

**SECRETARY OF DEFENSE ASH CARTER
STATEMENT ON “U.S. NATIONAL SECURITY CHALLENGES AND
ONGOING MILITARY OPERATIONS”
SENATE ARMED SERVICES COMMITTEE
THURSDAY, SEPTEMBER 22, 2016**

Chairman McCain, Ranking Member Reed, Members of the Committee:

Thank you for hosting me and Chairman Dunford today, and also for hosting the Chiefs of the military services last week. I particularly appreciated your comments to them about the inefficiencies and dangers of continued budget instability and gridlock, as well as the risk of sequestration’s looming return. I look forward to addressing those topics and more during today’s hearing.

I also appreciate your support for our men and women serving around the world, civilian and military alike, who are the finest fighting force the world has ever known. There’s no other military that’s stronger, or more capable, or more innovative, or more experienced, or with better friends and allies. That’s a fact – one that every American ought to be proud of.

As you know, the Department of Defense is currently addressing each of the five major, immediate, evolving challenges we face, which Chairman Dunford and I discussed with you during our budget testimony this past spring – challenges from Russia, China, North Korea, Iran, and terrorism. And on that note, in the wake of this week’s attacks in New York, New Jersey, and Minnesota, we remain absolutely determined, as ever, to continue countering terrorists around the world who would seek to do harm to our country and our people.

We don’t have the luxury of choosing between these challenges, which is why American soldiers, sailors, airmen, and Marines are working with partners from our worldwide coalition in more ways and with more power every day to accelerate the lasting defeat of ISIL, which we will surely do and want to do soon. They’re also training and operating with our NATO allies in Europe to deter Russian aggression. They’re sailing the waters of the Asia-Pacific as part of a principled and inclusive network of nations – ensuring that the most consequential region for America’s future remains stable, secure, and prosperous for all nations. They’re standing guard 24/7 on the Korean Peninsula, helping strengthen our deterrent and defenses in the face of North Korea’s nuclear and missile provocations. They’re countering Iran’s destabilizing influence against our friends and allies in the Middle East. All the while, they’re helping protect our people here at home and helping to make a better world for our children. And they’re preparing to contend with an uncertain future – ensuring we continue to stay the best and stay ahead in a changing and competitive world.

As Chairman Dunford and I testified not only to this committee, but to all four of our defense oversight committees in the spring, we’ve been planning for these operations to be paid for by the Fiscal Year (FY) 2017 defense budget we developed. And this budget not only adhered to last fall’s bipartisan budget deal in overall size; in shape, it marked a strategic turning point for DoD – making and sharpening breakthrough investments in supporting new operational concepts, in pioneering and dominating technological frontiers, in reforming the DoD enterprise, and in building the force of the future. That budget also put an extremely high premium on continued funding to rebuild the readiness of our forces – requiring not only stable resources, but also time – the importance of which you heard about from the Chiefs last week. Nothing is more important than readiness to me or them. And yet today, just eight days away from the end of this

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fiscal year and the beginning of the next, that budget has yet to be funded by Congress – another topic, and a challenge, that I'll address in greater detail shortly.

Because this hearing is focused in part on ongoing military operations, let me begin with an operational update focusing specifically on our campaign to deliver ISIL a lasting defeat.

Counter-ISIL Operational Update

In each of the four times that Chairman Dunford and I have appeared before this committee since last October, I walked you through how we were continually accelerating this campaign – starting with outlining our coalition military campaign plan, which is focused on three objectives that I've stressed consistently.

The first objective is to destroy the ISIL cancer's parent tumor in Iraq and Syria. ISIL's occupation of territory in those countries threatens not only the lives of the Iraqi and Syrian peoples and the stability of that vitally important region, but also the security of our own citizens and those of our friends and allies. That means the sooner we defeat ISIL in Iraq and Syria – the sooner we destroy both the fact and the idea of an Islamic state based on ISIL's barbaric ideology – the safer all of us will be. That's why we're applying simultaneous pressure on ISIL from multiple directions and across domains – on the ground, from the air, and in cyberspace. We're doing all this consistent with our strategic approach, which is to enable capable, motivated, local forces – for that is the only way to defeat ISIL and keep them defeated, ensuring a lasting defeat.

Now, while defeating ISIL in Iraq and Syria is necessary, it's not sufficient.

Indeed, we know this cancer can metastasize, and in some cases it already has. This brings me to the second objective of our coalition military campaign plan, which is to combat ISIL's metastases around world. And that's why U.S. and coalition forces are engaged in supporting capable, motivated local forces in operations against ISIL in Afghanistan, in Libya, and elsewhere, and in countering ISIL across the intangible geography and terrain of the Internet.

Our third objective is to help protect the homeland. Here, recent events continue to emphasize the importance of this mission. This is mainly the responsibility of our partners in the FBI, the Justice Department, the Department of Homeland Security, the Intelligence Community, and state and local law enforcement. But DoD strongly supports them in a number of important ways that I'll describe in more detail later in this testimony.

Now, as I noted, Chairman Dunford and I have seen you several times since last October, when we first described to you our plan to accelerate the campaign against ISIL. And since then, we've taken a great many steps to do just that. As we take advantage of new opportunities generated by new intelligence, newly trained partners, and strikes against ISIL leaders, infrastructure, and finances, we're generating more new opportunities, and then seizing those opportunities to repeat this cycle – reinforcing success. And I should note that every time Chairman Dunford and I have recommended additional accelerating actions to President Obama, he has approved them.

Let me briefly remind you of the initial steps we took beginning last fall to start accelerating the campaign. First, we deployed additional strike aircraft to Incirlik to support an expanded air campaign against new targets and new categories of targets illuminated by refined intelligence. We deployed an initial contingent of special operations forces to Syria. We expanded efforts to equip Syrian Arab Coalition forces engaged in the fight against ISIL. We began enabling capable, motivated local forces in southern Syria as well, and enhancing Jordan's own border control and defenses. We leveraged air power and advisors to help the Peshmerga

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take Sinjar, cutting the Iraqi side of the main line of communication between ISIL's power centers in Raqqa and Mosul. We introduced an expeditionary targeting force to go after ISIL leaders wherever they may be attempting to hide. We worked to improve our ability to target ISIL's leadership and presence beyond Iraq and Syria. We started to expand the military campaign against ISIL to every domain, including cyber. We stepped up our homeland defense and force protection measures to counter any additional threats to our facilities and our personnel at home and abroad. We began precision strikes against ISIL senior leaders and training camps in Libya – removing ISIL's leader there, Abu Nabil, for instance. And we went after ISIL in Afghanistan.

These were followed this past spring and summer with even more accelerants. In Iraq, in close coordination with the Iraqi government, I announced we would be adding additional personnel there to enable the Iraqis to make faster progress in Anbar and Ninewa Provinces. I also announced that we would be placing advisors with the Iraqi Security Forces (ISF) down to the brigade and battalion level; leveraging Apache attack helicopters to support the ISF's efforts to envelop and then retake Mosul; sending additional High-Mobility Artillery Rocket System (HIMARS) batteries to support the Iraqi ground offensive there; and, providing financial assistance to the Peshmerga, up to \$415 million, to bolster one of the most effective fighting forces against ISIL. Meanwhile, in Syria, we announced a six-fold increase of U.S. forces there, from 50 to 300, to help expand ongoing efforts to identify, train, and equip capable, motivated local anti-ISIL forces inside Syria, especially among the Sunni Arab community. And in addition to initiating training inside Syria, we've also continued to refine our train-and-equip efforts of other vetted Syrian forces outside of Syria, using the important authorities and funding provided to us by Congress under the Section 1209 program – and here, as I've described to you before, we're keeping our focus on battle-hardened, proven anti-ISIL leaders whom we could make more capable as enablers and amplifiers of our effects.

At the same time, in addition to accelerating the campaign with more U.S. capabilities, we renewed our outreach to coalition members, including in Europe, in the Middle East, and in Asia. And over the last nine months, I've convened my counterparts several times – in Paris, Brussels, Riyadh, Stuttgart, and here in Washington this past July – not only to rally them behind the campaign plan and the next steps in its execution, but above all to urge them to contribute more, and in more meaningful ways. As we've done more, so have our partners. That collaboration will continue.

In sum, we steadily executed the campaign plan and first set of plays we devised and I described to this committee many months ago. Now we're on to the next plays in our campaign, which you'll recall Chairman Dunford and I previewed for you in April, and are now underway – more on that in a moment.

Because the acceleration of our campaign has continued since then, I'd like to now update you on the latest results of the coalition's military campaign, as well as what we will need to do going forward.

Destroying ISIL's Parent Tumor

Let me begin with our first objective, destroying ISIL's parent tumor in Iraq and Syria. Here, since last fall – town after town, from every direction, and in every domain – our campaign and operations have accelerated, pressuring and squeezing ISIL, and rolling it back towards Mosul in Iraq and Raqqa in Syria. While we have much more work to do – including to collapse ISIL's control over Mosul and Raqqa – the results of our efforts are showing.

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In Iraq, we've been enabling the Iraqi Security Forces led by Prime Minister Abadi and the Kurdish Peshmerga commanded by Iraqi Kurdistan Regional President Barzani. After retaking Ramadi and establishing a staging base at Makhmour, the ISF went on to retake Hit, Rutbah, Fallujah, and the important airfield and town of Qayyarah – setting the stage to complete the envelopment and isolation of Mosul and collapse ISIL's control over it. In the last few days, the ISF began operations to retake Sharqat and other towns surrounding Mosul. And the final assault on Mosul will commence – as with previous operations – when Prime Minister Abadi gives the order. In the meantime, the coalition has been actively laying the groundwork with the generation of necessary Iraqi Security Forces and Kurdish Peshmerga, preparation of staging areas, and positioning of our strike assets to cover the assaulting Iraqi and Kurdish forces. In close coordination with the Iraqi government, these efforts are being bolstered by the addition of 560 U.S. troops I announced in July. And we stand ready to contribute even more, in consultation with our Iraqi partners.

In Syria, our coalition has also enabled considerable results by our local partners. There, local forces retook Shaddadi – severing a key link between Raqqa and Mosul, and thereby ISIL in Iraq and ISIL in Syria – and then Manbij City – clearing a key transit point for ISIL's external operators and plotters, and letting us gain intelligence insights that have helped us map ISIL's network of foreign fighters. Additionally, our ally Turkey is helping local Syrian partners clear the Turkish-Syrian border region of ISIL. We're working shoulder-to-shoulder with the Turks, supporting those efforts from the air, on the ground, and with intelligence, and we will continue to coordinate with them as we have with all of our partners so far. And in that regard, I welcome the Turkish government's comments about the importance of working with local partners.

As we do all this, we are managing challenges that we've foreseen, including friction between some of our partners and also political instability. That's why our forces and commanders on the ground and in the region remain laser-focused on overcoming these challenges, so we can continue to accelerate our campaign.

Indeed, even with the considerable results achieved so far, we are not letting up. Across both Iraq and Syria, our coalition continues to pressure ISIL in several key ways.

We're systematically eliminating ISIL's leadership: the coalition has taken out seven members of the ISIL Senior Shura – including ISIL's Minister of War, Omar al-Shishani; ISIL's Finance Minister, Hajji Iman; ISIL's Minister of Information, Dr. Wa'il; and ISIL's Chief of External Operations, Abu Muhamad Al-Adnani, who was one of ISIL's most lethal leaders and was actively plotting to kill civilians abroad. We also removed key ISIL leaders in both Libya and Afghanistan. Wherever our local partners have advanced, we've taken out ISIL field commanders. And we've removed from the battlefield more than 20 of ISIL's external operators and plotters, including Jihadi John and Junaid Hussein, among others.

Beyond key ISIL personnel, we're continuing to go after key ISIL capabilities, including its attempts to develop chemical weapons. As you know, we previously captured one of the principals of ISIL's chemical warfare enterprise, and just last week, in one of the single largest airstrikes of our campaign, we destroyed a former pharmaceutical facility near Mosul that ISIL tried to use as a chemical weapons plant. Meanwhile, we're also continuing to aggressively attack the economic infrastructure that ISIL uses to fund its operations – from oil wells and tanker trucks to cash storage sites and key financial centers. And we continue to take the fight to ISIL across every domain, including cyber.

All of this together underscores how we are putting ISIL on the path to a lasting defeat in Iraq and Syria. And we are now launching a decisive phase of our campaign, as the plays we're

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currently executing culminate in the isolation and collapse of ISIL's control over Raqqa and Mosul.

Now, we aren't yet releasing the full operational details of these plays in public. That's because – as I told troops from the XVIII Airborne Corps at Fort Bragg in July before they deployed to lead our operations in Iraq and Syria under the command of Lieutenant General Steve Townsend – we don't want the enemy to know too much about what we're doing, what we're thinking, and where we're going and when. But I do want to broadly describe the basic elements to you, as I did with our troops in July.

In Syria, operations are focused on shutting down the last remaining paths for ISIL fighters to move into and out of that country – particularly when it comes to their external operators – and then on generating forces and preparing them for the envelopment of Raqqa. We're seeking to expand on recent gains of our local, capable partners in Manbij City, along the Mar'a Line, and elsewhere in Northern Syria to help them ensure ISIL cannot control that key terrain. And in addition, we will aggressively pursue opportunities to build pressure on ISIL in Syria from the south, complementing our existing robust efforts from northeastern Syria.

In Iraq, our actions in the western part of the country are focused on enabling the ISF to pursue mopping-up operations along the Euphrates River Valley – in order to clear the remaining pockets of ISIL presence, push the ISIL threat farther away from Baghdad, and help the government of Iraq reassert not only full control over its borders, but also control over some of its main lines of communications. In the north, we're continuing to help the ISF clear the remaining pockets of ISIL control along the Tigris River Valley leading up to Mosul. And we've been helping the ISF and Kurdish Peshmerga to refit and generate the forces and logistical footprint necessary for their joint efforts to isolate and pressure Mosul, approaching from both the north and the south.

Meanwhile, as this isolation and pressure on Raqqa and Mosul continues to build from the outside in, our partners will continue to reach deep inside those cities to pressure ISIL from the inside out.

It's already becoming clear that with the simultaneity of operations and pressure coalition forces are applying across Iraq and Syria, ISIL will simply no longer be able to resist. And while ISIL is still a dangerous adversary and its lasting defeat will take time, we will continue to gather momentum until ISIL is defeated.

Finally, with respect to the Syrian civil war, I commend Secretary Kerry for working so tirelessly to seek an arrangement which, if implemented, would ease the suffering of the Syrian people and get Russia pushing for a political transition, which is the only way to end the Syrian civil war. There remains a ways to go to see if the terms of that arrangement will be implemented – unfortunately the behavior we've seen from Russia and Syria over the last few days is deeply problematic.

Combatting ISIL's Metastases

This brings me to the results in our campaign's second objective, combatting ISIL's metastases everywhere they appear around the world – particularly in Libya and Afghanistan. I will address these in turn.

A few months ago, Chairman Dunford and I expressed concern that if left untended, Libya could be the next ISIL headquarters, as ISIL's control over the city of Sirte was seen as their contingency plan for where they would go when they lost Raqqa and Mosul. But because the President authorized us to act, ISIL is now under tremendous pressure there, with its territory

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in Sirte reduced to a single square kilometer. Indeed, after some 50 days of supporting capable, motivated local forces fighting ISIL in its safe haven of Sirte, coalition operations – including with airstrikes at the request of Libyan Government of National Accord Prime Minister Sarraj – have shrunk ISIL’s territory to a single neighborhood. I’m confident ISIL will be ejected from Sirte, and that we will keep looking for opportunities to combat ISIL in Libya; however, it is important to note that these are the military results. As we’ve known from the beginning, political progress will have to follow, including reconciliation, to deliver ISIL a lasting defeat in Libya.

Let me now turn to Afghanistan, where we continue to counter terrorists – both ISIL and al-Qaeda – as well as help support and strengthen the Afghan National Defense and Security Forces (ANDSF), which has the lead in fighting the Taliban and other terrorists within Afghanistan’s borders.

Working with our Afghan partners, we conducted a large operation against ISIL in Afghanistan over the last two months – dealing it severe blows, including killing its top leader, Hafiz Sayed Khan, and 11 other ISIL leaders, as well as degrading the organization’s infrastructure, logistics base, and recruiting. There will be more to come in short order.

Meanwhile, more broadly, the U.S. military continues to execute its two missions in Afghanistan – countering terrorism, and helping train, advise, and assist the ANDSF as part of NATO’s Resolute Support Mission. As you know, President Obama approved our requests earlier this year to retain a more substantial U.S. force presence into 2017, to enhance the authorities of our ground commanders, and to maintain our financial commitment to the ANDSF through 2020. This will lead to positive effects. Indeed, while challenges remain – including political challenges – we’re increasingly seeing the ANDSF undertake unilateral missions against ISIL and other targets on their own accord, with U.S.-provided equipment.

Helping Protect our Homeland and our People

Meanwhile, DoD continues to provide strong support to our partners in the FBI, the Justice Department, the Department of Homeland Security, the Intelligence Community, and state and local law enforcement to help protect our homeland and our people. This is the number-one mission of our Northern Command. And here the U.S. military is supporting our partners in three critical ways.

First, we’re ensuring the force protection for our troops and the DoD facilities where they work and reside – both on base, and the thousands of off-base installations we operate. Last summer’s tragedy in Chattanooga underscored how ISIL seeks to target U.S. troops and DoD civilians, which is why we’re putting in place stronger physical security systems, including stronger entry controls, better alarm systems, reinforced doors, additional ways to safely exit our facilities, and more. And we continue to look for more ways to improve and strengthen our force protection.

Second, we’re disrupting ISIL’s external operations and its ability to conduct such operations. As I discussed earlier, our operations to destroy ISIL’s parent tumor directly support this effort, where we’ve removed dozens of ISIL external operators from the battlefield – including, as I mentioned earlier in this testimony, ISIL’s Chief of External Operations, Abu Muhamad Al-Adnani. We have entrusted this aspect of our campaign to one of DoD’s most lethal, capable, and experienced commands, our Joint Special Operations Command, which helped deliver justice not only to Osama Bin Laden, but also to the man who founded the organization that became ISIL, Abu-Musab al-Zarqawi.

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Third, we're also disrupting the flow of foreign fighters both to and from Iraq and Syria. Here, as I discussed earlier, we've not only been supporting capable, motivated local forces in Syria that have retaken cities that were key transit hubs for foreign fighters in northern Syria, but we've also been supporting Turkish military operations intended to seal the border with Syria and prevent foreign fighters from exploiting that border to conduct attacks against our European allies and our homeland. In recent months especially, our support of these operations has allowed us to gain new intelligence insights into ISIL's networks of foreign fighters – networks we are determined to destroy. In addition, we've worked with our coalition partners in a standing task force located in the region that looks at publically-available information and cross-checks it against our government's various databases to identify potential ISIL cells and foreign fighter facilitation networks. This is part of a broader effort within our coalition to not only stem the flow of foreign fighters, but also to counter ISIL's online messaging, recruitment, and the spread of its loathsome ideology.

Going Forward in the Counter-ISIL Campaign

Looking to the future, the collapse of ISIL's control over Raqqa and Mosul – which we're confident our coalition will achieve – will put ISIL on an irreversible path to a lasting defeat. But, even when the coalition wins this fight – and let there be no doubt that we will – there will still be much more to do. There will be towns to rebuild, services to reestablish, and communities to restore. Political challenges will remain. So when that time comes, the international community must ensure that the Iraqi and Syrian people have what they need to hold, stabilize, and govern their own territory. For that reason, the international coalition's humanitarian, stabilization, and governance efforts cannot be allowed to lag behind our military progress.

Additionally, we must ensure that ISIL isn't able to take root in other parts of Iraq, and that the ISF and the Peshmerga are able to sustain the gains we've made with them. Such progress is critical to making our partners' gains enduring, and ensuring that ISIL, once defeated, stays defeated.

Truly delivering ISIL a lasting defeat requires both strategic patience and strategic persistence. Even when ISIL is defeated militarily, our coalition will still have work to do. We can't predict what will come afterward, so we must be ready for anything – including for any attempts by ISIL to remain relevant, even if only on the darkest corners of the Internet. And we will continue to support our law enforcement, homeland security, and intelligence partners in helping protect our homeland and our people.

How Congress Can Help – Avoiding the Biggest Strategic Dangers to Defense

Let me now turn to some issues that we in DoD face as an institution – not only in addressing the challenge posed by ISIL, but in addressing all of the five challenges I mentioned earlier, and ensuring our military's continued unrivaled breadth and strength into the future – and how you can help.

These issues are grave concerns to us that we see manifested in processes here in Congress, and they are threefold: the first is budget gridlock and instability; the second, micromanagement and over-regulation; and the third concern is the continued denial of needed reforms. Instead of these, we need budget stability achieved through bipartisanship. We need relief from over-regulation and micromanagement. And we need more regard and respect for the considered judgment of DoD's most senior military and civilian leaders.

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As you've heard from me and DoD senior leaders in meetings, messages, and conversations, these are serious concerns. I could spend a lot of time focusing on each one, and I look forward to doing so when you return in November to work on passing an NDAA – hopefully one the President can sign. But here, at this hearing, I want to focus on the first concern, since the fiscal year ends in eight days.

Avoiding Budget Instability and Gridlock

We need Congress to come together around providing normal, stable, responsible budgets – that is, appropriations – because lack of stability represents one of the single biggest strategic risks to our DoD enterprise. I've been talking to you for over a year and a half about the major risks posed by budget instability. That was why I supported last fall's bipartisan budget deal, and why DoD's budget for FY 2017 reflected that deal. Now the time has come to begin that fiscal year, and I can only tell you the same thing: that budget instability is the greatest risk we face. You heard the same from our Service Chiefs last week.

Such instability is exactly the kind of dysfunction that undercuts stable planning and efficient use of taxpayer dollars – often in ways taxpayers can't even see. It makes planning for the fight extremely difficult for our warfighters and commanders, including in our campaign to deliver ISIL a lasting defeat. It baffles our friends, and emboldens foes. It's managerially and strategically unsound, not to mention unfairly dispiriting to our troops and their families, and our workforce – all of whom deserve better, and deserve more predictability, to say the least. Not only our people; our defense industry partners, too, need stability and longer-term plans to be as efficient and cutting-edge as we need them to be. And even with the modicum of stability we got in last fall's budget deal, we still face the greatest risk of all to DoD in the eyes of all of us in the leadership – a return to sequestration funding levels, with \$100 billion in looming, automatic cuts beginning next year if this isn't fixed. Those cuts, as you heard last week, are a major concern for our Service Chiefs, and for me as well. And I am concerned that the gimmickry we are seeing around defense funding this year will invite the return of sequestration rather than make it less likely – because it signals that bipartisan compromises are not respected.

We're now eight days away from the end of the fiscal year, but instead of stability, we're going into FY 2017 with yet another continuing resolution (CR). This will be the eighth fiscal year in a row that's started with a continuing resolution. That's a deplorable state of affairs in itself, as this committee has made clear – and Chairman McCain, I appreciate your comments to our Service Chiefs about the damage a CR does to our institution, as I appreciate that this committee has been among the leaders in advocating for both the resources needed for defense and the timely appropriations we need to execute our mission.

As you know and as you heard from the Chiefs last week, the longer a continuing resolution lasts, the more damaging it is – it makes the obvious mistake of having us do this year exactly what we did last year, despite the fact that we're trying to evolve and innovate to stay ahead in a changing world. It's not just a matter of money, but where the dollars are. For example, even a short-term CR slows our shipbuilding program, which is line appropriated, thereby preventing the Navy from moving forward on key programs and capabilities. And it gets worse after three months – for example, the FY 2017 defense budget quadrupled funding for our European Reassurance Initiative in order to help deter Russian aggression, but a continuing resolution extending past December would undermine our ability to build up prepositioned stocks of equipment and warfighting gear in the countries of our NATO allies. That would have great strategic consequences.

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If that weren't enough, the risk of instability is only half my concern for DoD's budget – the other is that our budget stability is also being subjected to risk through diversions of funds.

As you know, last fall's bipartisan budget deal set the size of our budget for FY 2017. While there was a difference between what we got in the budget deal and what we had proposed in the year prior, we determined we could mitigate that difference and still meet our needs, so we accordingly submitted our defense budget to reflect the bipartisan budget deal. Within a matter of months, however, some in Congress reintroduced instability by departing from the bipartisan budget deal and trying to come up with ways to go around it. I cannot support these approaches, and I'd like to tell you why.

In the first approach, the House is diverting \$18 billion from our overseas operations funds at a time when we have troops deployed in Syria, Iraq, and Afghanistan, and using the money for things DoD didn't ask for and in many cases cannot afford to maintain and keep ready over time. To do this – diverting warfighting funds at a time of war – is highly objectionable. It harms the readiness of our troops in order to buy more force structure that we can't afford to keep ready in the first place. It could overtax DoD by up to \$30 billion over the next five years, at the same time that we may be facing \$100 billion in sequestration cuts. It risks exacerbating our readiness challenges and creating hollow force structure. And it threatens to unravel last fall's bipartisan budget deal, again raising the specter of sequestration.

If this is allowed to happen, there is no way I can tell a soldier, sailor, airman, or Marine who's accelerating ISIL's lasting defeat or deterring Russian aggression that we're doing all we can for them here in Washington. Not when Congress can't pass timely appropriations. And certainly not when Congress diverts defense dollars from what should be inviolable: American troops deployed in harm's way. Those troops need to know that they're getting every resource they need to accomplish their mission. To take away from them goes too far – especially when emerging operational demands may soon require more resources than DoD initially budgeted for, not less.

The backers of the House approach say they're doing it to help our readiness, but it would actually have the opposite effect on readiness. As you heard from the Service Chiefs last week and as you heard from me earlier in this testimony, nothing is more important to us than readiness, which is why it was the highest priority we had in preparing the 2017 defense budget – partly to rebuild full-spectrum readiness after 15 years of counterinsurgency operations, and partly to restore damage done to readiness over the last several years that was caused by the effects of sequestration cuts. As the Chiefs made clear to you, the problems we're fixing are different in each service – the Army needs time to put soldiers through full-spectrum brigade-level training rotations at its Combat Training Centers; for the Marine Corps, the issue is principally restoring readiness in aviation; for the Navy, it's ship depot maintenance; and for the Air Force, it's about maintaining readiness while remaining at a high operational tempo. Each of these shows how restoring readiness is not just about money; it also requires time, which the Chiefs told you as well. And all of this underscores why what the House seeks to do would actually hurt readiness: because it risks the stability provided by last fall's bipartisan budget deal, and it would actually give us higher end-strength for one year – that is, more people – whom we cannot afford to keep ready in the long-term.

Others in Congress took a different approach, but I cannot support theirs either. In this case, one of the defense appropriations committees cut high-priority investments that we should be making in high-end capabilities, and then spent more money on lower-priority things we didn't ask for and already have enough of.

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While these cuts are less than \$18 billion and do not take away from our warfighting funds, they still add up in ways that could seriously imperil our future strength. For example, this committee chose to gut funding for undersea drones – crippling our efforts to leverage unmanned technology to ensure our forces’ global freedom of action and delivery of new payloads despite other nations’ attempts to deny access to certain operating areas. They cut proven programs like the submarine-hunting P-8, a maritime patrol aircraft that prevents adversaries from using modern undersea technologies against us. They made significant cuts to some of our highest-priority electronic warfare systems, the Next-Generation Jammer and the Surface Electronic Warfare Improvement Program – handicapping our planes’ future airborne electronic attack capabilities, and leaving our surface ships more vulnerable to advanced missile threats. They cut the critical core out of advanced munitions programs needed to increase our Navy’s lethality – both the maritime-strike version of the Tomahawk cruise missile, and the new, highly-lethal anti-ship mode for one of our most modern and capable munitions, the SM-6 missile. And on top of that, committees in both the House and Senate made cuts to critical defense innovation spearheads that we need to maintain our military’s technological edge and counter some of the most vexing threats we face – taking away funding from our Strategic Capabilities Office, our partnership with In-Q-Tel, and our tech startup, the Defense Innovation Unit-Experimental (DIUx).

Now, I don’t believe there was ill-will here, but these were cuts to investments highly prioritized by DoD’s senior military and civilian leaders, substituting lower-priority spending we didn’t ask for. And we oppose each of them, because they undermine our preparations to counter and stay ahead of our competitors’ technological advances. I’ve seen the constant temptation over the years to starve new and future-oriented defense investments in favor of more established and therefore well-entrenched programs. In a rapidly changing and competitive world, we must resist this temptation.

Rather than funding these investments in lethality and innovation that were among our highest priorities for sharpening our military edge and staying ahead of our adversaries, Congress wants instead to buy things like an extra Littoral Combat Ship (LCS), which we didn’t request. These ships have important uses, but we already bought 26, with 14 more on the way, and we do not need more. We have much greater needs: we need the undersea drones, advanced munitions, electronic warfare capabilities, P-8s, and innovation initiatives these measures would cut.

Of course, there are other proposals which again do not comport with last fall’s bipartisan budget deal. Having rejected the two approaches I just discussed, I also have to say – as you’ve heard me emphasize for the last year and a half – that I cannot support any third approach that moves us toward sequestration, or that moves us away from bipartisanship. Not at the expense of budget stability. Not if it shortchanges the needs of our warfighters. Not if it means funding lower priorities instead of higher priorities. Not if it undermines confidence in the ability to pass bipartisan budget deals, which could lead to the imposition of sequestration’s \$100 billion in looming, automatic cuts. And not if it adds extra force structure that we cannot afford to keep ready in the long-term and that would only lead to a hollow force.

Conclusion – The Need for Bipartisan Budget Stability

I appreciate that this committee didn’t follow either of those two approaches, but as conference negotiations continue, I must emphasize that what we need most is stability – it’s critical in order for DoD and our people to address all the national security challenges we face.

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I am confident, and hopeful, that we can come back together again. Today, America is fortunate to have the world's strongest, most capable, most innovative military. I know it, you know it, our friends and allies know it, and critically, our potential adversaries know it too. Only with your help can we ensure that my successors can say the same, and that what is today the finest fighting force the world has ever known remains that way for years and generations to come.

Thank you.

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