9 point there.

10 Senator Schmitt, you are recognized.

11 Senator Schmitt: Thank you, Mr. Chairman. Good to
12 see you again, Mr. Feinberg. I actually think of all the
13 confirmation hearings that we are going to do, some of
14 which get a lot more publicity than this one, I do not know
15 if this is on C-SPAN. I do not know if it is being covered
16 by anyone else. Based on your testimony earlier about
17 being in obscurity, I am sure you are hoping it is not on
18 any channel, I guess.

19 But I think this is actually one of the most important
20 jobs in the entirety of the Federal Government, because I
21 sit here, in bipartisan unison, we talk a lot about how we
22 absolutely have to have procurement reform, and I think it
23 is a huge waste for some of my Democratic colleagues to be
24 railing away on this temper tantrum about DOGE, when they
25 could be asking the questions that we have been told, you

1 know, forever, that are actually top of mind, which is sort
2 of with 14 seconds left my friend from Maine asked about
3 how you actually get this kind of procurement reform.

4 So I would like to drill down just a little bit on
5 that. You have talked about introducing more competition.

6 That is certainly, I think, part of it. One thing
7 specifically that I have heard from a lot of Missouri-based
8 suppliers are these TINA requirements. And having this
9 certified cost or pricing data for these relatively small
10 or medium-sized businesses really is a barrier to entry for
11 the work.

12 Will you support sort of trying to figure out how we
13 can do better there so you actually have the requirements
14 are not so burdensome that you can actually have new
15 entrants into the system, or they can actually more
16 competitively bid?

17 Mr. Feinberg: Yeah, I am not familiar with that
18 piece, but I understand the concept, and I will make sure I
19 look at it and act on it appropriately.

20 Senator Schmitt: Okay. I think that part of the
21 reason why your job is so important is that so much of this
22 is going to be a cultural shift that is difficult in an
23 organization the size of the Department of Defense.

24 But this kind of mindset of spending what is
25 allocated, how do you get to a place where we are actually

1 maximizing the benefit of every dollar?

2 Mr. Feinberg: Well, first if we can prioritize it on
3 the most important missions, which is hard and takes time,
4 legacy spending, and really do it with discipline on what
5 we really need. And then focus on how to be efficient and
6 cut costs in our program management and on our operations.

7 Senator Schmitt: I know that there has been a lot of
8 advancements. I am sure you have seen this in the private
9 sector. And by the way, I want to thank you. You have
10 gotten a lot of criticism for being successful in the
11 private sector, and I want to thank you for your divesting
12 a lot to come take this position and share your expertise
13 on behalf of the American people, to make our defense
14 structure and the Pentagon the weapon systems the best they
15 can be to protect Americans. So thank you for that.

16 Mr. Feinberg: Thank you.

17 Senator Schmitt: There has been a lot of changes and
18 a lot of innovation as it relates to AI and automation and
19 real-time data analytics that have not found their way to
20 the Pentagon. How do you go about improving that culture
21 within DoD? What have you done before that you think you
22 can bring to the Pentagon?

23 Mr. Feinberg: You know, I remember, you know, when
24 our supermarket company, Albertson's -- I should say what
25 used to be the company -- we went to the CEO and we said,

1 "Boy, we've got Amazon in the grocery business. We've got
2 all these guys using technology." I remember the CEO said
3 to me, "I don't need any of that stuff. I have been doing
4 this" -- really good CEO -- "I've been doing this my whole
5 life. Leave me alone."

6 Unfortunately, change is so important and you have got
7 to be ahead of it. So it is a challenge going into
8 departments that have done things a long time a certain
9 way, and trying to make change, and being forceful about
10 it. There certainly needs to be a partnership, I said
11 earlier, with technology people to understanding the
12 importance of operational, the operational people on the
13 ground. And you will find the best people, depending on
14 who want this change and will embrace it, and those we are
15 going to let run with it, give them autonomy, and let them
16 drive it.

17 Senator Schmitt: Well, one of the things, I think,
18 that has been talked a lot about, which I agree with, is
19 moving towards high-tech weapons systems that can be mass
20 produced, like drones that are able to swarm. But I do
21 think that we have got to be able to do both, which is one
22 of the reasons why the next generation air defense program
23 is really, really important. I think that those
24 advancements are good, and they may be the future. We have
25 talked about this a little bit in my office.

1 The two places where we have absolute advantage over
2 the CCP is our nuclear subs and our bomber and fighter
3 fleets, the air superiority we have and the underwater
4 superiority that we have. And I know that you committed in
5 my office that we would work together on that, to make sure
6 that in addition to introducing some of the new high-tech
7 systems that are available that we are not going to abandon
8 the superiority we have in the skies.

9 Mr. Feinberg: Yes, sir.

10 Senator Schmitt: Thank you.

11 Chairman Wicker: Thank you. Senator Kelly.

12 Senator Kelly: Thank you, Mr. Chairman. Mr.
13 Feinberg, thank you for your willingness to serve in this
14 very important role.

15 I want to follow up to some of the comments the
16 Senator from Oklahoma, Senator Mullin, made earlier in
17 response to Senator Kaine calling out Putin as a bully and
18 this Administration's unwillingness to state the obvious.
19 Senator Mullin said that Senator Kaine was spewing 100
20 percent mistruths constantly, essentially calling him a
21 liar. He was referring specifically to the Russian
22 President, Vladimir Putin. And in response, Senator Mullin
23 mentioned Assad, Israel, Hamas, Houthis, Iran, hostages,
24 and Dr. Death. I am pretty sure he did not mention Putin
25 by name. I think the appropriate response would be to say

1 that Putin was, in fact, a bully, but he did not say that.

2 I think it is instructive that he would not even mention
3 Vladimir Putin by name.

4 Putin is a bully, and I am not hearing that from this
5 Administration. I do hear it from some people on the other
6 side of the aisle, and I appreciate that. More people need
7 to get off the sidelines on this issue. And I think it is
8 clear to many of us that Donald Trump blew up the Western
9 alliance this past week, 80 years of an alliance, gone. It
10 is disturbing.

11 Mr. Feinberg, earlier you said execution would be your
12 job, and it is part of the job, but I do not think it is
13 all of the job. You are going to often find yourself in
14 the room. And when things like, as an example, the SECDEF
15 a few days ago said, when asked whether or not Russia
16 invaded Ukraine, he said, "It's complicated." It is not
17 complicated. Russia did, in fact, invade our ally,
18 Ukraine.

19 So, Mr. Feinberg, would you agree that you have a role
20 beyond just execution in offering some advice when you hear
21 things that are just fundamentally inaccurate?

22 Mr. Feinberg: I do think the Deputy should, at times,
23 give his view on policy, for sure. I think it should be
24 behind closed doors and not in public. And I think it is
25 important for the Deputy to understand that he, regardless

1 of what his opinion may or may not be, that ultimately the
2 Secretary and the President will decide what the policies
3 are, and it is important to execute it.

4 Senator Kelly: That is fair. That is good to hear.
5 Mr. Feinberg, did Russia invade Ukraine?

6 Mr. Feinberg: Well, going to my behind closed doors
7 statement a second ago, I will just say this.

8 Senator Kelly: They moved tanks and troops and
9 armored personnel carriers across the Ukrainian border. It
10 is a pretty simple question.

11 Mr. Feinberg: Yeah. Well, here is how, if I may --

12 Senator Kelly: If you would ask the Chairman of this
13 Committee if Russia invaded Ukraine, I am pretty sure --
14 the Republican Chairman -- I am pretty sure I would know
15 the answer.

16 Mr. Feinberg: I got you. However, there is a very
17 tense negotiation going on now. It is important for
18 America's interests. I do not have --

19 Senator Kelly: Mr. Feinberg, we have got to live in
20 the real world here.

21 Mr. Feinberg: But I do not --

22 Senator Kelly: I mean, things happen, and it is
23 obviously to the rest of the world. And I think it is
24 obvious to Europe right now that we just blew up an
25 alliance. And for us not to be able to say an obvious

1 fact, it does not help a negotiation.

2 Mr. Feinberg: Well, what I was trying to say,
3 Senator, is I do not think some person who is not informed
4 on this, not involved in discussions, should make
5 statements public that could undermine what the President
6 and the Secretary's intent is. I do have confidence that
7 President Trump is very strong at negotiation, has a plan,
8 and that he will find a good outcome for America.

9 Senator Kelly: Mr. Feinberg, people that are good at
10 negotiations do not give up their two strongest negotiating
11 points before the negotiation starts, which was membership
12 in NATO and land that was taken away from the Ukrainians.
13 So I do not agree with that, that he is a good negotiator.
14 He actually, this week, has been a pretty bad negotiator.
15 I want to make sure --

16 Mr. Feinberg: Actually, President Trump, his policy
17 has always been peace through strength, and he is very
18 cunning on how he proceeds and how he approaches these. He
19 is the first person to ever bring Russia to the table,
20 where we are close, potentially, to a settlement. So I
21 would like to see how it works out. I have confidence it
22 will work out favorable to America.

23 Senator Kelly: Well, I do not share your optimism
24 here.

25 Mr. Feinberg: Understood.

1 Senator Kelly: I mean, we went into a negotiation
2 giving up the two biggest points, and that is very
3 troubling. And at the same time, in the same week, we blew
4 up an 80-year alliance. And some of my Republican
5 colleagues have a hard time even stating the obvious, that
6 Russia did, in fact, invade Ukraine 3 years ago. I know,
7 Mr. Feinberg, I know you pay attention to the news, and I
8 imagine if I asked you this question 3 years ago I am
9 pretty sure I know what the answer would be. Thank you.

10 Chairman Wicker: Thank you, Senator Kelly. I
11 recognize myself.

12 Mr. Feinberg, thank you for being here. Thank you to
13 your family, those who are watching, your father, and for
14 your family's years of service. I appreciate their
15 introduction.

16 You know, I was disappointed to hear earlier that some
17 of my colleagues characterized your background in the
18 private sector as negative. I think that is disappointing.
19 I have got a different perspective, a positive perspective
20 on that. There was a time in this country when business
21 leaders were applauded for their patriotism and their
22 contribution to our country's efforts to win World War II.

23 And, Mr. Feinberg, if your father is tuned in at this
24 point in the hearing I want to thank him personally, and
25 his generation.

1 Mr. Feinberg: I appreciate it.

2 Chairman Wicker: They also helped us in the Cold War.
3 But to reform the DoD, I think we need someone who can work
4 alongside the Secretary, harnessing the American spirit to
5 ensure the United States outpaces our adversaries, someone
6 who knows how to reform organizations, improve outputs,
7 harness innovations. So not only, Mr. Feinberg, do you
8 have extensive background investing in sectors critical to
9 national security, but you also served on the President's
10 Intelligence Advisory Board. So thank you for that.

11 In this position you had a front-row seat to the
12 threats that our country faces. So Mr. Feinberg, can you
13 discuss how your business background and service on the
14 Intelligence Advisory Board makes you well suited to serve
15 as the Deputy Secretary of Defense?

16 Mr. Feinberg: Well, it was an interesting job. It
17 did not have a lot of ability to act, but we did a
18 tremendous amount of analytics. Every department, all the
19 areas of DoD, all the intelligence agencies, Homeland, FBI,
20 even, at times, Treasury and Commerce, when they affected
21 national security, we got briefings from all of them. I
22 took over 3,000 briefings. Fortunate to have on that board
23 General Mike Hagee, who was former Commandant of the Marine
24 Corps, as well as Charlie Allen, who was an intelligence
25 legend. I guess he retired from CIA at 75.

1 So we had a real good group of people I was fortunate
2 enough to learn from, and all these problems and shortages
3 and issues were laid out for us. So it was an incredibly
4 educational job, very frightening, and I think that laid
5 the groundwork. You know, as a DoD intelligence contractor
6 we have had a lot of classified contracts, but this was so
7 much broader, and in some ways it was as broad of an
8 education as you can get.

9 Chairman Wicker: Thank you for that, and again, thank
10 you for your service on that board.

11 How can the military better harness American ingenuity
12 and innovation to get emerging technologies into the hands
13 of the warfighter faster?

14 Mr. Feinberg: You know, the government does not truly
15 understand the private sector, and the private sector does
16 not understand the government, okay. Our companies, I wish
17 they were more patriotic. They should be all in always
18 helping us, but they are not. I wish they could understand
19 that there are certain rules in government that are not
20 made by the existing sitting people in government but they
21 are just there, that they have to work by. I would love to
22 get our private sector to be more flexible.

23 But I do think it is people that really understand the
24 private sector, that understand how the boards think, how
25 the general counsel thinks, what the legal impediments, the

1 regulatory impediments are. We need to bring them into
2 DoD, have them lead in these conversations with our private
3 sector.

4 The big tech companies have done great things for
5 America. They can do an awful lot more. We have to
6 understand them, what drives them, and go to them with
7 those thoughts, and I hope they will also be more flexible.

8 There is a world of opportunity for our private sector,
9 like China is doing, way better than us. So it is a big
10 area we need to get at.

11 Chairman Wicker: Thanks for that. Another issue.
12 You know that the PPBE process, or the planning,
13 programming, budgeting, and execution reform project -- we
14 talked about that in the office. Will you commit to
15 implementing PPBE Reform Commission recommendation endorsed
16 by the Department?

17 Mr. Feinberg: Yes.

18 Chairman Wicker: Thank you. So if confirmed, do you
19 commit to frequently updating Congress on your plan for the
20 Replicator initiative and counter-UAVs at large?

21 Mr. Feinberg: I do.

22 Chairman Wicker: Thank you for that. That is an
23 important initiative. Senator Schmitt mentioned that
24 earlier in regard to the swarming technology and
25 Replicator, so very important program. I hope you will pay

1 significant attention to that.

2 Mr. Feinberg: Yes.

3 Chairman Wicker: Thank you again. Senator Slotkin.

4 Senator Slotkin: Thank you. Thank you for being
5 here, Mr. Feinberg. It was good to talk to you in my
6 office. I think there were a lot of things that we can
7 agree on -- acquisition reform. If someone can crack that
8 code we would be so much safer and so much better off vis-
9 à-vis China. Getting China out of our supply chains for
10 national security reasons. So I think there are a lot of
11 things where I appreciated your views.

12 My questions, as again I previewed in our
13 conversation, are just about you managing the Pentagon and
14 managing this huge enterprise, and particularly in you
15 serving as the chief operating officer of one of the
16 biggest institutions in the world, and allowing others
17 outside the Pentagon to access sensitive information.

18 I am a CIA officer, so I am putting these pieces
19 together in what we have seen, and I just have to say that
20 we know that DOGE is going into departments and agencies,
21 collecting data. We know that they are using AI-supported
22 software, access through the Microsoft Cloud to amalgamate
23 that data. We know that they are feeding sensitive
24 information into that system where they go, and that that
25 information can be manipulated, swept up in cyberattacks,

1 leaked. It is personnel information. It is sensitive
2 information about our national security architecture. And
3 we know that DOGE has reportedly brought in their own
4 servers, particularly into OPM, in order to handle this
5 data.

6 Mr. Hegseth has said that he welcomes DOGE into the
7 Pentagon. We know that they have started to look at places
8 like CIA because they just sent an unclassified email with
9 CIA recent hire names in an unclassified space. As a
10 former CIA officer, you just blew the cover of someone who
11 was going to risk their life abroad to protect our country.

12 So my question to you is what are you going to do when
13 they come to you and they ask for that data? Will you give
14 DOGE access to sensitive classified and personnel data of
15 uniformed military bases and locations across the world?

16 Mr. Feinberg: Yean, I mean, as Deputy, if I make it
17 there, we have to follow the laws, and we cannot allow
18 classified data that is not legal to be in other people's
19 hands, to move. So we will look at the laws closely. We
20 will make sure that transfer, if it happens, is done by the
21 appropriate ways. Now, of course, the President can decide
22 what is classified and what is not, and he can declassify.

23 So, of course, always subject to what the President wants
24 to do and his wishes. However, I think it is our job to
25 look at this carefully and make sure it is done properly.

1 Senator Slotkin: So separate from classified
2 information, although you have stated that the President
3 can just declassify things, will you give access to DOGE to
4 sensitive personnel information about our uniformed
5 military and families, particularly living abroad?

6 Mr. Feinberg: Make sure that all the necessary laws
7 and regulations are met.

8 Senator Slotkin: I just think, maybe it is because I
9 come from the national security world, do you know how
10 appetizing it is for our adversaries to have this data? Do
11 you know how appetizing it is for them to understand how to
12 get at a uniformed officer living in a dangerous place? It
13 is not, for me, actually a political issue. It is quite
14 literally an issue of safety and security. And as someone
15 who has served abroad, this is, to me, an issue of major
16 vulnerability.

17 Mr. Feinberg: Senator, I will say, to your point,
18 that in my past I have had compartmentalized programs and
19 access for a long time, so I understand the issue
20 completely, and I understand your concerns, and I will look
21 at it closely.

22 Senator Slotkin: I just think that, I do not doubt
23 your interest, but again, these are the conversations that
24 are going to happen in the dead of night, when no one here
25 in our Committee is watching. You are going to get a call

1 at 7 p.m. that a bunch of 25-year-olds, who have never seen
2 classified data in their life, who do not understand what
3 personnel and base data could do in the hand of our
4 adversaries, are going to get a hold of that. And they are
5 going to come to you, and you are going to have to press
6 the button. And all I have to say is we are counting on
7 your, and our national security is counting on you to push
8 back, have a spine, and say no.

9 Mr. Feinberg: I understand the issue.

10 Senator Slotkin: Thank you. I yield back.

11 Chairman Wicker: Thank you, Senator Slotkin. Senator
12 Peters.

13 Senator Peters: Thank you, Mr. Chairman. Mr.
14 Feinberg, congratulations on your nomination to serve as
15 the Deputy Secretary, and certainly I am happy we had a
16 chance to meet in my office and talk about a variety of
17 issues, including some of my concerns and focus areas for
18 the Department of Defense. I enjoyed learning about your
19 priorities for DoD moving forward, as well.

20 And during our meeting you mentioned AI modernization
21 and strengthening signals intelligence, in particular, as
22 some of your top priorities. We certainly both share the
23 same concerns about China's technological abilities and
24 PRC-sponsored cyber actors that are really engaging against
25 us on an ongoing, regular basis.

1 So my question for you, sir, is if confirmed, what
2 policies or initiatives would you change or initiative to
3 ensure the DoD stays at the tip of the spear for signals
4 intelligence, and two, how will you ensure the continued
5 focus on our foreign adversaries like the PRC?

6 Mr. Feinberg: Signal intelligence is an interesting
7 point. I think there is significant risk in our ability to
8 continue being successful in that collection, that is
9 probably a better conversation for us to have in a SCIF.
10 But I think that is an incredibly important issue that has
11 to be very carefully addressed.

12 On the PRC side, I am sorry, Senator, what was your
13 question? I apologize.

14 Senator Peters: Just how do we stay focused on them,
15 particularly with signals intelligence.

16 Mr. Feinberg: Yeah. I mean, it is a key collection
17 tool. Our methods and means and capabilities are good, but
18 there is risk, both from technology point of view as well
19 as how we approach it. Tough to talk about in a public
20 forum. It is something I do have a fair amount of knowledge
21 on, and I would love to talk to you in a different setting.

22 Senator Peters: Okay. Well, I would love to follow
23 up with you on that, because I do believe it is critical,
24 and I know it is a priority for you.

25 Mr. Feinberg: Absolutely.

1 Senator Peters: We want to make sure that we have the
2 resources and the knowledge necessary to deploy effective.

3 Mr. Feinberg: Yeah, and collection for us, especially
4 on foreign technologies and knowing where they stand is
5 super important to know what we have to spend. If we do
6 not have that, we are going to spend everywhere.

7 Senator Peters: Absolutely. So specifically
8 artificial intelligence is at the top of that list, as
9 well. My question for you is what policies or initiative
10 would you believe will lead us to ensure that our
11 warfighting capabilities are developed, not only for
12 lethality, which is critically important, but also deployed
13 responsibly, lawfully, and with appropriate safeguards for
14 monitoring the procedures being used by these weapon
15 systems.

16 Mr. Feinberg: Yeah. How you use AI is a tough
17 balance, tough problem, because on one hand if you do not
18 have effectively the authority to use it, we will not be as
19 lethal. But then using these authorities, at times,
20 creates those kinds of problems. Boy, that is a tough one.

21 We have got to carefully look at it in detail. For
22 example, we are very strong on offensive cyber, which is a
23 great capability. Not as good on defense. What should
24 those offensive cyber capabilities, because that is a great
25 asset of ours.

1 You know, I look forward to working with you and other
2 Senators on that right balance, and I think those
3 conversations are best in a SCIF.

4 Senator Peters: Very good. Another topic for us in
5 the future, if confirmed.

6 Mr. Feinberg: Yes, sir.

7 Senator Peters: Currently the Air Force is programmed
8 to lose about 1,000 planes without replacement. This will
9 further exacerbate the Air Force's current state of being
10 the oldest, smallest, and least ready perhaps in its
11 history. Aviation leaders are characterizing this move as,
12 quote, a "death spiral," and commented that no enemy has
13 done so much to harm the Air Force than the impact of
14 arbitrary spending reductions.

15 And yet crude aircraft were not exempt from Secretary
16 Hegseth's directive to scrub 8 percent from nonlethal
17 programs. Luckily, corps readiness as a defense industrial
18 base were protected areas in that cut. But I think it
19 sends a conflicting message on the future of the Air Force
20 fighter planes and missions.

21 So my question for you, sir, is if confirmed, you will
22 be charged with executing Secretary Hegseth's priorities
23 and helping him align the total force toward the country's
24 national security objectives. Can you help give this
25 Committee some reassurance that the leaders at OMB

1 understand the need to continue investment in next-
2 generation tactical fighters so that we can improve
3 readiness and, in the process, surpass our adversaries.

4 Mr. Feinberg: Yeah, it is a really tough question.
5 Some believe that we can go straight to full autonomous
6 systems, we do not need a next-generation fighter, and we
7 could use the F-35 updated to meet, you know, as a
8 strategy. Others feel we really need the next-generation
9 fighter, despite its expense and difficulty.

10 I do not have the classified briefings, nor would I
11 have the classified briefings on China's J-20, which I
12 think is an important consideration in that. But I do
13 pledge to you that if confirmed, I will get right in the
14 middle of those facts. Ultimately, that might be the
15 Secretary's or the President's decision, but I look forward
16 to working with you on that.

17 Senator Peters: But you plan to dive in and offer
18 concrete suggestions?

19 Mr. Feinberg: Absolutely, in my opinion what I think
20 we should do.

21 Senator Peters: Great. Thank you. Thank you, Mr.
22 Chairman.

23 Chairman Wicker: Thank you, Senator Peters.

24 Senator Sheehy: [Presiding.] I got a promotion. I
25 have got the gavel now. Thanks for serving the country yet

1 again, and being willing to do this. It is an incredibly
2 important role, so thanks for taking it on, and for your
3 family because I know it is a big sacrifice for them.

4 Mr. Feinberg: Thank you for your service.

5 Senator Sheehy: Would you run your business like they
6 run the DoD right now?

7 Mr. Feinberg: No, but I have had my bad days, too.

8 Senator Sheehy: Yeah, I think we all have. Well,
9 first off, our nuclear triad was designed and built in the
10 1950s and '60s, and it is definitely suffering from I would
11 call antique equipment. What are your thoughts on how we
12 can upgrade that and make sure it is ready for a 21st
13 century adversary?

14 Mr. Feinberg: Oh, boy, it is super important and
15 tough one. We are way behind. We are way over costs. We
16 are way late. I think we have got to bring the best
17 manufacturing and operational people in America on site,
18 have a heavy recruitment so you can work with some of the
19 great people in the Pentagon to understand it and really
20 have an enormous, detailed, programmatic focus,
21 operationally, line by line, what are we going to do, A, B,
22 C, D, E, F, G, in detail.

23 I do not have an immediate answer other than let's get
24 the right people on the ground. Let's go at it and look at
25 it with incredible urgency, put a plan together, and start

1 getting at it.

2 Senator Sheehy: I think one of the most important
3 aspects your role is going to be, the overhaul of our
4 acquisition system. I know it has been talked about ad
5 nauseum today. But I think very specifically there are
6 products and capabilities that exist on the shelf that
7 could be bought commercially, that have been developed at
8 risk by private companies. And I think one of the biggest
9 errors we have made in the last half century in the
10 American defense acquisition process is the government is
11 paying to develop technologies based on specifications that
12 are often times based on past conflicts, and those
13 specifications lag battlefield need. And by the time that
14 equipment is fielded it is either obsolete or just does not
15 work in the first place.

16 So I would be curious, how do you intend to reform the
17 acquisition system, and are you going to be able to heavily
18 focus on commercially acquiring capabilities that already
19 exist and commercially acquiring technology that is on the
20 shelf already?

21 Mr. Feinberg: Yeah, there is a lot of opportunity and
22 all the different commercial capabilities. But some of the
23 program restrictions, requirements make it impossible for
24 companies to compete with larger defense companies who do
25 not have that capability. They end up being a sub, and

1 they get stuffed as a sub.

2 I think DoD really has to look past the prime
3 contractor, look into what the subs are doing, and take an
4 active role in that relationship, and not rely on the big
5 contractors to run these programs simply because they won
6 the overall general contracting bid.

7 We have got to get into the programs, the detail of
8 each program. What are our most important programs? What
9 are we missing? Why are we behind costs? What
10 technologies does the sub have that should be promoted,
11 moved forward? As a contractor, I got caught in the Valley
12 of Death all the time -- better technology, no interest to
13 the larger company to use it, does not help them, not
14 profitable. I think DoD can get in the middle of that, to
15 a degree. Not on everything. But there are a lot of
16 opportunities to spur the innovation and capabilities of
17 smaller companies, and we have got to do it.

18 Senator Sheehy: Looks like I have been demoted again.
19 So our defense acquisition paradigm is very focused on
20 engineering the highest quality technology and building it
21 oftentimes in a vacuum, to the highest engineering
22 specifications. And that has led to a lot of high quality
23 stuff, but oftentimes not a lot of quantity. Our Navy is
24 the smallest it has ever been in modern history. Our Air
25 Force, as we heard, is short on aircraft.

1 There is a quality all its own in quantity. The
2 ability to produce vast quantities to sustain a conflict
3 and sustain supplying our warfighters has a quality all its
4 own. And I think the concept that quantity in and of itself
5 creates quality, by iteration and by constant fielding in a
6 very close customer feedback loop, because in this case the
7 customer is not the procurement officer. Our customer is
8 the lance corporal or the sergeant or the captain on the
9 front line, fighting that enemy. And I think we have to
10 reorient the DoD back to the fact that their customer is
11 not the contract officer. It is not the procurement
12 executive. It is not the PEO that is organizing. The
13 customer is the warfighter.

14 And in the small time remaining I would love to hear
15 your thoughts, how do we return our ability to produce
16 quantity quickly, and how do we ensure that what we are
17 producing is what the warfighter actually needs?

18 Mr. Feinberg: I totally agree, and we better do this
19 urgently because developing autonomous capabilities, we are
20 going to need mass quantities of drones with a central
21 brain. If we do not achieve that, our national security is
22 at risk.

23 So you have seen it from the private sector. I keep
24 saying it, and I apologize for repeating it, requirements
25 are gold-plated, rigid, inflexible. If a great technology

1 or a great capability is out there, and that company does
2 not put in a perfectly compliant bid, gets thrown out,
3 versus a compliant bid, which may not meet the technical
4 needs, let some of the program officers who are really
5 good, let them run with it, give them a little more
6 autonomy. Let them make some decisions on what is best for
7 our country. Loosen up the requirement. Make it more
8 based on mission than technical. Less gold-plated,
9 quicker, more nimble. Let's look at what requirements we
10 need up front. The Deputy better get into those
11 requirements of the big programs in detail and not delegate
12 that out to everybody else. It all starts with
13 requirements.

14 Senator Sheehy: Thank you.

15 Chairman Wicker: [Presiding.] Thank you very much,
16 Senator Sheehy. Senator Duckworth.

17 Senator Duckworth: Thank you, Mr. Chairman. I am
18 looking at a Fox News article dated February 24, 2022, and
19 it features Fox New commentator Pete Hegseth, and the
20 headline is, "Russia invades Ukraine in largest European
21 attack since World War II." Can you tell me if Russia
22 invaded Ukraine, Mr. Feinberg? I mean, Mr. Hegseth said
23 it.

24 Mr. Feinberg: Yeah, I understand.

25 Senator Duckworth: It is easy. Yes or no. Did they

1 invade Ukraine?

2 Mr. Feinberg: I do not feel that I should publicly
3 comment in the middle of a tense negotiation when I am not
4 privy to the facts, to undermine what potentially --

5 Senator Duckworth: You are not privy to the fact
6 whether or not Russia invaded Ukraine and started a war
7 that has lasted for 3 years?

8 Mr. Feinberg: I am not privy to the details of what
9 is going on in the negotiations between Russia and Ukraine,
10 what the sensitivities are, what the President is trying to
11 accomplish. So I would be afraid to speak out of turn and
12 undermine that. I do have confidence that the President is
13 very skillful at this, and he will find the right way to
14 help the United States. He is the first guy that brought
15 Russia to the table to even begin a conversation, and I --

16 Senator Duckworth: The President is kneeling down to
17 Vladimir Putin. I cannot believe the commander in chief of
18 the greatest military on the face of the Earth, in my
19 lifetime, is bowing down to Russia. Let me just change the
20 topic.

21 Mr. Feinberg: I do not --

22 Senator Duckworth: First I would like to echo my
23 colleagues in reinforcing my gratitude for the outstanding
24 service of General Brown, Admiral Franchetti, and the other
25 dedicated leaders who have been unfairly relieved in Trump

1 and Hegseth's political motivated purge of senior DoD
2 leadership.

3 Let me emphasize, this is not normal. The President
4 does not typically replace nonpartisan generals and flag
5 officers with his preferred choices. In fact, a President
6 seeking to install loyalists among those who are supposed
7 to give him the best military advice is highly concerning
8 and dangerous, both to the good order and discipline of the
9 uniformed services and to the country as a whole.

10 Mr. Feinberg, we had a productive conversation the
11 last time we met, and I actually enjoyed it very much, and
12 I appreciate your frankness during that conversation. And
13 I would like to reiterate my expectations for you, should
14 you be confirmed as Deputy Secretary of Defense. Given the
15 other lack of qualifications of Secretary Hegseth, who
16 himself admitted he was going to hire people smarter than
17 himself to help run the Department, you will be the brains
18 behind his leadership and lack of experience. You will be
19 solely responsible for managing the budget and day-to-day
20 operations of the DoD.

21 And so it is imperative that you demonstrate to this
22 Committee and to the American people your ability to
23 provide the stability, expertise, and leadership necessary
24 to ensure that Secretary Hegseth does not run the
25 Department aground with indiscriminate budget cuts and

1 unprecedented politically motivated and deeply damaging
2 purges of highly qualified senior DoD leadership.

3 Mr. Feinberg, I have asked this of every nominee
4 before this Committee, including yourself in my offices.
5 If President Trump or Secretary Hegseth asked you to do
6 something illegal, will you refuse to obey an illegal
7 order?

8 Mr. Feinberg: I won't obey an illegal order, and I do
9 not believe either the Secretary or the President will ask
10 me to do that.

11 Senator Duckworth: Thank you. Should you observe
12 misconduct that is unbecoming or unlawful, will you report
13 it?

14 Mr. Feinberg: Yes.

15 Senator Duckworth: Thank you. Like I said earlier,
16 you are it. You are second in command. The responsibility
17 of an executive officer in the military is not only to
18 execute their commander's vision but to be a voice for his
19 staff and manage the ins and outs of his command. Mr.
20 Hegseth will not manage the minutiae -- you will.

21 Mr. Feinberg, I would like to know what are you going
22 to do if the Secretary of Defense orders the pausing of a
23 program critical to the readiness of the services?

24 Mr. Feinberg: I am sorry, Senator. Orders what?

25 Senator Duckworth: A pausing of a program that is

1 critical to the readiness of our military services.

2 Mr. Feinberg: Obviously, you know, I work for the
3 Secretary of Defense. If he does something that I think is
4 a real problem, I will tell him. I will give him my view.

5 Ultimately, I will follow the chain of command and execute
6 what he wants, as long as it is lawful. I do think that he
7 will make good decisions.

8 By the way, Senator, I also hope that I can hire, we
9 can hire, if confirmed, a ton of people, a heck of a lot
10 smarter than yours truly. It is great to bring in talent.

11 Senator Duckworth: It does not take a lot to be
12 smarter than the Secretary of Defense or be more qualified.
13 That is a low bar, indeed.

14 Many of our recent nominees have been talking about
15 hypotheticals, and I am glad that you are talking about
16 some of the decisions that are being made. Mr. Hegseth has
17 already shown a willingness to make some bad decisions. I
18 mean, he ordered DoD to hastily propose an 8 percent,
19 across-the-board cuts to the budget while exempting non-
20 mission-essential expenses like the DoD's activities on the
21 southwest border.

22 Mr. Feinberg, the DoD is not a place where we can
23 afford to make mistakes. Are you going to allow an
24 inexperienced team of software company interns to look at
25 our most critical defense programs and make decisions that

1 may impact our national security? Who is going to be at
2 the wheel?

3 Mr. Feinberg: I am sorry. You said --

4 Senator Duckworth: Are you going to DOGE in there and
5 start making cuts?

6 Mr. Feinberg: So at DoD, and the Secretary said this,
7 we are responsible for our own people. We are responsible
8 for our actions and policies. DoD is in charge of itself.

9 So no, DOGE is not in charge of DoD. We are looking
10 forward to working with Elon Musk. He has great expertise
11 and talent. He has great understanding of so many
12 different things in DoD. He will provide counsel and
13 advice. We are looking forward to hearing that.

14 But in the end, DoD is accountable to itself, must
15 make its own decisions for its people and its policies.
16 Unless, of course, the President says, "I want you guys to
17 do this or that," and then, of course, we are going to do
18 it.

19 Senator Duckworth: Unless it is illegal.

20 Mr. Feinberg: Yes, ma'am.

21 Senator Duckworth: Thank you.

22 Chairman Wicker: Thank you, Senator Duckworth.

23 Senator Banks.

24 Senator Banks: Thank you, Mr. Chairman. Mr.
25 Feinberg, thank you for your incredible sacrifice that you

1 are willing to make for our country and serving in this
2 role.

3 There is already good news. President Trump asked
4 Secretary Hegseth and yourself and others to go to the
5 Pentagon and shake it up, make the Pentagon focused on the
6 warfighter and preparing to fight and win wars instead of
7 focusing on itself, the large bureaucratic blob that just
8 day-to-day feeds itself rather than the mission of what the
9 Pentagon should be doing.

10 The good news is that after 4 years of a historic
11 recruitment crisis, the worst recruitment crisis in over 50
12 years of an all-volunteer force, the Army has already
13 reported, since Donald Trump was elected President of the
14 United States, those recruitment numbers have shot through
15 the roof. What do you make of that?

16 Mr. Feinberg: Well, I guess it does show there is a
17 spirit, morale may be improving, based on the President's
18 leadership and what he has said to the American people.
19 And hopefully if we can pursue sound policies and execution
20 and making some changes to improve DoD, that will increase
21 morale more, that is what I have seen in the private
22 sector, and we will have an even greater recruitment drive
23 in the future.

24 Senator Banks: Yeah, I think that was well put. Lots
25 of good signs across the board, early signs of us

1 succeeding in a big way on recruitment.

2 One of the areas that I am concerned about, though, we
3 talked about this in my office, China is beating us in a
4 lot of areas, and one area is in hypersonics. Four years
5 ago they launched a hypersonic ballistic missile. It
6 orbited the full Earth, entered the Earth's atmosphere,
7 narrowly missed its target. We did not know about it until
8 it reentered our Earth's atmosphere.

9 We still have yet to launch a hypersonic missile of
10 our own. As we talked about in my office, Purdue
11 University, Notre Dame, in Indiana, Crane Naval Surface
12 Warfare Center, on the front lines of hypersonics research
13 and development. How important is more investment in
14 hypersonics to the United States?

15 Mr. Feinberg: Huge problem. We are underinvested.
16 It is essential for our national security. I do not
17 understand the thought process in the last administration,
18 which did not have it at high importance. And again, I am
19 not the person to be sitting and making policies. My job
20 would be to execute development, faster development, with
21 reasonable cost, and quickly, of hypersonic capability.

22 But, at the same time, I mean, if you are totally
23 reliant on your nuclear capabilities, because tactically
24 you are slower, but you do not have hypersonics, that is a
25 diplomatic nightmare. And from a nuclear perspective, if

1 the enemy is faster than you, boy, that is a problem. So
2 we have got to get on that.

3 Senator Banks: Yeah, a big problem. You will be
4 tasked with, as Secretary Hegseth's Deputy, with shaking up
5 the acquisition system at the Pentagon. Have you put a lot
6 of thought into that? I mean, your background is so
7 perfect to go there and change the way acquisitions are
8 done at the Pentagon. Have you given it some early
9 thoughts about what you are going to do on day one to
10 change it?

11 Mr. Feinberg: Yeah. You know, a lot of thoughts, and
12 have worked with a lot of DoD companies closely with the
13 Pentagon, so we have a decent knowledge of what is going on
14 and how to improve it.

15 Senator Banks: Good. You are incredibly qualified
16 for this role. I look forward to working with you and
17 partnering with you and Secretary Hegseth and others to
18 make our military as strong as it can possibly be. Your
19 background is perfect for the role. You have my full
20 support. Mr. Chairman, I yield back.

21 Mr. Feinberg: I appreciate it. Thank you.

22 Chairman Wicker: Thank you. Are there further
23 questions? If not, let me just say, I think we have seen a
24 display of super competence and intelligence and capability
25 today, and I feel very, very good about the role that you

1 will fill, Mr. Feinberg.

2 Today's hearing is concluded. I want to thank our
3 witnesses for their testimony, and for the information of
4 members, questions for the record will be due to the
5 Committee within 2 business days of the conclusion of the
6 hearing. We are now adjourned.

7 Mr. Feinberg: Thank you, Mr. Chairman, and thank you,
8 Senator Reed.

9 [Whereupon, at 12:02 p.m., the hearing was adjourned.]

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