

[H.A.S.C. No. 115-54]

HEARING
ON
NATIONAL DEFENSE AUTHORIZATION ACT
FOR FISCAL YEAR 2018

AND
OVERSIGHT OF PREVIOUSLY AUTHORIZED
PROGRAMS

BEFORE THE
COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
ONE HUNDRED FIFTEENTH CONGRESS
FIRST SESSION

FULL COMMITTEE HEARING
ON
**THE FISCAL YEAR 2018
NATIONAL DEFENSE AUTHORIZATION
BUDGET REQUEST FROM THE
DEPARTMENT OF DEFENSE**

HEARING HELD
JUNE 12, 2017



U.S. GOVERNMENT PUBLISHING OFFICE

COMMITTEE ON ARMED SERVICES

ONE HUNDRED FIFTEENTH CONGRESS

WILLIAM M. "MAC" THORNBERRY, Texas, *Chairman*

WALTER B. JONES, North Carolina	ADAM SMITH, Washington
JOE WILSON, South Carolina	ROBERT A. BRADY, Pennsylvania
FRANK A. LoBIONDO, New Jersey	SUSAN A. DAVIS, California
ROB BISHOP, Utah	JAMES R. LANGEVIN, Rhode Island
MICHAEL R. TURNER, Ohio	RICK LARSEN, Washington
MIKE ROGERS, Alabama	JIM COOPER, Tennessee
TRENT FRANKS, Arizona	MADELEINE Z. BORDALLO, Guam
BILL SHUSTER, Pennsylvania	JOE COURTNEY, Connecticut
K. MICHAEL CONAWAY, Texas	NIKI TSONGAS, Massachusetts
DOUG LAMBORN, Colorado	JOHN GARAMENDI, California
ROBERT J. WITTMAN, Virginia	JACKIE SPEIER, California
DUNCAN HUNTER, California	MARC A. VEASEY, Texas
MIKE COFFMAN, Colorado	TULSI GABBARD, Hawaii
VICKY HARTZLER, Missouri	BETO O'ROURKE, Texas
AUSTIN SCOTT, Georgia	DONALD NORCROSS, New Jersey
MO BROOKS, Alabama	RUBEN GALLEGU, Arizona
PAUL COOK, California	SETH MOULTON, Massachusetts
JIM BRIDENSTINE, Oklahoma	COLLEEN HANABUSA, Hawaii
BRAD R. WENSTRUP, Ohio	CAROL SHEA-PORTER, New Hampshire
BRADLEY BYRNE, Alabama	JACKY ROSEN, Nevada
SAM GRAVES, Missouri	A. DONALD McEACHIN, Virginia
ELISE M. STEFANIK, New York	SALUD O. CARBAJAL, California
MARTHA McSALLY, Arizona	ANTHONY G. BROWN, Maryland
STEPHEN KNIGHT, California	STEPHANIE N. MURPHY, Florida
STEVE RUSSELL, Oklahoma	RO KHANNA, California
SCOTT DESJARLAIS, Tennessee	TOM O'HALLERAN, Arizona
RALPH LEE ABRAHAM, Louisiana	THOMAS R. SUOZZI, New York
TRENT KELLY, Mississippi	(Vacancy)
MIKE GALLAGHER, Wisconsin	
MATT GAETZ, Florida	
DON BACON, Nebraska	
JIM BANKS, Indiana	
LIZ CHENEY, Wyoming	

JENNESS SIMLER, *Staff Director*

TIM MORRISON, *Counsel*

WILLIAM S. JOHNSON, *Counsel*

BRITTON BURKETT, *Clerk*

CONTENTS

	Page
STATEMENTS PRESENTED BY MEMBERS OF CONGRESS	
Smith, Hon. Adam, a Representative from Washington, Ranking Member, Committee on Armed Services	2
Thornberry, Hon. William M. "Mac," a Representative from Texas, Chairman, Committee on Armed Services	1
WITNESSES	
Dunford, Gen Joseph F., Jr., USMC, Chairman, Joint Chiefs of Staff	7
Mattis, Hon. James N., Secretary of Defense, U.S. Department of Defense	4
APPENDIX	
PREPARED STATEMENTS:	
Dunford, Gen Joseph F., Jr.	100
Mattis, Hon. James N.	86
Smith, Hon. Adam	83
Thornberry, Hon. William M. "Mac"	81
DOCUMENTS SUBMITTED FOR THE RECORD:	
Senate Testimony of Under Secretary of State for Arms Control Rose Gottemoeller, July 13, 2016	121
Study by Dr. Colin Gray	115
WITNESS RESPONSES TO QUESTIONS ASKED DURING THE HEARING:	
Dr. Abraham	128
Mr. Byrne	128
Mr. Carbajal	128
Mr. Langevin	127
Mr. Moulton	128
Ms. Speier	127
QUESTIONS SUBMITTED BY MEMBERS POST HEARING:	
Mr. Bridenstine	145
Mr. Hunter	139
Mr. Langevin	135
Mr. O'Rourke	144
Ms. Rosen	146
Mr. Scott	136
Mr. Smith	133
Ms. Speier	139
Ms. Tsongas	136

THE FISCAL YEAR 2018 NATIONAL DEFENSE AUTHORIZATION BUDGET REQUEST FROM THE DEPARTMENT OF DEFENSE

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,

Washington, DC, Wednesday, Monday, June 12, 2017.

The committee met, pursuant to call, at 7:04 p.m., in room 2118, Rayburn House Office Building, Hon. William M. “Mac” Thornberry (chairman of the committee) presiding.

OPENING STATEMENT OF HON. WILLIAM M. “MAC” THORNBERRY, A REPRESENTATIVE FROM TEXAS, CHAIRMAN, COMMITTEE ON ARMED SERVICES

The CHAIRMAN. The committee will come to order.

The committee meets to receive the testimony of the Secretary of Defense and the Chairman of the Joint Chiefs of Staff on the administration’s fiscal year 2018 budget request. We welcome Secretary Mattis for the first time before our committee, and we welcome Chairman Dunford back.

The question today, as it is each year for this hearing, is how well the administration’s proposal meets the security needs of the Nation, factoring in both the external threats and the current state of our military.

This committee has repeatedly heard testimony over the past 2 years that our country faces more serious, complex security challenges now than we have ever faced before. And the hearings and briefings we have held on the current state of our military have been disturbing.

The administration’s budget request of \$603 billion for base requirements is 6 percent above the 2017 enacted level and 3 percent above the last Obama administration budget proposal. It is also \$37 billion below what this committee assessed last fall was needed and about \$58 billion below the fiscal year 2012 Gates budget, which was independently validated by the bipartisan National Defense Panel.

But, of course, the issue is not about numbers. The issue is about what those numbers provide for the men and women who serve and what security the budget provides to the Nation. It is about whether we can defend the United States and our allies against North Korean missiles, for example. It is about whether we have the number of ships and planes and other military capability to deter aggression and maintain peace.

It is about doing right by our most valuable asset: our people. The men and women who serve deserve the best weapons and

equipment our country can provide, and I am afraid today they are not getting it.

It is always tempting to divert this discussion into a broader budget debate about taxes and other spending issues. Those issues are not within the jurisdiction of this committee or of these witnesses. But, regardless of our views on those other issues, we cannot wait until we solve our budget problems to adequately fund our military. We cannot wait until we perfect our acquisition system to have planes that fly and ships that sail. The world is not stopping and waiting on us to get our act together. It moves on, and it is moving on in a dangerous direction.

2018 is a key decision point. We have spent 6 years just getting by, asking more and more of those who serve, and putting off the choices that have to be made. We cannot keep piling missions on our service members without ensuring they have all they need to succeed.

Does the administration's budget proposal accomplish that goal? That is the question we intend to examine tonight.

I yield to the ranking member, Mr. Smith, for any comments he would like to make.

[The prepared statement of Mr. Thornberry can be found in the Appendix on page 81.]

STATEMENT OF HON. ADAM SMITH, A REPRESENTATIVE FROM WASHINGTON, RANKING MEMBER, COMMITTEE ON ARMED SERVICES

Mr. SMITH. Thank you, Mr. Chairman.

And I agree with much of what you said, and I think the best way to sum it up is what you said about putting off choices. That is what we have done for quite a while, and not just on the defense budget but on our tax reform, on all aspects of the budget as well.

And I think the impact on the military is as the chairman describes. And the real problem we have right now is a major disconnect between what we would like to do and the amount of money that we are prepared to do it.

As the chairman mentioned, even the President's budget at \$603 billion does not match what our committee assessed was needed. I think even more tellingly, it does not match what the President has said he is going to do. In fact, it is very, very distant from that.

If you talk about a 350-ship Navy and, I think, 570,000-person Army, you talk about all the planes, all the nuclear modernization that they want to do, I do not even begin to know what the yearly number would be to get to that. I am suspecting it is well north of \$700 billion, \$800 billion.

So we have all these grand ideas of what we want. We do not have the money to get there. And who is left in the lurch? The people that you serve. The men and women of the military are left with missions that they do not have the resources to fulfill.

And I think we have to start making choices. And I have got a bit of a preview with your opening remarks, and I agree with you. Certainly, the House of Representatives is in no position to lecture you about making choices. We do not have a budget. It is the middle of June. I have been here 20 years; we have never gone this

long without providing numbers for the basic appropriations bills, defense being chief among them.

So we continue to stall, I think, in hopes that the money will magically appear or we will figure out some way to spend money that does not count, something. But we have got to make choices. We have got to decide what we are going to fund.

And I will disagree with the chairman on one issue, and that is the notion that somehow as the Armed Services Committee, everything else that goes on in the budget really does not have anything to do with us and we should not worry about it. One thing most certainly does, and that is revenue. Because how much money you have, in my experience anyway, has a profound impact on how much money you are able to spend.

You know, I will skip for the moment the argument about the Department of Homeland Security and how important the State Department is—well, I lied. I did not skip it. But I think all of those things are important.

But if you just want to get right down to the basics, even if you just want to say forget about all that, all we are concerned about is the Armed Services Committee and providing for the men and women in our military the resources that they need, the planes, the ships, the equipment, the training, the readiness, all of that, it is nonsensical to say that the amount of revenue we have available does not impact that. It absolutely does.

And if we are talking about putting together—and I use “we” loosely here—a tax reform proposal that is going to further cut taxes by \$2 trillion to \$3 trillion, and if there are members of this committee who want to support that and then want to keep coming back to this committee and talking about how terrible it is that we do not fund our military, I think that is a huge inconsistency that we need to reconcile.

We have clear needs in the Defense Department. Let us make sure we provide the money for them. If we are not prepared to provide the money for them, then we need to come up with a different set of strategies, which I agree with the chairman: It will be very difficult. We have a very complex threat environment, from North Korea to Iran to Russia to a rising China to—not to mention the terrorist groups that are still out there and active. So it would be difficult to redo that strategy. But we would be better off doing that than to have a strategy that we have no intention of funding, and right now, that is kind of what the executive branch looks like they are doing. They have a strategy that they have no intention of funding. We have to fix that.

Just two quick things, and I will ask questions about this when we get the chance. I think countering what Russia is doing is an enormously important step for us. They are in a very comprehensive effort to undermine the very values that our country has fought for in the post-World War II environment. They have an incredibly complicated cyber effort, propaganda effort. They are doing all of this stuff to basically foster authoritarian regimes at the expense of democracies and to undermine alliances that the United States has relied on in that post-World War II world to maintain peace and security and to protect our interests. I think we need a strategy on that.

And I will be very curious to get your take on exactly what we are doing in Qatar. We hear what the Secretary of State says about it, and mere hours later, the President says something diametrically opposed to that. It is a very destabilizing situation right now in the Middle East.

I agree with the Secretary of State. We should be finding ways to solve that problem, not ways to throw gasoline on the fire. But I am just not clear what the administration's strategy is.

And considering the fact that CENTCOM [U.S. Central Command] is located in Qatar, I would think that, Mr. Secretary, you would have some opinions on what we ought to do to try to resolve that situation. And I would look forward to that comment.

And, with that, I yield back and look forward to your testimony. [The prepared statement of Mr. Smith can be found in the Appendix on page 83.]

The CHAIRMAN. The committee is pleased to welcome the Honorable James Mattis, Secretary of Defense; General Joseph F. Dunford, Jr., Chairman of the Joint Chiefs of Staff; and Mr. David Norquist, the Under Secretary and Comptroller, who has been on the job, I think, about a week.

So, welcome, all of you, to the committee.

Without objection, any written comments you would like to make will be included in the record.

Mr. Secretary, the floor is yours.

**STATEMENT OF HON. JAMES N. MATTIS, SECRETARY OF
DEFENSE, U.S. DEPARTMENT OF DEFENSE**

Secretary MATTIS. Well, Chairman Thornberry, Ranking Member Smith, and members of the committee, I appreciate the opportunity to testify in support of the President's budget request for fiscal year 2018. And I appreciate the committee accepting my written statement for the record.

I am joined by Chairman Dunford and the Department's new Comptroller, Under Secretary of Defense David Norquist. As noted by the chairman, he is new, but he will be vital to gaining your confidence that we know where our money is going once you give it to us through a good audit.

This budget request holds me accountable to the men and women of the Department of Defense. Every day, more than 2 million service members and nearly 1 million civilians do their duty honoring previous generations of veterans and civil servants who have sacrificed for our country, and it is a privilege to serve alongside them.

We in the Department of Defense are keenly aware of the sacrifices made by the American people to fund our military. Many times in the past, we have looked reality in the eye, met challenges with the help of congressional leadership, and built the most capable warfighting force in the world.

There is no room for complacency, however, and we have no God-given right to victory on the battlefield. Each generation of Americans, from the halls of Congress to the battlefields, earns victory through commitment and sacrifice. And, yet, for 4 years, the Department of Defense has been subject to or threatened by automatic across-the-board cuts as a result of sequester, a mechanism meant to be so injurious to the military it would never go into ef-

fect. But it did go into effect, and as forecast by then-Secretary of Defense Panetta, the damage has been severe.

In addition, during 9 of the past 10 years, Congress has enacted 30 separate continuing resolutions to fund the Department of Defense, thus inhibiting our readiness and adaptation to new challenges. We need bipartisan support for this budget request.

In the past, by failing to pass the budget on time or eliminate the threat of sequestration, Congress sidelined itself from its active constitutional oversight role. Continuing resolutions coupled with sequestration blocked new programs, prevented service growth, stalled industry initiative, and placed troops at greater risk.

Despite the tremendous efforts of this committee, Congress as a whole has met the present challenge with lassitude not leadership. I retired from military service 3 months after sequestration took effect. Four years later, I have returned to the Department, and I have been shocked by what I have seen about our readiness to fight.

While nothing can compare to the heartache caused by the loss of our troops during these wars, no enemy in the field has done more to harm the combat readiness of our military than sequestration. We have only sustained our ability to meet America's commitments abroad because our troops have stoically shouldered a much greater burden. But our troops' stoic commitment cannot reduce the growing risk. It took us years to get into this situation. It will require years of stable budgets and increased funding to get out of it.

I urge members of this committee and Congress to achieve three goals: first, fully fund our request, which required an increase to the defense budget caps; second, pass a fiscal year 2018 budget in a timely manner to avoid yet another harmful continuing resolution; and, third, eliminate the threat of future sequestration cuts so we can provide a stable budgetary planning horizon.

Stable budgets and increased funding are necessary because of four external forces acting on the Department at the same time. The first force that we must recognize is 16 years of war. When Congress approved the All-Volunteer Force in 1973, our country never envisioned sending our military to war for more than a decade without pause or conscription. America's long war has placed a heavy burden on men and women in uniform and their families.

A second concurrent force acting on the Department is the worsening global security situation. We must look reality in the eye. Russia and China are seeking veto power over the economic, diplomatic, and security decisions on their periphery. North Korea's reckless rhetoric and provocative actions continue despite United Nations' censure and sanctions, while Iran remains the largest long-term challenge to Mideast stability. All the while, terrorist groups murder the innocent and threaten peace in many regions and target us.

A third force acting on the Department is adversaries actively contesting America's capabilities. For decades the United States enjoyed uncontested or dominant superiority in every operating domain or realm. We could generally deploy our forces when we wanted, assemble them where we wanted, and operate how we

wanted. Today, every operating domain, including outer space, air, sea, undersea, land, and cyberspace, is contested.

A fourth concurrent force is rapid technological change. Among the other forces noted thus far, technological change is one that necessitates new investment, innovative approaches, and new program starts that have been denied us by law when we have been forced to operate under continuing resolution.

Each of these four forces—16 years of war, the worsening security environment, contested operations in multiple domains, and the rapid pace of technological change—requires stable budgets and increased funding to provide for the protection of our citizens and for the survival of our freedoms.

I reiterate that security and solvency are my watchwords as Secretary of Defense. The fundamental responsibility of our government is to defend the American people, providing for our security, and we cannot defend America and help others if our Nation is not both strong and solvent.

So we in the Department of Defense owe it to the American public and to the Congress to ensure we spend every dollar wisely. President Trump has nominated for Senate approval specific individuals who will bring proven skills to discipline our Department's fiscal processes to ensure we do so.

This first step to restoring readiness is underway, thanks to Congress' willingness to support the administration's request for an additional \$21 billion in resources for fiscal year 2017 to address vital warfighting readiness shortfalls. Your support put more aircraft in the air, more ships to sea, and more troops in the field to train. However, we all recognize that it will take a number of years of higher funding delivered on time to restore readiness.

To strengthen the military, President Trump requested a \$639 billion top line for the 2018 defense budget. This budget reflects five priorities:

The first priority is continuing to improve warfighter readiness begun in fiscal year 2017, filling in the holes from tradeoffs made during 16 years of war, 9 years of continuing resolutions, and Budget Control Act caps.

The second priority is increasing capacity and lethality while preparing for future investment, driven by results from the National Defense Strategy. Our 2018 budget request ensures the Nation's current nuclear deterrent will be sustained and supports continuation of its much-needed modernization process.

The third priority is reforming how the Department does business. I am devoted to gaining full value from every taxpayer dollar spent on defense, thereby earning the trust of Congress and the American people. We have begun implementation of a range of reform initiatives directed by the 2017 National Defense Authorization Act and are on track to enter into a full agency-wide financial statement audit as required by statute. I urge Congress to support the Department's request for authority to conduct the 2021 Base Realignment and Closure, or BRAC, round. I recognize the careful deliberation that members must exercise in considering it. But BRAC is one of the most successful and significant efficiency programs. We forecast that a properly focused base closure effort will generate \$2 billion or more annually over a 5-year period, enough

to buy 300 Apache attack helicopters, 120 F-18s, or 4 *Virginia*-class submarines.

The fourth priority in the fiscal year 2018 budget request is keeping faith with service members and the families. Talented people are the Department's most valuable asset, but we must continually balance these requirements against other investments critical to readiness, equipment, and modernization to ensure the military is the most capable warfighting force in the world. Investment in military compensation, blended retirement, the military health system, and family programs are essential to fielding the talent we need to sustain our competitive advantage on the battlefield.

The fifth priority is support for overseas contingency operations. The fiscal year 2018 President's budget requests \$64.6 billion, focusing on operations in Afghanistan, Iraq, and Syria, increasing efforts to sustain NATO's [North Atlantic Treaty Organization's] defenses to deter aggression and global counterterrorism operations. ISIS [Islamic State of Iraq and Syria] and other terrorist organizations represent a clear and present danger, and I am encouraged by the willingness of our allies and partners to share the burden of this campaign.

Moving forward, the fiscal year 2019 budget informed by the new National Defense Strategy will have to make hard choices as we shape the fiscal year 2019 to 2023 defense program. The Department will work with President Trump, Congress, and this committee to ensure future budget requests are sustainable and provide the Commander in Chief with viable military options that support America's security.

I am keenly aware that each of you understand the responsibility we share to ensure our military is ready to fight today and in the future. I need your help to inform your fellow Members of Congress about the reality facing our military and the need for Congress as a whole to pass the budget on time.

Thank you for your strong support over many years and for ensuring our troops have the resources and equipment they need to fight and win on the battlefield. I pledge to collaborate closely with you for the defense of our Nation and our joint effort to keep our Armed Forces second to none.

Chairman Dunford is prepared to discuss the military dimensions of the budget request.

[The prepared statement of Secretary Mattis can be found in the Appendix on page 86.]

The CHAIRMAN. Mr. Chairman.

**STATEMENT OF GEN JOSEPH F. DUNFORD, JR., USMC,
CHAIRMAN, JOINT CHIEFS OF STAFF**

General DUNFORD. Chairman Thornberry, Ranking Member Smith, distinguished members of the committee, it is an honor to join Secretary Mattis and Under Secretary Norquist here tonight.

I am honored to represent your men and women in uniform, and it is because of them I can begin by saying with confidence that your Armed Forces today are the most capable in the world. However, the competitive advantage that the United States military has long enjoyed is eroding.

A number of factors have contributed to that erosion. Since 9/11, an extraordinarily high operational tempo has accelerated the wear and tear of our weapons and equipment. Meanwhile, budget instability and the Budget Control Act have forced the Department to operate with far fewer resources than required for the strategy of record. As a consequence, we prioritize near-term readiness at the expense of replacing aging equipment and capability development. We have also maintained a force that consumes readiness as fast as we build it. We lack sufficient capacity to meet current operational requirements while rebuilding and maintaining full-spectrum readiness.

You know, the Secretary and the service chiefs have addressed that dynamic in their testimonies, and I fully concur with their assessments, but beyond the current readiness, we are confronted with another significant challenge that I assess to be near term. While we have been primarily focused on the threat of violent extremism, our adversaries and potential adversaries have developed advanced capabilities and operational approaches, and these are specifically designed to limit our ability to project power. They recognize that our ability to project power is the critical capability necessary to defend the homeland, advance our interests, and meet our alliance commitments.

Secretary Mattis alluded to it today: Russia, China, and Iran field a wide range of cyber, space, aviation, maritime, and land capabilities. And these are specifically designed to limit our ability to deploy, employ, and sustain our forces.

Russia and China have also modernized their nuclear arsenal while North Korea has been on a relentless path to field a nuclear ICBM [intercontinental ballistic missile] that can reach the United States. In just a few years, if we do not change the trajectory, we will lose our qualitative and quantitative competitive advantage. The consequences will be profound. It will adversely affect our nuclear deterrence, our conventional deterrence, and our ability to respond if deterrence fails.

Alternatively, we can maintain our competitive advantage with sustained, sufficient, and predictable funding. To that end, the fiscal year 2018 budget is an essential step. However, this request alone will not fully restore readiness or arrest the erosion of our competitive advantage. Doing this will require a sustained investment beyond fiscal year 2018.

Specific recommendations for fiscal year 2019 and beyond will be informed by the forthcoming strategy development. However, we know now that continued growth in the base budget for at least 3 percent above inflation is the floor necessary to preserve today's relative competitive advantage.

We ask for your support, and while we do that, we recognize the responsibility to maintain the trust of the American taxpayer. We take that seriously and will continue to eliminate redundancies and achieve efficiencies where possible.

Thank you again for the opportunity to appear before you. And, more importantly, thanks for ensuring that America's sons and daughters are never in a fair fight. With that, I am ready for your questions.

[The prepared statement of General Dunford can be found in the Appendix on page 100.]

The CHAIRMAN. Thank you, sir.

Mr. Norquist, do you have a statement you would like to make?

Secretary NORQUIST. I agree with the Secretary, Mr. Chairman. I have no statement to make.

The CHAIRMAN. Thank you.

Let me just alert members that under the circumstances, I think it is important to hold members to the 5-minute rule, and, therefore, short, direct questions will—I have no doubt with these witnesses—evoke short, direct answers. They are known for that. And put me on the clock, please.

Mr. Secretary, when the budget came to Congress on May 23, I think, other than the past week, you were the only Senate-confirmed person in the Department of Defense of the Trump administration. And if you look at that budget request, it has basically the same number of ships and planes, no change in end strength for the Army and Marines that had already been planned.

So is it fair to say that essentially what has been sent to us for fiscal year 2018 is what was already in the works with some minor adjustments?

Secretary MATTIS. Chairman, what we attempted to do with the fiscal year 2017 supplemental was to fill in as many of the holes in our readiness as possible. With \$21 billion, we were unable to fill them all. So part of what we are doing, admittedly, right now, is continuing to fill in holes.

But the growth that we are developing right now this year is into areas where we balance the force. In other words, we have got to bring in more cyber troops. We need to do some things to expand where we have already got gaps that we cannot simply repair our way out of.

We have got to actually buy some new equipment, this sort of thing. So we are still in getting the force back on its feet, a force that you have paid a lot of money for, but it was not maintained at full readiness, sir.

The CHAIRMAN. Well, and just following up on Mr. Smith's point, the President has said specifically he would like to have a Navy of 350 ships. He has talked about 12 aircraft carriers. He talked about Army end strength of 540,000. He has talked about increasing the number of fighter aircraft and so forth.

So, for this budget in 2018 that we have gotten so far, it does not really advance any of those goals, does it?

Secretary MATTIS. Sir, it gets us in the right direction. As the Chairman and I said, it is going to take 3 to 5 percent in the future to actually grow the force along the lines of what you are talking about.

But I would also point out that this is \$52 billion above the BCA [Budget Control Act] cap, and that is not something that we can simply walk in and ignore knowing it is a reality that you have to deal with.

The CHAIRMAN. Yeah. I would just editorially comment: I do not think anybody thinks that BCA cap is anywhere appropriate to what we need for our military. And that is what we are trying to focus on.

Let me just ask you one other question about this. Again, the White House talks about developing state-of-the-art missile defense systems. And I think the biggest surprise to me was to look at the budget for the Missile Defense Agency and see that go down in 2018 from what it is in 2017. Can you explain that to me?

Secretary MATTIS. Sir, it is a worsening situation. We have a Ballistic Missile Defense Review underway. But right now, I am confident that we have what it takes to secure us against the North Korean threat and buy us some time until we can get the review done and come to you with a defensible, sustainable ballistic missile defense buildup.

The CHAIRMAN. Chairman Dunford, you talked about that the 2018 budget does not fill all the readiness holes. Secretary just testified that he was shocked when he came back into the Department and saw the state of our readiness. I looked through all of the services' unfunded requirements, which they are required to give by statute, and there is a lot of readiness in those unfunded requirements.

So it is true, is it not, that, if there is additional funds above the President's request, especially on readiness, that those funds can be well used? Would you agree with that?

General DUNFORD. Chairman, I would. And I think it is important at this point to realize that, you know, where traditional readiness has been considered just operations and maintenance money, when you have a squadron that has only six of the primary aircraft authorized that it rates, you can only have those aircraft so ready and it is still not going to make a difference. The squadron is still 50 percent ready.

So I would just argue that there is really maybe, this year now, as a result of the last several years, in many cases there is a distinction without a difference between readiness and procurement. In many cases, procurement is necessary in order to get units ready.

The CHAIRMAN. I think that is what is—a point that we have learned over the past year as well. Thank you.

I would yield to Mr. Smith.

Mr. SMITH. Thank you.

I am just wondering, has anyone added up all of the President's promises in terms of defense, as the chairman and I have outlined some of them, and is there any notion of what it would cost to meet those goals in a 5-year plan?

If I am not mistaken, there actually was not a FYDP [Future Years Defense Program] offered by the President's budget, which is unusual. And I cannot help but think that it is because—and you can start the clock on me—I cannot help but think that that is because you did not want to look at it and see just how outlandish those numbers would be versus the money we have.

So do you have a number, I mean, if you have 5-year numbers, to begin to get to what we are—what the President has talked about?

Secretary MATTIS. I do not, sir. We have been digging down into what we can do right now to get the force ready in its current situation that we confront. I think there is pretty common understanding here that the force is going to have to be improved. That is the

common ground we have. And we are going to have to move out smartly and in concert with the Congress as we sort out what can be done and what the targets are.

Mr. SMITH. Well, I would suggest, as I said in my opening remarks, that we get more realistic about that. I do not think it serves any particular purpose to make promises that nobody has any intention of keeping. So if we could down that to something that is reasonable.

And, with that, let me just say, one of the things I hope that the NDAA [National Defense Authorization Act] is able to do is, when we are on the floor, we have an amendment to repeal the BCA and the budget caps. And I would urge in a bipartisan way that we try to get that out there on the floor and let Members take that vote, because the Budget Control Act was 6 years ago. It was passed with the goal of reaching a grand bargain. That did not happen. It is irrelevant. Now, that is not to say that a \$20 trillion debt and a \$700 billion deficit is not a problem. It is just that it is obvious that the Budget Control Act is a terrible way to go about trying to address it.

Can you help me out on the Qatar question that I raised earlier? Now, I certainly do understand that Qatar has a mixed record. But, you know, we are doing this primarily at the behest of Saudi Arabia, and if you want to talk about a mixed record, they have a pretty mixed record too: 15 of the 19 hijackers; Wahhabism is one of the more extreme forms of Islam; they funded madrasas all across the Middle East and South Asia and North Africa. Now, I have met with the Foreign Minister. I have been assured that they are trying to reform and move in a more positive direction. But it just seems odd that we are working with Saudi Arabia to go after Qatar because Qatar is doing too much to support groups that are radical extremists.

So what is going on over there, and what should our policy be?

Secretary MATTIS. Sir, it is a very complex situation. You know, each of those countries manifest its own trajectory of forward progress. I would tell you that there is common ground, and that is something President Trump was attempting to generate and reinforce with the trip that we recently witnessed.

In that regard, you see Qatar itself, for example, houses the largest single airbase that we have and the forward headquarters for our Air Force, our Central Command, and our special operations.

I would simply point out that we have interoperability capability with Qatar. And I believe that Prince Thani inherited a difficult, very tough situation, and he is trying to turn the society in the right direction.

But we all agree that funding of any kind of terrorist group is inimical to all of our interests, and I believe that it is moving in the right direction. We have got to try and help sort this out with them all.

Mr. SMITH. Well, why the disconnect between what Secretary of State Tillerson has said about the situation and what the President has said about it?

Secretary MATTIS. Sir, I believe that the President coming back from the Middle East was extremely focused on what they had done in order to try to get everyone to agree on how we would stop

the funding of the enemy groups, to include at times gray funding. In other words, it is not black and white. It goes into some kind of nebulous area and shows up there.

So what you are seeing is a continued focus on that. At the same time, we have obviously got shared interests with Qatar that, again, holds the biggest base that we have there. So it is one of those areas where we have got to find the common ground, make common ground, and move out together, and it has been a challenge. It is not tidy, I will admit it is not tidy, but it is something that we have got to work together on.

Mr. SMITH. And just a couple of quick comments before my time runs out. One, that Saudi Arabia is a country that we also have to work on that issue, because while—I mean, they have cut this deal. They will support the Wahhabism version of the religion as long as they do not get violent. The Wahhabism version of the religion pushes you right up to the edge of that violence and some would argue is the logical conclusion of it. So I think we need to put pressure on Qatar. Certainly, we really need to put pressure on Saudi Arabia to stop the spread of that ideology.

And I will assume that one of my other colleagues will ask the question about Russia. We lack a comprehensive strategy to counter what they are doing. I would like an update on, are we going to develop one? Do you see that as a critical need? Am I being, you know, alarmist about what Russia is attempting to do in so many parts of the world?

So I would be curious about your comments on that, but I will leave that to my colleagues to follow up on, and yield back my time.

The CHAIRMAN. Mr. LoBiondo.

Mr. LOBIONDO. Thank you, Mr. Chairman.

Secretary Mattis, General Dunford, thank you for being here and for your service.

Funding for cyber warfare command and U.S. Cyber Command has been protected in the budget since 2013. This has been a very high priority for me given responsibilities on both this committee and House Intelligence Committee.

Admiral Rogers testified recently that, and I am quoting: To execute our missions, I requested a budget of approximately \$647 million for fiscal year 2018, which is nearly 16 percent increase from fiscal year 2017. However, cuts to the services impact our cyber warfare capabilities. Cyber operations to counter ISIS are funded via OCO [overseas contingency operations], which could represent a hollow forces structure, and cyber capability and readiness gaps still exist for European Command against Russia and U.S. Pacific Command against China and North Korea.

General Dunford, for you, could you describe the readiness of our cyber forces to carry out the variety of missions they need to conduct around the world?

General DUNFORD. I can, Congressman. Thank you.

We identified a requirement for 133 cyber mission teams, and that was done in conjunction with U.S. Cyber Command. Right now, 70 percent of those teams are what we call fully operational capable. So they have had all the manning, they have all the training, and they are fully operational capable.

The balance at 133 teams are in initial operational capability, and they will be in the coming months fully operational capable. So we are moving towards those 133 teams being there.

But I think none of us are complacent with where we are in cyberspace, given the number of threats we face every day. We need it to defend the network, develop effective offensive tools, and be in a position to grow the force.

And, Congressman, I think, in fiscal year 2018 and in 2017, for that matter, we began to reverse a trend that, for over the past 5 years, in areas like space, cyberspace, electronic warfare, we have been underfunded. This year is the second year in a row where we have increased our resources to Cyber Command.

Mr. LOBIONDO. And as a follow-up, General, right now we are conducting operations against ISIS. But do we have the capacity to ramp up for additional operations against a different adversary simultaneously if required?

General DUNFORD. We do, Congressman. Without going through details, we are actually simultaneously conducting cyber operations now against multiple adversaries.

Mr. LOBIONDO. And can we handle the current level of aggressive cyber activity to counter Russia, North Korea, China, Iran, and others that we are seeing today?

General DUNFORD. We need to continue to grow the force to be able to deal with those emerging threats, Congressman.

Mr. LOBIONDO. Can you talk to us about what we are doing to track people and support cyber as a career field—to attract people and support cyber as a career field?

General DUNFORD. Congressman, I know Admiral Rogers has worked very hard on that, as have the services. And I think there is a combination of incentives as well as going out there and recruiting high-quality people and then setting good conditions for them to be retained. But that is something that we are working on very hard as well.

Mr. LOBIONDO. So we are looking at things such as incentive pay, or bonuses to attract and keep key cyber professionals?

General DUNFORD. We are actually using those tools now, Congressman, and always monitoring the force to make sure to what extent we need to increase use of those tools.

Mr. LOBIONDO. Okay. Thank you. I yield back, Mr. Chairman.

The CHAIRMAN. Mrs. Davis.

Mrs. DAVIS. Thank you, Mr. Chairman. And thank you all for being here as well.

Secretary Mattis, I know in your testimony you spoke about the 3 million service members and civilians that make up the Department of Defense. And I certainly agree with you and agree with my colleagues that this committee cannot be expected to deal with all the issues that we face today, but the reality is that the people who come into our service, the men and women, they came from somewhere. You know, they were educated. Perhaps their families were on food stamps at one time. They got Federal student loans.

How do we reconcile—and in your position, where I think you have such a strong voice in this—how do you work with those issues while we are struggling here to fund defense appropriately and looking at all of our readiness issues and, at the same time,

we see that the President is cutting many of the programs that service the people who actually are in the military? We know that over a third of kids are obese today, and they cannot serve. They are not able to serve because they have—they had drug addictions.

There are so many issues that we kind of put them over there and say, “Well, those do not really relate to our military and certainly not to our national security.” I know you have thought about this issue. And what is the role that you see yourself playing even within the Cabinet to try and have people focus on these issues?

Secretary MATTIS. Well, Congresswoman, as you know, I am not shy about speaking up. I would tell you that we are meeting our own quality demands right now. We have not had to lower our standards at all.

But you are absolutely accurate that we have a shrinking percentage of our 18-year-old, 20-year-old—that population we do a lot of recruiting from—we have a shrinking percentage that can qualify to enlist in the Army, for example, as a private. So I would take no issue with it. I think it is all of our responsibilities, whether we are in the executive branch, the legislative, or we are a local school district member.

But it is not one that I can speak about with authority. I have been rather consumed, as you will understand, with the portfolio I have. But I do not take any issue with what you are saying.

So far, I will tell you, it has not inhibited our quest for high-quality young men and women who are rallying to the flag.

Mrs. DAVIS. Do you hear other voices speaking up on this in this room?

Secretary MATTIS. Absolutely.

Mrs. DAVIS. Okay. Well, I hope so. And I appreciate your doing that as well.

I wonder if you could just turn for a second and, certainly, General, as well, and just speak to us about your current thinking on Afghanistan. As I think that the public is aware, it is becoming—feels much more chaotic and violent, and there are very few options for us.

What do you see as the status, and where can we go with this?

Secretary MATTIS. Congresswoman, we are taking a regional approach to this. We are looking at everything from the situation between India and Pakistan, Pakistan and Afghanistan, obviously Iran, that whole South Asia area, because if we look at it in isolation, you will probably have something that is lacking in some area.

We are going to have to recognize that problems that come out of ungoverned spaces like that, as we experienced on 9/11, those problems do not stay there. They can come home to roost here. So there will be no turning a blind eye to it.

We have got to determine what level of support is necessary and how we orchestrate the international community, not just the American but the international community, to deal with this. We will take that forward to the President for a decision very soon.

Mrs. DAVIS. And, General Dunford, I know that you serve very actively there as well. Do the numbers that are being talked about and—are those in isolation from other tools in our toolbox essentially? Do we need to be doing something else with civilians?

General DUNFORD. Sure. We have listened very carefully to General Nicholson's assessment of the situation. I think we are all concerned about the security trends over the last 2 years, not the least of which is the significant number of casualties the Afghan forces have suffered.

So we have gone to Secretary Mattis and the President with some options that might be considered in order to reverse those trends. But as the Secretary said, we will consider Afghanistan in the broader context of a regional strategy as well.

But we do have some things that we are considering to turn around the trends and better enable the Afghan security forces, who, as you know, have been in the lead for the last 2 years providing security for their country. So this is not about us being in the fight. It is about us doing things for the Afghans to be more successful than they have been over the last two summers.

Mrs. DAVIS. Do you have the resources that you need, both in the military and on the civilian side?

General DUNFORD. As you suggested, Congresswoman, the options will include not just—it is not just about numbers of troops. It is about authorities. It is about other things we can do, diplomatic and economically as well.

Mrs. DAVIS. Thank you.

The CHAIRMAN. Mr. Turner.

Mr. TURNER. Thank you, Mr. Chairman.

Secretary Mattis, thank you for being here. You referenced that President Trump has talked about rebuilding the military and has called for an end to sequestration. You have called on us to help you rebuild the military and to end sequestration. And on all that, we agree.

As we look to 2018, though, we are very concerned that this budget falls short of our ability to help you do that. There are important needs that you know that we see that are not met, and one of those is the concerns that we have for the end strength and what numbers are needed.

So, in the discussion of what do we need, we can look to your statements, that we currently have an Army that is doing more than it has ever done. And if we look backwards to a time when the Army had less to do, when we thought the world was more safe, it certainly is pre-9/11. Pre-9/11, we had 482,000 troops in Active Force. Today, we have 476 in current Active Force.

Now, we know where we were going. President Obama had proposed drawing down the Army even further. He was going to be 460 for fiscal year 2017, 450 for fiscal year 2018. Chris Gibson and I working with the chairman drafted the POSTURE Act [Protecting Our Security through Utilizing Right-Sized End-Strength Act of 2016], and the Republican Congress prevented that drawdown, which keeps us at 476 today, still below the peacetime 482 of pre-9/11.

Now, General Milley has recently come out and said: I need 100,000 more. In this article here, he is proposing that we have Active Forces of 550,000, higher than the pre-9/11.

If we look at the unfunded requirements for fiscal year 2018, we know that the Army has asked for an additional 10,000 Active, an additional 7,000 National Guard. Those are troops that they said

that they needed but did not get. And it is very unusual in unfunded requirements to actually have force requests. Usually, they have like planes and tanks, not people.

So, Secretary Mattis, we do not want to give you a hollow force. But if we are going to do more, do you need more soldiers?

Secretary MATTIS. I believe we do. I do not take any issue with the unfunded priorities list as far as a requirement. I think the base budget has the right priorities. If there is more money available, then I think that is a pretty good list: Army, Navy, Air Force, Marines.

I would add, however, that we have got to have a stable budget horizon in the future. If we bring those troops in and we do not have a good budget by next year, then it is going to come out of our operation and maintenance and our modernization as we pay their salaries because, if we go under a CR [continuing resolution]—again, 9 out of the last 10 years, we have had some form of this—then we end up with an Army that actually, with the best of intentions, starts hollowing out.

So it has got to be a balanced approach, sir. And right now, I think this is the way to set the conditions with fiscal year 2018. Excuse me, go ahead, sir.

Mr. TURNER. No, that is okay. As you know, we have been in those CRs because we have not had agreement between the House and the Senate and the outgoing administration on what to do. And so I am going to ask you about your conversations with OMB [Office of Management and Budget] because that currently is where one of our problems are as we are looking at the House trying to increase spending to give you what it is that you need.

Could you give us some ideas? What do they say? Do they know that you have planes that cannot fly, that you have pilots that do not get flying time, that you have soldiers that are not ready, and that you have shortfalls in ammunition, training, and spare parts? Because the budget that they gave us does not fix that. And what is OMB saying? Because we would like to fix it now. We do not want to wait.

Secretary MATTIS. Well, sir, as you know, that is why we came to you for \$21 billion just a few months ago to start reversing this. Fiscal year 2018 is how we are going to try to stabilize the problem and fill it in in a way that allows us to balance the force.

This is where we will get the additional cyber troops and start building out like this. But the real growth comes in 2019 to 2023 with a program that OMB is keenly aware we need and President Trump has highlighted to OMB. So we have his support on this.

Mr. TURNER. Secretary Mattis, I have got a question and I think I know the answer and that you are going to want to answer, and that is on sequestration: 142 of us sent the Speaker of the House a letter asking him to put on the House floor a bill repealing sequestration. Every member of the Armed Services Committee signed it on the Republican side. We certainly believe that the President's call for ending sequestration is important.

I recall—and I am not sharing classified information here—when you called us in for a classified meeting on North Korea, we were all waiting to hear what you were going to say, and the first thing you said is repeal sequestration. That was more important than

what you were going to tell us about what the threat was from North Korea.

So I have got a question for you: Secretary Mattis, should we vote to repeal sequestration?

Secretary MATTIS. Yes, sir.

Mr. TURNER. Thank you. I yield back.

The CHAIRMAN. Mr. Langevin.

Mr. LANGEVIN. Thank you, Mr. Chairman.

Secretary, Mr. Chairman, thank you very much for your service to the Nation and for your testimony today.

Secretary Mattis, in the past, you have acknowledged the impacts of climate change on our National Security Strategy, stating, and I quote: "Climate change is impacting stability in areas of the world where our troops are operating today," end quote.

We are certainly aware of these coming dangers, first here in Rhode Island, being a coastal State. As such, I think it is critical to address how the Department of Defense quantifies the cost of climate change.

I also assume that there is a cost in adapting our National Security Strategy to defend new sea-lanes in the Arctic or respond to regional instability abroad as a result of desertification, famine, and climate-related economic challenges.

As someone who has thought deeply about this in the past, how are you guiding DOD [Department of Defense] to address these strategic and tactical challenges?

Secretary MATTIS. Yes, sir. I cannot quantify the cost. I will tell you, it is part of the physical environment, the warming. And for us, it comes down to, for example, we have a new sea that is navigable more year round, where the winter ice no longer extends as far south. So that is a national security consideration.

We look at these as they develop, sir, from the warming climate. And we take it into account. But it is hard to quantify the cost. It is simply part of the broadening appreciation of the situation that we confront.

Mr. LANGEVIN. Can you talk about the steps that at least you are taking to identify those costs?

Secretary MATTIS. Sir, let me get back—I want to give you a good answer. Let me get back to you on that one.

[The information referred to can be found in the Appendix on page 127.]

Mr. LANGEVIN. Fair enough.

Secretary MATTIS. Because there is, as you know, almost a Rubik's Cube of ways that you address one thing because it impacts another, and how you contain the analysis is actually quite challenging.

But the bottom line is we have to address whatever the physical environment brings, whether it is storms in an area where we are responding with humanitarian or whatever else. I mean, this is all part of the physical environment.

Mr. LANGEVIN. I take you at your word, and I look forward to your more thorough answer then, Secretary.

Secretary and Chairman Dunford, I believe that the value of our American power projection lies in our diverse and flexible abilities beyond traditional warfighting domains. Today, these strengths are

jeopardized by the administration's shortsighted budget proposal, which fails to recognize the overlapping impacts of these varied interests.

For example, underfunding the State Department will strain U.S. efforts to maintain our present level of diplomatic and military influence across the globe, and underfunding the Department of Education and Health and Human Services will undermine the military's ability to recruit the best and the brightest should we fail to invest in science, innovation, and programs that ensure Americans can meet the educational and fitness criteria of the Armed Forces.

This is especially important in areas where technological change is outpacing our ability to match our adversaries and especially where focusing heavily on the third offset strategy. Would you agree with this assessment? What other specific challenges do you face when national interests are underfunded?

General DUNFORD. Congressman, I will start with that. Look, I would agree with the point that you make. In every challenge that we are dealing with right now, there is a military dimension to the challenge, but also we require assistance from the State Department, Justice Department, other elements of the government, what we call whole-of-government solutions are required.

And all of the challenges that you recited all require whole-of-government challenge. What we have done in the fiscal year 2018 budget, of course, is address the resources necessary for the military dimension of those challenges you referred to.

Mr. LANGEVIN. Mr. Secretary.

Secretary MATTIS. Sir, the State Department, the Defense Department are tied very tightly as we go into these situations. I will give you an example of ISIS. We just had a conference here. State Department hosted it. Sixty-six nations plus INTERPOL [International Criminal Police Organization], Arab League, NATO, European Union, and they all sat down together, not to talk about just the combat part, which we were able to address in about 15 percent of the conference, but 85 percent was spent talking about the post-combat and how do we make certain, when we defeat them, how do we keep the next group from rising?

My point is that these take the whole-of-government effort. And right now, the Defense Department and State Department work very closely. Not a week goes by where Secretary Tillerson and I are not personally sitting down together for hours. And we talk probably five, six, seven times a week as we try to make this a real tight team to address this sort of situation.

Mr. LANGEVIN. Thank you, Mr. Secretary.

The CHAIRMAN. Mr. Rogers.

Mr. ROGERS. Thank you, Mr. Chairman.

General Dunford and Secretary Mattis, the last administration was not very aggressive or, in my opinion, serious in confronting Russia about its INF [Intermediate-Range Nuclear Forces] violations. We have not had a senior military or DOD official testify before this committee that they believe that Russia is going to come back into compliance with the INF Treaty.

So my question is, is this administration going to seriously confront Russia about their INF violations? And are you prepared or

will you be prepared anytime in the near future to give us a set of military options for their violation—continued violation?

Secretary MATTIS. Sir, we are meeting on the apparent violations, alleged violations, what looks like violations to us. We are meeting on it interagency-wide as we speak. And probably in closed hearing, at least initially, because we will also be consulting with NATO allies, for example, on this.

As we build the international understanding of what has happened, we can brief you, I would say, soon. I cannot give you a specific date, but we are engaged on the effort right now.

Mr. ROGERS. Okay. Thank you.

General Dunford, in March, your Vice Chairman, General Selva, testified before us and said, quote: “There is no higher priority for the Joint Force than fielding all of the components of an effective nuclear deterrent, and we are emphasizing the nuclear mission over all other modernization programs when faced with that choice. Nuclear modernization can no longer be deferred as a result of previous delays in deferrals, all well considered. We are currently depending on just-in-time modernization and replacement of many of the components for our nuclear triad,” closed quote.

General, do you share this priority and emphasis on ensuring our nuclear modernization programs remain on schedule?

General DUNFORD. Congressman, I do. And that priority has been reflected in both the 2017 and the 2018 budget.

Mr. ROGERS. Thank you.

Secretary Mattis, do you believe that we should fully fund your fiscal year 2018 budget request for these programs or decrease the funding until we see the results of the NPR [Nuclear Posture Review]?

Secretary MATTIS. Sir, I am confident right now that maintaining a safe and secure nuclear deterrent is supported by the current budget, and we do not have to wait. What that review will do is tell us where we are going in the longer term, but right now, we know what we can do right now to keep the deterrent safe.

Mr. ROGERS. Great.

Secretary Mattis, I would like to commend you a study by Dr. Colin Gray, which I request be entered into the record, Mr. Chairman.

[The study referred to can be found in the Appendix on page 115.]

Mr. ROGERS. In it, Dr. Gray states, quote: “The American triad now begs for modernization to remain operational in coming years and deserves the attention and support of the U.S. leadership. In particular, the LRSO [Long Range Standoff] cruise missile will be a weapon with a performance character that must be highly desirable, even essential, to meet the kind of challenges of most concerned,” closed quote.

Dr. Gray also points out the long history of the use of dual-capable cruise missiles by both Russia and the United States, and said concerns about the LRSO as being destabilizing are overwrought, overstated, and unpersuasive.

Secretary Mattis, I am going to save my question for the record, but I know you are a reader. And I would commend this study to you as you review the NPR.

Thank you. And I yield back, Mr. Chairman.

The CHAIRMAN. Mr. Larsen.

Mr. LARSEN. Thank you, Mr. Chairman. Welcome, everyone.

Mr. Norquist, I have got a question for you, just very quick. Do you anticipate, as Comptroller, that you will be able to keep the timelines this committee would like to see the Pentagon keep in conducting the audit of Pentagon programs?

Secretary NORQUIST. Yes. We will have the Department, all the major elements of the Department under audit in 2021—in 2018, as required. That will include stand-alone audits for many of the organizations and an overarching audit of the entire Department overseen by the DOD IG [Department of Defense Inspector General].

Most of those contracts are already awarded. There is one or two that are waiting to be finalized and awarded. But we have every expectation to be fully compliant and fully under audit.

Mr. LARSEN. Okay. And I anticipate other folks will have questions for you on that, but I wanted to be sure you were listening. No, I am sure you are.

General Mattis, I want to return to Mr. Rogers' questions in theme only when it comes to the Nuclear Posture Review. Do you anticipate the NPR will decide on a triad versus dyad debate, or do you anticipate it will focus on specific programs within the nuclear enterprise? How are you approaching it?

Secretary MATTIS. Sir, we are going to have to address both. I think that whether it is a triad or a dyad will be resolved very, very early because of the strength of the triad right now, frankly. And then we will continue with the rest of the review.

Mr. LARSEN. At that—okay. All right. Do you anticipate that it will come out in stages like that, or do you anticipate one report at one time?

Secretary MATTIS. Right now, I anticipate one report, but, you know, if it looks like it can come out in stages, I would be willing to look at it. Right now, it is going to come out as one report.

Mr. LARSEN. Yeah. Thank you.

Perhaps for General Dunford: So some of this debate in the recent past is that the NSC [National Security Council] has been more of an operational—too operational. It needs to return to being more strategic. And part of that discussion has resulted in this conversation about giving operators and combatant commanders and those below them in the hierarchy more authorities, additional authorities, especially when it comes to anti-ISIS and other counterterrorism operations.

I do not have a big heartburn with that myself, but I do believe that there is still the oversight question is important, that it is still—whether it is policies set at NSC, whether it is policies set at NSC and DOD together, or if it is a set of actions taken by operators that then evolves into a policy, it is still policy, and it should be coming back to us for oversight.

Now, that is a statement. And I kind of want to get your feel on, one, do you think the changes on authorizations have been either that noticeable or that great in the last 4 months, first? And, second, what is your thought on the oversight question from this committee?

General DUNFORD. Congressman, I think the issue really is speed of decision making. And that more than the level at which decisions are made has been the point that Secretary Mattis has emphasized since he came in.

I will tell you, having been in both administrations, the fundamental issues of force levels, authorities, and those kinds of things have rested either with the Secretary of Defense or the President in accordance with established policy. So there has not been a change in that regard. What the Secretary has emphasized is speed at the speed of relevance, meaning to support the commander. So we have emphasized that.

And the other thing I would just say is that, in my experience, the national security decision-making process reflects the decision-making style of the President. And I am not sure there is a good or bad. It is the process reflects the degree of detail that the President wants to maintain oversight on.

So what we have seen is that the President has delegated to the Secretary certain authorities in order to make him more responsive to commanders on the ground. But I can assure you that, on some of the major issues, there has been no change in the oversight nor will there be a change in what Congress is able to provide oversight for.

Mr. LARSEN. Thanks. Just in my last 30 seconds, it is really not a question, but I do want to put a plug in for the Electronic Warfare EXCOM [Executive Committee]. It has been a long road to get to an EXCOM, and I urge you to make EW [electronic warfare] a priority both in terms of leadership and investment and training and in R&D [research and development]. We have lost it in the past, and I think we finally got the Pentagon where it needs to be on EW overall, not just sort of service-to-service, so I would like to make sure you note that.

Thank you. I yield back.

The CHAIRMAN. Mr. Franks.

Mr. FRANKS. Well, thank you, Mr. Chairman.

And thank you, Secretary Mattis and General Dunford, for your lifetime commitment to human freedom.

Thank you, Secretary Mattis, that you keep our enemies awake at night.

Secretary Mattis, defense officials in South Korea and the U.S. as well have confirmed claims by North Korea that their ballistic missile launch of a liquid-fuel Hwasong-12 on May 14 successfully survived reentry. I consider that to be a very significant and dangerous development. And then, a few days ago, the Director of the Missile Defense Agency Vice Admiral Syring, testified in open committee before the Strategic Forces Subcommittee that, quote: We must assume that North Korea today can range the United States with an ICBM carrying a nuclear warhead.

Mr. Secretary, this new and alarming judgment suggests that the North Koreans are making significant progress as a result of their ballistic missile tests, yet the President's budget request for the Missile Defense Agency is \$7.9 billion, which is the average MDA budget throughout the Obama administration. So my question is, in your best military opinion, is the threat posed by ballistic missiles greater now than it was under the Obama administration, and

is that threat growing, shrinking, or staying the same? And if the threat is increasing, why would we wait for the Ballistic Missile Defense Review to at least fund the \$1 billion unfunded request recently submitted by the Missile Defense Agency?

Secretary MATTIS. Congressman, right now, I would say that the threat is growing. However, what we have in Fort Greely now and in California I believe is sufficient to buy us time so that, when we come to you with a program, I can defend it and I will not come back and say we had it misjudged or targeted in the wrong direction.

As you know, this is something that takes a high-tech, very focused effort, and I want to make certain that what I am asking for can sustain the way ahead in terms of giving us a real capability. And I also assume that every time they fire one of these, they are learning something more. So it is a worsening situation. But we can buy the time right now, Congressman.

Mr. FRANKS. Well, let me, if I could, just leverage off of that and say that, under your budget requests, in Fort Greely and Vandenberg, once we deploy those 44 ground-based interceptors this year, we will not be able to continue to test and improve their reliability of the system without having to pull interceptors out of the ground, which means we will fall below 44 operational deployed interceptors to protect the United States homeland. And I guess I would just ask, are you aware of that, and do you believe that is an acceptable risk in this threat environment?

Secretary MATTIS. I am aware of it, and based on what we think North Korea has and could have in the near future, I am still confident that we can defend the country, and we will take steps to expand and distribute this capability, ballistic missile defense capability, further.

In fact, right now, should we need another site, for example, on the East Coast to defend the East Coast, we are doing the environmental impact statement, so, in the event we have got to come to you and say we need to do more, we are not starting at that point with something that would take some time.

So we are not at all blind to this, Congressman, and I accept your concern 100 percent.

Mr. FRANKS. Thank you, Secretary. And General Dunford, would you have anything to add to either one of those points?

General DUNFORD. The only thing I would say, Congressman, is that, when we look at the North Korean threat, you correctly point out ballistic missile defense as being critical, but when we balance it and you look at our investments in cyber capabilities in the intelligence community, maritime capabilities, all of those also are designed for North Korean threats. When we look at the North Korean challenge, we have got to balance capability development across multiple areas and not just the missile defense capability area.

Mr. FRANKS. Well, thank you both, and keep them awake if you can. Thank you.

The CHAIRMAN. Ms. Bordallo.

Ms. BORDALLO. Thank you, Mr. Chairman. And thank you to our witnesses, Secretary Mattis, Chairman Dunford, and Under Secretary Norquist.

Secretary Mattis, it was a pleasure to meet you during the CODEL [congressional delegation] that our chairman led to the Shangri-La Dialogue. With two visits to the Indo-Asia-Pacific, I have particularly appreciated your commitment to positive engagement within the region. While we, our allies, and partners have been subjected to mixed messages, at best, from the administration, it is my hope that the rhetoric and the actions of the Department of Defense will signal consistency.

So, Secretary Mattis and General Dunford, if you could speak about the value of forward-deployed forces in the Indo-Asia-Pacific region in augmenting your toolbox, given political and financial considerations, what additional value is gained by having forces stationed on a United States territory? And what flexibility does it provide and what limitations does it remove to allow you and your force providers to be ready and ready to engage, when necessary?

Secretary MATTIS. Congresswoman, the Asia-Pacific theater is a priority theater for the United States for the United States Department of Defense. The value of the forward-deployed forces in themselves is that they are a stabilizing element. If we did not have them out there and we had to flow them in the event of a crisis, it could actually be a destabilizing element, as people were adjusting to a force that was not there before, whereas if they are out there in position, then they are present and any adversary would have to consider that if they were up to mischief.

I would also say that having these forces on United States territory, whether it be Guam or Hawaii, obviously our sovereignty allows us certain freedoms of action and sustainment out there that we would not otherwise have the confidence in.

Ms. BORDALLO. General Dunford.

General DUNFORD. Congresswoman, the Secretary kind of outlined it. From our perspective, I would just tell you, having been in the Pacific with you last week let me look at it through the lens of our allies and our adversaries. I would tell you us being forward certainly is great assurance to our allies that we can meet our alliance commitments, and it also serves as a deterrent to our potential adversaries in a region, as well.

Ms. BORDALLO. Well, I thank you both for your comments. I have another question for you, Secretary Mattis. Reflecting on your visits and discussions with senior military and political officials in the region, what role do our alliances, particularly the United States-Japan relationship, play in strengthening our posture and furthering our national interests?

Additionally, how is the DOD strengthening partnerships through incorporating inter-organizational cooperation into planning and operations in the Indo-Asia-Pacific region?

Secretary MATTIS. Well, ma'am, I came into the Department with the priorities of strengthening our military, strengthening our alliances, and reforming our business practices so we get the best use of every dollar that we get.

In terms of strengthening alliances, the United States-Japan alliance has stood the test of time. They pay an enormous amount of the costs of our forces that are there in the Japanese islands, and we also have a technological relationship with them. They are a very capable force. Their navy, as you know, uses our systems, our

ballistic missile defense systems, for example. So this is a two-way street in terms of benefit for the defense of our own homeland as well as for the defense of Japan.

But I do not think that right now we can find—they are in that top tier of allies, frankly, that we have around the world. I do not think we can find a better one.

Ms. BORDALLO. So you feel then that Japan and the United States in its partnership for the buildup in the United States territory is solid?

Secretary MATTIS. I absolutely am certain. I have met with Prime Minister Abe, and he is committed to it, to include helping to fund the move of the Marines from Okinawa and the other Japanese islands down to Guam, and we will continue working it along those lines of a partnership with Japan and get the Marines in place.

Ms. BORDALLO. Well, I thank you both for your support. And I yield back, Mr. Chairman.

The CHAIRMAN. Mr. Conaway.

Mr. CONAWAY. Thank you, Mr. Chairman. Gentlemen, thank you.

General Mattis or Secretary Mattis, thank you for your clear statement on supporting the audit of the books and records of the financial statements of the Department of Defense. Thank you for that continued leadership and supportive, obviously, leadership from the top.

General Dunford, I took a quick look at your statement, did not necessarily see something there, but I hope we can count on your leadership among the uniformed folks, because they are the ones at the pointy end of the sword on most of those transactions, and making sure that you have added your leadership to making sure that happens, and so I assume that is the case.

General DUNFORD. That is the case, Congressman.

Mr. CONAWAY. Thank you. And, Mr. Norquist, welcome to a terrific team. You and I were having a brief conversation at the start of the hearing that your experience—was it DHS [Department of Homeland Security]?

Secretary NORQUIST. Yes, sir.

Mr. CONAWAY. They have now finished 4 years of audited financial statements?

Secretary NORQUIST. Correct. They did not have a clean opinion when I was brought there as the CFO [chief financial officer], but they already had an audit, and we implemented a process to turn that around with corrective action plans. DHS now has had four clean opinions.

Mr. CONAWAY. Well, that is fantastic. Obviously, the Department of Defense spends a few more dollars than DHS, but thank you for bringing your talent and leadership to that task as well.

General Dunford mentioned something about a 3 percent above the base rate of inflation would be necessary just to simply keep pace with where we are going. Mr. Norquist, could you give us a dollar amount what that might look like, assuming just a flat 3 percent, a zero-based inflation, what the dollar amount would be? I know the math, but would you put that in record what that math would look like?

Secretary NORQUIST. I would be happy to. You want it for the record, sir?

Mr. CONAWAY. I would rather have you just state it right out, something in the order of \$20 billion.

Secretary NORQUIST. \$639 billion at 3 percent would be about \$18 billion to \$20 billion a year, sir.

Mr. CONAWAY. All right. Thank you very much. I appreciate that. I did not mean to put you on the spot. General Mattis, you mentioned BRAC in 2021. Obviously, it takes a lot of money to implement a BRAC—obviously a BRAC process to go through will spend that money, but actually those recommendations then result in a—construction and decommissioning, all kinds of expenses that go into that. Saving those dollars on the back end are clearly important, but could you talk to us somewhat about, are there operational reasons why we would go through a BRAC, given that today's force looks dramatically different in terms of training needs—I am maybe trying to answer your question for you, but I want folks to know that, while it takes a long time to recoup those dollars, there may very well be things that, other than the dollars and cents, that would lead us to make some of those hard decisions.

Secretary MATTIS. Well, exactly, sir. The money that we free up from closing an unneeded base continues to accrue to us. It takes a couple years to start taking the profits, of course, because we have to close the base down, but once those reduced costs for that unnecessary base go away, then every year you are gaining that money for training, for buying new equipment, for modernization.

I am not comfortable right now that we have a full 20-some percent excess. I need to go back through and look through this again because I do not want to, you know, get rid of something or come to you with something that we cannot sustain and we try and say we have got to buy some land here in 10 years. So we will take a look at it, sir, but it is a great way to free up money.

Mr. CONAWAY. Clearly, we try to do that, and the 2005 BRAC may today be saving us money, but I guess what I was looking for, are there reasons, operational reasons, training, better locating folks together that have been in separate bases across, are there reasons why we would do that separate and apart from the savings and where those savings would accrue to the future?

Secretary MATTIS. I am sure we would find some of that, sir. I would have to look at each individual case to state that firmly.

Mr. CONAWAY. I think as we start down that path of doing a BRAC, the checkered history of the 2005 BRAC, we are going to need reasons other than just a straight savings in terms of making that happen, and if there are operational reasons why we would close some bases, open other bases, build new places and certain other spots in order to train better, more efficiently, be able to deploy quicker and more efficiently, all those things would be helpful as well.

So, again, thank all three of you for your service. And I yield back, Mr. Chair.

The CHAIRMAN. Mr. Courtney.

Mr. COURTNEY. Thank you, Mr. Chairman.

Thank you to the witnesses for your testimony today. I would like to go back to where the chairman and ranking member started

off talking about this budget in the context of a lot of the expectations that have built up before it was submitted, in particular in terms of the Navy.

Over the last 3 years, we have had strategic reviews including a Cooperative Strategy for 21st Century Seapower—actually, General Dunford participated in that review again—which talked about the need to grow the fleet larger than 308 ships. We had the Force Structure Assessment that Secretary Mabus submitted last December, which, again, put an exact number saying that we should build a fleet of 355 ships. We had, in early 2017, an accelerated shipbuilding plan, which Assistant Secretary Stackley sent over, which actually showed a roadmap in terms of how we can jump-start that process and called for a minimum of 12 ships in the 2018 budget to again get us moving in that direction. Three force structure and architectural studies that Navy—architectural studies that this committee commissioned—which actually talked about even bigger numbers in terms of the fleet.

And now we get a budget which, on the 23rd, it actually had only eight ships on it; on the 24th of May, it grew a ship. But, you know, there is just no debate really about the fact that, you know, what is going on out there, and we hear from Admiral Harris, and we hear from General Scaparrotti in terms of the demands out there, and we are living off a legacy fleet in terms of the ships that we have out there.

I do not understand the hesitation in this budget in terms of taking advantage of all the work that has been done over the last 3 years to have, again, a more robust shipbuilding plan than what was sent over.

Secretary MATTIS. Yes, sir. I think, once we get our strategy review done, so we can give you a compelling logic, not just for number of Navy ships but number of Air Force fighter squadrons, bomber squadrons, the number of Army brigades—we have got to weave this whole fabric together to make certain we have a joint force that is ready to fight. I would love to have more ships. You are right. There are nine ships in this one, in this 2018 budget, and we know that we need more, but we have got to get our plan together. As you know, we have been in place here only about 5 months, and we need to get our analysis basically harvested from all those that you just mentioned and then come up with a planned way ahead.

But as you know, ships are expensive, and we have got to make certain that we have the budget to support it. And, right now, I cannot ignore the reality of the U.S. Army situation or the Air Force fighter squadrons, the Navy aircraft, all the other things we are having to spend money on.

Mr. COURTNEY. Well, again, I mentioned all those prior studies, which really were built around a strategic foundation. Again, it was not just a wish list that was put out there.

And I would also just know, having been on the subcommittee for 10 years now, is that shipbuilding is a long game. You have got to send a demand signal out, not just the big shipyards but also the supply chain, which frankly went through a shipbuilding holiday in the early 2000s and which really destroyed, you know, a really healthy industrial base and supply chain. And I, frankly, think this

budget, you know, undercuts that demand signal that people really, I think, were really starting to believe in, in terms of what we have seen over the last 3 years.

So I would just say that I think our subcommittee is not going to wait. I mean, I think you are going to see, frankly, some work being done on this side to really take advantage of the great work that all these studies have accumulated over the last 3 or 4 years and, again, which we hear in person from combatant commanders about the fact that they are playing zone defense out there against the Chinese navy and the Russian navy. And that is really just not an acceptable state of affairs, particularly given the fact that we are going to see legacy ships coming offline in greater numbers than the replacement volume that a nine-ship budget calls for. That is a 308-ship Navy budget that was sent over here, not a 350-ship budget.

And, again, I have the highest respect for all of you, and I think you understand, you know, what is going on out there and the need to grow the fleet, but we have got to do better than what was sent over.

And I yield back, Mr. Chairman.

The CHAIRMAN. Mr. Wittman.

Mr. WITTMAN. Thank you, Mr. Chairman.

Chairman Dunford, Secretary Mattis, Mr. Norquist, again, thank you so much for your commitment and service to our Nation. I do want to continue along the lines of questions about shipbuilding.

Secretary Mattis, you stated, which I think is extraordinarily important, the need for us to understand that we have been marking time, at best, here in the last several years and that our adversaries are advancing. That is problematic. You also talked about the capabilities that they have, the ones they continue to develop, and if we are going to have the ability to make sure that we influence the course of events, United States presence is critical around the world. The Navy-Marine Corps team is a critical part of that, and I know I am speaking to the choir here.

But I do want to build on the question asked before, and that is, across the spectrum, I have not heard anybody that has disagreed with saying 355 is not a number that we should direct our efforts toward. And this year's budget has us on track to get to the number that is in the outdated 30-year shipbuilding plan of 308 ships.

So the question being is, if there is this near universal agreement that 355 is where we need to be, we cannot mark time; we need to catch up. Our adversaries are doing everything they can in building additional capacity, whether it is under the seas, across the spectrum with aircraft carriers, surface navy. The question is, is it does seem counterintuitive to say we are just going to do eight ships this year or nine ships. I understand wanting to maintain those and making sure we are doing those things. But another thing that is additionally troubling, not with just the number of ships, but this year's budget request actually cuts a billion dollars out of shipbuilding accounts.

So, in that realm, my question is, why only nine ships this year, but more fundamentally, with cutting a billion dollars out of the shipbuilding accounts, how do we see our Navy getting to 355 ships, and when will we be able to get there? You know, the CBO

[Congressional Budget Office] has done an assessment about when we believe we can get there. We think we have the industrial capacity to get there. The question is strategically for our Nation the urgency of getting there.

Give me your perspective, both Secretary Mattis and Chairman Dunford, about those two elements, the numbers and the dollars reflected in this year's budget.

Secretary MATTIS. Well, I share your sense of urgency, sir. As I mentioned in my opening remarks, we did not get into this situation in one year, and we are not going to get out of it in one year. And I recognize that Congress has responsibility to raise armies and sustain navies, but we cannot do in one year or put a marker down in one year. It is unrealistic. And I mentioned that we are going to have to have sustained growth fiscal year 2019 to 2023, and this is where you will see the biggest growth Army, Air Force, and Navy showing up, as we are still digging ourselves out of a readiness, operation, and maintenance hole. Furthermore, we are engaged in operations where we have to come to you and ask for OCO funding, overseas contingency operations funding. When you get done, there is a carrying capacity that we can carry as part of the present budget, and we just have to recognize that.

But I take no issue with what you are saying or the sense of urgency as we try to deal with what amounts to years of falling behind.

Mr. WITTMAN. Chairman Dunford.

General DUNFORD. Congressman, I think that this highlights the debate we had internal inside the Department as a result of not modernizing in so many areas at the same time. What I can tell you is I am confident we have the right priorities within the budget, but I am also, as the Congressman mentioned earlier, I was part of at least one of these studies that articulated the need for more ships, and so I understand that also as Secretary Mattis' global force manager trying to meet on a day-to-day basis the combatant commanders' demands.

This really does reflect the challenge outlined in my opening remarks, is that this year and last year it started, we are confronted with literally what has been described as a bow wave of modernization in the nuclear enterprise, in the cyber capabilities, our electronic warfare capabilities, space resilience, maritime capabilities, land forces. And so what we try to do is just get the right balance within the top line that we have been given.

It is also why I highlighted that minimum of 3 percent just to maintain the competitive advantage that we have today. And that actually is a marker for saying that if we do want to get to 355 ships, if we do want to get to the number of the brigade combat teams that have been identified, if we do want to get to the numbers of squadrons that are required, it is going to take sustained growth over time. And that is why 2019, 2020, 2021, and 2022 are so important because we just could not get there in 2018.

Mr. WITTMAN. Very good. Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. Ms. Tsongas.

Ms. TSONGAS. Thank you, Mr. Chairman, and welcome to you both this evening. It is good to see you before us. It seems to me,

as we have been talking here today and you have both given voice to the variety of threats we face, whether it is from those who wish us ill but also from the changing dynamics of how we have to respond to, for example, cyber and making sure we are making all the appropriate investments, it is sort of a dual-track challenge we have.

It is clear to me that the military services, you all need to recruit from a talent pool that is as broad as possible. General Dunford, you represented, you said how important it is to secure our competitive advantage, and, Secretary Mattis, you talk about having the most capable warfighting force in the world, and that does come down to people.

An analysis conducted for the Defense Advisory Committee on Women in the Services estimated that only 29 percent of young people ages 18 to 23 are eligible to serve after you apply all the filters that rule people out. And I think you referenced that number, too. Of that population of eligible individuals, more than 51 percent happen to be women. However, less than 20 percent of today's Active Duty Force is comprised of women. In an era where the eligible military recruiting population remains on the decline, it seems to me it is ever more important that we recruit from the entire population and not disregard or discourage half of our Nation's talent pool.

So, with that in mind, how do we—how are you all thinking about your recruiting efforts around bringing women into the military so that you do have that full array of talents that are needed in this very dynamic environment, and in thinking about that, how do you make the case for the invaluable contributions they could be making to serving their country in the military?

So I will start with you, Secretary Mattis.

Secretary MATTIS. Yes, Congresswoman.

I do not think in any way we disregard or discourage it. In fact, we are fortunate for decades now to have had superb women—they are not good; they are outstanding—in our ranks. I think the quality standards are being met across the board, men and women, enlisted and officer ranks. So right now I would just tell you that they are, without the pressure of conscription or the draft, we are getting volunteers of eye-watering quality of men and women.

Ms. TSONGAS. Well, I would agree that is the case of those who come in, but the reality is, of that larger pool, only 20 percent are seeking to serve. So, yes, I think there has to be some thinking on better recruitment efforts in order to bring more of that pool in.

But I also wanted to follow up that I was glad to hear in January that, in your confirmation hearings, you were committed to having men and women serve alongside each other as long as all parties met the standards necessary for the job. Under your predecessors, the services launched a review of the physical standards that all services have to meet in combat arms—and I have seen some of that process at Natick Soldier Systems in Massachusetts—but to establish the physiological standards in order to integrate women into every occupation specialty.

My question is, how are you planning on assessing the progress of ongoing integration efforts?

Secretary MATTIS. I would have to see if the services have identified any problems or our various surveys find a problem. If there is a problem, we will assess it and solve it, I guarantee you.

Ms. TSONGAS. So, in your time, as has been a rather brief tenure, are you monitoring those efforts?

Secretary MATTIS. Ma'am, I have met with the Joint Chiefs of Staff, the service chiefs, with Chairman Dunford. I did it in my quarters to make it a casual evening where this issue was brought up, and none of them surfaced any problems right now.

Ms. TSONGAS. And then one other quick question. In the wake of the various social media scandals, what do you think needs to be done to improve the culture of respect across the Department as a whole?

Secretary MATTIS. I believe that it is very important, as we recruit from American society, that we make clear not just what the military stands for but what it absolutely will not stand for and make certain we maintain good order and discipline.

A unit cannot be effective in combat that does not maintain a disciplined lifestyle. I do not care whether it is DUI, driving under intoxication, or sexual harassment or anything else, when a unit does not maintain discipline standards, it is of less capability on the battlefield. So we maintain a mission orientation and make very clear what we will not tolerate, and we field the force.

Ms. TSONGAS. Thank you, Secretary Mattis, and thank you for your service.

The CHAIRMAN. Mr. Coffman.

Mr. COFFMAN. Thank you, Mr. Chairman.

And, Secretary Mattis, General Dunford, thank you so much for your service to this country.

Secretary Mattis, current law requires that military pay is to keep pace with government inflation projections. This year, that would be a 2.4 percent pay raise. Unfortunately, the administration submitted a budget request that would cut our service members' pay raise. Secretary Mattis, were these decisions based on budget constraints or your belief that pay for the military should not keep pace with government inflation projections?

Secretary MATTIS. Thank you, Congressman.

We have a responsibility to take care of our families, take care of our troops and make certain they are paid what we need to draw very good people and that they do not go off to combat worried about whether or not their family is being taken care of. Whether it be healthcare or retirement program pay, all those go into making certain we keep faith with them.

I also have a responsibility to ensure that they can win on the battlefield, that we are providing them the best equipment, that we are doing the research and development that will keep them at the top of their game. It is a balancing act, sir, as we try to balance what we need to outfit them with to bring them home alive and victorious with what we need to pay them to maintain basically our obligation to these people who volunteer to serve.

Mr. COFFMAN. Thank you, Secretary Mattis.

Military services are already having trouble recruiting men and women to join the services due to competition with an improving

private sector economy. How do you maintain the All-Volunteer Force if you will not pay them competitive wages?

Secretary MATTIS. Sir, I think our analysis shows that we are paying them very competitive wages. When you stack them up against high school graduates, for example, for the enlisted ranks, we probably have a better benefits package than most places, not all of them. I mean, there are some out in Silicon Valley, where I lived for 3 years, that could probably beat us hands down. When you look across the United States, we are drawing in very high-quality people because we are competitive.

Mr. COFFMAN. Secretary Mattis, one thing that I would like you to take a look at in terms of containing costs where we can shift those resources around to things like pay raises that keep up with inflation is to look at every opportunity to shift capability to the Guard and Reserve, and granted those training requirements would have to probably be revised accordingly if we are going to rely on them more, but I just think that there are cultural impediments within the Active Duty Force that argue against that, and I think we need to look beyond that in terms of our force structure and how we can maintain capability, how we can certainly maintain capability without compromising national security, but at a lower cost.

Secretary MATTIS. Yes, sir.

Mr. COFFMAN. Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. Mr. Garamendi.

Mr. GARAMENDI. Gentlemen, thank you for your service and leadership.

I will try to do some quick questions here about choices. We are looking at tax cuts that might create a \$3 trillion to \$7 trillion deficit in the next 10 years. We are looking at a State Department budget immediately that calls for a \$30 billion reduction and a dyad and a triad. How would you prioritize these?

Secretary MATTIS. Well, sir, in my role maintaining a safe and secure—inside the Department of Defense—maintaining a safe and secure nuclear deterrent with a decisive conventional force that can also fight, has the capability of fighting irregular warfare, the problem—Dr. Colin Gray was mentioned earlier. The most near-faultless strategist alive today has pointed out the enemy will always move against your perceived weakness. So we cannot decide we are only going to upgrade the nuclear, we are only going to upgrade the Navy, because the enemy will move against our weak area. So it is going to be safe and secure nuke capability deterrence so those weapons are never used; and a conventional capability that no one wants to take us on, or if they do, we change their mind very quickly.

Mr. GARAMENDI. So we do not have to make choices, we can do all the above.

Secretary MATTIS. I believe that we can, that America can afford survival, yes, sir.

Mr. GARAMENDI. Even though it is estimated to be a trillion-plus dollars in the next two decades for the nuclear?

Secretary MATTIS. We have gone through this twice before in our history, sir, where we had to hit one of these upgrade times, and both times the Congress rose to it, yes, sir.

Mr. GARAMENDI. Thank you. I will just move on to something perhaps a little less important. Current law prohibits military-to-military contacts with Russia. Should the new National Defense Authorization Act continue that policy?

Secretary MATTIS. Sir, I think that we are right now carrying on deconfliction. We do not do cooperation or collaboration. We do deconfliction in the Syria theater, but for right now, I believe that there cannot be business as usual military-to-military. There may be advantages to us deconflicting and perhaps even having talks once they are led, first of all, by our foreign policy and our State Department to set the conditions for the military-to-military talks.

Mr. GARAMENDI. So we should continue the prohibition on military-to-military, other than deconfliction?

Secretary MATTIS. I think at least the Congress should give a sense of its direction. If it is not a requirement, if it leaves some flexibility to the executive branch and the Secretary of State and the President, it would be best.

Mr. GARAMENDI. You mentioned that we have a new ocean or a sea opening up. I assume you are referring to the Arctic. Is the U.S. Coast Guard an important and integral part of the U.S. defense, and if so, is a heavy icebreaker necessary?

Secretary MATTIS. I believe the Coast Guard is essential—an integral—distinct but integral—part of our Nation's defense, and that is not an area I am an expert in, I assure you, sir, but I would imagine getting through the ice is probably a pretty good idea up there when it starts moving in to keep us relevant.

Mr. GARAMENDI. An icebreaker is about a billion dollars a copy, a heavy icebreaker. Should we allow \$1 billion of the \$638 billion budget to be used to build an icebreaker?

Secretary MATTIS. Sir, this is really beyond my area of expertise. I am not trying to get out of the question, but it is not one I have studied. I would prefer to study it before answering it.

Mr. GARAMENDI. I thank you. And I yield back my remaining time.

The CHAIRMAN. Ms. Hartzler.

Mrs. HARTZLER. Thank you, Mr. Chairman. And thank you, gentlemen, for your service.

I have a few questions I would like to ask on the LRS [Long Range Standoff] program.

Secretary Mattis, last July, then Under Secretary of State for Arms Control Rose Gottemoeller testified before Congress regarding the Long Range Standoff cruise missile program, and I would like to introduce her written testimony for the record.

[The information referred to can be found in the Appendix on page 121.]

Mrs. HARTZLER. Here are a few quotes from Secretary Gottemoeller's testimony, which she said were focused on three key points: "First, the LRSO is consistent with our arms control commitments and the President's Prague agenda. Second, the LRSO supports strategic stability and does not undermine it. Third, it is important in the eyes of our allies." She elaborated: "There is no evidence that the LRSO or our nuclear modernization program are prompting an action-reaction cycle or catalyzing arms race. . . . The LRSO is valuable at maintaining strategic stability. . . . Indeed, it

is the absence of a nuclear armed cruise missile that might leave us more vulnerable to unintended escalation during a crisis. Without a standoff cruise missile option, future Presidents may find themselves facing the unpalatable choice of responding to nuclear coercion or attack with SLBMs [submarine-launched ballistic missiles] or ICBMs.”

So, Mr. Secretary, as the Nuclear Posture Review continues, and you examine the LRSO program, how will you and your team consider the input of the Nation’s senior diplomats like Ms. Gottemoeller, and do you agree with her position that the LRSO enhances strategic stability and is important for assuring our allies?

Secretary MATTIS. Ms. Gottemoeller’s reputation stands on its own merit. I have had private discussions with her as recently as this last month in Brussels, and she is a trusted adviser.

As far as whether or not I would stand on the LRSO right now, I am going to wait until we have the study done, and then I can let you know, but I have no reservations about taking Ms. Gottemoeller’s ideas on board, no reservations at all.

Mrs. HARTZLER. Great. And I hope you will read her comments and her testimony on that because I think it was very good insight there.

I want to shift gears just a little bit here to another topic. So, General Dunford, in 2012, the Obama administration ended the U.S. military strategy that required a force structure and readiness levels capable of fighting two large-scale wars simultaneously. At the time, the Pentagon stated that times have changed, and the United States no longer faced a peer military on par with the Soviet Union. This worldview was quickly disrupted by a resurgent Russia and expanding China and continued instability of North Korea and Iran.

So my question is, what do you see as the force structure requirement in order to guarantee American security of our allies across the globe? Do we need to be able to fight a conventional war with China and Russia simultaneously? And are we currently able to fight two conventional wars at once, and if not, what do you see as the greatest capability gap that must be addressed?

General DUNFORD. Congresswoman, we do confront today Russia, China, Iran, North Korea, and violent extremism. And we are going to go through the Defense Security Review. We are going to have a closed hearing on Thursday night, and I would like to talk to our force size and construct and the challenges we face in a closed hearing if we can do that.

Mrs. HARTZLER. Yes, but you agree it is important to be able to address all of these at the same time?

General DUNFORD. Certainly one or more.

Mrs. HARTZLER. Right. Okay. I look forward to that.

The last question, back to Mr. Secretary. I remain deeply concerned about our strike fighter shortfall. According to the Vice Chief of Naval Operations, Admiral Bill Moran, two-thirds, more than 60 percent, of our Navy’s strike fighters, the planes that are launching the entirety of the Navy’s attacks against ISIS, cannot fly. I am pleased to see the fiscal year 2018 budget request including 14 F/A–18 Super Hornets as well as another 10 Super Hornets as a top priority of the Navy’s unfunded priority list. So can you

talk about how important it is for us to address the Navy's strike fighter shortfall and how important new procurement is in that effort?

Secretary MATTIS. Yes, ma'am. The bottom line is we cannot simply repair enough fighters to bring them back up to full strength, so we actually are going to have to buy more fighters.

Furthermore, when you look at the \$21 billion that Congress gave us as fiscal year 2017 supplemental, much of that went into buying spare parts for fighters for the very reason you are highlighting here and Admiral Moran highlighted. So we are on to the problem. We have got to keep the modernization going, but we are going to need some gap fillers. Before we get the F-35, we are going to have to have more Hornets, for example, for the Navy to address this problem.

So we share your appreciation of the problem, and we are addressing it, but at the same time, it is going to take a little while before you hear better testimony in here.

Mrs. HARTZLER. Thank you.

The CHAIRMAN. Ms. Speier.

Ms. SPEIER. Thank you, Mr. Chairman.

To all three of you, I want to just say that, on behalf of the American people, I think they are all breathing a sigh of relief tonight because you exhibit the kind of confidence and steady leadership that I think we desperately need in the military right now. I am going to ask you three questions for the record that I will just ask them, and then I will move on to a question that you can answer orally.

The Annual Report on Sexual Harassment and Violence at the Military Service Academies was just released a couple months ago, and it is stunningly bereft of answers to some of the most jarring statistics. Forty-eight percent of the service academy cadets and midshipmen indicate that they are sexually harassed. And of those that actually report sexual assaults, they suggest that there is a retaliation rate of 47 percent. So, for the record, I would like for you to provide to me and to the committee what you are going to do to address what I think is a staggering statistic.

[The information referred to can be found in the Appendix on page 127.]

Ms. SPEIER. Along with retaliation, James LaPorta was the reporter that broke the Marines United case. I think all of us here were shocked by the revelations. It is not just in the Marines; it is in all of the services. But he just recently was told that he is debarred from coming onto the Lejeune Base by the deputy commander. And I would like for you to explain to us why, after he did a great service I think to all service members by outing this conduct, that he would be debarred.

[The information referred to can be found in the Appendix on page 127.]

Ms. SPEIER. And, thirdly, there have been, to our knowledge, a number of government meetings, including meetings with foreign counterparts, that have been held at properties owned by the President. I would like to ask each of you if you or your staff have participated in official government events at properties owned by the President, and if so, did the Department of Defense expend tax-

payer money to pay for costs associated with that event, including room and board, meals, or other incidental costs?

[The information referred to can be found in the Appendix on page 127.]

Ms. SPEIER. Those are the three questions.

Now, the one I would like for you to answer publicly. Secretary Mattis, you have been blunt in your assessment of Russia as a principal threat to the United States. Russia has been seemingly relentless in its provocations: buzzing our ships in an irresponsible and dangerous manner, flying long-range strategic bombers to Alaska, and violating the INF [Treaty]. The President has been silent about these hostile actions. There is much speculation as to why. But I guess my question to you, Mr. Secretary, is, do you believe that Vladimir Putin has any real interest in a mutually beneficial good-faith partnership with the United States?

And, General Dunford, how do you plan to respond to these Russian military provocations?

Secretary MATTIS. At this time, Congresswoman, I do not see any indication that Mr. Putin would want a positive relationship with us. That is not to say we cannot get there as we look for common ground, but at this point, he has chosen to be competitive—a strategic competitor with us, and we will have to deal with that as we see it.

Ms. SPEIER. General.

General DUNFORD. Congresswoman, last year, in fiscal year 2017, we requested \$3.7 billion for what is called the European Reassurance Initiative. This year, we have requested \$4.8 billion. That money is designed to increase our forward presence in Europe. It will increase the three brigade combat teams as well as additional preposition equipment. It increases the exercises that we conduct in Europe, all of which is designed to deter Russia and assure our partners that we can meet our NATO alliance commitments.

So we have significantly changed our force posture in Europe and, again, our exercises and capability development with our partners in response to growing Russian capability and aggression.

Ms. SPEIER. Do you believe that Russia is our adversary?

General DUNFORD. I think we have an adversarial relationship with Russia, a competitive adversarial relationship, yes, Congresswoman.

Ms. SPEIER. Secretary Mattis.

Secretary MATTIS. Mr. Putin has chosen to be a strategic competitor, yes.

Ms. SPEIER. Thank you. I yield back.

The CHAIRMAN. Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman. Gentlemen, thank you for your service.

Just to refresh people's memory on the Budget Control Act, the reason the Budget Control Act was put in place was to effectively create so much pain on the discretionary side of the spending that it would force formula changes to the mandatory side of the budget. Those mandatory changes never came about. One of the challenges that we have is that we are just living longer, and that has created

challenges with the funding of Medicare and Social Security. Probably better than the alternative, though.

But as it is, we live under the Budget Control Act. We as a Congress have been reactive to trying to resolve this problem, and it has created a very serious challenge for the three of you at that table. We have talked about the military budget on an annual basis for the last several years, but, General Dunford, if the BCA is not repealed, what does our military look like 4 years from now if we are working under the Budget Control Act numbers?

General DUNFORD. Congressman, we will have some tough choices to make, and it is either going to be a significantly smaller military incapable of meeting the strategy, or we will try to maintain capacity, in which case it will be the hollow force that I joined in the late 1970s. In either case, it is not what the United States of America needs to defend itself.

Mr. SCOTT. I would just suggest that the sooner we deal with the BCA, the better off we will be. It makes no sense to start building a ship today that cannot be completed because the Budget Control Act forces the termination of the contract early.

As we talk about those tough choices, a lot of countries were mentioned. Some countries that were not mentioned in your testimony were Venezuela, Honduras, El Salvador, Colombia, Guatemala, Mexico.

I had time to visit with Admiral Tidd in Miami a few months ago. We talked about the narcotics flow into the United States from those countries. Approximately 50,000 Americans died from drug overdoses last year. At a minimum, half of that, half of those drugs originated from the SOUTHCOM [U.S. Southern Command] area of responsibility. A lot of other countries down there with chaos that are going on outside of the transnational criminal organizations.

What additional resources do we need to combat the transnational criminal organizations within the SOUTHCOM region? Given the threat that they pose to Americans, why is this not a higher U.S. national security priority?

General DUNFORD. Congressman, the two major capability areas that Admiral Tidd probably shared with you when you were down there is intelligence, surveillance, and reconnaissance, so he can support the interagency effort to stop drug flow, as well as maritime capability to interdict that drug flow. Those are the two main capability areas that he would want to have and that we have not been able to routinely meet the requirements that he has identified.

Mr. SCOTT. General, they are so short-funded that, when they have the intel that there is a load of cocaine coming into the United States, in many cases, they have to sit there and watch it go by.

I know, as we talk about all of these other concerns, you have got a lot to balance, but I just wonder if maybe, just as we do for OCO, maybe there should be a direct funding line for SOUTHCOM with regard to the drug interdiction mission. I know that, without training dollars, they simply would not be able to function at this stage. And so I would just encourage you as you go forward to just keep in mind that over 50,000 Americans died from drug overdoses

last year, significantly more than have died from acts of terrorism in the last decade, and that war is on our border. It is right here. It is on top of us.

With that said, I appreciate your service to the country, your commitment to the country.

And, Mr. Norquist, I look forward to getting to know you better, but thank you for your service as well.

With that, I yield the remainder of my time.

The CHAIRMAN. Ms. Gabbard.

Ms. GABBARD. Thank you, Mr. Chairman. Thank you, gentlemen, for your service and for joining us here this evening.

Secretary Mattis, after the attacks on 9/11, the leaders of our country made a commitment to the American people that they would go after and defeat Al Qaeda, yet we have not carried out a serious campaign to do so to defeat Al Qaeda in Syria specifically where, as a result of that, Al Qaeda has been able to gain strength and territory.

In your budget request this year, your request of \$500 million to counter ISIS in Syria does not include any mention or dollars to go after Al Qaeda. So my question is, is this for military reasons or political reasons, namely that Al Qaeda is allied with and so deeply intertwined with the so-called moderate rebels that the United States, Saudi Arabia, Qatar, and other Gulf states have been financing and supporting in their fight to overthrow the Syrian Government?

Secretary MATTIS. Congresswoman, we have had a serious campaign, as you know, against Al Qaeda. Al Qaeda in the FATA [Federally Administered Tribal Areas] area has been shredded as a capable outfit. They have been unable to attack America for many, many years.

Now, they have franchised out is the point you are making and from Yemen to Somalia, from the Sahel to certainly Syria, and all this is a franchised Al Qaeda metastasizing threat.

Ms. GABBARD. And, respectfully, sir, I agree and understand that Al Qaeda has spread, but specifically with Syria, Al Qaeda's presence in Syria is far greater today than it ever was before, which speaks to my question about our lack of taking them on in a serious way, specifically in Syria.

Secretary MATTIS. The location of where they are at in Syria makes them very difficult for us to reach, frankly, and we would have to deconflict even more vis-a-vis the Russians. Let me ask General Dunford if he has anything to add to this. But you are right. They are embedded pretty deeply, and they are hard to get to.

General DUNFORD. Congresswoman, I know you visited and you probably know—well, you can argue whether we have had sufficient resources. We do have a dedicated campaign against Al Qaeda in Syria. We do have specific resources dedicated just for the fight against Al Qaeda, but it is fair to say our priority in Syria has been ISIS because we are operating largely in the east, and that is where ISIS has been.

Ms. GABBARD. To both of you gentlemen, when your budget is for a counter-ISIS program, your commander's mission on the ground for Inherent Resolve is to defeat Daesh or ISIS, and there is no

mention of Al Qaeda and the fact that Al Qaeda has become so difficult to target specifically because our country has not been taking them on in a serious way and they have become so deeply intertwined with these armed militants that have been and continue to be working alongside and oftentimes under the command of Al Qaeda with our support through the CIA [Central Intelligence Agency] and Saudi Arabia and Qatar and these other countries.

So, given the fact that this is the group that has been targeting us since that attack on 9/11, what can we do in Congress and the administration to stop that support of these armed militants that are strengthening Al Qaeda and actually go after them?

Secretary MATTIS. I think, Congresswoman, we can start, if this is Congress' intent, with an authorization for the use of military force in Syria against Al Qaeda with the funding and resourcing. The statement by Congress would show the spirit of Congress, frankly.

Ms. GABBARD. Yes, sir, but the authorization that you are currently operating under in Syria was the one passed by Congress in 2001 to go after Al Qaeda and its affiliates. Is that not right?

Secretary MATTIS. We used that authority, yes, ma'am. The challenge is that, right now, we have a greater clear and present danger with ISIS, and you saw why in 2014, and we went after what we thought was the priority danger through two different—well, through one administration and now with this administration.

Ms. GABBARD. Sir, I think the reason why ISIS you are saying is now a greater danger is because it was not taken seriously—one reason among many—it was not taken seriously from the beginning. And that is the concern here with Al Qaeda, is that because it has been largely ignored, it has grown to a point where it has now become difficult to take on and now presents a greater threat to the United States, and this must be addressed.

Secretary MATTIS. I think that is fair, and we are addressing it from Yemen to Somalia and other areas, but we are certainly—we will look at what you are talking about here. It is not that we are not addressing it there. It is just that we do not have the reach right now, and we will take a look at it, but there are plenty of enemies in Syria, and I would agree with you on that.

The CHAIRMAN. Mr. Cook.

Mr. COOK. Thank you, Mr. Chairman.

I want to thank everybody for being here tonight. I know we have had a long session here, but Mr. Scott asked some of these issues, and it is something I am very concerned about. Quite frankly, I came to Congress to be on this committee, and maybe I might not be as empathetic to some of the other issues that are going on. Everyone's got their own area that they are really interested in. But I am sorry; with what is going on in the world and everything else, that your testimony is so important, and we have had testimony about being C3, C4, which translates—and, quite frankly, I do not think the rest of the Congress or the Senate know exactly the implications of being not combat ready. And that means, basically, if the balloon goes up, we are going to have to commit troops to a conflict where they are going to die or at least be wounded. And so that is a big priority with me.

So, you know, we are going to have this debate whether we are going to have a continuing resolution. I think it will be so stupid if we send that message again and even worse if we do not end that sequester.

Now, my question, you know where I stand, but I will be damned if I am going bury anymore Marines on my watch. If we continue with that, as I described, and we have units that are C3 and C4, and we have all these commitments in Europe all over the world, what kind of message will it send to our allies and, in this case particularly, our NATO allies that we have been after them to meet their 2 percent commitment, yet we ourselves cannot have our units combat ready?

And in light of the RAND [Corporation] study, Mr. Secretary and General Dunford, if you could address that in terms of, you know, those 28 countries—actually, it is 29 now with Montenegro in there right under the gun of the Russians. And what kind of message would we be sending them?

Secretary MATTIS. Well, Congressman, we share your priority you place on this. That is the reason why we came for the fiscal year 2017 supplemental. It is why this budget grows significantly. I share the concern that it does not grow enough, but, again, we are trying to balance a lot of things along with a debt. And I just have to recognize that this is going to take some time to get out of.

What is the message we send, sir? I would say the message to our allies would be worrisome. It will not be reassuring. But more importantly, it is the message to our adversaries that would concern me that this is a time to test us.

General DUNFORD. Congressman, I think you raised two issues, and the Secretary spoke about one of them. The first is that I think history tells us that the perception of strength has a lot to do with the probability of conflict. And so if our adversaries look at us and we are strong and the perception is that we are strong, that drives down the probability that we will have to fight.

But then the second thing you raise is, if deterrence fails and we do have to respond to a conflict, it will be come as you are. And the cost of not being ready will be in time to accomplish our objectives and in casualties, which is what you spoke about.

So I could not agree with you more. And when our allies in NATO or elsewhere look to the United States, what they see is what gives them confidence that we can meet our commitments and that we will be strong. And so I think it is fair to say they have concerns about that.

Mr. COOK. I yield back. Thank you.

The CHAIRMAN. Mr. O'Rourke.

Mr. O'ROURKE. Mr. Secretary, I wanted to begin by extending my sympathies to you and those who are serving currently in Afghanistan and to the families of those who lost their lives, U.S. service members who lost their lives in Afghanistan this weekend.

And I think so much of what we are talking about and the support that you are asking us to provide is to ensure, as you mentioned, that we are ensuring the readiness and the ability of those brave service members to do the jobs that we have asked them to do.

And you have also mentioned, and I think accurately so, that Congress has sidelined itself from some of its key responsibilities, and the effects of those are very serious. And I would add that I—I would say Congress has sidelined itself from its oversight and ownership of the wars that we have been fighting. And I want to make sure that we work more effectively together to ensure that we are doing our part.

In this budget, in our projections for this coming year, what should we expect to see in Afghanistan? How many service members do we have there now? How many do we project to see over the course of the year that we have a budget for, or a proposed budget for?

Secretary MATTIS. Yes, sir. We have got, as you know, a little under 10,000 U.S. service members there at this time. The commander on the ground, in light of the situation, has asked for more. Those discussions are ongoing right now with the President and myself and the Chairman advising him.

And I think the decision will be taken soon. We have got to come up with a more regional strategy. So what we are doing is connected to the geographic reality of where this enemy is fighting from. As you know, it is not just from Afghanistan.

And so we are engaged in this. However, the bulk of the fighting will continue to be carried by the Afghan forces, as we have seen over the last several years.

Mr. O'ROURKE. Are the proposals in those ongoing conversations reflected in the overseas contingency operations numbers that you presented earlier?

Secretary MATTIS. They are not right now, Congressman.

Mr. O'ROURKE. There may be a supplemental request depending on the outcome of that conversation?

Secretary MATTIS. There would be, yes, sir, which we would have to have a discussion with you to explain it.

Mr. O'ROURKE. Something that you told us when we first had a chance to meet with you that has stuck with me since is that the United States has two principal powers, the power of intimidation and the power of inspiration.

And I guess, to bring it back to the subject of the hearing and what the cost is of those two powers, do you feel that we have the appropriate balance of the two? Are we trying to do too much around the world through our powers of intimidation? And to use Afghanistan again.

And you mentioned doing more with regional powers. How could we complement the extraordinary service of those who are deployed and whose lives are on the line with the resources necessary to provide the inspiration side of the equation?

Secretary MATTIS. Well, sir, the inspiration side is more than just what we deploy with. However, in the deployed category, where we are out there with USAID [U.S. Agency for International Development], U.S. diplomatic service, that sort of thing, our education efforts, where we fund students to come back to the United States on exchange tours, there is a host of things we do in terms of building the broader power of America's inspiration so that it is actually a player in this competitive—against competitive ideologies right now.

So are we doing enough? Well, I mean, you can always do more, but you can always do more in the military realm. We try to get the right blend. And I think that we are at least going in the right direction on that.

Mr. O'ROURKE. Do you think we need to do anything fundamentally different in Afghanistan to achieve a different result as we approach almost 16 years in? Or, by and large, will it be more of the same for the foreseeable future?

Secretary MATTIS. I think we have got to do things differently, sir, and it has got to be looked at as across the board, whole-of-government, not just military efforts, plus allied efforts and internationals.

Along the same lines of what Secretary Tillerson is orchestrating against, for example, ISIS, right now, what NATO is orchestrating in Afghanistan, but even broader than we are doing it up until now.

Mr. O'ROURKE. Thank you. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Lamborn.

Mr. LAMBORN. Thank you, Mr. Chairman.

And, Mr. Secretary and General Dunford, thank you both for your wonderful dedication and service to our country. We all appreciate that.

Secretary Mattis, I want to ask you about research and development for space and then research and development for missile defense. And I know you see the need for both of those important areas.

In your testimony on page 5, you said, "Outer space, long considered a sanctuary, is now contested. This creates the need to develop capabilities and capacities for more resilient satellites designed to withstand persistent kinetic and nonkinetic attack."

So in your written testimony, you certainly point out the need for more capacity and more capability for space. And also in missile defense, I know you are a proponent of exploring boost phase missile defense, when the adversaries' missiles are at their most vulnerable state.

But I am just concerned, and the chairman asked you this at the very beginning of the hearing, we are cutting the budget for missile defense research and development. And in the space R&D budget, it is at a 30-year low. So in both cases, we are really not putting our money where our mouth is.

And I know President Trump wants to have a state-of-the-art missile defense system. So how do we square the needs out there with the fact that we are cutting and not necessarily—and, Mr. Norquist, I am going to ask you to jump in on this also—why are we not putting our money where our mouth is?

Secretary MATTIS. Sir, it is a prioritization. As you know, right now, we have the ballistic missile defense capability at Fort Greely and down in California, Vandenberg. And I think that right now we can first do the study to make certain we know what is the—what are we lacking, define the problem well enough that we are targeted like a laser beam on exactly what we need.

Boost phase, as you know, is geographically dependent, for example, and that just may not be something that we want to put a lot of money into because, you know, it just may not be as relevant as

increased naval capability that we can move around. It would be one example up and down our coast to help defend.

I want to get this right. Before we come to you and spend a lot of money, you are going to count on us that we did our homework, and I have not yet done it. And that is probably the best answer I can give you.

As far as space, we are taking advantage of some things that the intelligence services are telling us, but I would prefer to, again, study this a little more. I am not disagreeing that we do not need the R&D in these two areas at all, however.

Mr. LAMBORN. Okay. Thank you.

Mr. Norquist, you are probably itching to answer a lot of questions here tonight, so could you jump in on it.

Mr. NORQUIST. Thank you, Congressman.

I would just point out two things. I do not know how the R&D breaks out among the individual programs, but overall the science and technology piece of RDT&E [research, development, test, and evaluation] that the research adds. That is \$13.2 billion, which is up \$600 million from the 2017 budget. So there has been an investment in research and technology in the S&T [science and technology] area.

And on the space—

Mr. LAMBORN. That is DOD-wide, right?

Mr. NORQUIST. That is DOD-wide, correct. So I do not know the individual piece of that, but DOD-wide, there has been an increase in investment in that area.

Mr. LAMBORN. Okay. Well, I am glad to hear that. But you would agree with the need for space and missile defense research and development in particular. Would you not?

Mr. NORQUIST. Correct.

Mr. LAMBORN. And, General, do you have anything to add to this conversation?

General DUNFORD. I do not, Congressman.

Mr. LAMBORN. Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. Mr. Moulton.

Mr. MOULTON. Thank you, Mr. Chairman.

Mr. Secretary, when I was a young second lieutenant standing in the Kuwaiti desert, you gave me a lot of confidence as my division commander. And I have to say that you give me a lot of confidence today as our Secretary of Defense. So thank you for continuing to serve the country.

Mr. Chairman, I will withhold my praise for you, lest I be unduly accused of favoring the Marine Corps. But suffice it to say, we are lucky to have you as well.

Speaking of that confidence, Mr. Secretary, do you have confidence in our post-Mosul, our day-after plan in Iraq? It would be—I would never have believed standing in that Kuwaiti desert 14 years ago that we would still be there today.

With the plan as it is resourced today, are you confident that we will be able to win Iraq once and for all and bring the substantial number of our troops home?

Secretary MATTIS. Congressman, it is going to be a long fight. Even in Iraq, as we throw ISIS out, we are going to have to deal with the aftermath. I would tell you that we are working this by,

with, and through allies, and so I do not have the same control over the day-to-day activities of what is going to happen, for example, in west Mosul in the post-combat phase.

But I think that we are going to have to work with the Government of Iraq in the—what I would call post-combat pre-reconciliation phase so we do not end up in this same situation again. And we are committed to working with the Government of Iraq and Prime Minister Abadi, who, as you know, visited here in Washington 2 months ago, month and a half ago.

Mr. MOULTON. Mr. Secretary, from your view, does the State Department have the resources it needs to support the Iraqi Government as you describe?

Secretary MATTIS. I believe they do. I would defer to the State Department evaluation of that, however.

Mr. MOULTON. Okay. Mr. Secretary, in order to do your job, you need to have a workforce. You need to have personnel in the Department of Defense. And there has been a lot of concern about just filling positions. How many positions at the Pentagon do you have unfilled today?

Secretary MATTIS. Congressman, I need to take that for the record. Day by day, we are getting more people through the process. As you know, the Senate Armed Services Committee has very high ethical standards, higher than any other department for the people that come to work, so it takes a while for some to disentangle their finances. It is challenging. But—

Mr. MOULTON. Have there been any nominations or any names that have been rejected by the administration, names not requiring Senate confirmation?

Secretary MATTIS. I am not aware of any rejected at the White House. There were some that we were told would not make it through Capitol Hill. But I had no one that I can think of rejected there.

[The information referred to can be found in the Appendix on page 128.]

Mr. MOULTON. Is there anyone that you have brought on to the Department of Defense who has subsequently been pulled out for political reasons by the White House?

Secretary MATTIS. I cannot think—I have only had a few, as you know, brought on and—Secretary of the Air Force, Comptroller. I do not have very many—I have not had any pulled out by the White House.

Mr. MOULTON. Okay. Mr. Secretary, I would like to move on to the role of Congress in all of this. And you have outlined, as has the Chairman, the responsibilities that we have to ensure a proper budget, proper resources to come to grips with the financial situation of the country, which people in your position have cited as one of the greatest threats to our national defense.

What are, if you could name the top five programs or projects, that you do not want at the Department of Defense but we here in Congress force upon you, thereby taking away resources from requirements that you need to fund? I think that would be helpful as we go through the NDAA process.

Secretary MATTIS. Congressman, I better do a little homework and get back to you on that. I have mentioned that BRAC is one

that I do want that Congress may not want, but I think I can make a persuasive argument on that. But I cannot think of something that Congress is forcing right now, but I will look into this and get back to you.

Mr. MOULTON. Mr. Secretary, would you be able to get back to us before the NDAA markup with that list?

Secretary MATTIS. I should be able to get back to you this week, I would imagine. If there is something out there, I will find it quick.

[The information referred to can be found in the Appendix on page 128.]

Mr. MOULTON. Okay. Thank you both again very much for your service. We are proud to have you.

Mr. Chairman, I yield back.

The CHAIRMAN. Mr. Bridenstine.

Mr. BRIDENSTINE. Thank you, Mr. Chairman.

Mr. Secretary, I think you will find broad bipartisan support for the budget request that we have received, which, of course, increases defense spending a little bit. I think you will also find some bipartisan support for even more.

As a former Navy pilot currently serving the Oklahoma Air National Guard, I used to fly counterdrug missions. I would like to piggyback for a second on what Mr. Scott from Georgia was talking about. I used to fly the E-2 Hawkeye, VAW-77, the Nightwolves.

In 2013, my squadron under the sequester was eliminated. My squadron was responsible for busting about \$2 billion worth of cocaine every year on the high seas, \$2 billion. That cocaine now comes into the United States, and, of course, Mr. Scott mentioned, I think you said 50,000 Americans die in drug overdoses every year, which is more than all the Americans we lost in Vietnam, if not—maybe close to if not more.

So this is a big concern. As far as the capability gap, I understand when you mentioned that the concern is if we spend too much too fast, it could end up putting us in a position where it is not sustainable and we could end up with a, as you mentioned, a hollow force, which is a concern, I think, for pretty much everybody on this panel.

I would also say that there are a lot of unfunded requirements that ultimately we could be working on today. And I would just ask General Dunford, when we deploy an Aegis cruiser or a THAAD [Terminal High Altitude Area Defense] missile battery, are we deploying those with the full complement of interceptors?

General DUNFORD. We have some precision munition challenges that bleed over into our Navy weapons systems.

Mr. BRIDENSTINE. And are you aware that when we deploy one Aegis, many times there is an underway switching of missiles from one Aegis to another Aegis?

General DUNFORD. I am aware of that, Congressman.

Mr. BRIDENSTINE. So these are examples of unfunded requirements that ultimately we could meet today if the resources were there that ultimately would not put us into a position to have a hollow force in the future?

General DUNFORD. Congressman, I would like to just address that precision munitions challenge. We today have requested re-

sources that get to the maximum amount that industry can produce. But there is a caveat to that: Industry can produce at the level of prediction that they have right now; in other words, they can only produce so much today based on what we are able to tell them about tomorrow.

So one of the areas that the Secretary has highlighted is the need for predictability and stability in the future as well. And the only way we are going to get around the challenge is—that is a great example of why we need stable, predictable budgets because we actually cannot buy the precision munitions we need until we do have stable, predictable budgets at adequate levels.

So, again, industry is telling us today we are producing at the maximum rate we can. But if we were able to tell them what resources would be available 2, 3, 4, 5 years down the road, they would be able to increase the industrial capacity and actually address that particular issue.

So that is just one of the second-order effects of the challenge we have been in living year to year with a number of CRs that we have had is we are not able to give industry the predictability they need to actually meet our requirements. And that is actually the story of precision munitions.

Mr. BRIDENSTINE. So if we are doing a defense appropriation annually, how do we address that?

General DUNFORD. We would have to, with a program, be able to provide our industry partners with some degree of accuracy the rough order of magnitude of resources that would be available in the out-years. And because of the budget situation right now, we are simply not able to do that.

Mr. BRIDENSTINE. Okay. I would encourage, Mr. Chairman, Mr. Secretary, as you look at the budget and as we work as a body here, know that we fully support increasing the defense spending, that we have capabilities that we are leaving on the table. And if we can support you in that effort, whether it is long term or next year, we want to do it. And I would encourage you to look at unfunded liability or unfunded requirements specifically.

I yield back, Mr. Chairman.

The CHAIRMAN. Ms. Hanabusa.

Ms. HANABUSA. Thank you, Mr. Chairman.

Gentlemen, thank you for being here this evening.

Secretary Mattis, your testimony you have five priorities. The fifth, of course, is the support of what we call the OCO funding. OCO has been something that I never quite understood for the time that I have been here. It is sort of—it was originally not even on budget so to speak, then we kind of report it, but it is still a question as to whether it counts, it does not count.

So in your mind, when you say your fifth priority is in support of the OCO budget, what do you anticipate the \$64 billion to be used for?

Secretary MATTIS. This is for operations, Congresswoman, against ISIS in Iraq and Syria. It has to do with any place that we have active areas of hostilities, Afghanistan, for example. And this is over and above the standard budget to maintain our military. These are for the operations we actually conduct there.

Unfortunately, we have seen at times things that belonged in the base budget put into the OCO. And I share Congress' frustration, the base budget should have the base budget and it should only be for those things that grow based on overseas contingency operations.

Ms. HANABUSA. So your overseas contingency operation definition is the battle against ISIS, and it is Afghanistan, Iraq, and Syria. Would that be a correct statement?

General DUNFORD. Congresswoman, it also pays for units that are at home station preparing to go to those particular fights. And we also have some OCO outside of that with the Al Qaeda fight in Africa, as an example.

Ms. HANABUSA. In Africa as well? But it is also tied to ISIS?

General DUNFORD. It is tied to violent extremists.

Ms. HANABUSA. Some terrorist organization?

General DUNFORD. That is right.

Ms. HANABUSA. Mr. Secretary, I do know from your history that you are a very interesting person in the sense that, your time at Hoover, you have written a lot, you have thought a lot.

One of my favorite reading materials that you did was "Warriors and Citizens" that you put together at Hoover Institute.

So given that philosophy that I call it, your philosophical bet on a lot of this, how do you want to put together or come to grips with the fact that we have a QDR [Quadrennial Defense Review] in 2018, you have authorized an NPR in 2017, and I believe somewhere in there there is going to be a review of the ballistic missile defense.

So do you feel that it is premature, or do you feel that any of these studies could somehow affect what you are coming here and asking us for today?

Secretary MATTIS. Certainly, it will affect it via there will be implications downstream. But right now we know the situation, the threats we face today. We know the force we have today. We know the readiness shortfalls we have today.

And I am confident right now that we can justify the dollars that we are asking for. Certainly, we will define the problems, strategic and operational problems for the future that need further addressal. But right now, I am confident that what we are asking for we can defend.

Ms. HANABUSA. Mr. Secretary, you cannot come to Congress and on page 11 of your testimony talk about BRAC and not expect any of us to just have a free pass at that. So can you tell me when you talk about BRAC and you want the ability—you want Congress to give you the authority to consider BRACing, can you tell me what your criteria is?

You must have some idea by requesting it as to what kind of, quote, establishments, facilities, whatever you may want to call it, you want to BRAC, because you must feel that somehow it is excess, that we do not need it?

Secretary MATTIS. Right. It would be facilities that we no longer need nor can we foresee using them in the future even if we have to mobilize, for example, significant parts of our Reserves. It would be the ones that we do not—the facilities that do not perhaps any longer have training capability because of urban spread around

them where we can no longer safely do what we used to do there. It would be that sort of a situation.

Ms. HANABUSA. Mr. Secretary, is a list or some kind of a, you know, potential BRAC list exist? Does it exist today?

Secretary MATTIS. I have been told we have 20 percent excess capacity, but as I said earlier, I am not confident in that figure. And I would want to look at it again and make certain that we validate the criteria that was used to get there and then go back through it.

Ms. HANABUSA. Before my time runs out, can you provide us a list, whatever you have?

Secretary MATTIS. I cannot right now, ma'am, because I am not willing to put my name to it. I want to study it first.

Ms. HANABUSA. Thank you. And I yield back, Mr. Chair.

The CHAIRMAN. Dr. Wenstrup.

Dr. WENSTRUP. Thank you, Mr. Chairman.

I want to thank you for your service, especially in an extremely challenging time for our Nation and for the world. And neither of you have to be here, and you are choosing to do it. And it is a tremendous challenge. As I said, our threats are so many. It is so multifocal, it is so multifaceted that it is even hard to list. And the chessboard is more than three-dimensional, in my opinion.

You know, with that in mind, one of the things that you mentioned, Mr. Secretary, was that it is going to be a long slog. A lot of these things are going to be long, drawn out. You know, as a soldier in the field, when you know that is the situation, then you look for your short gains, right, because you want to have that motivation there.

So I guess my first question is, how do you see the morale of our military today?

Secretary MATTIS. Sir, I would like the Chairman also to respond to that. In my discussions, in the e-mails I receive, the young people are quite—they show a lot of initiative in helping me to run the Department. I would just tell you that so far I think we have got—the morale is holding. The affection of the American people is understood, and that has a lot to do with why the morale is held.

That said, I believe the families in many cases have become riddled with repeated deployments of their husbands, wives, mothers, fathers, whatever. And I think that there is some question about the level of commitment when people cannot fly the airplane that they know they have got to be good at flying.

They cannot put their vehicles in the field. The ships are not going to sea on schedule or they are deployed longer overseas because they are waiting for the ship that had to go through more extensive repairs to get out.

But let me ask the Chairman to give a few words on that, sir. He is a little closer.

General DUNFORD. Congressman, you know, one of the privileges is having the chance to go around and meet with members and families from all the services. And I think, by and large, morale is very high.

But the Secretary spoke about families, and I think I do see some challenges with our families. And also, if you look at some of these readiness challenges, they cannot help but affect morale. If you are

a pilot that is flying 10 or 11 hours a month and you are in a squadron that should have 12 aircraft and only has 6 aircraft, it cannot help but affect you.

Now, I will tell you, we are recruiting and retaining high-quality people. I think morale is better than any of us should expect that it would be after 16 years at war. As the Secretary said, the All-Volunteer Force was never envisioned to be at war for this enduring period of time.

So I think there is a lot of reasons for us to be proud of the morale and proud of the quality of people that we are recruiting and retaining. But I do not take it for granted. And I do think some of the challenges we have with our families and some of the challenges we have with people who are in units most affected by these readiness challenges, those are going to have an impact over time and we should be attentive to that.

Dr. WENSTRUP. Yeah, I think that sometimes the country does not always understand the sacrifices that are being made by the troops and their family and then the challenges that they face when we really do not have them at full readiness the way that we would like to. And so I think that is in part on us here to make sure that the country is aware of that.

And as you look ahead, you know, our current readiness state, as you just mentioned, it has us doing less things than we would like. And so to me, it is very difficult and challenging for you to make a list of what we are going to do next, you know, how do we have a step-by-step plan, you know.

I think traditionally in wars, you know, we take this land, we go to the next step and we keep moving on. This is very challenging, a different environment than we have ever seen, and you are talking about terrorism as well as near-peer adversaries.

So I think it would be helpful to us to be able to explain how difficult it is if we are not fully ready and equipped to even compile a plan that can get us where we want to be someday where there may be some peace.

And so my question is, do you have a list and based on that, does it reflect what you need but do not have?

Secretary MATTIS. Sir, we have an assessment that tells us what we need to be ready for and that assessment comes to us from our regional commanders based on any treaties that we are in, the protection of the American homeland. There is all sorts of things that figure into what national security looks like.

Based on that, we know a number of forces that we need and what level of readiness, how fast they have to be ready to deploy. So that is the way we parse it out. And then we look at what each of those forces needs, an Air Force, Navy, this sort of thing for readiness to deploy.

So we break it down into something that is manageable by unit commanders who know what they are expected to do. An Army brigade commander knows he must be able to move, shoot, and communicate with his brigade of troops, close with and destroy an enemy.

A ship commander knows he must be prepared to deploy on so many days' notice with this much ordinance and his people trained to do things. So we do have it. It is broken down. It is very complex

to make the joint force work. But the commanders know and the troops know, the NCOs [noncommissioned officers] know, sir.

The CHAIRMAN. Ms. Rosen.

Ms. ROSEN. Thank you.

I want to thank you for being here into these late hours and your willingness to answer all of our questions so candidly.

And, you know, a question was asked a few minutes ago by Representative O'Rourke that mentioned America's role and inspiration in being a world leader. And, Secretary Mattis, in 2013, you said yourself that if you do not fund the State Department fully, then I need to buy more ammunition ultimately.

So we know that the President's budget slashes funding for the State Department and foreign aid about 32 percent. In a recent op-ed by a retired Admiral Michael Mullen and retired General James Jones, they mentioned that research does suggest that investing in prevention is 60 times—I will say that again—60 times less costly than war and post-conflict costs.

So do you support this decrease of foreign diplomatic support by the President, and does it not seem to undermine our success and our stature around the world if we do this?

Secretary MATTIS. Congresswoman, that is a tough one for me to answer because I have not looked at where those cuts lie, you know. I cannot give you an authoritative answer.

I will tell you that when the President's budget was released, due to the teamwork between Department of Defense and Department of State, we immediately—Secretary Tillerson and I met and we looked at where is the money that I have for development aid, what does he still anticipate receiving, and looking at how do we jointly figure out the priorities.

So we are working on it within a sense of teamwork, a spirit of collaboration between DOD and Department of State to try to get the best return on the money. But I have not—I honestly have not looked at his budget and looked at where the cuts are coming from, so I would rather not speak about something I have not studied.

Ms. ROSEN. Thank you.

I guess what I want to say about that then is, does that relate—how does that relate to what you are going to request? Because if we do not put money into prevention, is that going to increase your budget request, and where will it do it, especially in regards to ISIS, cyberterrorism, some of those issues? If we are not stopping and preventing, then what do you have to do on the back end?

Secretary MATTIS. Well, I mean, the challenges we face in some cases, having fought this enemy for a long time, there is probably very little we can do to rationally move them out of where they are at because they did not rationally gain their perspective.

That does not mean we should not try to take the next generation and prevent them from going down this path. But I would just tell you that in terms of defense of the country, that is what Department of Defense does when it comes to the kinetic side, the lethal side and making the Department the most lethal it can possibly be is where I focus in, although I work very, very closely with Secretary Tillerson to support his efforts.

Ms. ROSEN. Thank you. I will yield back my time.

The CHAIRMAN. Mr. Byrne.

Mr. BYRNE. Thank you, Mr. Chairman.

Gentlemen, thank you for being so patient with us. If you do not mind, I would like to go back to the discussion we had earlier about the size of our Navy fleet. Now, we know from the Navy's Force Structure Assessment that has been just last year that they recommend 355 ships.

Our President, our Commander in Chief says he knows we need 350 ships, pretty close to one another. So we know where we want to go. The Congressional Budget Office [CBO] gave us an estimate that to build a 355-ship Navy would require an additional \$5 billion a year for shipbuilding.

General Dunford, let me start with you. Do you agree in general with CBO's analysis to what more we need to be spending per year on shipbuilding?

General DUNFORD. Congressman, I have seen that study and it looks about right to me based on my experience.

Mr. BYRNE. Thank you, sir.

Well, looking at this year's budget, obviously, after you heard the questioning from Chairman Wittman, we know that we are actually not going in that direction with the proposed budget for 2018. At what point, in your estimation, General, are we going to get to the point where we are spending that extra \$5 billion to get to the size of fleet we are trying to get to?

General DUNFORD. No, Chairman, thanks for asking that question. I mean, you know, my characterization of 2018 is that it is the second year in a row we begin to turn around a trend that really was 7 or 8 years in the making. And it is going to take several years to get us out of the hole that we are in right now, which is why I just maybe highlight in my opening remarks that just to maintain the relative competitive advantage today would require a 3 percent above inflation.

And so in the coming years—and, of course, we do not have a long-term program now. We will have that in the future—when we think about what is adequate in the future, we need to have it in context of those requirements that you have identified and the real growth above inflation that will be required to realize that.

Mr. BYRNE. Mr. Courtney made a very important point. When you are building ships, the timeline is very long. And so every year that you wait you push that timeline back further. Do you have any concerns that we are pushing that timeline back further with what is happening with retirement of some of our ships that are presently in the fleet?

General DUNFORD. Congressman, I do. And the other thing I have a concern about is, you know, back to the example I used of precision munitions, you know, if we told a shipbuilder, you know, with predictability we were going to build 10 ships, they would be able to buy 10 ships worth of steel, 10 ships worth of copper piping—copper wiring and so forth; it would cost X.

The fact that we are not able to provide predictability and actually make multiyear contracts for things like shipbuilding means we pay much more, which means we cannot get after meeting the requirements that you have identified.

So I am concerned on two fronts: I am concerned that we are late to need in getting after these requirements; and I am also con-

cerned that a failure to provide predictability means we will not be able to afford getting to this number of ships with the top line envisioned.

Mr. BYRNE. Mr. Secretary, if I could turn to you for a moment. Your boss, the Commander in Chief, wants a 350-ship fleet. You just heard what General Dunford said. Where do you see—with the pace that we are on right now, where do you see the fleet being at the end of President Trump's Presidency in January of 2025?

Secretary MATTIS. Congressman, I think that depends on whether or not sequester is repealed, whether or not we start going for multiyear—there is a lot of variables here.

Mr. BYRNE. Assume we do not have sequester. Based upon your budget request for 2018 and what you are—I know you are planning for years after that, where do you see the fleet 8 years from now?

Secretary MATTIS. Sir, I need to come back to you with a reply that is researched here.

[The information referred to can be found in the Appendix on page 128.]

Secretary MATTIS. The challenge is, sir, that we are in a position right now where we have got to get the fleet back to sea that we have now. We are trying to address this—trying to eat this elephant one bite at a time.

And so we are going to have to increase—I would think it is going to take a budget that is probably up around 5 percent growth, real growth in order to get towards where we want to go. Three percent will not do it. A 3 percent growth will not suffice, I will tell you that. It is going to have to be up over 5 percent.

Mr. BYRNE. Well, both—General, both to you and to the Secretary, I said this to you when we were together in Singapore a couple weeks ago, I strongly support what we need to do to give you the resources you need to protect the people of America. And if that means we need to repeal the Budget Control Act, I am prepared to do that.

And with that, Mr. Chairman, I yield back.

The CHAIRMAN. Mr. Carbajal.

Mr. CARBAJAL. Thank you very much, Mr. Chairman. And thank you all for being here.

Secretary Mattis, General Dunford, I cannot tell you how relieved I am that you are in the positions you are in. You actually provide great adult supervision to this administration, and I am just extremely grateful for your service and for you being where you are at.

Secretary Mattis, I would like to follow up on the question that—Mr. Langevin's question regarding climate change. One of the many reasons why I find President Trump's decision to withdraw from the Paris climate accord disturbing is because of all the security risks we will face if we do not address climate change.

For example, rising sea levels will affect the stability of military sites on the coastlines, including but not limited to sites in California, Virginia, South Carolina, North Carolina, Georgia, Florida, as they are at higher risk of severe flooding and other extreme weather events.

In 2008, the National Intelligence Council found that over 30 military sites in the continental United States are already facing elevated risks because of sea-level rise.

Secretary Mattis, what actions is the Department taking to protect against the effects of sea-level rise and climate change in general, especially in terms of protecting critical military infrastructure; and two, how can climate change complicate our strategic objective especially in terms of our Asia-Pacific rebalance strategy?

Secretary MATTIS. Congressman, first, I would say that withdraw from the Paris accord is not—the administration is not going to do anything about it. They are going to do it under a different framework, but it is not that they are not going to address climate change, a warming climate.

As far as what we do to address this inside the military, I have frankly been a little consumed by the situation in Korea and Europe and some others, so I need to get some specifics on this. But I know that we look at protection of our physical infrastructure wherever we are at, and along the coast, obviously, it is a significant concern with the effects of water, you know, whether it be a hurricane or rising sea levels.

But I do not have a good answer for you right now, sir. But I will get you one.

[The information referred to can be found in the Appendix on page 128.]

Mr. CARBAJAL. Thank you.

Secretary Mattis, it is estimated that it will cost \$1 trillion to sustain and modernize the nuclear deterrent over 30 years. We extensively discuss whether such modernization is necessary or not, whether we need more nuclear weapons. However, an area we tend to sideline is the threat of nuclear proliferation.

What actions are you taking to address the threat of nuclear proliferation? How vital are nonproliferation programs?

Secretary MATTIS. Sir, I think nuclear nonproliferation has not received enough attention over quite a few years. I have met with former Secretaries of Defense to gain from them their perspective when they were in the job I am in now.

A former Secretary of Defense is coming in to see me tomorrow afternoon after I get done testifying in the morning over on the Senate side on this very issue. Rose Gottemoeller was mentioned earlier by one of your colleagues. I have met with her in Brussels.

But I think this is going to be critical to what we turn over to our children's generation. We have a responsibility to reenergize the nuclear nonproliferation effort.

Mr. CARBAJAL. Thank you very much. I yield back, Mr. Chair.

The CHAIRMAN. Ms. McSally.

Ms. MCSALLY. Thank you, Mr. Chairman.

And thank you, gentlemen.

I want to talk about North Korea. Kim Jong-un has threatened to build the capability to hit the United States with an ICBM and a nuclear warhead. He seems to be obsessed towards gaining that capability.

Secretary Mattis, do you believe that is an existential threat to our country if he were to gain that capability?

Secretary MATTIS. I do, Congresswoman. He does not have it yet, but we do not have to wait until it is there to start addressing it, yes, ma'am.

Ms. MCSALLY. Exactly, and I agree with you.

Should diplomacy fail and we need to use conventional capability to deal with this threat, can you paint a picture in this environment of what that would entail and what is left of North Korea when it is over?

Secretary MATTIS. It would be a war like nothing we have seen since 1953. And it would—we would have to deal with it at whatever level of force was necessary. I am not the most articulate on this, ma'am, but it would be a very, very serious war.

Ms. MCSALLY. General Dunford, do you want to comment on that?

General DUNFORD. You asked about North Korea, Congresswoman McSally. Let me talk about South Korea. Regardless of what happens, there is 25 million people in Seoul, 300,000 of those are Americans, who are within range of thousands of rockets, missiles, and artillery pieces along the border.

I do not have any doubt in my mind if we go to war with North Korea that we will win the war. We will be successful in accomplishing our objectives. I am equally confident in what Secretary Mattis said in that that conflict we will see casualties unlike anything we have seen in 60 or 70 years.

And many of those casualties will be in the first 3, 5, 7 days of that war where all those people in the greater Seoul area are exposed to the North Korean threat that we will not be able to mitigate initially.

Ms. MCSALLY. Thank you. I just think the American people need to understand the gravity of the situation that we are dealing with. But also our enemies need to know that ultimately, even as we are discussing readiness challenges and other challenges, we will win. But this is like something we have never seen in my lifetime anyway, should deterrence fail and should diplomacy fail.

One of the capabilities you will need in that scenario—I was on the hook to deploy over there in the OPLANs [operational plans]—is the mighty A-10 Warthog. I was pleased to see in the President's request of fully funding the remaining 283 aircraft, which is 9 operational squadrons. But we do not have the funding in there for re-winging the remaining 110 that need re-winging. They will be grounded soon if they are not re-winged. It is on your unfunded request, which is good.

But nine squadrons is not a lot. Right now they are on the DMZ [demilitarized zone]. They are fighting against ISIS. They are deploying periodically to Europe to deal with the threat from Russia. And last week, we had Air Force generals testify that they are, you know, willing to go down to six squadrons, a cut of 33 percent, should the re-winging not happen.

So you have agreed that you want this capability at least until 2030, and I appreciate finally getting to that point. And I realize the limitations we have had fiscally in the last years. So we want the capability to at least to 2030. But if we were to provide that funding for the re-winging of the remaining 110, would you appre-

ciate having the capacity of having those nine squadrons given the threats we are facing?

Secretary MATTIS. Absolutely. The priorities are right where they are right now, but if we got the money for the additional ones, it would increase our warfighting capability.

Ms. MCSALLY. Great. Thank you.

General Dunford, anything else to add?

General DUNFORD. The only thing I would say, Congresswoman, I think you understand that dynamic. What I always tell the Chief of Staff of the Air Force is, I said, look, to meet our requirements right now, I need all out of your legacy capability and a little bit more. And I also need you to start taking your legacy capability off-line to grow the Air Force that we need tomorrow.

So they really have—I think they have got it about right in terms of prioritization within the top line they have been given. But the truth of the matter is that there is more requirement than there is capability and capacity at 55 squadrons.

Ms. MCSALLY. Exactly. Thank you, gentlemen. I appreciate it. And I yield back.

The CHAIRMAN. Mr. Brown.

Mr. BROWN. Thank you, Mr. Chairman.

Gentlemen, thank you very much for your service, for your presence here this evening, your stamina, and your patience. I think my question is primarily for Secretary Mattis. You are not only well read, as I understand, but also well written. One of your works has already been referred to this evening.

I had an opportunity to read an essay that you coauthored entitled, “Restoring Our National Security,” in which you wrote that for the past 20 years, across administrations of both political parties, the United States has been operating largely unguided by strategy.

You say that while we have experienced tactical successes, they do not add up to strategic victories. And, in fact, they have cost lives, both soldiers and diplomats, national treasure, and global credibility.

So I am a little confused as to why and how you can say that you are confident today about what is being proposed when we are looking at a proposal for a fiscal year 2018 budget without what we normally see, which is the Future Years Defense Program.

I do acknowledge that in your testimony, your written testimony, I believe you stated as well that we will make hard choices as we develop our new defense strategy for fiscal year 2019 to 2023, and that will be informed by national defense strategy.

But as we sit here today, would you not say that this is a costly undertaking that you are asking us to take without a strategy? There has been some conflicting comments, sometimes silence on issues like what are the decision rules regarding North Korea’s development of nuclear capabilities? What is an acceptable end state regarding China’s aggression in the South China Sea?

And there are just a lot of other components that would go into a strategy. So what we are seeing here now seems here like a budget designed more for tactical success and not strategic victory. Can you just sort of respond or—yeah, respond to that?

Secretary MATTIS. Right. What we have to do is define very clearly what is the threat that we see, and, in fact, a number of studies have been mentioned here this evening that have helped in that definition.

So far as the point I was making in the article, the chapter you read there from George Shultz's "Blueprint for America," what I was referring to was why did we go into Korea, Vietnam, Iraq, and why did we end up with tactical victories and not a strategic outcome.

There is a very interesting article by the president emeritus Jim Wright, president emeritus of Dartmouth University in the Atlantic, July of 2013, that said, why do we go into these wars when we do not know how to end them. And the point he made was if you do not define the political end state when you go in, then you cannot figure out how to end the war on a positive note.

Notice I left out one war, Desert Shield, Desert Storm, where very clear political guidance was given. But when you shift from those kind of tactical events to more broadly, we can define the threats to this country pretty well right now. That is why I am confident, Congressman.

Mr. BROWN. Are you confident though that we have a strategy for the post-ISIL Syria and Iraq, how we ensure security and stability?

Secretary MATTIS. That is being put together. We have been here a couple months. Secretary Tillerson, in his role as Secretary of State, I inform him of the military factors, but this foreign policy of the United States should largely be drawn up by the—basically the State Department. And I believe he is putting that together very, very well. His diplomats are literally serving alongside us in Syria right now with our officers who are in that fight.

So I am confident it is being put together. It is not complete yet. But I know that we have got to fight this enemy no matter what. So that is just part of the current situation we have to address. It does not require a fully fleshed out strategy yet, but we are going to have to have one pretty darn quick.

Mr. BROWN. Thank you.

And, finally, if I can get this in, I do not want you to necessarily—you do not have to comment on what you think about the reduction of 29 percent in the State Department's budget, but is that proposed—because you talked about whole-of-government approach.

The reduction, does that inform the budget that we see in front of us? You know, fewer State Department dollars, you acknowledged that that means more Defense Department dollars. Is that reflected in the numbers?

Secretary MATTIS. I do not believe so, sir. This is—I mean, I have diplomats from State Department serving alongside us right now, so I have not been affected by a reduction in State Department's budget. And, again, I do not feel I am knowledgeable enough to give you a detailed understanding of what those cuts are. I would have to defer to the Secretary of State.

Mr. BROWN. Thank you very much, Mr. Secretary.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Russell.

Mr. RUSSELL. Thank you, Mr. Chairman. And thank you, each, for being here tonight.

Probably, there is no greater historical example of unpreparedness than what happened in the Philippines in 1942. I would like to read just a couple of brief excerpts from one of those soldiers that was there. There were 10,000 Americans that surrendered, 650 died on the Baatan Death March by itself. All of those that survived that were weakened and endured horrific suffering, and more than two-thirds of them died.

One of the survivors stated, "I am one of the few Americans who has lost a war and who has seen an American Army overrun and defeated by a combination of starvation, sickness, unpreparedness, and superior enemy forces. . . . It was a lonesome feeling. I have seen a country we were defending occupied by hostile enemy forces occupied thoroughly, efficiently, sadistically, and completely.

"I have seen the American way of life change in one moment and have seen the stunned bewildered faces of the erstwhile American high command as they tried to comprehend the enormity of the blow that had just struck them. I have seen veteran officers schooled for 30 years in traditional authority and routine of command, change overnight into tired, dirty, beaten, unshaven old men just trying to keep walking.

"From American soldiers with the heritage of generations of liberty and our blood, we became the chattel. We used to say, if what is happening here could happen to everyone in the United States for just one week, what a change it would make in their attitude about the future insurance of our way of life.

"Use the prayers of our good people, but remember that prayers work better where the guns are bigger and the planes are faster and the regiments are more numerous. So in the back of all of these plans, I say, let us have what it takes just in case some gentleman does not get the word.

"I do not know if all the peoples in the different nations will understand our high ideals and unselfish motives, but I do know one thing they will understand: They will know what force we have to back up what we say, and if it is big enough, they will act accordingly.

"The United States is big business. It is bigger than you and bigger than I, and I say there is no cost too great to preserve it."

Secretary Mattis, you stated in the remarks tonight that the enemy will move against our weak areas and that Congress has at times risen to the challenge to provide what the military needs. I think we are in one of those moments now.

When we take the President's budget and what this committee is proposing, when the DOE [Department of Energy] and defense-related dollars are subtracted, this committee is proposing about an additional \$25 million baseline over the President's budget of 574. Why could the President not want to take Congress' lead, and which budget would best prepare our military?

Secretary MATTIS. Congressman, thank you for what you read. I have read about that campaign, and I share your appreciation that either—you do not want to be in second place. And we have no right to victory on the battlefield. That takes commitment and that

takes leadership. And how we got into this situation, I mean, I told you I was shocked when I came back and saw this.

We are going to have to move this forward in a stable way. I will just give you an example. We could not afford—we could not recruit right now 100,000 more troops for the U.S. military additional right now. You heard the acknowledgment earlier about what percent of our young people are even eligible.

We could not right now have the industrial base to build the number of ships, even if you were to somehow repeal the BCA, repeal the Budget Control Act, say you are going to pass budgets on time. We literally could not do some of this that would fully address what you rightly bring up in your role to raise armies and sustain navies.

I would just tell you that we are going to have to work together, and if this is the will of the Congress that they be willing to spend that amount, I am confident that the Commander in Chief would be in your corner all the way.

Mr. RUSSELL. Thank you, Mr. Secretary.

And thank you, Mr. Chairman. I yield back.

The CHAIRMAN. Mr. O'Halleran.

Mr. O'HALLERAN. Thank you, Mr. Chairman. I thank you for your service to our country and for those that you lead. Thank you for their service and their family's.

I want to bring us back to a couple of things, but one of them is the cost issue. It is obvious that we need to invest, and it is also obvious to me that we need to eliminate the Budget [Control] Act issues and all the other issues associated with it. But we still have a situation here where as much as you want to know where we are going to go with—for you, we need to know where you want to go in the future.

And then we have heard the issue of studies so far. We have talked about \$19 billion plus a year for inflation at 3 percent. We have now talked about \$5 billion potentially for additional ships puts us up to 24 plus billion dollars not compounded over the years, but just at today's rates. And this is just a statement, but I really have a concern with being able to get to next year and where we are going to be with the larger scope of budget needs that the Congress has before it.

The second thing is, Secretary, you mentioned that the—for the enlisted people that we are competitive with salary with the high school diplomas, and we probably are. But we are not asking—and I am not saying something you do not know. But I just want to make clear that we are not asking these young men and women to go and do work here in the United States at one location and not move their families around and not put themselves in harm's way. This is something that we need to be better than the competitive atmosphere in our society today.

And I want to go back to the Secretary of State's issue. The cut is 32 percent to the State Department. That includes the U.S. Agency for International Development and a cut of nearly half to development assistance. These are programs that obviously, talking does one thing, you have to be able to negotiate with a package and stop terrorism by getting to the hearts of people.

These are what a lot of these programs are for. And, Secretary, you had made a statement that reducing regional chaos in tandem with our interagency partners and international allies to help foster a coherent order requires adequate diplomatic resources. And former Chairman Admiral Mullen has stated that cutting the budget in this manner puts the lives of our men and women in uniform at risk.

So instead of getting into the cost issue, can we have agreement that it is critical that our State Department be able to function at the highest level necessary to work in unison with you, the Defense Department and other agencies so that we can stop wars and therefore stop the bloodshed that we are trying to prevent through both the kinetic energy and the State Department side of the equation.

Secretary MATTIS. Yes, sir, and I want to always make certain our diplomats under Secretary Tillerson are negotiating from a position of strength that the U.S. military, well-funded U.S. military can provide.

Mr. O'HALLERAN. Thank you, Secretary. And I just want to say thank you for the great work that you are doing right now and bringing Mr. Norquist on, I think you have a job that you are going to have a challenge at, and, Mr. Chairman, I yield back.

The CHAIRMAN. Dr. DesJarlais.

Dr. DESJARLAIS. The Russians and Chinese are allocating more and more resources towards advanced weaponry and technology and are making rapid gains in these areas, especially hypersonics. As you may be aware, several news outlets have reported that Russia recently conducted tests of its Zircon hypersonic missile nearly a year ahead of schedule.

Defense analysts have described this as a quantum leap in technology. When it comes to hypersonics, do you feel like we are where we need to be to meet these threats?

Secretary MATTIS. No, sir, this is the fourth concurrent force I mentioned about rapid technological change. I think we have got to increase our hypersonic R&D effort.

Dr. DESJARLAIS. Do you feel the bureaucracy and compartmentalization of our budget process is putting us in a vulnerable position in areas such as R&D?

Secretary MATTIS. There are areas, sir, where we need to get acquisition reform, and we need it quickly. I am bringing in people from private industry with those specific skill sets in order to identify to you the problems well enough that you can see the solution here because some of it requires legislative relief. Much of it requires reform inside the Department.

Dr. DESJARLAIS. Is part of your reevaluation of the missile defense budget going to be allocated towards hypersonic defense systems? I think right now \$75 million has been set aside.

Secretary MATTIS. I am not sure where the money will be taken from or if it will be added on, but I know we are going to have to put more money into hypersonic R&D.

Dr. DESJARLAIS. Okay. Thank you. I yield back.

The CHAIRMAN. Mr. Suozzi.

Mr. SUOZZI. Thank you, Mr. Chairman. You know, whenever I am in this hearing room I am always sobered by the important re-

sponsibility we as elected officials have, and I am incredibly sobered by the awesome responsibility that each of you have. And I thank you again for your wonderful service.

Secretary Mattis, you talked about this close collaboration you have with Secretary Tillerson trying to work together to have a joint strategy. I was fortunate to go to Afghanistan in April and was very impressed by the 4-year plan that there was—the by, with, and through strategy of building up the Afghan army and air force and the special forces and putting pressure on trying to get a little bit more out of Pakistan to do their responsibilities—but I did not see a similar 4-year plan with the State Department.

Are you developing plans together that are long-term plans in conjunction with each other as a whole-of-government?

Secretary MATTIS. Secretary Tillerson and I are tied at the hip on this, sir. I assure you the planning is ongoing to keep us in step with one another and to ensure that we have a tandem approach to this, not just a military or even a principally military, it has got to be a collaboration.

Mr. SUOZZI. It would be great if there were documents that showed this collaboration between these two branches, this whole-of-government, that showed a long-term plan as to how to address or the short-term plan even how to address our situation in Afghanistan.

In this current budget the request for funds is for the current 8,448 troops, and when we went to Afghanistan General Nicholson and others made a very persuasive case that a few thousand, 3,000, 5,000 more troops for force protection and to replace some of these private contractors really made a lot of sense, it will save money, it will build morale, it will be effective in helping out.

In May a report came out in a Bloomberg article that the intelligence community is pushing for 50,000 more troops, and it looked like it was a move away from by, with, and through. So can you put us at ease as to what the current thinking is regarding the current force level versus an increase, a modest increase for force protection versus this report of 50,000 more troops?

Secretary MATTIS. Sir, I give no credibility to any report about 50,000 more troops. I can assure you neither the commander in the field nor the Chairman of the Joint Chiefs have given me any requests like that, not even close. That is somebody's flight of fancy, I assure you, sir.

Mr. SUOZZI. Thank you. And the by, with, and through strategy is the strategy that we are going to continue in the foreseeable future?

Secretary MATTIS. And how we enable them by, with, and through, but also perhaps a little more regional approach, sir.

Mr. SUOZZI. General Scaparrotti was here on March 28th of 2017, and he said that “Additional Russian activity short of war range from disinformation to manipulation. Examples include Russia’s outright denial of involvement in the lead-up to Russia’s occupation and attempted annexation in Crimea, attempts to influence elections in the United States, France, and elsewhere, its aggressive propaganda campaigns targeting ethnic Russian populations among its neighbors, and cyber activities directed against infrastructure in the Baltic nations and the Ukraine. In all of these ways and more

Russia is attempting to exert its influence, expand its power, and discredit the capability and relevance of the West.”

And, you know, we hear this all the time, and a lot of it is caught up in the partisanship these days, but Russia is a bad actor, especially in Europe and Eastern Europe. Forget about the United States now and everything everybody is in the news this days.

What is the DOD’s responsibility regarding hybrid warfare to combat—you know, we talk heavily about troops and about equipment. What are we doing to combat this hybrid warfare of propaganda disinformation from the DOD’s perspective and what can we do and how else can we assist you?

Secretary MATTIS. I will have the Chairman speak to this for a moment, sir. What you defined with General Scaparrotti’s words there, Russia has chosen to be a strategic competitor. They want a veto authority over the diplomatic, economic, and security interests of their near abroad and actually a little deeper than just near abroad. The changing character of war, this deniable gray zone, cyber—this is what you are saying.

Mr. SUOZZI. And beyond that corruption, outright corruption—
Secretary MATTIS. Absolutely.

Mr. SUOZZI [continuing]. They are trying to make money by undermining governments in Eastern Europe and Europe.

Secretary MATTIS. Absolutely, sir. How do we adapt to this so that we are not waiting with tank columns for an enemy that never can be taken on? It is the changing character of war.

Let me have the Chairman just give a few groups on this. It is a heavily military education issue, as well of our own—

General DUNFORD. Congressman, we have spent a lot of time over the past year looking at this issue, and if you really break it down into political influence, economic coercion, information operations, cyber capabilities, military posture, all put together to advance Russia’s national interest, I think U.S. military presence in Europe is a key piece of it, our assurance. Our cyber capabilities are an important part of it. Information operations is something we can do from a military perspective.

The one thing that Russia is able to do is very quickly integrate their entire government to advance their interests in Europe. And one of the things that they are doing, of course, is undermining the credibility of our alliance structure in NATO and causing people to question whether we can meet our alliance commitments.

And so I think at least three out of the five major areas or areas where there is a military dimension, but the thing I would emphasize is that what you are describing, I call it adversarial competition, it has a military dimension. It falls short of war, but it also is the whole-of-government, and I think probably three out of the five areas I mentioned are areas where the military can contribute, but the entire government needs to be waging in this adversarial competition.

Mr. SUOZZI. I have used up all my time. Thank you, Mr. Chairman. And I look forward to discussing this further in the future. Thank you.

The CHAIRMAN. Dr. Abraham.

Dr. ABRAHAM. Thank you, Mr. Chairman. Thank you for your endurance tonight, gentlemen. I have heard some phraseology used

tonight: prioritize, challenges with families, do not have the reach, balancing act.

And it all goes back to the Budget Control Act, just we are not giving you guys the money that you have to do, and I know, Secretary Mattis, your burden must be very great trying to balance this on a daily basis.

So certainly us on the committee but all of Congress we have got to put our money literally where our mouth is and break this Budget Control Act, and I know we on the committee with the chairman's leadership certainly would love to do that.

One of your priorities with your 2018, in your testimony, was saying was to keep the faith with the service men and women and their families. I saw where in Italy, for example, you have got two naval hospitals and one Air Force hospital that are on a closure list, and I worry that when and if those do get shut down that standard of care for the service members and their families will suffer greatly.

And I guess my question of Secretary Mattis is, What is your opinion on that? What is your take on the closure of those three hospitals and hospitals like those? Where will these people go? I am worried about the standard of care being lowered, and I will let you answer.

Secretary MATTIS. I have got to look at it, sir. I would have to look at the specifics of the location, but the bottom line is we cannot deploy troops and families where we do not provide sufficient hospital care. So let me look at those three in Italy and come back to you with what we have in mind and what we are going to do to mitigate any loss of capability, but I cannot give you a good answer right now, sir.

[The information referred to can be found in the Appendix on page 128.]

Dr. ABRAHAM. That is fine. You can get back to me as soon as you can. It has been referenced with the maintenance issue on the aircraft, we in this particular hearing room we also have been told by others where we are 1,500 to 1,600 pilots short. We are about 3,400 to 3,500 maintainers short.

You have got the commercial airlines that are pulling pilots from the military daily, and even with the commercial carriers incentivizing with perks and monies they are still not able to meet their demands, and they are even talking about reducing routes commercially.

What is the DOD doing to retain, build a pilot cadre, and is it even solvable with money? Where would it go?

General DUNFORD. Congressman, you have just identified an issue that actually is keeping the Chief of Staff of the Air Force and the Chief of Naval Operations and the Commandant of the Marine Corps awake at night. And there actually is collaboration right now with industry to look at this as a national problem for the aggregate number of pilots both for the commercial sector as well as for the Department of Defense.

And so General Goldfein has been leading an effort to do that, to open up that dialogue and look at what will it take to rebuild that pilot base to meet both commercial needs and military needs. And, of course, in the near term, one thing we use is the incentive

system to keep our pilots in. A key piece of the incentive system, though, is not just base pay and bonuses for flying it's—we call it quality of work, it is the numbers of hours you fly and your confidence in your aircraft and those kinds of things.

So those are the areas that the Chief of Staff of the Air Force is focused on the squadron level, that is where it makes a difference, and in a number of initiatives that he is doing they are designed specifically to retain pilots. But as you point out, it is going to take a public-private dialogue and solution to get at both the commercial requirements and the Department's requirements.

Dr. ABRAHAM. Well, like you gentlemen, I have the highest faith in the Chief of the Air Force also, Dr. Goldfein.

So I yield back, Mr. Chairman.

The CHAIRMAN. Mr. McEachin.

Mr. MCEACHIN. Thank you, Mr. Chairman.

Secretary Mattis, I am a new Congressman, and I have to tell you that I was surprised by the amount of engagements we have across the globe. I quickly became a disciple of a 355-ship Navy. You have spoken in your testimony today or at least alluded to that our future defense strategy might change or evolve. I do not want to put words into your mouth, sir.

My initial question is this, I understand our National Defense Strategy to be being capable of fighting two major conflicts simultaneously, perhaps one with a state actor, perhaps one with a non-state actor. Do you envision—I know your crystal ball may not be perfect—but do you envision that aspect of our National Defense Strategy changing over time?

Secretary MATTIS. Sir, if the enemy, our adversary has four courses of action that I prepare for, I am pretty confident number five will be the one he uses. What I am saying is we have a fundamentally unpredictable phenomenon that this committee deals with, and that is called war. That is the auditor that we have to be prepared for. Ultimately it audits our recruiting, our equipping, our research, our pay, it audits everything about the military.

So how do we create a military that has got a shock absorber in it so that when surprise strikes, we are ready for it? I believe that we will have to be ready for more than one adversary at one time because we are up against thinking, cunning adversaries, and if they see us engaged with one in one arena and they have mischief in mind, they certainly will take advantage of our distraction. So in creating a military with a shock absorber in it we have to be prepared to do more than one thing at a time.

Mr. MCEACHIN. I would also ask you, I know that maybe it was Mr. Wittman, maybe it was Mr. Courtney, but someone asked you about the billion dollar reduction in the shipbuilding account, and I have to confess to you that I either missed your answer or did not understand your answer. Would you mind repeating your answer as to why that is justified at this time?

Secretary MATTIS. I would not justify reducing the shipbuilding account. Right now we are trying to prioritize readiness. In other words, we have ships that you have already bought that we already have manned that cannot go to sea. So in some cases what we are doing is putting money into readiness while trying to save the ship-

building account so we have tomorrow's readiness being constructed today.

But this is a matter of prioritization, Congressman, as we deal with the reality of too many years of these ships not being maintained in a way that we get full use out of them. So, you know, what we cannot do is cease to put in operations and maintenance money there because we are putting it all into building new ships. As much as I would love to build new ships, it is a balancing act, sir.

Mr. MCEACHIN. So, Mr. Secretary, would you reject the characterization then that the funding for the Navy's shipbuilding and conversion account relative to fiscal year 2017 has been reduced?

Secretary MATTIS. No, sir. I just ask for your patience that we are digging our way out of a readiness hole, and in order to do that we cannot always build or put the money where we would want to if we did not have to deal with this reality that comes from years of living under the Budget Control Act where we have been unable, unable to maintain the ships. It is not the option that I would prefer.

Mr. MCEACHIN. And, again, I apologize if this question has already been asked, but at what point in the future do you see us making strides towards that 355-ship Navy, positive strides whether it is getting out of whatever holes you perceive us being in or just what?

Secretary MATTIS. I think even this year with nine ships in the budget, sir, at least it starts us in the right direction, but it is only a start, and I share your impatience or your concern about it.

And in 2019 to 2023 obviously we need the kind of growth that Chairman Dunford was referring to of 3 to 5 percent a year in order to start enlarging the fleet. We need a larger fleet. I do not seem to get much argument on that from anybody, so I think it is a matter of allocating the resources.

Mr. MCEACHIN. Sadly my time is used up, but I thank you, sir.
The CHAIRMAN. Mr. Kelly.

Mr. KELLY. Thank you, Mr. Chairman, and thank all you gentlemen for being here.

I still currently serve in the Mississippi Army National Guard, served there for almost 32 years, it will be 33, I think, in December. Our readiness level is not where I have seen it in my entire career, and I think there are units that are really good. I think there is equipment, but we have got to maintain our equipment and get back to the level that we can sustain. And I do not think that we can do that on the budget that is proposed of \$603 billion. I think we need to be more in the range of 604.

We talked about munitions. Those can come out of OCO because they are being used in operations or overseas contingency operations, so I do not understand why we cannot have a little certainty in purchasing new munitions through the OCO funding that is specifically to buy those munitions that we are shooting at the bad guys.

Equipment. We have got to—right now what I am seeing, and it is all underhanded and nobody said this, this is just Trent Kelly's little assumption, but right now what I am seeing is most of the Active Component services are eyeballing the equipment of the

Guard and Reserves and saying we can transfer this to us and give them the old stuff and fall in on their stuff to help us get through. I do not blame them for doing that.

That does not help us [with] long-term readiness. We have got to be equipped. If you want me to go fight the enemy as a National Guardsman, I have got to have an M1A2 SEPv2 tank. I cannot deploy in an M60A3 and achieve the effects that I need to achieve.

Our communications do not work. We have got to look and smell the same, whether it is Active or Reserve and get the force structure to meet that, but when we start trying to take equipment from one to shift to the other—in the old Army that I grew up in, you did not hot rack tanks, you did not use other people's equipment. You painted your name on yours, and you owned it, and you took a lot of pride in it.

Our soldiers and airmen and Marines, they do not have to do that anymore because they do not deploy with their equipment, they deploy with somebody else's. And they leave it over there for the next guy to fall in on, and the guys back here cannot train because of readiness.

What are we doing to get the spare parts and to get the current fleet across the board not to transfer readiness from one unit to the other, but to actually start building the OR [operational readiness] rates of these units?

Secretary MATTIS. Sir, the first step that was the \$21 billion that Congress gave us for the fiscal year 2017 supplemental was directly targeted on this. This budget this year is designed to further that, but, sir, it took us a long time to get here, and again, I share your impatience with this, but I would tell you, too, that OCO will not tell industry with any confidence that they should open another line, put in the money into their industrial plant because they do not know if that is going to be there next year.

This has got to be part of a budget plan if we want them to make the industrial contribution that their stockholders are going to have to put money up for because for them to go broke is not part of their responsibility.

So OCO does not help us expand the industrial base. We can get max out of the industrial base, but they are not going to build more industrial base on OCO.

Mr. KELLY. So then why do we not ask for 640 instead of 603 and call it all top-line spending and not OCO?

Secretary MATTIS. Well, I mean, that is an option, sir. As you know, we are already coming in asking you to violate, bust the Budget Control Act. I mean, at some point we have to recognize the law that you have passed, and I do not have an answer because that law was passed with the idea that it would be so injurious that it would never go into effect.

Well, it has been in effect for years now, and frankly, the Department of Defense cannot change that law, only Congress can.

Mr. KELLY. I agree wholeheartedly, Secretary, and we have got to break the sequester in the BCA. I do think that we need a higher number, and I think we need the certainty to go with that. If we give that to you can you spend that on training soldiers? We do not have enough slots to train soldiers. We cannot send soldiers to additional training to developing classes, AIT [Advanced Indi-

vidual Training] and NCOES [Non-Commissioned Officer Professional Development System] and OES [Officer Education System]. Can you spend that money in new schools and new things to train these soldiers and equipment if we get that BCA busted and we give you the money on the top line?

Secretary MATTIS. We can, sir. It would help if it was in multi-year money so that we could have a program that we know we are going to implement over a couple of years. It would help if it came in a budget on time, not a continuing resolution with the paralysis a continuing resolution will apply to us.

So with fiscal discipline we will do our level best to spend every bit of it and address every problem you have got. We share your assessment of what the problem is.

Mr. KELLY. Thank you all for your service, and thank you, Mr. Chairman. I yield back.

The CHAIRMAN. Mr. Khanna.

Mr. KHANNA. Thank you, Mr. Chairman. Thank you, gentlemen, for your service to our country and for being so patient to take questions from some of the junior members.

Secretary Mattis, Geo Saba on my staff tells me how respected you were back home at Stanford. I appreciate your service. I have two questions. I want to read from the [Section] 809 Panel interim report, which as you are aware, was the commission panel created to help streamline the defense acquisition process.

And they wrote, "According to DOD, the last major defense downturn in the late 1980s and early 1990s resulted in more than 300 prime contractors, platform providers, and subtier companies merging to form [the] five megaprimes of today: Boeing, Lockheed Martin, Northrop Grumman, Raytheon, and General Dynamics."

My question is, do you think there is enough competition in the defense industrial base and what steps are you taking to create more competition?

Secretary MATTIS. It is very hard for us to create competition, sir. It is based on how much budget we have and how many different companies feel they can compete and stay healthy. We saw this coming in the 1990s. What the Defense Department did—I happened to be the executive secretary to two Secretaries of Defense, William Perry and William Cohen. They looked at each case where they concentrated the industrial base into smaller and fewer and fewer companies, a larger actually, but fewer companies, but there was no way to maintain the vitality, the financial vitality of the companies if we stood in the way of it.

So it was forced on us. We were worried about it then. We saw this coming, whether it would be less competition, but frankly, we were unable to sustain an effort to maintain the wider industrial base.

Mr. KHANNA. Well, I hope you will consider things we can do to have more competition if it is possible.

My second question concerns I mean, your testimony was very eloquent where you said our Nation has been at war for 16 years, the longest war our country has faced, and that this has been in part why our resources have been strained.

And I think if you were to look objectively at Iraq and Afghanistan and Libya and ask has our country met the objectives we set

out to meet, you would probably get people on both sides of the aisle saying that has not been the case. I mean, as you know much better than I, Taliban still controls 40 percent of Afghanistan. And so where I come in Silicon Valley, you know, when you have a business and they come for more funding, one of the questions will be, well, is the strategic plan working or do we need a change in strategy?

And my question is, I have great confidence in our troops. I have less confidence in the policymakers. Do we need before we talk about more funding, a clear sense of what the strategy is going to be so that we know that the last 16 years if we have not achieved our goals that we will achieve our goals in these regions?

Secretary MATTIS. Well, I think we do need a change in strategy, and I think it has got to be one that starts with a good exchange between the Congress and the level of resources they believe is appropriate to the Department of Defense. And I would start there by saying that continued BCA, which makes the Congress a spectator to all this, is probably an irresponsible way to go.

I am much more comfortable coming up here and defending a strategy and a good relationship and a good discussion back and forth than I am with coming up here as we all watch BCA put us into a position that some of the serving members who have been in the National Guard and the Armed Forces say is destroying that very military readiness.

So it is a balancing act of getting a good strategic dialogue, determining what level of the government's treasure we are willing to put into defense and make certain that what we have got are well-defined objectives that we can accomplish. I am not going to condemn what someone has done before me. I will leave that to history. I am here to deal with the reality of the threat to the country today.

Mr. KHANNA. Thank you for your answers. I yield back the balance of my time.

The CHAIRMAN. Mr. Gallagher.

Mr. GALLAGHER. Thank you, Mr. Chairman. General Dunford, 2 years ago Lieutenant General Glueck told this committee that the COCOM [combatant command] demand for amphibs [amphibious assault ships] was closer to 54 than the nominal Navy-Marine Corps unconstrained goal of 38. Is that still the case?

General DUNFORD. That is pretty close to being the case, Congressman. I remember those numbers. I was the Commandant of the Marine Corps at the time.

Mr. GALLAGHER. And, if anything, I would submit that the Navy's 2016 Force Structure Assessment where the formal requirement was raised from 34 to 38 suggests that in a greater threat environment the amphibious demands are growing.

Despite this trend, your budget request does not support another amphibious ship until fiscal year 2020. Navy officials have supported the long-term layup of certain amphibious ships, which, while it will support certain modernization readiness requirements, will also take them out of the fleet and further reduce our amphib capacity.

Your fiscal year 2018 request also reduces the planned procurement of ship-to-shore connectors from six in the fiscal year 2017

FYDP to three, so I guess my question at the end of the day is in light of that does the fiscal year 2018 budget request improve or degrade the capacity of the Navy-Marine Corps team to project power?

General DUNFORD. Congressman, I have to go back and check the numbers, but it certainly does not enhance the capacity of the Navy-Marine Corps to project power.

Mr. GALLAGHER. I think the answer we have heard sort of in the five or so shipbuilding or Navy questions we have asked tonight is that you have chosen to prioritize readiness over long-term shipbuilding, and I understand why readiness is so important, I just do not understand why we cannot do both at the same time.

I mean, you look at Reagan's first full-year budget he added \$3 billion on Navy O&M [operations and maintenance], \$10 billion on shipbuilding. So why have we chosen this sort of false choice, that is my word, right now between readiness and long-term shipbuilding in this budget?

Secretary MATTIS. Right. It is a good question, Congressman, and I do not take any issue with where you are going with it. I would just tell you that when we are already busting the BCA cap by \$52 billion this is not a budget that has taken readiness or modernization laying down, but we have got to marry our time.

Congress has the Budget Control Act in effect. I mean, if we walk into here acting as if there is nothing that you have said and put into law has any effect, you would understandably or at least some Members of the Congress would understandably question our judgment. We have got to at least deal with this. And if you come out and tell us that you are willing to go right now as a Congress, not this committee, this committee has stood by us through thick and thin.

This committee is not the problem, nor are your colleagues in the Senate Armed Service Committee. You know where the problem lies. It is more broadly. And please guide us. Talk to us. We are eager to do what you are talking about.

Mr. GALLAGHER. I guess my only difference of opinion on that approach is it suggests that the Pentagon and the President are passive spectators in this process and have priced in sort of what the congressional market can bear. When we know that sort of leadership from Article I can change the market dynamics themselves.

Secretary MATTIS. Well, Article I, if I remember right sir—

Mr. GALLAGHER. Article II, excuse me.

Secretary MATTIS. Yes, sir. I think Article I is you.

Mr. GALLAGHER. If you are indeed urging us to—you both condemned BCA, why does the budget extend the reductions under BCA from 2021 when they expire through 2027? Are those just placeholders? It grinds it down to roughly 2 percentage of GDP [gross domestic product].

Secretary MATTIS. Go ahead.

Mr. NORQUIST. When you are looking at the FYDP, the out-years numbers, those are placeholders. Secretary Mattis's reference, when the studies are done next year will include the out-years in the implications, but right now they are just placeholders.

Mr. GALLAGHER. Sure. And then quickly going back to a line of questioning that Mr. Conaway and Ms. Hanabusa brought up, you

said that, you made the claim in your testimony that a round of BRAC could allow to us buy something like 120 Super Hornets. What is the Department's assessment of what we have been able to buy from the last round of BRAC?

Secretary MATTIS. We could go in and show the amount of money that we have saved, and we just obviously it goes into the defense budget. We can give you some examples of what—I was showing examples of what that savings would translate to in terms of combat capability, but we could certainly go back, show you what we have saved from past BRACs and then tell you what that translates into in terms of number of ships or airplanes or tanks or whatever.

Mr. GALLAGHER. And I think we all appreciate that, and also an assessment of what investments and readiness we are prepared to forego in order to fund another round of BRAC.

In other words, sort of reverse the dynamic and say how many Hornets would it cost us to fund BRAC? But I think we really would appreciate that assessment.

Secretary MATTIS. You mean for a couple of years until it started paying off?

Mr. GALLAGHER. Yes. All the cost on the front end.

Secretary MATTIS. Okay.

[The information referred to was not available at the time of printing.]

Mr. GALLAGHER. Thank you. I yield back.

The CHAIRMAN. Mr. Secretary, the last round of BRAC took more than 10 years to break even, so just part of the reason there is concern on this committee is—and last time I checked with CBO they did not have it breaking even yet.

Now that has been a year or so, but there is no doubt it took more than 10 years to break even—not a couple—and so that has left a bitter taste in a lot of folks' mouth. It did not achieve the savings that were promised. So just an editorial comment. I am happy to continue to talk, as I know other members are, but the last one is not a very good basis to go on.

Secretary MATTIS. I would try to align—I told you I do not accept the current—

The CHAIRMAN. And I appreciate that.

Secretary MATTIS. And what we will do is we will look at what can we do to make certain what we get rid of this next time starts paying off in 5 years, not 10 or 20.

The CHAIRMAN. It has got to be a different approach.

Secretary MATTIS. Yes, sir.

The CHAIRMAN. Mr. Bacon.

Mr. BACON. Thank you, Mr. Chairman, and thank you for your patience in being here and for your leadership.

A lot of great insightful comments tonight, and I thank you for them. One of the ones that stands out is the fact that we have this huge bow wave of modernization as the Chairman pointed out, and you have had to work within the top line that you have been given and that the BCA has had that huge impact, so I think it is just a great summary of what you had to contend with here.

My first question is for the Chairman dealing with intelligence, surveillance, and reconnaissance. Today only 30 percent of our

combat commanders' airborne intelligence, surveillance, reconnaissance, or ISR, are being met by the capabilities from the combatant commanders, their requirements.

This means we are choosing between providing ISR support for counterterrorism or collection of peer competitors like Russia or China. Is 30 percent good enough and does the current budget proposal by you or by the executive branch here, is it helping to narrow that gap?

General DUNFORD. Congressman, just a little bit of history, we actually have grown the ISR enterprise by 1,200 percent since 2001. We have increased in numbers of platforms by 600 percent since 2008, and we are currently meeting 30 percent of the requirements. So this is one of those areas in the Department I actually do not think we can buy our way out of, and it is probably number one, not probably, it is number one for me in terms of innovation initiatives, leveraging big data and finding a different way to feed decision-making.

In other words, we will not be able to buy enough platforms to meet the current articulated requirement by the combatant commanders, and yet we still need to get the intelligence necessary to feed decision-making.

So I guess what I am suggesting to you is that we do have—we are growing now from 60 caps to 90 caps over the next couple years. That is our program growth, and so that is a 50 percent growth, and at the end of that period of time I suspect we will be somewhere at 34 percent or 35 percent.

So the areas that we need to burn some intellectual capital on this particular problem is at the top of the list.

Mr. BACON. Secretary Mattis, do you have anything else to add to that?

Secretary MATTIS. Sir, as our military has shrunk in size the need for more precise intelligence is one of the ways we mitigate the risk that smaller military. So part of this is a growing need for a level of what is over the next hill, where is the enemy, what is going on as we have gotten a smaller military that we are still committing, as you know, around the world.

We did not pull everybody out as we had anticipated a few years ago and reconstituted at a time when we could have put more effort into this, more finances into it. So we are going to have to continue to work this, but what we are doing right now is challenging for us, very challenging to shrink this gap.

Mr. BACON. Another area of concern is electronic warfare. When I came in in 1985 we had, I would say, a dominant electronic warfare capability compared to our near peers, we will say, but in the 1990s and I think the 2000s we let it atrophy, and I would say today the Russians and Chinese are producing electronic warfare capabilities technology-wise and capacity-wise that exceeds us.

Does this budget, Chairman, does it help narrow that gap in electronic warfare realm?

General DUNFORD. Congressman, it does, and we started in 2017, and I could not agree with you more that our competitive advantage has eroded over time in electronic warfare, and we talk about our ability to project power and we talk about adversaries like China and Russia specifically targeting our ability to move into an

operational area and operate freely within that area. You have heard the term anti-access/area denial. Electronic warfare is one of the key areas that we need to improve our competitive edge.

Mr. BACON. Mr. Secretary, anything else to add?

Secretary MATTIS. No.

Mr. BACON. Thank you very much. I yield back.

The CHAIRMAN. Mr. Banks.

Mr. BANKS. Thank you, Mr. Chairman, and thank you to each of you, sirs, for joining us late into the evening tonight to talk about these important issues.

Mr. Secretary, General Nicholson suggested and you endorsed efforts to add a, quote, "few thousand" additional troops to prop up the Afghan security forces in the face of aggressive Taliban attacks. I want to dig more deeply into testimony that you have already provided related to the budget related to Afghanistan. Why would a new total of approximately 15,000 troops be decisive when just a few years ago they were close to 100,000 troops in Afghanistan? Have our interest or the mission changed?

Secretary MATTIS. The Afghan Army, as you know, has been fighting hard, and you will just have to look at the casualty figures to see that reality. The troops that are being asked for by General Nicholson, and I do not want to characterize them all this way, but many of them are going to be what we call train, advise, assist. These are troops that will go, that are specifically trained by our U.S. Army to go out in the field, and you apply them with the brigades, the Afghan brigade.

Now remember, we have been operating at what we call the three-star headquarters, the corps level headquarters. Below them is the two-star division headquarters, then you get down to the one-star and colonels in the brigades. We are talking now about putting people who can call NATO air support down at the brigade level, so that when they are in contact the high ground is now going to be owned by the Afghans.

It is a fundamental change to how we bring our, what I would call, our real superiority in terms of air support to help them. So, in other words, we are not talking about putting our troops in the front line and saying somehow a few thousand more troops in the front line alongside them are going to help taking the hill by closing with the rifles and machine guns.

These are going to be people specifically designed, trained, and organized and equipped to go in and advise them how to take the hill, get them the air support, the artillery support, the rocket support that will enable them. Does that help to address your question?

Mr. BANKS. Yes. Mr. Secretary, like you, I am supportive of ensuring that Al Qaeda and groups that want to attack the U.S. homeland are unable to gain safe haven again in Afghanistan, and I support those efforts. But when it comes to corruption and ensuring to the American taxpayers that the investment is a sound one in Afghanistan, what do we need to do to ensure that our support for the Afghan security forces is used appropriately and effectively.

Secretary MATTIS. Yes, I think corruption has been probably the biggest strategic vulnerability that we faced in terms of the Government of Afghanistan gaining the respect and the trust of their

own people. The authorities we give and the expectations we give to these troops that we are plugging in down at lower levels for one thing will help to change that, but furthermore, I went to Afghanistan here a month and a half ago, and I met the officer who has now been put in charge of going after corruption.

I find a fellow who is serious, but as you know this is a society that is run by reciprocity. It is a tribal society by and large, and we are going to have to deal with the corruption in a way consistent with that society. They recognize the problem there. They recognize that something has got to be done about it, but this is a critical problem.

I would say this biggest strategic problem we face is corruption, and we will be dealing with it, President Ghani has a program to deal with it, and we will do our best to address it. We have got to.

Mr. BANKS. Thank you very much. I yield back.

The CHAIRMAN. Ms. Cheney.

Ms. CHENEY. Thank you, Mr. Chairman.

Thank you very much, Secretary Mattis and General Dunford. I appreciate your time here this evening.

First of all, I want to say I completely agree. We have got to repeal the Budget Control Act. I believe there is no more important obligation we have as Members of Congress than providing resources necessary for the defense of the Nation. It does not matter how much healthcare reform we do, how much tax reform we do. It does not matter if we balance our budget. If we get this wrong, none of that matters, and we cannot get this right without repealing the Budget Control Act.

Having said that, though, I am very troubled by the budget that the administration has put forward. And I think that in both of your written testimony to the committee and in testimony here tonight you have done a tremendous job at laying out the gravity of the threats that we face, laying out the seriousness of the situation, the pace of advancements that our adversaries are making against us, including in areas we may not be able to counter or defend against. And dominance lost.

And in particular, General Dunford, in your written testimony you talk about within 5 years the potential that we would lose the ability to project power. Yet the budget that has been presented to us is at best a holding pattern. At best. When we face an existential threat from North Korea and this budget cuts missile defense, it cuts directed energy funding, which in your testimony, Secretary Mattis, you said is crucial.

I want to understand, General Dunford, this is a question for you, how can we possibly justify, you know, we have heard tonight this budget is a holding pattern before we get to real growth? How can we possibly justify a year of holding pattern? Why is it not better to begin the real growth today when we should have begun it yesterday?

General DUNFORD. Congresswoman, all I can do is tell you if our priorities are correct within the top line that have been given, and when I talked about that 5 years, and we will talk more in detail on Wednesday night, we came up with that by analyzing our peer competitors by functional area and taking a look at where are we today, where will we be in 5 years based on projected resources?

Where are our potential adversaries today, and where will they be in 5 years?

So I am trying to share with you the problem. I cannot solve it. I can tell you that we have the right priorities in the top line we have been given, but I also emphasize that if we do not turn around the trend, if we do not change the trajectory that we are on, that is where we will be at a competitive disadvantage within 5 years. So I am trying to do the best I can with candor to share the situation as it exists today and what it will be in 5 years if we do not actually take action.

Ms. CHENEY. I appreciate that. Who gave you the top line? Are we talking about OMB?

Secretary MATTIS. That is correct. It is a growth of about 5 percent, a little over 5 percent over 2017, and it is, as I said it is \$52 billion above the BCA cap. At some point we have got to get some freedom, and OMB will need the same freedom.

Ms. CHENEY. But with all due respect, Mr. Secretary, we are in a hole that may be greater than we have, you know, certainly been in since the 1970s. We are facing an array of threats, you said in your testimony, that is basically more volatile than any time in your career.

And so I am trying to understand how it is that we could possibly have an administration that is saying but it is okay, we can wait until next year to begin the serious buildup?

Secretary MATTIS. I do not think anyone is saying that, ma'am. Five percent growth, that is a bit of a change to say the least.

Ms. CHENEY. Well, it is 3 percent, as I understand it, Mr. Secretary—

Secretary MATTIS. Over 2017?

Ms. CHENEY [continuing]. Over the Obama administration request for 2017.

Secretary MATTIS. Okay. Well, Congresswoman, we are growing the budget, we are dealing with readiness problems that we inherited that the Congress has watched for some time. We are going to do our best to create combat capability as swiftly as we can using an All-Volunteer Force and trying to get ships back to sea, trying to get airplanes back in the air.

Ms. CHENEY. But I am sorry, Mr. Secretary, but I just do not understand when you say we are doing it as quickly as we can, why, you know, tonight we have said we are going to begin real growth next year. Why are we all right to wait until next year to begin that real growth?

Secretary MATTIS. Well, for one thing, ma'am, we have got to put a lot of money into readiness where we are already in a hole. I mean, I have looked at the unfunded priorities list, and after the priority we have already set, I agree with every one of the unfunded priorities, as well. And that is 33 billion more dollars, but the bottom line is you are asking us to come in with a budget request beyond what we have now that would be even more of a violation of the act that Congress has passed.

I mean, we need some direction from you, as well. I mean, frankly, as I recall my civics textbook the President does not even have to send a budget.

Ms. CHENEY. Right, but, Mr. Secretary, with all due respect, I know my time is up, just to echo what my colleague Mr. Gallagher said, the President has got to lead on this, and, you know, in terms of the budget proposal that came up, and I know you dealt with this issue of the proposed caps, but the President's budget extends the Budget Control Act out 6 years. So we can say it is a placeholder, but table S7 foresees the Budget Control Act and the caps going beyond where they are supposed to be today.

And so I think we can all agree we have got to repeal the Budget Control Act. It is crucially important. But we cannot be in a holding pattern in my opinion with all due respect for a year, you know, while we face the grave nature of the threats we face.

Thank you.

Secretary MATTIS. Okay.

The CHAIRMAN. Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman and General Dunford, Secretary Mattis, Mr. Norquist. I am grateful tonight to see the bipartisan appreciation of your service.

It is clear that we all want you to be successful for American families. The Vice Chief of Staff of the Army, General Daniel Allyn, testified that quote "based on current readiness levels, the Army can only accomplish defense planning guidance requirements at a high military risk," end of quote.

General Dunford, what is your assessment of the impact on our soldiers of being able to accomplish requirements at a high military risk? How many casualties does this mean for the Army to incur when it is ordered to fight at a high military risk? How many casualties at a low military risk?

General DUNFORD. Congressman, without talking about a specific scenario, I cannot talk about casualties, but when General Allyn did testify, and when we all testified to risk, we do look at two variables. One is the time it takes to accomplish the objectives and then the amount of casualties we would estimate under particular circumstances.

So I think what General Allyn was suggesting is that readiness translates into casualties, and I would subscribe to that, as well.

Mr. WILSON. And I appreciate that Colonel Paul Cook has reflected such concern and wants to work with you obviously.

And, Mr. Secretary, I want to thank you for your very clear warnings about the destructive consequences of sequestration. But at the same time, the budget level in your request, how many years do you think it would take normally to address high military risk?

Secretary MATTIS. It is a constantly moving target, sir, because the enemy does not stand still. But I would just tell you that between 2019 and 2023 we intend to significantly grow the force, the Navy fleet, the Army brigade, and the fighter squadrons to reduce that risk.

Mr. WILSON. And, Mr. Secretary, I am very concerned as Ms. Cheney, too, the defense budget request states, quote, "The condition of mission facilities, airfields, training areas, housing barracks directly impacts the readiness of the units and the morale of the soldiers, civilians, and families."

Yet the budget also tells us that the Army has \$10.8 billion in unmet needs, the Navy at \$9.5 billion short, and the Air Force is

\$25 billion short. How long will it take to fix these critical backlogs, 5 years, 10 years, 20 years? Will we ever be able to fix these facilities for our soldiers, airmen, and Marines to train for war and for their families to live?

Secretary MATTIS. Well, we are increasing the MILCON [military construction] budget, sir. You know, as we look more broadly at this, as I said earlier, Congressman Wilson, we did not get into this overnight, and it is going to take time to get us out of this. We are given a top line as the President's budget had to deal with a lot of priorities, and we are doing the best we can with the money that we have been given, which is an increase over what past years have committed to DOD. Is it enough?

Can I give you a timeline on this? Probably not right now, but it is going in the right direction, and I think we would all agree with that even if it is not sufficient in terms of getting us where we need to go. But the Congress has the purse strings, and if the Congress decides to fund the unfunded priority list, some of these issues are listed right there, then that money can be applied to it.

Mr. WILSON. And specifically, Mr. Secretary, the Navy alone submitted unfunded requirements of more than \$690 million for critical repairs to airfields, dry docks, wharfs, and other facilities. The Air Force asked for more than \$858 million, the Army for \$820 million. What is the explanation for the committee and how should we accept whether the budget request is adequate when the services are asking for so much, and really there has been a great description by Congresswoman Cheney that we are in a holding pattern, and so we want to work with you, and so how quickly can we get this done?

Secretary MATTIS. Sir, the budget is growing, so a holding pattern I do not agree with. It is not sufficient to address all the shortfalls that grew over the years. I will be the first to admit that, and if the Congress sees fit to give us enough money to do all that then we can probably do it a lot faster. But for me to give you an estimate would take a heck of a lot of analysis and a firm, stable budget horizon that we have not enjoyed in a decade.

Mr. WILSON. Thank you very much again for all of you being here tonight.

The CHAIRMAN. Mr. Gaetz. Make it good.

Mr. GAETZ. Thank you, Mr. Chairman. I am not sure when the Secretary said that he kept others up at night, he quite had this in mind.

Mr. Secretary, please know that the warfighters in my district in northwest Florida are as proud of you as I am certain you are of them. We have spent now 4 hours in this hearing to essentially answer this question: If we gave you more money than the administration requested with a stable budget horizon, could you use it effectively?

Secretary MATTIS. Yes, Congressman, we could.

Mr. GAETZ. And would that effective use of money above and beyond what the administration has requested make our troops safer in combat?

Secretary MATTIS. We would ensure it did.

Mr. GAETZ. And would the money that we could provide above and beyond what the administration has requested do a great deal to advance America's interests throughout the world?

Secretary MATTIS. I would presume so, yes.

Mr. GAETZ. And as we sit here today is it accurate that the average airplane in our Air Force is about 27 years old?

Secretary MATTIS. I would have to confirm that, but it sounds—it is in the ballpark.

Mr. GAETZ. At any other time in the Air Force's history has the average age of an aircraft been higher?

Secretary MATTIS. I do not believe so, but, again, I would have to look at the specific data.

Mr. GAETZ. And today in the Air Force would we have to say that more or less than half of our fighter squadrons are full-spectrum ready?

Secretary MATTIS. Well, Congressman, again, I prefer not to get too specific in open hearing, but I think you are about right.

Mr. GAETZ. And the fact that we have an Air Force where perhaps readiness is less than optimal with aircraft that are older than at any other time in the Air Force's history, could you take just a moment and reflect on the impact that has on our ability to project power and the safety of those that we send into combat?

Secretary MATTIS. Well, Congressman, I think you have heard from the Chairman tonight. We have pilots who are not flying enough to stay current in their aircraft or have their confidence in the aircraft. We have readiness problems across the force and these for anyone I think who has been on this committee for more than a year probably this is not a surprise.

It was a bit of a shock for me coming back to the Department. But what you are outlining appears to be a pretty good definition of the problem.

Mr. GAETZ. Earlier in response to a question you indicated that you thought Qatar was moving in the right direction. I appreciated that characterization because it is quite binary. In a world that is always moving, things are always going in the right direction or in the wrong direction. What characterization would you apply to Turkey, are they going in the right direction or the wrong direction?

Secretary MATTIS. Well, in what regard, sir?

Mr. GAETZ. In the same regards in which you answered the question as it related to Qatar.

Secretary MATTIS. Qatar was in regard to whether or not they were moving away from funding, and much of it was private funding, not governmental, but funding of any kind of violent extremist, and in that regard they are moving in the right direction. I am not aware of Turkey funding violent extremists.

Mr. GAETZ. Then in the broadest sense, Mr. Secretary, of Turkey's interaction with the world, with our allies, taking into account our utilization of Turkish airspace, military assets, also taking into consideration, you know, the challenges that we have in the Aegean with the Greeks and the Turks, is Turkey moving in the right direction or the wrong direction?

Secretary MATTIS. Turkey is a NATO ally, as you know. It has got internal political issues that they are dealing with. They provide an air base that has been invaluable in the fight against ISIS.

It is a mixed bag in that regard, but I think right now we are doing the best we can to work with Turkey in areas where we have common interests in order to take advantage of the situation that they provide being right on the border of being a frontline state against terrorists.

Mr. GAETZ. Thank you so much, Secretary Mattis.

I yield back, Mr. Chairman.

The CHAIRMAN. Thank you, both, for responding to all the questions that this committee put to you.

I think you can tell, there is bipartisan interest in going above 603. There is also bipartisan interest in working with you to reform the Department to be more agile and more efficient, which is also a part of the equation.

So needless to say, we have got lots of work together yet to come.

Without objection, members have 3 legislative days in which to submit extraneous material for inclusion into the record consistent with the committee policy limits.

And with that, the hearing stands adjourned.

[Whereupon, at 11:04 p.m., the committee was adjourned.]

A P P E N D I X

JUNE 12, 2017

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

JUNE 12, 2017

**Opening Statement of Hon. William M. “Mac” Thornberry
Chairman, House Committee on Armed Services**
HEARING ON
**The Fiscal Year 2018 National Defense Authorization Budget Request
from the Department of Defense**
June 12, 2017

The committee meets to receive the testimony of the Secretary of Defense and the Chairman of the Joint Chiefs of Staff on the Administration’s fiscal year 2018 budget request.

We welcome Secretary Mattis for his first hearing before our committee, and we welcome Chairman Dunford back.

The question today, as it is each year for this hearing, is how well the Administration’s proposal meets the security needs of our nation – factoring in both the external threats and the current state of our military.

This committee has repeatedly heard testimony over the past two years that our country faces more serious, complex security challenges now than we have ever faced before. And the hearings and briefings we have held on the current state of our military have been disturbing.

The Administration’s budget request of \$603 billion for base requirements is 6% above the FY 2017 enacted levels and 3% above the last Obama Administration budget proposal. It is also \$37 billion below what this committee assessed last fall was needed and about \$58 billion below the FY ’12 Gates budget, which was validated by the bipartisan National Defense Panel.

But, of course, the issue is not numbers. The issue is what those numbers provide for the men and women who serve and what security the budget provides to the nation. It is about whether we can defend the U.S. and our allies against North Korean missiles, for example. It is about whether we have the number of ships and planes and other military capability to deter aggression and maintain peace. It is about doing right by our most valuable asset – our people. The men and women who serve deserve the best weapons and equipment our country can provide, and today they are not getting it.

It is always tempting to divert this discussion into the broader budget debate related to taxes and other spending programs. Those issues are not within the jurisdiction of this committee or of these witnesses. But regardless of our views on those issues, we cannot wait until we solve our budget problems to adequately fund our military. We cannot wait until we perfect our acquisition system to have planes that fly and ships that sail. The world is not stopping and waiting on us to get our act together. It moves on, and it is moving in a dangerous direction.

2018 is a key decision point. We have spent six years just getting by, asking more and more of those who serve, and putting off the choices that

have to be made. We cannot keep piling missions on our service members without ensuring they have all they need to succeed.

Does this Administration's budget proposal accomplish that? That is the question before us.

**House Armed Services Committee Ranking Member Adam Smith
Opening Statement - Prepared**

**Full Committee Hearing on
The Fiscal Year 2018 National Defense Authorization Budget Request
from the Department of Defense
June 12, 2017**

Thank you, Mr. Chairman. I would like to welcome Secretary Mattis and General Dunford and to thank them both for appearing this evening. Their testimony is instrumental to our consideration of the National Defense Authorization Act for Fiscal Year 2018.

The United States continues to confront an array of national security challenges. We know that Russia, China, North Korea, Iran, and numerous violent extremist organizations, such as ISIL and al Qaeda, threaten the international rules-based order in a variety of ways. The threats posed by Russia are especially concerning. Russian meddling in electoral processes, a revanchist Russian posture in Europe, and the Russian military's aggressive employment of destabilizing cyber and hybrid warfare methods illustrate systematic efforts to undermine liberal democratic institutions in order to promote those grounded in authoritarianism and kleptocracy. Through its efforts, Russia aims to disrupt our governmental and economic systems and to weaken our standing within the international community. As a result, Russia presents a clear and present danger to our safety and security, our liberties, and our way of life.

The United States must concentrate its efforts on countering this threat. In doing so, it must implement a whole-of-government strategy, which will: strengthen our defenses, deter Russian aggression, engage more expansively in the international arena and build greater solidarity among our many allies and partners around the world, uphold internationally-accepted norms, and reinforce our values. Given how interconnected the world is, it has never been more important to show collective resolve against common threats. We cannot face them alone. Our counter-Russia strategy must also harness extensive national capabilities, including military, diplomatic, and development assistance capabilities, across all geographic regions, functions, and domains. Comprehensive threats demand comprehensive responses.

A similarly engaging and comprehensive approach must be taken regarding violent extremism. A successful counterterrorism strategy will require long-term commitment, and military means are only a part of the package. Addressing violent extremism with military force may be necessary, but it is insufficient. We must also address the political, economic, and social conditions that fuel the discontent, upon which violent extremist ideologies prey. We must encourage and facilitate reconciliation among political, ethnic,

and sectarian factions, support productive economic reforms, promote civil liberties and respect for human rights, and expose the reprehensible aspects of violent extremist ideologies in order to delegitimize their appeal. Again, we are not alone in this struggle. The cooperation and assistance that we receive from our allies and partners in this endeavor is crucial to success.

That is why the mixed messages that this Administration is sending to Qatar, regarding its dispute with certain other Gulf countries, are disconcerting to me. Qatar is a key defense partner of the United States, and it hosts a major U.S. military installation. Yet, the President is willing to risk alienating Qatar and the strategic relationship that we share by issuing hardline rhetoric that implicitly supports those disputants who have imposed an economic embargo on Qatar. Why is he exacerbating the issue instead of doing everything he can to mediate an agreeable way forward? The United States should be exercising constructive leadership. If the United States, Qatar, and other partners can make improvements that progress the fight against terrorism, then let's work together to realize them. I look forward to hearing our witnesses' views on how we might improve our security relationships with Qatar and other partners around the globe. I also welcome their views on how the new Administration's regional policies are taking shape with respect to our significant military involvements in Iraq, Syria, Afghanistan, Yemen, and Somalia.

The security environment in that region and elsewhere will continue to evolve in ways that will surely affect our national interests. Therefore, the United States will need to maintain a modern, balanced, and ready force that can meet significant challenges with a spectrum of effective capabilities. To do this, we need fiscal certainty. The President has requested a total of \$639.1 billion for the Department of Defense for fiscal year 2018. That is a lot of money. Indeed, the President's request far exceeds the budgetary caps imposed by the Budget Control Act of 2011 (the BCA), and it assumes that Congress will provide legislative relief.

I have long held that Congress should eliminate sequestration and lift the BCA caps. However, securing defense dollars by raiding the non-defense accounts is unacceptable. Investments in diplomatic efforts, foreign assistance programs, and emergency preparedness also need to be prioritized, and we need to invest heavily in infrastructure, research and innovation, energy solutions, education, health care, and many other facets of enduring national strength. National security involves much more than defense. I am especially disappointed by the Administration's willingness to subsidize increased defense spending by making cuts to important State Department and USAID programs, which would affect U.S. support to the United Nations (including UN peacekeeping organizations), foreign military assistance, and development assistance. This inclination is misguided, as it would detract from the engaging, whole-of-government approaches needed to address our most serious national security concerns.

We also need to enact reforms that will yield future savings. The Department should be given the flexibility to reduce excess infrastructure and overhead and to revise and balance force structure as may be appropriate. We have a duty to manage our country's resources responsibly in fielding an effective military. We must invest wisely when it comes to national security.

Thank you, Mr. Chairman. I look forward to receiving our witnesses' testimony.

**SECRETARY OF DEFENSE JIM MATTIS
HOUSE ARMED SERVICES COMMITTEE
WRITTEN STATEMENT FOR THE RECORD
MONDAY, JUNE 12, 2017**

Chairman Thornberry, Ranking Member Smith, distinguished members of the committee, I appreciate the opportunity to testify in support of the President's budget request for Fiscal Year 2018.

I am pleased to be joined by Chairman Dunford and the Department's new Comptroller, Under Secretary of Defense David Norquist.

This budget request holds me accountable to the men and women of the Department of Defense. Every day, more than two million Service members and nearly one million civilians do their duty, honoring previous generations of veterans and civil servants who have sacrificed for our country. I am mindful of the privilege it is to serve alongside them.

We in the Department of Defense are keenly aware of the sacrifices made by the American people to fund our military. Many times in the past we have looked reality in the eye, met challenges with Congressional leadership, and built the most capable warfighting force in the world. There is no room for complacency and we have no God-given right to victory on the battlefield. Each generation of Americans, from the halls of Congress to the battlefields, earn victory through commitment and sacrifice.

And yet, for four years our military has been subject to or threatened by automatic, across-the-board cuts as a result of sequester – a mechanism meant to be so injurious to the military it would never go into effect. In addition, during nine of the past ten years, Congress has enacted 30 separate Continuing Resolutions to fund the Department of Defense, thus inhibiting our readiness and adaptation to new challenges.

I need bipartisan support for this budget request. In the past, by failing to pass a budget on time or eliminate the threat of sequestration, Congress sidelined itself from its active Constitutional oversight role. It has blocked new programs, prevented service growth,

stalled industry initiative, and placed troops at greater risk. Despite the tremendous efforts of this committee, Congress as a whole has met the present challenge with lassitude, not leadership.

For much of the past decade, my predecessors and prior members of the Joint Chiefs of Staff testified that sequestration and the continued use of Continuing Resolutions would result in a steady erosion of military readiness. In 2013, then-Secretary of Defense Leon Panetta, former Chairman of the House Budget Committee and the former Director of the Office of Management and Budget, testified sequester was "guaranteed to hollow out the force."

I retired from military service three months after sequestration took effect. Four years later, I returned to the Department and I have been shocked by what I've seen with our readiness to fight. For all the heartache caused by the loss of our troops during these wars, no enemy in the field has done more to harm the readiness of our military than sequestration. We have only sustained our ability to meet America's commitments abroad because our troops have stoically shouldered a much greater burden.

It took us years to get into this situation. It will require years of stable budgets and increased funding to get out of it. I urge members of this committee and Congress to achieve three goals:

- First, fully fund our request, which requires an increase to the Defense budget caps;
- Second, pass a FY 2018 budget in a timely manner to avoid yet another harmful Continuing Resolution; and
- Third, eliminate the threat of future sequestration cuts to provide a stable budgetary planning horizon.

Stable budgets and increased funding are necessary because of four external forces acting on the Department at the same time.

The first force we must recognize is 16 years of war. This period represents the longest continuous stretch of armed conflict in our Nation's history. In more than a quarter century since the end of the Cold War, our country has deployed large-scale forces in active operations for more months than we have been at peace.

When Congress approved the All-Volunteer Force in 1973, our country never envisioned sending our military to war for more than a decade without pause or conscription. America's long war has placed a heavy burden on men and women in uniform and their families.

In recognition of these demands, Congress devoted more resources to recruiting and retaining members of the military. As a result, personnel costs as a fraction of the defense budget have risen over time.

Meanwhile, the war has exhausted our equipment faster than planned. Congress and the Department could not anticipate the accumulated wear and tear of years of continuous combat use. We have had to procure replacement gear and spend more money to keep gear serviceable and extend its service life. Due to this extensive use of our equipment across the force, operations and maintenance costs have also increased, rising faster than the rate of inflation during the past 16 years.

Worn equipment and constrained supplies have forced our personnel to work overtime while deployed or preparing to deploy. That too has placed an added burden on the men and women who serve and on their families. This further degrades readiness in a negative spiral, for those not in the fight are at a standstill, unable to train as their equipment is sent forward to cover shortfalls or returned for extensive rework.

My predecessor, Secretary Gates, stated annualized real defense budget increases and efficiencies of two to three percent above inflation are needed to sustain the All-Volunteer Force in a way that keeps personnel, modernization, and readiness accounts in balance. In the six years since the passage of the Budget Control Act, a period of declining, flat, or modestly increasing budgets, we have not kept this balance.

Not long ago we convinced ourselves that when we pulled out of Iraq and ceased combat operations in Afghanistan, we would take two or three years to “reset and reconstitute” the force. Today’s operations dictate the best we can do is “reset and reconstitute in stride,” a reality that imposes its own stress on the Force.

A second concurrent force acting on the Department is the worsening global security situation. Our challenge is characterized by a decline in the long-standing rules-based international order, bringing with it a more volatile security environment than any I have experienced during my four decades of military service.

The most urgent and dangerous threat to peace and security is North Korea. North Korea’s continued pursuit of nuclear weapons and the means to deliver them has increased in pace and scope. The regime’s nuclear weapons program is a clear and present danger to all, and the regime’s provocative actions, manifestly illegal under international law, have not abated despite United Nations’ censure and sanctions.

We also look on the prospect of a new era, one governed by today’s economic realities and returning once again to a balance of powers. A return to Great Power competition, marked by a resurgent and more aggressive Russian Federation and a rising, more confident, and assertive China, places the international order under assault. Both Russia and China object to key aspects of the international order so painstakingly built since the end of World War II. Both countries are making their objections known by challenging established international norms, such as freedom of the seas and the sovereignty of nations on their periphery.

Moreover, the breakdown of the broader Mideast order has given rise to terrorist groups, including Al-Qaeda and the Islamic State of Iraq and Syria (ISIS). Security vacuums have allowed a revolutionary Iranian regime to sow violence, provoke wider Sunni-Shia confrontation, and pursue regional hegemony. More broadly, this need to preserve our security also requires us to sustain the international presence in Afghanistan to help stabilize the South Asia region and deny terrorists a safe haven.

Instability in the Middle East spills over into other regions. Extremists and extremist ideologies have spread to Europe, Africa, and Asia. Numerous countries are dealing with forced migration of people seeking to escape violence and despair, reminding us that problems originating in ungoverned or combat torn areas don't remain there. The United States is engaged in the Middle East to help restore order and give the people who live there a more hopeful future, building a better security situation for Americans who want a safer and more prosperous world for our future.

As one observer of the world has noted, we are "faced with two problems: first, how to reduce regional chaos; second, how to create a coherent world order based on agreed-upon principles that are necessary for the operation of the entire system." That observer, Dr. Henry Kissinger, and his fellow members of the Greatest Generation witnessed first-hand the costs of military unpreparedness. They learned the paramount need to prevent hostile states from gaining dominance. And they understood that while there is no way to guarantee peace, the surest way to prevent war is to be prepared to win one.

Under any circumstances, however, reducing regional chaos in tandem with our interagency partners and international allies to help foster a coherent order requires adequate diplomatic and military resources.

Adversaries contesting the United States constitute a third force impacting the Department. For decades the United States enjoyed uncontested or dominant superiority in every operating domain or realm. We could generally deploy our forces when we wanted, assemble them where we wanted, and operate how we wanted. Today, every operating domain is contested.

Outer space, long considered a sanctuary, is now contested. This creates the need to develop capabilities and capacities for more resilient satellites designed to withstand persistent kinetic and non-kinetic attack.

Our dominance of the air is challenged by the proliferation of advanced integrated air defense networks and 5th-generation aircraft. The F-35 Joint Strike Fighter program,

longer range weapons, and unmanned systems will help us impose our will on potential adversaries while preserving our aircraft and crews in combat.

Our command of the seas is threatened by long-range, land-based guided munitions battle networks designed to attack our ships at increasingly longer ranges. Our undersea superiority, unquestioned since the end of the Cold War, and a key competitive advantage, is challenged by both Russia and China.

Our dominance on land in conventional, high-end combined arms maneuver is threatened by the introduction of long-range air-to-surface and surface-to-surface guided weapons, advanced armored vehicles and anti-tank weapons, and tactical electronic warfare systems.

Cyberspace is now a contested operating realm at the strategic, operational, and tactical levels of war.

Finally, our air, naval, ground and logistics bases are all under threat of accurate, all-weather, day-night guided munitions bombardment. This will complicate our operations and make passive and active base defenses more necessary and urgent.

A fourth concurrent force acting on the Department is rapid technological change. Among the other forces noted thus far, technological change is one that necessitates new investment, innovative approaches, and when necessary, new program starts that have been denied us by law when we have been forced to operate under Continuing Resolutions.

Rapid technological change includes developments in advanced computing, big data analytics, artificial intelligence, autonomy, robotics, miniaturization, additive manufacturing, meta-materials, directed energy, and hypersonics – the very technologies that ensure we will be able to fight and win the wars of the future.

Many of these advances are driven by commercial sector demands and research and development. New commercial technologies will change society, and ultimately, they

will change the character of war. The fact that many of these technological developments will come from the commercial sector means that state competitors and non-state actors will also have access to them, a fact that will continue to erode the conventional overmatch our Nation has grown so accustomed to.

In this competitive environment, the Department must pay much more attention to future readiness, and regaining our Joint Force conventional overmatch over time. We must be willing and able to tap into commercial research, recognize its military potential, and develop new capabilities and the operational and organizational constructs to employ them faster than our competitors.

We must also be prepared to deal with technological, operational, and tactical surprise, which requires changes to the way we train and educate our leaders and our forces, and how we organize for improved Departmental agility.

Improving our future readiness, rapid adoption of off the shelf technologies, and preparing to deal with surprise are critical to modernization efforts, but constrained budgets and acquisition regulations have limited our ability to keep pace with rapid changes and sustain our competitive advantage.

In response to these realities, the Department must develop new weapons and capabilities, adjust concepts of operations, adapt our training, and spend more time war-gaming and exercising to improve our ability to fight and win.

Each of these four forces – 16 years of war, the worsening security environment, contested operations in multiple domains, and the rapid pace of technological change – require stable budgets and increased funding to provide for the protection of our citizens and for the survival of our freedoms. Because as expensive as it is for the American people to fund the military, it is far less costly in lives and treasure than a conventional war that we are unable to deter because we are seen as weak.

I reiterate that security and solvency are my watchwords as Secretary of Defense. The fundamental responsibility of our government is to defend the American people,

providing for our security—and we cannot defend America and help others if our Nation is not both strong and solvent. So we in the Department of Defense owe it to the American public to ensure we spend each dollar wisely. President Trump has nominated for Senate approval specific individuals who will bring proven skills to discipline our Department's fiscal processes to ensure we do so.

This first step to restoring readiness is underway thanks to Congress' willingness to support the Administration's request for additional resources in FY 2017 to rebuild our most urgent needs. Your support of \$21 billion in additional resources allowed the Department to address immediate warfighting readiness shortfalls and to help fund the acceleration of the fight against ISIS.

This additional FY 2017 funding addresses vital warfighting readiness shortfalls, a necessary investment to ensure our military is ready to fight today, by putting more aircraft in the air, ships to sea, and troops in the field. Additionally, the funding provided for more maintenance, spare parts, training time, flying hours, munition stocks, and manpower.

We all recognize that it will take a number of years of higher funding delivered on time to restore readiness. To strengthen the military, President Trump requested a \$639.1 billion topline for the FY 2018 defense budget. Of this topline, \$574.5 billion supports Department of Defense base budget requirements – warfighting readiness and critical program requirements, including intelligence community requirements. The balance, \$64.6 billion, supports Overseas Contingency Operations (OCO) requirements.

The Department's FY 2018 base budget with its \$52 billion increase above the National Defense Budget Control Act cap is the next step to building a larger, more capable, and more lethal joint force. The FY 2018 budget reflects five priorities: restoring and improving warfighter readiness, increasing capacity and lethality, reforming how the Department does business, keeping the faith with Service members and their families, and supporting Overseas Contingency Operations.

The first priority is continuing to improve warfighter readiness begun in FY 2017, filling in the holes from trade-offs made during 16 years of war, and six years of continuing resolutions and Budget Control Act caps. This budget request, as directed by the National Security Presidential Memorandum “Rebuilding the U.S. Armed Forces” issued on January 27, 2017, identifies and improves shortfalls in readiness, specifically in training, equipment, maintenance, munitions, modernization, and infrastructure.

The 30-Day Readiness Review, completed as part of the development of the FY 2017 Request for Additional Appropriations, identified significant challenges to recovering readiness, including budget uncertainty, high operational tempo, and the time required to rebuild readiness properly. As a result of this review, the Department submitted the FY 2018 budget request to enable the Joint Force to counter national security threats, fulfill steady-state demand, and implement readiness recovery plans.

The Army remains globally engaged with more than 180,000 Soldiers committed to combatant command deterrence and counterterrorism operations. The FY 2018 budget will restore a larger, more capable and lethal modernized force to defeat emerging regional and global near-peer adversaries. Combat Training Center rotations and home station training will help the Army develop capabilities for full-spectrum warfare. Additional Soldiers, training, and equipment will enable the Army to make significant progress towards restoring and sustaining readiness longer.

The Navy will continue implementation of its Optimized Fleet Response Plan, reduce the long-term maintenance backlog, and train to ensure the Fleet is ready to fight. Requested funding provides stable and predictable maintenance and modernization plans, and forces trained to a single full-mission readiness standard. Predictably building readiness with continued implementation of the Optimized Fleet Response Plan will increase aircraft carrier availability, fund ship operations to the anticipated level of required operational days, and improve quality of work and quality of life for Sailors.

The Air Force will restore funding to its Flying Hour Program, increase aircraft sustainment, and grow training resource availability. These steps will enable personnel to regain proficiency in critical skill areas. Investments into training ranges will increase

capacity and modernize the simulated threats our young men and women need to overcome to counter adversaries. The Air Force will also invest in home station high-end training, reducing the requirement to deploy for training.

The Marine Corps is committed to remaining capable of responding to crises anywhere around the globe. FY 2018 investments emphasize readiness for deployed and next-to-deploy forces, maintenance for aging platforms, and funding to maintain critical modernization programs. Fully integrated Combined Arms Exercises for all elements of the Marine Air Ground Task Forces will help recover full-spectrum readiness.

The second priority is increasing capacity and lethality while preparing for future investment in the FY2019 budget, driven by results from the National Defense Strategy. The FY 2018 budget request addresses resource gaps in the capabilities, readiness, and capacity needed to project power globally in contested environments, while emphasizing preparedness for future high-end security challenges. The budget request supports this priority through investment in advanced capabilities to reassert our technological edge over potential future adversaries, while having more units ready to fight.

The FY 2018 budget request seeks to fill the holes and achieve program balance before beginning to significantly grow capacity in future years. Part of achieving a more capable force involves pursuing innovative ways to develop the force and concepts of operation to reverse unfavorable cost ratios adversaries would seek to impose on the United States in future warfighting environments. The FY 2018 investments include power projection capabilities, nuclear modernization, a stronger missile defense, space-based systems, and cyberspace operations. Several of these options will expand the competitive space to our advantage vice allowing an adversary to define a conflict. Our budget request also ensures that the nation's current nuclear deterrent will be sustained, and supports continuation of its much needed modernization process.

The third priority is reforming how the department does business. I am devoted to gaining full value from every taxpayer dollar spent on defense, thereby earning the trust of Congress and the American people.

The Department is committed to reforming the acquisition enterprise to improve its ability to be innovative, responsive, and cost effective. The Department has begun implementation of a range of reform initiatives directed by the 2017 NDAA, to include disestablishment of the Under Secretary of Defense for Acquisition, Technology and Logistics, and the establishment of the Under Secretaries for Research and Engineering, and for Acquisition and Sustainment. Consistent with section 901 of the National Defense Authorization Act for Fiscal Year 2017, this change will be in effect by February 1, 2018, or sooner if I'm able to set the necessary conditions.

The FY 2018 budget request includes notable reform efforts. I urge Congress to support the Department's request for authority to conduct a 2021 Base Realignment and Closure (BRAC) round, a cornerstone of our efficiencies program. The Department currently has more infrastructure capacity than required for operations - and foreseeable growth scenarios won't appreciably change this. I recognize the severity of BRAC's impact on communities and the careful consideration that members must exercise in considering it. In order to ensure we do not waste taxpayer dollars I would therefore greatly appreciate Congress' willingness to discuss BRAC authorization as an efficiency measure. That authorization is essential to improving our readiness by minimizing wasted resources and accommodating force adjustments. Waste reduction is fundamental to keeping the trust of the American people and is a key element of the efficiency/reform efforts that Congress and the Administration expect of us. Of all the efficiency measures the Department has undertaken over the years, BRAC is one of the most successful and significant – we forecast that a properly focused base closure effort will generate \$2 billion or more annually – enough to buy 300 Apache attack helicopters, 120 F/A-18E/F Super Hornets, or four Virginia-class submarines.

During Fiscal Year 2018 the Department is on track to enter into a full, agency-wide financial statement audit as required by statute. As part of this effort, the Department has established a Cost Decision Framework that leverages commercial best practices. This initiative will give decision makers the information they need to make a fully informed, cost-based decision.

The fourth priority is keeping faith with Service members and families. Military and civilian personnel are the foundation of the Department of Defense. The Nation's commitment to these patriots willing to serve our country is built into the FY 2018 budget request and is demonstrated by the number of initiatives and programs to support their professional development and their personal and family lives.

Comprising roughly one-third of the Department of Defense budget, military pay and benefits are the single largest expense category for the Department. I believe providing competitive pay and benefits is a necessity to attract and retain the highly qualified people needed in today's military. The right people are the Department's most valuable asset, but we must continually balance these requirements against other investments critical to readiness, equipment, and modernization to ensure the military is the most capable warfighting force in the world. Balancing resources is particularly important as the Department reshapes the force needed to remain effective in an uncertain future. Investment in military compensation, Blended Retirement, the Military Health System, and family programs are essential to fielding the talent we need to sustain our competitive advantage on the battlefield.

The fifth priority is support for Overseas Contingency Operations. The FY 2018 President's Budget requests \$64.6 billion, focusing on Operations in Afghanistan, Iraq, and Syria, increasing efforts to sustain NATO's defenses to deter aggression, and global counterterrorism operations. Specifically, ISIS and other terrorist organizations represent a clear and present danger. The U.S. remains united and committed with the 66 nations of the Defeat-ISIS Coalition – plus the European Union, NATO, Arab League, and Interpol – to destroy ISIS. We will continue to support partner nations' diplomatic and military efforts through a security cooperation approach. I am encouraged by the willingness of our allies and partners to share the burden of this campaign.

The FY 2019 budget, informed by the National Defense Strategy, will grow the All-Volunteer Force. The Department will work with President Trump, Congress, and this committee to ensure the budget request we present for FY 2019-2023 is sustainable

and that it provides the Commander-in-Chief with viable military options in support of America's security.

Judicious spending of America's public money is critical to ensuring security while maintaining solvency. We already know we face a dilemma between increasing personnel end strength and force structure on the one hand, and investing in equipment as well as research and development on the other hand. These challenges are compounded by the pressing need to recapitalize the nuclear triad and the sealift fleet in the 2020s. The President's Nuclear Posture Review will look at all elements of U.S. nuclear forces to ensure that our nuclear deterrent, including our command, control, and communication systems, are appropriately tailored to deter emerging 21st century threats.

I know we will have to make hard choices as we develop our new defense strategy and shape the FY 2019-2023 defense program. With the help of Congress, I am confident we can build a force that is necessarily more lethal without placing an undue burden on the American economy.

I am keenly aware members of this committee understand the responsibility each of us has to ensuring our military is ready to fight today and in the future. I need your help to inform your fellow members of Congress about the reality facing our military – and the need for Congress as a whole to pass a budget on time.

Thank you for your strong support and for ensuring our troops have the resources and equipment they need to fight and win on the battlefield. I pledge to collaborate closely with you for the defense of our Nation in our joint effort to keep our Armed Forces second-to-none.

Chairman Dunford is prepared to discuss the military dimensions of the budget request.

###

James N. Mattis
Secretary of Defense

James N. Mattis became the 26th Secretary of Defense on January 20, 2017.

A native of Richland, Washington, Secretary Mattis enlisted in the U.S. Marine Corps Reserve at the age of 18. After graduating from Central Washington University in 1971, he was commissioned a second lieutenant in the U.S. Marine Corps.

During his more than four decades in uniform, Secretary Mattis commanded Marines at all levels, from an infantry rifle platoon to a Marine Expeditionary Force. He led an infantry battalion in Iraq in 1991, an expeditionary brigade in Afghanistan after the 9/11 terror attack in 2001, a Marine Division in the initial attack and subsequent stability operations in Iraq in 2003, and led all U.S. Marine Forces in the Middle East as Commander, I Marine Expeditionary Force and U.S. Marine Forces Central Command.

During his non-combat assignments, Secretary Mattis served as Senior Military Assistant to the Deputy Secretary of Defense; as Director, Marine Corps Manpower Plans & Policy; as Commanding General, Marine Corps Combat Development Command; and as Executive Secretary to the Secretary of Defense.

As a joint force commander, Secretary Mattis commanded U.S. Joint Forces Command, NATO's Supreme Allied Command for Transformation, and U.S. Central Command. At U.S. Central Command, he directed military operations of more than 200,000 soldiers, sailors, airmen, Coast Guardsmen, Marines and allied forces across the Middle East.

Following his retirement from the U.S. Marine Corps in 2013, Secretary Mattis served as the Davies Family Distinguished Visiting Fellow at the Hoover Institution at Stanford University, specializing in the study of leadership, national security, strategy, innovation, and the effective use of military force. In 2016, he co-edited the book, *Warriors & Citizens: American Views of Our Military*.

100

HOUSE ARMED SERVICES COMMITTEE

POSTURE STATEMENT OF

19TH CHAIRMAN OF THE JOINT CHIEFS OF STAFF

BEFORE THE 115TH CONGRESS

HOUSE ARMED SERVICES

BUDGET HEARING

JUNE 12, 2017

Chairman Thornberry, Ranking Member Smith, distinguished members of this committee, thank you for the opportunity to join Secretary Mattis in appearing before you today.

The U.S. military's competitive advantage against potential adversaries is eroding. Over the last decade, sustained operational commitments, budgetary instability, and advances by our adversaries have threatened our ability to project power and we have lost our advantage in key warfighting areas. The FY18 Budget Request will allow the Armed Forces to meet operational requirements, continue rebuilding warfighting readiness, and place the military on a path to balancing the Defense program. However, without sustained, sufficient, and predictable funding, I assess that within 5 years we will lose our ability to project power; the basis of how we defend the homeland, advance U.S. interests, and meet our alliance commitments.

Strategic Environment

In today's strategic environment, five key challenges - Russia, China, Iran, North Korea, and Violent Extremist Organizations - most clearly represent the challenges facing the U.S. military. They serve as a benchmark for our global posture, the size of the force, capability development, and risk management.

Over the past several decades, each of these state actors have developed capabilities and operational approaches to counter our strategic and operational centers of gravity. The United States' decisive victory in DESERT STORM in 1991 was a wake-up call for our adversaries. For Russia and China, specifically, the lessons-learned spurred dramatic tactical, operational, and strategic adaptations. Observing the power and efficacy of precision guided munitions and combined arms maneuver, both countries accelerated modernization programs to asymmetrically counter U.S. advantages. They adapted operational constructs to incorporate anti-access technology and

employed new doctrines to leverage high-tech weaponry across all domains. These efforts sought to limit U.S. freedom of navigation, deny our ability to gain and maintain air-superiority, negate the capability of our precision munitions, and limit our ability to employ sophisticated command and control systems.

Today, Russia continues to invest in a full-range of capabilities designed to limit our ability to project power into Europe and meet our alliance commitments to NATO. These capabilities include long-range conventional strike, cyber, space, electronic warfare, ground force and naval capabilities. Russia is also modernizing all elements of its nuclear triad and its non-strategic nuclear weapons. These capabilities are intended to enable Russia to counter U.S. and NATO power projection and undermine the integrity of the NATO alliance.

Similarly, China has embarked on a significant program to modernize and expand strategic and conventional military capabilities. They have expanded their nuclear enterprise and made investments in power projection, space, cyber, hypersonic weapons, cruise missiles, and ballistic missiles – even as they continue to build out their physical presence in the South China Sea. China is also investing heavily in 5th generation fighters, air-to-air missiles, air defense systems, and sea and undersea anti-access technologies to limit our ability to project power, operate freely, and meet our alliance commitments in the Pacific.

Russia and China are not alone in these pursuits. North Korea's nuclear weapons development, combined with efforts to develop a nuclear-capable ballistic missile capability, is specifically intended to threaten the security of the homeland and our Allies in the Pacific. Over the past year, North Korea conducted an unprecedented number of missile tests. Moreover, North Korea has demonstrated a willingness to use malicious cyber tools against

governments and industry. These actions destabilize the region and pose an increasing threat to U.S. and our allies.

Iran seeks to assert itself as the dominant regional power in the Middle East. They continue to support international terrorist organizations like Hezbollah, and support proxies in Syria, Iraq, and Yemen to assert influence and counter the influence of the U.S. and our Allies. They actively seek to destabilize their neighbors, and employ naval capabilities that threaten freedom of navigation. At the same time, they are modernizing an array of ballistic missiles, missile defense, space, cyber, maritime, and cruise missile capabilities.

Finally, Violent Extremist Organizations such as ISIS and al Qaida remain a threat to the homeland, our Allies, and our way of life. Violent extremism is fundamentally a transregional threat and a generational struggle that requires our military to work with interagency and coalition partners to disrupt external attacks, and dismantle their capabilities wherever they emerge. Even with the success of our continued efforts to defeat the Islamic State in Iraq and Syria, the threat of Islamic terrorism will remain.

A review of these five challenges demonstrates that the U.S. military requires a balanced inventory of advanced capabilities and sufficient capacity to act decisively across the range of military operations. As a nation that both thinks and acts globally, we cannot choose between a force that can address ISIS and other Violent Extremist Organizations, and one that can deter and defeat state actors with a full range of capabilities. Nor do we have the luxury of choosing between meeting our current operational requirements and developing capabilities that we will need to meet tomorrow's challenges.

However, as a result of sustained operational tempo and budget instability, today the military is challenged to meet operational requirements and sustain

investment in capabilities required to preserve – or in some cases restore - our competitive advantage.

Sustained operational tempo and demand have forced the Department to prioritize near-term readiness at the expense of modernization. Additionally, a conscious choice was made to limit the size of the force in order to preserve scarce resources necessary for essential investments in immediate upgrades to critical capabilities. As a result, today, demand for high-demand/low-density specialties often outpaces supply. Particular stress is felt in specialties such as ISR, missile defense systems, naval expeditionary forces, special operations forces, global precision strike units, and cyber forces. Additionally, over the past two years, munitions expenditures in ongoing operations against Violent Extremist Organizations exacerbated existing shortfalls.

Making matters worse, for the past five years, the Budget Control Act (BCA) has forced the Department of Defense (DoD) to operate with about \$450 billion less than planned and required. These reductions have been aggravated by repeated Continuing Resolutions (CR) which hamper long-term investment and often result in increased costs. For nine of the last ten years, the Department of Defense has operated under some type of CR, delaying critical new starts, deferring installation and infrastructure modernization, and canceling major training events. A year-long FY18 CR would cut \$33 billion from the Department's request, further exacerbating these problems.

Based on these factors, the Army has been forced to prioritize near-term readiness and now faces a shortage of critical capabilities and capacities in armor, air defense, artillery, and aviation. These deficiencies are made worse by manpower shortfalls in critical military specialties and training resource constraints. Consequently, the Army is limited in its ability to man, train, and equip fully-ready Brigade Combat Teams (BCT) and other critical enablers

required to deploy, sustain, and protect service members operating around the world.

For similar reasons, the Navy faces readiness challenges in both ships and aircraft. Operational requirements and capacity constraints in shipyards and aircraft depots have increased the time and cost required to conduct major repairs. Maintenance delays, low stocks of spare parts, lack of training ordnance, and aging infrastructure impair the Navy's ability to conduct integrated training. As a result, the Navy is limited in its ability to meet operational demand for maritime capability and power projection, especially in contested environments.

The Air Force is also challenged to balance operational demands and invest for the future. Today, the Air Force is short almost 1,500 pilots, including 800 fighter pilots, and more than 3,400 maintainers across all components. They lack sufficient resources to adequately support both 4th and 5th generation training. And they have delayed investment in 4th generation aircraft modifications while limiting the fielding of 5th generation strike-fighters. The result is fewer trained pilots available to deploy, over-tasked and aging aircraft, and delays in modernization programs required to defeat near-peer adversaries.

Over the last several years, the Marine Corps has been forced to delay planned investments in infrastructure, Command and Control, and ground systems required to build, train, and launch combat ready forces. Today, the Marine Corps lacks sufficient Ready Basic Aircraft for training and deployments and has delayed procurement of the F-35, CH-53K, MV-22, and KC-130J aircraft. These delayed investments limit the Marine Corps' strategic flexibility and inhibit its ability to meet operational demands.

If these trends continue, and the constraints of sequestration are not lifted, the Department will have to cut force structure, as the tradeoffs required to

maintain the capability and capacity of the current force are no longer sustainable. Going forward, the Department of Defense requires sustained, sufficient, and predictable funding to meet current operational requirements, restore readiness shortfalls, and place us on a path toward restoring our eroded competitive advantage.

Impact of FY17 Request for Additional Appropriations (RAA).

Congress' willingness to support the Administration's request for additional resources in FY 2017 was a necessary first step to reverse the impacts of under-investment over the last five years. The FY17 appropriation yielded improvements in immediate warfighting readiness by providing funding for modest increases to end strength that primarily filled holes in existing units, funding full spectrum training, beginning to replenish depleted ammunition stocks, and continuing the restoration and modernization of critical systems.

However, the FY17 Appropriations Bill did not fully address the Department's modernization and procurement requirements and significant, long-term readiness challenges remain. The Services' inability to fully fund procurement of key platforms continues to hamper readiness by limiting the number and types of platforms available for initial entry training, individual proficiency, and collective training. Because of this, the military begins the FY18 budget cycle in a less healthy position than if the FY17 RAA was fully funded, making full and on-time funding of this budget even more critical.

Intent of the FY18 Budget: What does it do?

The FY18 Budget Request builds on the readiness recovery started in FY17, starts to fill the holes created by the BCA, and begins to balance the program. It enables the Department to meet operational requirements, begin rebuilding mid- and long-term readiness, and begin restoring capability and capacity

necessary to improve lethality. These are essential first steps in arresting the erosion of the military's competitive advantage.

In Afghanistan, FY18 investments will reinforce improvements in the Afghan National Defense and Security Forces. In Iraq and Syria, the Budget Request funds emerging requirements and provides sufficient funding and authority for the defeat-ISIS train and equip fund. In Europe, the Budget Request provides a 40 percent increase in funding for the European Reassurance Initiative (ERI) that sustains ongoing assurance efforts, and improve the capability of the U.S. forces and our Allies to deter potential Russian aggression.

To rebuild warfighting readiness, the Army will fully man its combat formation, fund 19 Combat Training Center rotations in FY18, and increase resources for home-station training to ensure units maximize full spectrum readiness. The Navy will provide flying hours and increase depot maintenance to enable integrated air/sea training. The Air Force will invest in training required to improve 4th and 5th generation warfighting capability. The Marines will increase funding for flying hours, logistics, and engineering units, and focus training resources on amphibious and combined arms operations.

Maintenance resources included in the FY18 Budget Request also improve readiness. The Army will prioritize maintenance for equipment coming out of theater in order to prepare it for unit training and refill prepositioned stocks in Europe and the Pacific. The Navy will add critical workforce capacity that reduces ship and aviation depot maintenance backlogs. The Air Force will conduct overdue weapons system sustainment, increase maintenance for inter-theater airlift, and execute recapitalization of critical systems. The Marines will prioritize maintenance for MV-22, rotary wing, and fighter aviation to improve its survivability, mobility, and lethality.

To begin restoring capacity and lethality across the force, the FY18 Budget makes critical investments in Tactical Air (TACAIR), ships, space, and cyberspace, and begins essential nuclear recapitalization efforts.

Investments in TACAIR enable the Air Force, Navy, and Marine Corps to continue procurement of 5th generation fighters and fund upgrades to 4th generation fighters that fill shortfalls and begin to grow capacity. The Air Force will procure 46 F-35As and begin upgrades to F-16s. The Navy will procure 4 F-35Cs and 14 F/A-18E/Fs to mitigate its strike fighter shortfall. The Marines will procure 20 F-35Bs. These investments, coupled with investments in modernization of depot maintenance facilities, allow us to begin reversing the impact of delays in TACAIR modernization over the past five years.

The FY18 Budget Request supports the Navy's growth by supporting the procurement of 9 ships and continuing necessary investments to upgrade and modernize nuclear aircraft carriers, destroyers, littoral combat ships, TICONDEROGA-class cruisers, amphibious assault ships, and submarines. These investments are essential to enabling the Navy to project power, ensure forward presence and deterrence, ensure access to the global commons, and provide ballistic missile defense.

Continued improvement in space-based systems enables us to better protect satellites, improve tracking/discrimination capabilities, and continue domestic launch development. Cyberspace investments prioritize hardening information networks, defending against cyber-attacks, and continuing to build, train, and equip cyber mission forces and maturing cyberspace command and control. These advances improve both offensive and defense space and cyberspace capabilities and enhance the resiliency of our systems and networks.

The FY 18 Budget Request also invests in upgrades to the nuclear enterprise, including inter-continental ballistic missiles, nuclear submarines, strategic

bombers, and command and control systems. Continuing to maintain a secure and effective nuclear deterrent is essential to defending the homeland.

However, the FY18 Budget Request alone will not fully restore readiness or arrest the military's eroding competitive advantage. Reversing the impact of the past five years of sustained operational tempo and budget instability requires sustained investment beyond FY18.

What FY18 Budget Request doesn't do: Areas for continued investment.

Specific recommendations for FY19, and beyond, will be informed by the results of the National Defense Strategy. Today, however, we know that continued investment is needed to execute responsible growth in capacity, build advanced capabilities, and restore the long-term readiness. These investments are essential to ensuring our ability to project power and maintain a credible strategic deterrent.

We continue to consume readiness as fast as we build it and lack sufficient capacity to both meet today's operational requirements and rebuild the competencies necessary to defeat near peer adversaries. As a result, our units are training to meet their assigned missions at the expense of training for their designed mission. To break this cycle, we must increase capacity in critical areas such as C4ISR, fighter aircraft, armored BCTs, amphibious ships, and special operations forces. This additional capacity will allow us to meet today's requirements and prepare for tomorrow's.

We must also invest in advanced capabilities required to defeat near-peer adversaries. As we have prioritized readiness for ongoing operations, our adversaries have prioritized investment in technologies that exploit our vulnerabilities and limit our ability to project power. To ensure our competitive advantage, we must accelerate investments in systems that defeat adversary anti-access capabilities at sea and under the sea, improve our ISR resiliency,

guarantee access to space and cyber, and enable us to defeat integrated air defenses. These advanced capabilities are vital to maintaining the U.S. military's competitive advantage in all environments and across all domains. It is also essential that we restore Comprehensive Joint Readiness, the ability of the U.S. military to deploy, employ, and sustain itself anywhere in the world, while maintaining the flexibility to transition from one crisis to another, across the range of military options. This requires sufficient capacity, the necessary capabilities, and iterative training. Our Air Force must possess the right mix of 4th and 5th generation aircraft and have sufficient capacity to conduct integrated training. Our Navy must grow and modernize while preserving a globally-present fleet, capable of sailing and operating anywhere in the world. The Army and Marine Corps must fill unit short-falls and upgrade ground tactical vehicles while expanding full spectrum training. These investments are essential to projecting power in contested environments against any adversary and operating across the spectrum of conflict.

Additionally, we must invest in maintaining a credible strategic deterrent. Due to fiscal constraints, we have delayed modernization of all three legs of the nuclear triad and are now approaching decision points with no remaining schedule margins. Over the coming decades we must recapitalize our inter-continental ballistic missiles, ballistic missile submarines, strategic bombers, and many of our command, control, and communication systems. Recapitalization costs will be significant and can no longer be delayed if the United States wants to maintain a safe, secure, and effective nuclear deterrent.

Conclusion

Today, despite the challenges facing us, our military is the most capable military in the world. We need sustained, sufficient, and predictable funding to grow sufficient capacity, develop the correct mix of advanced capabilities, and ensure a ready force. These investments are necessary to ensure our ability to

defend the homeland and project power when and where required. With your help and commitment, we can preserve our competitive advantage and ensure that we never send America's sons and daughters in to a fair fight.

General Joseph F. Dunford, Jr.
Chairman, Joint Chiefs of Staff

General Joseph F. Dunford, Jr. is the 19th Chairman of the Joint Chiefs of Staff, the nation's highest-ranking military officer, and the principal military advisor to the President, Secretary of Defense, and National Security Council.

Prior to becoming Chairman on October 1, 2015, General Dunford served as the 36th Commandant of the Marine Corps. He previously served as the Assistant Commandant of the Marine Corps from 2010 to 2012 and was Commander, International Security Assistance Force and United States Forces-Afghanistan from February 2013 to August 2014.

A native of Boston, Massachusetts, General Dunford graduated from Saint Michael's College and was commissioned in 1977. He has served as an infantry officer at all levels, to include command of 2nd Battalion, 6th Marines, and command of the 5th Marine Regiment during Operation IRAQI FREEDOM.

General Dunford also served as the Assistant Division Commander of the 1st Marine Division, Marine Corps Director of Operations, and Marine Corps Deputy Commandant for Plans, Policies and Operations. He commanded I Marine Expeditionary Force and served as the Commander, Marine Forces U.S. Central Command.

His Joint assignments include duty as the Executive Assistant to the Vice Chairman of the Joint Chiefs of Staff, Chief of the Global and Multilateral Affairs Division (J-5), and Vice Director for Operations on the Joint Staff (J-3).

A graduate of the U.S. Army Ranger School, Marine Corps Amphibious Warfare School, and the U.S. Army War College, General Dunford also earned master's degrees in Government from Georgetown University and in International Relations from the Fletcher School of Law and Diplomacy.

DOCUMENTS SUBMITTED FOR THE RECORD

JUNE 12, 2017



INFORMATION SERIES

Issue No. 420

June 12, 2017

Nuclear Security and Strategic Force Modernization

Colin S. Gray

Colin S. Gray is the European Director and co-founder of the National Institute for Public Policy, and Professor Emeritus of Strategic Studies, University of Reading.

There is nothing extraordinary about current Russian-American dislike, distrust, and antagonism. What is happening today is not a return to the much unbeloved Cold War of quite recent memory (only 26 years), but rather to the enduring reality of international politics as usual. This persisting condition has always been characterized by competition – political, economic, and inevitably military also. If we read history as we should, we learn that distrust or more active dislike among great powers, including actual warfare, is both normal and to a degree inevitable. The most persisting reason is not hard to fathom. When security/threat analysts of national security scan the current and anticipatable international horizon, quite properly they look out first and primarily for the larger, indeed existential, threats to the wellbeing of their home country. Americans today are almost spoiled for choice among somewhat villainous regional and even sub-regional local states, as well as a more serious malevolent one. The latter category only has one member, Vladimir Putin's recovering Russia.

The Problem of Russia

When considered in historical context it is unlikely that Putin would warrant nomination even for the 'B' list of 'bad guys'. Yes, he lies, cheats, bullies and threatens neighbors, and flexes his growing military muscles to change borders, which makes him seriously unsuited for partnership in a top state duopoly of cooperative powers alongside Uncle Sam. Lest we forget, the sundry crimes and misdemeanors his particular Russian regime has committed have been entirely standard practice by Moscow for decades. It is necessary to remember always that Russia lives, and has always lived, in a very rough geopolitical neighborhood, one bereft of geographical help for defense, save for sheer space with the distances it provides and its weather. From the time of Tamerlane's rampaging Mongols in the late 14th Century to Hitler's storming Teutons in the 20th, Russians have learnt that national history has been one characterized by loss of life on a very large scale. They know, really know, that history periodically

© National Institute Press, 2017



INFORMATION SERIES
Issue No. 420 | June 12, 2017

produces horrific tragedies. Even if or when victory eventually is achieved, not infrequently it has been earned at an extremely high price.

Russia can never be an enduring friend and well trusted ally because international politics almost literally mandates antagonism, if not outright hostility in the relations between near-equals with competing interests. There is no inevitability of war between the two states, but the danger and risk of such an eventuality cannot be totally expunged. There is an apparent permanence in the mutuality of nuclear deterrence that holds in Russo-American relations. Nonetheless, given the danger that lurks in the situation it is desirable that some anxieties should be present in both countries. This is truly serious business and it is necessary that neither party should forget that fact. Given its history, it is perhaps no surprise that Russian leaders have not forgotten this point over the past two decades, unlike many in Washington.

The future is not foreordained and therefore reliably predictable, not, at least, so far as we know or can ascertain. Nonetheless, there are grounds for considerable optimism. While Russia will never be our friend, with prudent Western steps there is ample reason to believe that Russia will never be convinced she can take advantage of the United States over a matter about which the American public cares profoundly. Of course, even confident expectations of expert analysts, occasionally are proven wrong by the actual unfolding of history – demonstrating once again the inherent uncertainty of political decision-making. The demise of the deeply unlovable USSR in late 1991, for example, generally was neither anticipated nor expected.

Alas, the end of that great socialist experiment did not herald the emergence of a new and benign dawn, one shedding light on old problems and illuminating a path forward for the human race. There was no tomorrow garlanded with evidence of good intentions for international peace and security. Not only did that fail to happen, its occurrence was not possible. The reasons were both all too human and also rather abstract. On the human front, when the United States emerged from a condition of Cold War warrior as the victor (and survivor) its leaders were more than somewhat surprised by the precipitate and non-violent collapse of its rival of the preceding 46 years. A few people were not surprised, Dr. Andrew Marshall and his Office of Net Assessment in the Pentagon, for honorable example. Understandably, it took some little time for Americans to absorb fully the definitive fact of Soviet disintegration and collapse; but what did it mean for the near term and beyond? Politics, internal, international, and a mix of the two, were as unpleasant as ever, if not worse, from the 'Horn' of Africa to Cambodia, and especially in the Balkans, where the death of Marshal Tito was taken as a 'start' signal seemingly for every ambitious politician in states or nascent 'statelets' in the region. The new, currently much disordered and seriously demographically and geographically diminished, Russia unsurprisingly meddled. However, it did not do so in a way or with a weight that much troubled the White House of Bill Clinton in the 1990s, nor did more significant and violent meddling appear to much trouble subsequent American administrations.

Russia's Revival

By the end of the Millennium and for a very few years thereafter it was not understood with much clarity in the United States that great states may be shaken, but that is unlikely to be the end of the story. As a consequence of a fall from greatness they can be stirred into revival in a form that works well enough



INFORMATION SERIES
Issue No. 420 | June 12, 2017

for a while. In 1917 Russia was stirred by defeats and poor military performances both at home and abroad, but following four terrible years of civil war and foreign intervention the country was obliged to try something new, whether or not it so desired. The choice of the time was less than glittering—leading to the rise of Josef Stalin without any resemblance of free and fair elections.

What we need to appreciate is that Russia's history bequeathed a political culture that has expression in a strategic culture utterly unlike the American. To back up briefly: it is entirely usual for powerful states to be suspicious of each other. What has been, historically unusual, though not unprecedented, has been for there to be only two states in a topmost class of superpowers. Russia slipped in the competitive ratings seriously in the decade that followed immediately after the official dissolution of the USSR. Rather superficially this wounded condition was partially repaired in the 2000s, in the 'guided democracy' of neo-czarist Vladimir Putin. His Russia is a state back both with a vengeance, and very evidently seeking some vengeance upon those who disrespected the interest and wishes of a distinctly unholy recreation of Holy Russia.

It is important for us to recognize that our current troubles with Russia reflect not only the disagreements of here and now, but also are faithfully reflective of the entire historical narrative. When two powers rise far above the rest of the world they are almost condemned by what is common to their natures to be rivals. Blame for the antagonism always can be located if one looks hard enough, but that exercise is futile, often misleading at least. The hostility is an inevitable and unavoidable consequence of the geometry of power. Each of two superpowers, even only great powers, have no prudent choice in their statecraft other than to regard the other through a lens colored by suspicion. It is only prudent for them to stress the taking of measures for the practical goal of prevention of possible subsequent regret. This is the demonstrated way of international relations and the rather unhappy context within which the United States and the West more broadly finds itself today.

Nuclear Weapons

We have lived with nuclear weapons for so long now (72 years) that it can prove quite a challenge to try to think through just how great their influence has been for both national and global security. Whether or not they are widely understood, two facts govern the reality of nuclear arsenals. The first pertains to the permanence of these weapons: they are here to stay. I need to cite this certainty since some people hold deeply moral and possibly religious objections to nuclear weapons. I do not doubt their sincerity or even the sense in some of their arguments. However, I am no less sincerely convinced that nuclear weapons have entered human weapons' arsenals on a permanent basis. Indeed, it may be unfortunate but still probable that it would prove extraordinarily dangerous to attempt to implement very large scale denuclearization, unilaterally, bilaterally, or on a global basis. It is all too easy to forget that although these weapons are indeed fearsome tools of state they did not appear, as it were magically from nowhere. Rather they were and remain the products of political competition between politically organized communities. The weapons exist because of the needs driven by human insecurities. History provides ample evidence of the bad results that tend to flow as a consequence of undeserved optimism about the amity possible in international relations. Nuclear weapons and their various means of delivery are not and cannot be the problem. The problem, rather, is the enduring search for security manifested in the struggle to attain influence. Given that this character of our behavior often is judged in moral terms, we can appreciate that such fundamental debate over nuclear weapons is not likely to be helpful for policy



INFORMATION SERIES
Issue No. 420 | June 12, 2017

and strategy. Nuclear weapons are what they are, and they are what they are because international relations are a reflection of us as we are, and by all appearances have always been.

The second often under-recognized fact about nuclear weapons is that they do not lend themselves at all easily to a strategic framework for employment in and by statecraft. The idea of nuclear strategy trips readily enough off a lecturer's tongue but familiarity should not be permitted to promote foolish disrespect. It may be helpful to recall the bare basic structure of strategy which is expressed in the standard formula comprising these elements: Ends, Ways, Means - and Assumptions. I will admit that the tail-end concept here is a personal insistence of mine. The United States has a nuclear strategy as it must, as does Russia. However, there is little doubt that an actual war would rapidly find nuclear expression that must strain toward and beyond breaking point the resilience of any state's society. It is relatively easy to conceive of a very small number of these weapons being employed to make a political point, but it is difficult to conceive how the hundreds and more weapons in both superpowers' arsenals could be employed for any politically meaningful, sensible purpose. Obviously, one would think, this has to mean that the superpowers could not risk causing catastrophe that easily would be far worse than any in humanity's bloody history—exceeding by far even the excesses in slaughter effected by Tamerlane's Mongols.

What is almost all too obvious is the strong likelihood that the slide from small (even just token) nuclear use on or for the battlefield in Europe, to a 'central' (homeland to homeland) war, could be unstoppable. Virtually any size of nuclear war would be catastrophic, and possibly nationally terminal for the relatively small states that comprise NATO in Europe. It is not self-evident that even the super-size superpower states—the United States, Russia, and China—could wage nuclear war for prudent political ends. In short, major nuclear war would not only be grossly imprudent, it would be literally beyond the bounds of strategy. Nonetheless, it is not a physical impossibility. All too plainly, nuclear employment needs to be deterred, and, in the case of some lesser nuclear-armed states, even physically disabled where feasible.

With considerable reluctance this essay is obliged to recognize the inevitability of an enduring nuclear policing role for the United States. This is not a matter for choice; it is driven by the realities of international politics. In practice, the only prudent question to pose is that of the nuclear capable armament required for American weapons today and tomorrow given that our choice is distinctly limited by the facts we know about our principal state competitor. The Russia we know well enough by now is a ruthless competitor for influence in the search for ever greater security. This is not an immoral goal, although it may be carried out in immoral ways. Rather it is usual for great states to press their influence outwards until it runs into a barrier that can only be overcome by the threat or use of countervailing force. All great powers, not excluding the United States, behave similarly. However, this time in the lengthy historical narrative, the great power that is striving to expand its domain both of actual ownership and influence at least, runs up against an opposing Alliance system in the character of a NATO that remains nuclear armed, despite some internal pressures to disarm. In order to stand some reasonable chance of deterring or frustrating any Russian invasion, the Alliance will need to have some resort to nuclear weapons. If such resort would be a NATO initiative sought in military desperation, we might assume that the number of weapons used would be few. However, that cannot be a prudent assumption because the Russian military incentive to launch a preemptive nuclear attack might well be compelling.



INFORMATION SERIES
Issue No. 420 | June 12, 2017

Prudent Modernization of the Triad

The sad state of world affairs sketched briefly above leaves us with little prudent choice for national and international security. What we can do, however, is ensure that such prospects as there might be for careful control and limitation of nuclear weapon employment, are fully prepared. A survivable and flexible nuclear force has long been recognized as key to this deterrence goal.

It is in that context that we need to address the urgent issue of modernization and, where necessary, replacement of elements in America's Triad of strategic forces (ICBMs, SLBMs, and Manned Bombers). Not all audiences appreciate just why this Triad needs attention. First and foremost is the fact that these strategic forces are akin to being the crown jewels of our country in strategic terms. They comprise complementary capabilities that could ruin any foe far beyond any possibility of recovery, and as part of a proper deterrence strategy, can effectively communicate this result to a spectrum of bad actors and thereby help deter their provocations. As much to the point, the performance of America's non-nuclear conventional forces to support our interests and allies abroad is given needed deterrence cover by the dreadful menace posed by our strategic forces. As Herman Khan explained more than fifty years ago, a process of escalation connects the different kinds, levels, and amounts of force employed.¹

The entire American Triad now begs for modernization to remain operational in coming years, and deserves the attention and support of the U.S. leadership. In particular, the Long Range Stand-Off (LRSO) cruise missile will be a weapon with a performance character that must be highly desirable, even essential, to meet the kind of challenges of most concern here. Replacing the old ALCMs (Air-Launch Cruise Missiles) of 1980s vintage, the LRSO will be "stealthy" and have the extensive range to ensure that our manned bomber force is not compelled of necessity to attempt to penetrate the advanced air defenses of the late 2020s and beyond.

Uniquely among strategic forces, manned bombers are relatively slow to complete their missions and are recallable on command, which may be of great utility during a crisis. Yet, our bombers could have difficulty penetrating opponents' active defenses in future years—hence the clear need for the "stand off" capability inherent in the LRSO. The weapons carried primarily could be conventional and precisely targetable for counterforce effect or they could be nuclear. Analysis shows that the LRSO option all but makes itself as being vital for the long-term health of the U.S. Triad of strategic forces. While the ICBM force is needed in order to hold heavily protected and probably defended targets at prompt risk, and the SLBM force to provide enduring deterrent effect, the airborne leg of the Triad can offer purposeful delay, even recall response in real-time to orders, and high flexibility as to use, timing, and signaling. The B-21/LRSO marriage offers an excellent investment prospect for a notably insecure world and wider flexibility for deterrence and assurance missions in the future; much more so than the B-21 and nuclear gravity bombs alone could credibly accomplish.

An issue for LRSO critics is an overwrought concern that an adversary, presumably Russia, could mistake a *conventionally* armed U.S. cruise missile for a *nuclear*-armed LRSO during a crisis, and that this misunderstanding could escalate a crisis dramatically.² Many things are possible, of course, but recent history demonstrates that this concern is overstated. The United States has employed dual-capable cruise missiles in conflicts around Russia's periphery on multiple occasions in recent decades, for example: in Iraq in 1991, in Bosnia in 1995, in Kosovo in 1999, in Afghanistan in 2001, in Iraq in 2003, and



INFORMATION SERIES
Issue No. 420 | June 12, 2017

against Syria in 2017, without any such problems. Indeed, Russia itself seems to have no qualms about launching dual-capable cruise missiles over and near stationed U.S. forces in the Middle East. In addition, if dual-capable cruise missiles are deemed so “destabilizing,” then U.S. bombers and dual-capable aircraft must similarly be labelled since they too can carry both conventional and nuclear weapons. But any such designation can only be considered far-fetched, and indeed LRSO critics have not made this charge against our bombers or other dual-capable aircraft. Finally, the concern about LRSO and dual-use technology, beyond being unpersuasive, is vastly outweighed in a net assessment because LRSO will be uniquely valuable for the priority goals of deterrence, assurance, and damage limitation.

Conclusion

The international security environment breeds competition and suspicion among great states, and contemporary U.S.-Russia relations reflect this harsh reality. Russian national goals are inimical to U.S. and NATO goals and openly hostile to the *status quo*; and Russia has made the strategic choice of using its nuclear arsenal as a coercive tool to advance its hegemonic ends. This decision by Moscow has shocked Western audiences that almost universally had very different expectations about the future. The United States can and should act to extinguish the apparent Russian notion of profitable nuclear first use threats. Prudence now dictates the United States modernize its nuclear Triad to support its priority national goals of deterrence, assurance, and damage limitation. The LRSO is very likely to be a critical tool in these missions and deserves the full support of U.S. leadership.

Recommended further reading: Williamson Murray, *America and the Future of War: the Past as Prologue* (Stanford, CA: Hoover Institutions Press, 2017); and, Keith B. Payne and John S. Foster, Jr., et al., *A New Nuclear Review for a New Age* (Fairfax, VA: National Institute Press), 2017.

1. Herman Khan, *On Escalation: Metaphors and Scenarios* (New York: Praeger, 1965).
2. For example see, Dianne Feinstein and Ellen O. Tauscher, “A Nuclear Weapon That America Doesn’t Need,” *The New York Times*, June 17, 2016, available at https://www.nytimes.com/2016/06/18/opinion/a-nuclear-weapon-that-america-doesnt-need.html?_r=0; Kingston Reif, “Cruise Control: Why The U.S. Should Not Buy A New Nuclear Air-Launched Cruise Missile,” *War on the Rocks*, March 21, 2016, available at https://www.nytimes.com/2016/06/18/opinion/a-nuclear-weapon-that-america-doesnt-need.html?_r=0.

The views in this Information Series are those of the authors and should not be construed as official U.S. Government policy, the official policy of the National Institute for Public Policy or any of its sponsors. For additional information about this publication or other publications by the National Institute Press, contact: Editor, National Institute Press, 9302 Lee Highway, Suite 750 | Fairfax, VA 22031 | (703) 293-9181 | www.nipp.org. For access to previous issues of the National Institute Press Information Series, please visit <http://www.nipp.org/national-institute-press/information-series/>.

© National Institute Press, 2017

UNCLASSIFIED

**Statement of Under Secretary of State for Arms Control and
International Security Rose Gottemoeller
Before the Senate Committee on Appropriations
Subcommittee on Energy and Water Development
July 13, 2016**

(U) Good afternoon Mr. Chairman and distinguished members of the committee. I'm pleased to be here today with my colleagues from DOD and DOE to testify about the Long Range Standoff (LRSO) cruise missile. I will focus my remarks on three key points. First, the LRSO is consistent with our arms control commitments and the President's Prague Agenda. Second, the LRSO supports strategic stability and does not undermine it. Third, it is important in the eyes of our allies.

(U) Let me begin by affirming that the LRSO program, along with our approach to nuclear modernization, is consistent with our obligations under the New START Treaty and the broader Prague Agenda, which called for maintenance of a safe, secure, and effective nuclear arsenal as we move toward a world without nuclear weapons. There was a recognition that nuclear weapons have an important role to play in the defense of the United States and our allies, but that we would work to reduce the roles and numbers of nuclear weapons and not create new nuclear warheads and new missions. The LRSO does not require a new warhead, and it is not being developed in support of a new mission. Its mission is the same as that of the more than 30-years old Air-Launched Cruise Missile (ALCM), the AGM-86B, which the LRSO is replacing. The AGM-86B is deployed on heavy bombers, which are subject to the New START Treaty.

(U) We continue to reduce our deployed strategic weapons in accordance with the New START Treaty and the President has been clear in his willingness to examine further nuclear reductions. It is equally clear that further reductions require a ready and active partner, which we do not have in the current Russian administration. Furthermore, Russia is engaged in its own nuclear modernization program to replace Cold War era systems, and we believe Russia will proceed on this course irrespective of U.S. modernization, including the LRSO.

(U) There is no evidence that the LRSO or our nuclear modernization program are prompting an action-reaction cycle or catalyzing arms races.

UNCLASSIFIED

UNCLASSIFIED

The Russians have already developed their next-generation nuclear-armed air-launched cruise missile, the KH-102, and have employed its conventional variant, the KH-101, in Syria. Any notion that LRSO is spurring on Russia's advanced cruise missile development is simply not borne out by the facts.

(U) The LRSO is valuable in maintaining strategic stability. During the Cold War, we worried about the destabilizing nature of intermediate- and medium-range ground-launched cruise and ballistic missiles due to their short times of flight and the fear that they might be used to conduct decapitating first strikes on command and control systems. That is why we negotiated the Intermediate-Range Nuclear Forces (INF) Treaty.

(U) The LRSO is different. Unlike a ground-launched system, the LRSO cannot pose the threat of a short-notice, disarming attack because it will be carried as a stand-off weapon by long-range bombers. Arms control has generally given a "discount" to bomber weapons because they were seen as the least threatening to stability, because they pose the smallest risk of surprise attack. The process of alerting these bombers would be observable and these relatively slow flying aircraft would take hours to reach the point where they would release their weapons to targets. Moreover, the aircraft are recallable. These deliberate aspects of bomber weapons provide the President with the most signaling flexibility during a crisis.

(U) Indeed, it is the absence of a nuclear-armed cruise missile that might leave us most vulnerable to unintended escalation during a crisis. Without a stand-off cruise missile option, future Presidents may find themselves facing the unpalatable choice of responding to nuclear coercion or attack with SLBMs or ICBMs, or attempting to employ a stealth bomber to penetrate the adversary's territory to reach targets.

(U) I've explained how the LRSO is consistent with the Prague Agenda and I've explained what it doesn't do – undermine strategic stability. I also want to tell you what it does do. I will leave the technical details of this to my DOD colleagues, but I want to acknowledge the contributions of the LRSO to our foreign policy objectives – in particular as they pertain to assuring U.S. allies against high-end threats.

UNCLASSIFIED

UNCLASSIFIED

(U) The future security environment in both Asia and Europe will be characterized by increased anti-access, area-denial (A2AD) capabilities, meaning adversaries will have weapons that degrade the U.S. military's ability to project power into conflict areas, to include capabilities necessary for responding to nuclear attacks. These adversary strategies are designed to make the U.S. forward presence highly vulnerable, degrading the survivability of our stealth platforms, and hindering our ability to project power forward in a crisis by the middle of the next decade. The LRSO's standoff and penetration capability addresses these vulnerabilities. It will help deny the enemy the ability to constrain our President's options for responding to nuclear attack. It will assure our allies of our ability to meet our extended deterrence commitments.

(U) This is not just our view. We've heard from our allies about the value of the LRSO during our extended deterrence discussions. China is developing the combination of modernized nuclear forces, intermediate-range ballistic missiles, and supporting strike architecture to deny U.S. conventional forces and stealth bombers timely access to the Western Pacific in a crisis. Similarly, our NATO Allies have begun to grapple with responses to a Russian doctrine that embraces nuclear coercion.

(U) Without the LRSO, once again, the United States, if the President decided to signal with or employ nuclear weapons, would be forced to either send a bomber into an environment in which it may not be able to penetrate, or to rely on the strategic-range weapon systems in the ground- and sea-based legs of our triad to deter nuclear coercion or respond to first use.

(U) While it is up to the President to make final decisions about what capabilities are needed and what risks can be managed, our collective view is that the LRSO provides us with rational options that would increase Presidential decision space in a crisis and uphold our extended deterrence commitments to allies.

(U) Thank you again for the opportunity to testify. I look forward to answering your questions.

UNCLASSIFIED

**WITNESS RESPONSES TO QUESTIONS ASKED DURING
THE HEARING**

JUNE 12, 2017

RESPONSE TO QUESTION SUBMITTED BY MR. LANGEVIN

Secretary MATTIS. The cost of climate preparedness and resilience is spread across much the Department's portfolio. Areas affected include operational planning, infrastructure, training, weapon systems operations and maintenance, and personnel health. At the same time, climate effects are localized and require evaluation on a case-by-case basis. The Department approaches climate effects as a risk factor to our mission. There is no single bill to pay for climate preparedness and resilience. The costs associated with enhancing climate preparedness and resilience address long-term mission risks and must be factored into the Department's overall cost of doing business. Climate risks have and will continue to be a factor prevalent in our operational, programmatic, and planning processes. [See page 17.]

RESPONSES TO QUESTIONS SUBMITTED BY MS. SPEIER

Secretary MATTIS. The Military Service Academies continue to make clear and demonstrable progress in supporting those who report sexual assault and harassment. However, this year's survey results underscore the unique challenges the Academies face in sustaining long-term decreases in the occurrence of sexual assault. Department research indicates that retaliatory behavior associated with crime reporting occurs with less frequency at the Service Academies than in the Active Duty force, but remains an important concern. All three Academies took steps aimed at eliminating retaliatory behavior, improved resources for victims perceiving such behavior, and provided tools for faculty, staff, and peers to better prevent and respond to it. The Department's Retaliation Prevention and Response Strategy (RPRS) details actions to address retaliatory behavior against victims who report a sexual assault, complainants of sexual harassment, witnesses, bystanders who intervene, and first responders, such as SARCs and SAPR VAs. Work to implement the strategy across the Military Departments began in February 2016 and remains ongoing. The Academies are leveraging the RPRS to drive changes in retaliation. However, in response to the issues and statistics addressed in the report, I met with the Superintendents in March to discuss ways to decrease prevalence of sexual assault, sexual harassment, retaliation, and increase reporting. As a result, the Secretaries of the Military Departments have been directed to address several key areas of concern at the Academies, to include reinvigorating prevention efforts and improving sexual assault and harassment reporting by reducing barriers to reporting within the Academies. Their plans to address these issues are due not later than October 30, 2017. [See page 34.]

Secretary MATTIS. On 4 March 2017, Mr. Thomas Brennan, not Mr. LaPorta, broke the Marines United story. Mr. LaPorta was debarred prior to the release of the Marines United story for conduct that occurred on 5 February 2017. The debarment decision was formalized on 10 February 2017. Mr. LaPorta was debarred for failing to comply with regulations addressing media conduct aboard Camp Lejeune, North Carolina and at naval correctional facilities generally. [Base Order P5720.7G; Secretary of the Navy Instruction 1640.9C] On 5 February 2017, Mr. LaPorta, without coordinating with Camp Lejeune public affairs personnel, traveled to the on-base residence of an alleged child sexual assault victim to obtain information from the child's parents for a story he was working on. The alleged victim's family did not invite Mr. LaPorta onto the installation or to their quarters, and were upset by his unannounced appearance. Prior coordination with the installation's public affairs office is required before media representatives may enter the installation to gather information. On the same day, Mr. LaPorta visited a pretrial detainee at the Camp Lejeune Brig, but failed to identify himself as a member of the media. The detainee is pending trial on several charges, including the alleged sexual assault of a child. Personal interviews between prisoners and media representatives are not permitted without prior authorization. [See page 34.]

Secretary MATTIS. No. [See page 35.]

RESPONSE TO QUESTION SUBMITTED BY MR. BYRNE

Secretary MATTIS. Under the Fiscal Year 2018 President's Budget out-year planning profile, the Navy's fleet will grow from 276 ships today to 308 ships by January 2025. With additional topline over a number years, the Navy estimates the fleet could grow to 315 ships by January 2025. This modest difference highlights the long build times and high costs of shipbuilding. Even with significant additional topline for multiple years, the Navy's forecast is that we could not reach 350 ships until Fiscal Year 2041. [See page 51.]

RESPONSES TO QUESTIONS SUBMITTED BY MR. MOULTON

Secretary MATTIS. There are 243 political positions in the Pentagon. All but 93 positions have been hired or are in the process of being hired. [See page 43.]

Secretary MATTIS. Rather than offer five specific programs that place an undue burden on the Department, I submit that mandates that adversely affect the Department's priorities fall into two categories: congressional adds and restrictions. The programs and projects included in the Fiscal Year 2018 budget request represent my highest, balanced priorities. Congressional adds are usually aligned with the Services' list of unfunded requirements, though valid and executable, should not replace my highest priorities. The Fiscal Year 2018 request represents the best approach to rebuild readiness while repairing damage from five years of unstable budgets and budget caps in preparation for future investments. Likewise, congressional restrictions on the Department's reform initiatives limit investment opportunities. Authorization for a new round of Base Realignment and Closure in 2021 would reduce excess infrastructure and save at least \$2 billion per year. Additionally, the enactment of proposed TRICARE reforms would yield an additional \$5.7 billion over five years. These savings could be invested in more planes, helicopters, and ships to improve our warfighting readiness, increasing both capacity and lethality. [See page 44.]

RESPONSE TO QUESTION SUBMITTED BY MR. CARBAJAL

Secretary MATTIS. In my view, the changing climate is a driver of instability that requires a broader, whole-of-government response. At a practical level, the Department of Defense incorporates consideration of the effects of a changing climate into our infrastructure planning cycle. As we develop new projects, climate effects is one of the risks that is factored into planning and programming analysis. Furthermore, the Department developed scenarios for sea level rise and extreme water levels on our installations and issued specific policy requiring the consideration of risk associated with construction in flood plains. Our methodology to managing the changing climate is one component of our overall strategic commitment to the security and prosperity of the Asia-Pacific, and the Department will continue to work to secure a peaceful, prosperous, and free region. [See page 52.]

RESPONSE TO QUESTION SUBMITTED BY DR. ABRAHAM

Secretary MATTIS. To clarify, the hospitals you mentioned are to be transitioned to outpatient clinics meaning that substantial DOD-provided medical capability will remain at each location. The outpatient clinics will continue to address the vast majority of the care given at these facilities. These hospitals have extremely low volumes of inpatient care, have limited capabilities with emergency or complex inpatient care being routinely transferred to larger and more capable local hospitals. We would be asking these same local hospitals to take on a marginal inpatient workload comprised of less complex patients. As we move forward with the transitions, we are committed to ensuring that patient access and standards of care will not be compromised and are working with the local facilities to address access, language, and bedside nursing needs. Senior members of my medical staff, with Navy participation, have visited these facilities and spoken with military providers, visited the local hospitals and beneficiaries and have not identified any insurmountable barriers to transitioning these hospitals. The Army's successful transition of its inpatient facility at Vicenza, Italy to outpatient-only status provides lessons learned for similar changes at these facilities.

I think it's important to mention that, as these facilities transition, military surgical staff can be to be relocated to hospitals with greater inpatient volume, diversity, and acuity that are better able to sustain the lifesaving clinical skills that are

key to supporting our deployed warfighters. To answer your question directly, I believe that we can transition these hospitals to outpatient clinics without compromising the care that will be given to our service members and their families at these locations. Further that these transitions support the Department's focus on ensuring that our medical force maintains the clinical readiness that has been so amply demonstrated over the past 15 years of conflict. [See page 61.]

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

JUNE 12, 2017

QUESTIONS SUBMITTED BY MR. SMITH

Mr. SMITH. 1. There has been widespread concern about the President's proposed cuts to the international affairs budget, as exhibited by the following:

a. Op-ed from former Secretary of State Colin Powell, <https://www.nytimes.com/2017/05/24/opinion/colin-powell-trump-budget-state-department.html>

b. Joint Testimony to SASC on June 13, 2017 by General Philip Breedlove, USAF (Ret.); General George Casey, USA (Ret.); General Carter Ham, USA (Ret.); General James Jones, USMC (Ret.); General; George Joulwan, USA (Ret.); General Stanley McChrystal, USA (Ret.); Admiral William McRaven, USNA (Ret.); Admiral Michael Mullen, USN (Ret.); Admiral Eric Olson, USN (Ret.); General John Paxton, USMC (Ret.); General David Petraeus, USA (Ret.); General Joe Ralston, USAF (Ret.); Admiral Gary Roughead, USN (Ret.); General Hugh Shelton USA, (Ret.); Admiral James Stavridis, USN (Ret.); and Admiral Sandy Winnefeld, USN (Ret.), <https://s3.amazonaws.com/one-org/us/wp-content/uploads/2017/06/13115833/2017-06-13-joint-testimony-to-SASC.pdf>

c. Op-ed from General James Jones, USMC (Ret.) and Admiral Michael Mullen, USN (Ret.), <http://www.politico.com/agenda/story/2017/06/12/budget-foreign-aid-cuts-national-security-000456>

d. Letter from 120 retired military officers, http://www.usglc.org/downloads/2017/02/FY18_International_Affairs_Budget_House_Senate.pdf

Secretary MATTIS [No answer was available at the time of printing.]

Mr. SMITH. 2. There has been widespread support and a claim that "Strategic investments in diplomacy and development make America safer and more prosperous."—as exhibited by the following: a. Letter from 225 business leaders, <http://www.usglc.org/downloads/2017/05/Business-Letter-Tillerson-May-22.pdf>

3. There has been widespread support from the faith-based community to support and protect the international affairs budget, claiming that diplomatic and development tools lead to "peaceful, productive societies that do not turn to violence or terrorism", as exhibited by the following: a. Letter from Faith Leaders, <http://www.usglc.org/downloads/2017/04/Faith-Letter.pdf>

Secretary MATTIS. [No answer was available at the time of printing.]

Mr. SMITH. In light of paragraphs 1–3 above, please answer questions 4–8.

4. Would you agree that 32% is a severe cut to the State Department and USAID or any department or agency? Would you agree that cuts to the State Department and USAID will impact national security and American security? How? How would the President's proposed budget for the State Department and USAID impact American power projection and global leadership?

Secretary MATTIS. I defer to Secretary Tillerson on how he intends to manage the budget cuts across the State Department and US AID to ensure that the United States is able to maintain its leadership role in the international order. He will need to make some tough decisions about how to manage risk. The foundation of American power rests on our unmatched ability to project influence, both militarily and diplomatically. Adequate diplomatic resources are as critical as military resources to defeating ISIS as well as to preventing state actors, like Russia or China, from challenging established international norms.

Mr. SMITH. 5. From a defense perspective, how would the President's proposed budget for the State Department and USAID make America safer and advance U.S. national security interests?

Secretary MATTIS. Again, I defer to Secretary Tillerson on how he intends to manage the budget cuts across the State Department and USAID to ensure that the United States is able to maintain its leadership role in the international order. With regard to funds related to building the capacity of partner security forces, Secretary Tillerson and I have directed our staffs to deepen collaboration to ensure that our security sector assistance funds address the highest priorities to minimize risks to interoperability and our partners' ability to address shared threats.

Mr. SMITH. 6. From a defense perspective, how would the President's proposed budget for the State Department and USAID impact stability in the world and/or potential conflict?

Secretary MATTIS. The U.S. Government is most effective when it leverages the expertise resident across its departments and agencies to plan and employ all its tools of national power in a coherent, synchronized manner. Just as I have to manage risk across the Defense Department's sequestration budget, Secretary Tillerson needs to manage the proposed budget cuts to the State Department and USAID in a way that will minimize risk to the stability and security of the international order.

Mr. SMITH. 7. What is the Department's planning and what resources are required to address those potential impacts to stability and conflict?

Secretary MATTIS. As I've consistently stated in testimony and public statements, my first priority is to restore warfighter readiness, filling in the holes from trade-offs made during 16 years of war, nine years of continuing resolutions, and Budget Control Act caps. Restoring readiness enables the U.S. Armed Forces to defend the United States and perform its roles with regard to promoting stability and preventing conflict. Congress has a critical role to play in supporting the Department's planning and resources. Passing a Fiscal Year 2018 budget in a timely manner, avoiding yet another continuing resolution, eliminating the threat of future sequestration cuts, and providing a stable budgetary planning horizon will better enable the Department to promote stability and deter conflict.

Mr. SMITH. 8. Would you agree that the adequate resourcing of diplomacy, development, and defense is critical to advancing U.S. national security interests? If funding is cut for diplomatic and development avenues, how would this complicate the Department's ability to operate with coalitions or work with our allies, partners, and other actors? How could this complicate negotiations with host nations where our service members are operating missions from or are stationed in? How could this complicate the Department's ability to work by, with, and through partners and other stakeholders?

Secretary MATTIS. I agree that adequate resourcing of diplomacy and development is just as critical to advancing U.S. national security as adequate resourcing of defense. However, I am encouraged by the willingness of our allies and partners to share the burden of the campaign to defeat the Islamic State in Iraq and Syria and other terrorist organizations that represent a clear threat to international order. I believe a willingness to address shared challenges will continue to motivate allies and partners to collaborate with the United States. In some cases, the United States must provide support to partners to ensure that they have the capability and capacity to operate alongside, or in lieu of, U.S. forces. In these cases, the State and Defense Departments are collaborating closely to ensure that the security sector assistance funds that each Department oversees are directed to the highest priorities.

Mr. SMITH. 1. There has been widespread concern about the President's proposed cuts to the international affairs budget, as exhibited by the following:

a. Op-ed from former Secretary of State Colin Powell, <https://www.nytimes.com/2017/05/24/opinion/colin-powell-trump-budget-state-department.html>

b. Joint Testimony to SASC on June 13, 2017 by General Philip Breedlove, USAF (Ret.); General George Casey, USA (Ret.); General Carter Ham, USA (Ret.); General James Jones, USMC (Ret.); General George Joulwan, USA (Ret.); General Stanley McChrystal, USA (Ret.); Admiral William McRaven, USNA (Ret.); Admiral Michael Mullen, USN (Ret.); Admiral Eric Olson, USN (Ret.); General John Paxton, USMC (Ret.); General David Petraeus, USA (Ret.); General Joe Ralston, USAF (Ret.); Admiral Gary Roughead, USN (Ret.); General Hugh Shelton USA, (Ret.); Admiral James Stavridis, USN (Ret.); and Admiral Sandy Winnefeld, USN (Ret.), <https://s3.amazonaws.com/one-org/us/wp-content/uploads/2017/06/13115833/2017-06-13-joint-testimony-to-SASC.pdf>

c. Op-ed from General James Jones, USMC (Ret.) and Admiral Michael Mullen, USN (Ret.), <http://www.politico.com/agenda/story/2017/06/12/budget-foreign-aid-cuts-national-security-000456>

d. Letter from 120 retired military officers, [http://www.usglc.org/downloads/2017/02/FY18 International Affairs Budget House Senate.pdf](http://www.usglc.org/downloads/2017/02/FY18%20International%20Affairs%20Budget%20House%20Senate.pdf)

General DUNFORD. [No answer was available at the time of printing.]

Mr. SMITH. 2. There has been widespread support and a claim that "Strategic investments in diplomacy and development make America safer and more prosperous."—as exhibited by the following: a. Letter from 225 business leaders, <http://www.usglc.org/downloads/2017/05/Business-Letter-Tillerson-May-22.pdf>

3. There has been widespread support from the faith-based community to support and protect the international affairs budget, claiming that diplomatic and development tools lead to "peaceful, productive societies that do not turn to violence or terrorism", as exhibited by the following: a. Letter from Faith Leaders, <http://www.usglc.org/downloads/2017/04/Faith-Letter.pdf>

General DUNFORD. [No answer was available at the time of printing.]

Mr. SMITH. In light of paragraphs 1–3 above, please answer questions 4–8.

4. Would you agree that 32% is a severe cut to the State Department and USAID or any department or agency? Would you agree that cuts to the State Department and USAID will impact national security and American security? How? How would the President's proposed budget for the State Department and USAID impact American power projection and global leadership?

General DUNFORD. Both Secretary Mattis and I work closely with Secretary Tillerson. DOD and State are one team. The State Department has yet to release the details of the proposed budget cuts, so I cannot comment on the impact to security. However, I do not see one security issue or threat we face that can be solved by military power alone. Our most pressing national security issues can only be addressed within a foreign policy framework. We will work collaboratively with the Department of State and USAID to ensure we fully leverage our collective capabilities and capacities to protect the Homeland and advance our foreign policy interests.

Mr. SMITH. 5. From a defense perspective, how would the President's proposed budget for the State Department and USAID make America safer and advance U.S. national security interests?

General DUNFORD. The State Department has yet to release the details of the proposed budget cuts, so I cannot speculate on the impact to our national security interests. I cannot name a single security issue that can be solved by military power alone. We will work collaboratively with the Department of State and USAID to ensure we fully leverage our collective capabilities and capacities to protect the Homeland and advance our foreign policy interests.

Mr. SMITH. 6. From a defense perspective, how would the President's proposed budget for the State Department and USAID impact stability in the world and/or potential conflict?

General DUNFORD. The State Department has not revealed the details of the proposed budget cuts, so I cannot speculate on their impact. A cornerstone of our ability to project power, and support stability, is our network of allies and partners. Every relationship we have with another country has diplomatic, economic, and military elements. In order to be successful, any military relationship, or action, must be crafted within a foreign policy framework maintaining our national security interests and end states. We will work collaboratively with the Department of State and USAID to ensure we fully leverage our collective capabilities and capacities to protect the Homeland and advance our foreign policy interests.

Mr. SMITH. 7. What is the Department's planning and what resources are required to address those potential impacts to stability and conflict?

General DUNFORD. We will not be able to identify or mitigate potential impacts until we fully understand the details of the State Department's budget going forward.

Mr. SMITH. 8. Would you agree that the adequate resourcing of diplomacy, development, and defense is critical to advancing U.S. national security interests? If funding is cut for diplomatic and development avenues, how would this complicate the Department's ability to operate with coalitions or work with our allies, partners, and other actors? How could this complicate negotiations with host nations where our service members are operating missions from or are stationed in? How could this complicate the Department's ability to work by, with, and through partners and other stakeholders?

General DUNFORD. I would agree that diplomacy, development and defense are all critical to advancing U.S. security interests. There is no security threat today that can be solved by military power alone. At the core of our alliances and partnerships are intertwined military, economic, political, and intelligence sharing relationships that allow us to collectively take action against threats. We have not seen the details on the State Department's proposed budget cuts, so I cannot comment on specific impacts. Our relationship with allies and partners is critical. We will collaborate with the State Department to ensure we can meet our alliance commitments and maintain our network of allies and partners.

QUESTIONS SUBMITTED BY MR. LANGEVIN

Mr. LANGEVIN. Last year's NDAA established U.S. Cyber Command (CYBERCOM) as its own Unified Combatant Command and formalized the relationship with the Principal Cyber Advisor. The steps taken by Congress recognized the importance of governing the development of DOD cyberspace policy and strategy. Leveraging the successes and lessons learned, the Principal Cyber Advisor will maximize the result of each strategic objective and ultimately the success of each strategic goal of the Cyber Mission Force. What steps is the Department taking to establish

CYBERCOM as a Unified Combatant Command and to enable the Principal Cyber Advisor to serve as the service-like secretary? How will this elevation serve your broader strategic goals for the Department?

Secretary MATTIS. The Department is preparing for the elevation of U.S. Cyber Command (USCYBERCOM) to a Unified Combatant Command, consistent with Section 167b of Title 10, U.S. Code. I have provided recommendations to the President on how and when to proceed with elevation and remain in discussions with the White House about this matter. Elevation would enhance the Department's position in the cyber domain by streamlining and consolidating responsibility for cyberspace operations in a single operational commander. Elevation would empower the Commander to interact as a peer with other Combatant Commanders, increase coordination of cyber forces and their training, and demonstrate commitment to cyberspace as a warfighting domain; thereby assuring partners and enhancing deterrence messaging. The additional oversight responsibilities of the Principal Cyber Advisor under section 167b are closely aligned with the plan that will be developed for a more optimized cyber organizational structure, as prescribed in Section 902 of the National Defense Authorization Act for Fiscal Year 2017. The organizational efforts will be sequenced to allow the Department to maintain focus on the lethality and mission readiness of an elevated USCYBERCOM.

Mr. LANGEVIN. I have advocated for the transition of mature, game-changing technologies to our warfighters so that we never send them into a fair fight. Last year's NDAA required the installation of a Designated Official for DE technologies, and it is critical that this position focus not just on research and engineering, but especially on facilitating technologies' transitions to the joint battlefield. Can you provide an update on where the Department is in installing this official?

Secretary MATTIS. I am fully committed to furthering the development and transition of directed energy weapons that complement kinetic weapon systems to fulfill near- and long-term warfighter needs. We are creating a detailed strategic plan to develop, mature, and transition directed energy technologies to acquisition programs of record as directed in Section 219 of the Fiscal Year (FY) 2017 National Defense Authorization Act (NDAA). This roadmap will be the cornerstone for future studies focused on other directed energy technologies, such as high-energy lasers and high-power microwave, which could fulfill warfighter needs. Once the reorganization of the Under Secretary of Defense (Acquisition, Technology & Logistics), creating the Under Secretary of Defense (Research & Engineering) and Under Secretary of Defense (Acquisition & Sustainment), is complete, as directed by section 901 of the FY 2017 NDAA, the Department will designate a senior defense official for directed energy technologies.

QUESTION SUBMITTED BY MS. TSONGAS

Ms. TSONGAS. On May 8, 2017, Deputy Secretary of Defense Work sent a memorandum to the Secretaries of the Military Departments and Chiefs of the Military Services directing an assessment of their readiness to access transgender applicants into the military services beginning on July 1, 2017. The memorandum stated that "[w]e do not intend to reconsider prior decisions unless they cause readiness problems that could lessen our ability to fight, survive and win on the battlefield." Subsequently, the Army and Marine Corps requested a delay of the July 1 deadline for implementation of service plans to access transgender applicants. Please describe the process OSD intends to follow in assessing the Army and Marine Corps's requests and the standard that will be used for any reevaluation of the transgender policy or implementation timelines based on impacts to readiness.

Secretary MATTIS. There is no modification to the current policy until we receive the President's direction to the Department. In the meantime, we will continue to treat all our personnel with respect. As importantly, given the current fight and challenges we face, we will all remain focused on accomplishing our assigned missions.

QUESTIONS SUBMITTED BY MR. SCOTT

Mr. SCOTT. 1. As the battle to liberate Raqqa gets underway, I'd like you to describe your long-term vision for Syria and how you expect the U.S. military mission in Syria to change or evolve after the Islamic State of Iraq and Syria (ISIS) has been pushed from major city centers.

a. What is the desired end-state? b. In addition to our obvious counter-terrorism objectives in Syria, what other U.S. national security objectives do we have in Syria?

c. How do you prioritize those and would you advocate for expending U.S. military resources to achieve or sustain those objectives?

2. The President's budget assumes troop levels will stay constant in Syria.

a. Is that your expectation? b. If not, where would that extra funding come from? c. Do you plan on requesting additional funding through a supplemental? d. Or do you intend to take from other areas in an already insufficient budget request?

3. Do you anticipate a confrontation with regime-aligned forces will in southern or eastern Syria?

4. How do we prevent unintentional escalation with the regime or the state-actors supporting the regime?

Secretary MATTIS. We remain focused on defeating the Islamic State in Iraq and Syria's (ISIS) physical caliphate and plan to surround the enemy to ensure foreign fighters are not able to escape and return home. The liberation of Raqqa is a necessary step in defeating ISIS, but it is not the last step. ISIS remains entrenched along the Euphrates River Valley, and operations to defeat ISIS and prevent its resurgence will take many more months. The U.S. desired end state is to defeat ISIS's physical caliphate in Iraq and Syria; destroy ISIS' ability to conduct external operations; protect partner and allied nation borders and preserve the coalition; and create the conditions for a secure environment that prevents the rise of ISIS "2.0" and other violent extremist organizations. The United States seeks a unified Syria and a political solution that addresses the root causes of terrorism and instability and where Syrians decide their own government. The Department of Defense's (DoD) number one priority is to protect the homeland by defeating ISIS in Iraq and Syria and destroying its ability to plan and execute external attacks against the United States and its partners and allies.

We are continuously assessing the force management levels in Syria to ensure we are able to balance the Defeat-ISIS mission effectively with other regional and global priorities. As the environment on the ground changes, we will adjust manning to meet operational needs and will keep Congress informed. In fiscal year (FY) 2017, DOD requested (and Congress passed) funding for the Defeat ISIS mission in the Overseas Contingency Operations Transfer Fund (OCOTF) to meet operational requirements in support of emerging decisions on contingency operations without disrupting approved program execution or force readiness. Congress provided DOD the flexibility to reprioritize operations, identify assets, and employ forces quickly to meet the challenges of trans-regional counterterrorism activities, and provided DOD the ability to apportion funding to the Military Departments directly impacted to enable them to meet urgent operational needs. The funding provided in the DOD Appropriations Act, 2017 for the Counter-ISIS OCOTF allows for flexibility and responsiveness to address emergent requirements related to the Defeat-ISIS mission. In addition to the \$1.6 billion available in the Counter-ISIS OCOTF, DOD will continue to monitor emergent requirements in order to reprioritize resources or request additional funding, as necessary.

The United States and the Coalition do not seek to fight the Syrian Government, the Russians, or pro-regime forces and take careful measures to avoid engagements with those forces. It is in neither the Coalition's nor Syria's best interest to provoke a confrontation. The Department will remain focused on our efforts to defeat ISIS, and encourage the Syrian Government and Regime-aligned forces to do the same. The U.S. Government has established effective multi-level de-confliction channels with Russia to prevent incidents between Coalition forces and Syrian Government and pro-Regime forces. There are daily communications between our forces in the field and Russia to mitigate the risk of unintended escalation or miscommunication between air and ground forces.

Mr. SCOTT. Given the threat the transnational criminal organizations and other networks pose, what additional budgetary resources or authorizations does the Department need in order to combat those organizations within the Southern Command region?

Secretary MATTIS. As this Committee knows, the Department has not been able to source U.S. Southern Command's (USSOUTHCOM) intelligence, surveillance, and reconnaissance (ISR) and other force requirements in full due to competing global priorities. To support U.S. and partner nation law enforcement entities, intelligence capabilities in all forms of collection and analysis are critical to identifying and disrupting the leadership, financial, and communication infrastructure of both criminal and extremist networks. Although USSOUTHCOM receives minimal U.S. Navy presence to support its statutory detection and monitoring (D&M) mission, the pursuit and use of non-traditional commercial (leased) alternatives does allow USSOUTHCOM to address some of its D&M resourcing shortfalls. Although Department of Defense-enabled law enforcement actions mitigate threats to the homeland, Department of Defense-enabled diplomatic and developmental actions (e.g., Defense

Institution Building, humanitarian and civic assistance, information operations) provide a more long-term sustainable solution and should be resourced in tandem with more direct efforts.

Mr. SCOTT. Given the Presidential Budget Request for Fiscal Year 2018 and the Service's own unfunded priorities list, both have displayed that we cannot fund our military to execute what we ask of it today under the current Budget Control Act. We have been discussing what happens in the near term with the 2018 budget, but my question is; what will the U.S. Military look like in four years if we stay under the caps?

The Air Force has made it clear that it is the smallest, oldest and least ready it's been in its history. Yet in its unfunded requirements list, the Air Force shows the need to accelerate the MC-130J recapitalization by procuring 12 additional aircraft (\$1.2 billion) and the need to accelerate the HC-130J recapitalization by procuring one additional aircraft (\$100 million).

How does this budget reverse the years of underinvestment that has left us with the smallest, oldest and least ready force in history?

General DUNFORD. The PB18 base budget request is \$575B, \$52B above Budget Control Act (BCA) levels. This plus-up is intended to reverse the negative funding trends created by BCA, which has underfunded the Department since 2012. The PB18 base budget continues the progress started in FY17 toward restoring and improving warfighting readiness, and achieving program balance by addressing pressing shortfalls. While PB18 is not intended to grow the force, it will set the conditions for growth in FY19 and beyond. This budget includes sufficient funding to support our commitments around the world, however, our competitive advantage is eroding and without adequate and stable funding, we will be challenged to maintain these commitments.

Mr. SCOTT. 1. As the battle to liberate Raqqa gets underway, I'd like you to describe your long-term vision for Syria and how you expect the U.S. military mission in Syria to change or evolve after the Islamic State of Iraq and Syria (ISIS) has been pushed from major city centers.

a. What is the desired end-state? b. In addition to our obvious counter-terrorism objectives in Syria, what other U.S. national security objectives do we have in Syria? c. How do you prioritize those and would you advocate for expending U.S. military resources to achieve or sustain those objectives?

2. The President's budget assumes troop levels will stay constant in Syria.

a. Is that your expectation? b. If not, where would that extra funding come from? c. Do you plan on requesting additional funding through a supplemental? d. Or do you intend to take from other areas in an already insufficient budget request?

3. Do you anticipate a confrontation with regime-aligned forces will in southern or eastern Syria?

4. How do we prevent unintentional escalation with the regime or the state-actors supporting the regime?

General DUNFORD. We remain focused on destroying ISIS' physical caliphate, with an emphasis on surrounding the enemy to ensure foreign fighters are not able to escape and return home. The liberation of Raqqa is a necessary step in defeating ISIS, but it is not the last step. ISIS remains entrenched along the Euphrates River Valley, and operations to defeat them and prevent their resurgence will take many more months. The desired end-state is to destroy ISIS' physical caliphate in Iraq and Syria; Defeat ISIS' ability to conduct external operations; protect partner and allied nation borders and preserve the coalition; and create the conditions for a secure environment that prevents the rise of ISIS 2.0 and other violent extremist organizations. In addition to counter-terrorism objectives in Syria, other U.S. national security objectives are: a political solution in Syria that addresses the root causes of terrorism and instability; local security forces capable of providing security to Syrian citizens; and the return of refugees and internally displaced persons to their place of origin. The first and foremost military priority is to protect the Homeland by destroying core ISIS in Iraq and Syria and defeating its ability to plan and execute external attacks against the United States and its partners and allies. To do this we must preserve the Coalition and prevent the rise of "ISIS 2.0", which is vital to ensuring we can achieve our end state.

2. We are continuously assessing the force management levels in Syria to ensure we are able to effectively balance the Defeat ISIS mission with other regional and global priorities. As the environment changes, we will adjust manning to meet operational needs and keep Congress informed. In FY 2017, the Department requested (and the Congress enacted) funding for the Defeat ISIS mission in the Overseas Contingency Operations Transfer Fund (OCOTF), \$1.6 billion, to meet operational requirements in support of emerging decisions on contingency operations without disrupting the approved program execution for force readiness. The Congress pro-

vided the flexibility to quickly reprioritize operations, identify assets, and employ forces to meet the transregional nature of counterterrorism activities, with the ability to issue funding to the Military Departments directly impacted to meet urgent operational needs.

3. The United States and the Coalition do not seek to fight the Syrian Regime, Russian, or pro-Regime forces and we take great effort to avoid confrontation. It is in neither the Coalition's nor Syria's best interest to provoke a confrontation. We will remain focused on our efforts to Defeat ISIS, and we encourage the Regime and Regime-aligned forces to do the same.

4. We have established effective multi-level deconfliction channels with the Russians to prevent incidents between the Coalition and the Syrian Regime and pro-Regime forces. There are daily communications between our fielded forces and the Russians to mitigate the possibility of unintended escalation or miscommunication between air and ground forces.

QUESTION SUBMITTED BY MR. HUNTER

Mr. HUNTER. President Trump signed a Defense Production Act Presidential Determination (Number 2017-09) on June 13, 2017 stating that "critical technology item shortfalls affecting adenovirus vaccine production capability; high strength, inherently fire and ballistic resistant, co-polymer aramid fibers industrial capability; secure hybrid composite shipping container industrial capability; and three-dimensional ultra-high density microelectronics for information protection industrial capability are critical to national defense." The Determination goes on to say that "Without Presidential action under this Act, the United States defense industrial base cannot reasonably be expected to adequately provide those capabilities or technology items in a timely manner." Given the urgency of these programs as determined by the President, what is the Department's timeline (i.e. funding and initiating the program) to address these industrial base shortfalls? Please provide timelines for each of the technologies identified as critical in Presidential Determination No. 2017-09."

Secretary MATTIS. The Department of Defense is actively working to address the four shortfalls within the President's June determination:

1. We are expecting the adenovirus vaccine production project contract to be awarded in the first quarter of fiscal year 2018 (FY18). We have allocated \$15.42M for this project.

2. The effort to address the industrial capability of high-strength, inherently fire-and ballistic-resistant, co-polymer aramid fibers is currently in the contracting phase, and execution is planned for FY18. We have allocated \$35.38M for this project.

3. The secure hybrid composite shipping container project is also in the contracting phase and award(s) are expected in the first quarter of FY18. We have allocated \$19.08M for this project.

4. Our effort to address three-dimensional microelectronics for information protection has resulted in a contract awarded to Draper Labs, effective July 28, 2017. We have committed \$13.20M to this effort.

QUESTIONS SUBMITTED BY MS. SPEIER

Ms. SPEIER. There have been numerous reports of official government meetings, including meetings with foreign counterparts, being held at properties owned by the President. Because of the President's refusal to divest himself of those business interests, there is the prospect of the President and his family making a personal profit off of that official government business. The American people have a right to know whether Department of Defense money—taxpayer money—is ending up in the President's personal wallet.

Mr. Secretary, General Dunford: Have either of you, or any of your staff, participated in official government events at a property owned by the President? If so, did the Department of Defense expend appropriated money to pay for costs associated with that event—including room and board, meals, or other incidental expenses?

Secretary MATTIS. No.

Ms. SPEIER. Last school year, fewer students at the military service academies reported sexual assault and harassment, but the estimated rates of unwanted sexual conduct increased. Both of these are trending in the wrong direction. One reason could be the ostracism of sexual assault victims. 47% of those who reported their unwanted sexual contact experienced social isolation or maltreatment. We must foster an environment at the service academies in which students who have been sexu-

ally assaulted or harassed feel like they can come forward without fear of retaliation.

Mr. Secretary, General Dunford: Were you aware of these depressing statistics? If so, what are you doing about them?

Secretary MATTIS. The Department must focus its attention on defeating this crime and learning how to do that begins at places like the Military Service Academies. Consequently, I met with the three Academy Superintendents and the four Service Chiefs in March to discuss ways to better understand the unique environments at the academies. As a result of that meeting, I directed the Under Secretary of Defense (Personnel and Readiness) and the Sexual Assault Prevention and Response Office to work with the Academies this summer to help them address issues identified in the report, including improving sexual assault prevention efforts, enhancing their climates to reduce sexual harassment and other readiness-impacting behaviors like retaliation, encouraging healthier alcohol choices, and increasing reporting of sexual assault. I have every confidence the Superintendents will make the kinds of changes that will result in the progress we're seeking. The Academies' plans to address these issues are due to the Department not later than October 30, 2017.

Ms. SPEIER. On June 7, the non-profit group Protect our Defenders issued a report on "Substantial and Persistent Racial Disparities Within the United States Military Justice System." POD's findings show that, for every year reported and across all four branches, black service members were substantially more likely than white service members to face military justice or disciplinary action. These disparities have not improved, and in some cases have increased, in recent years.

Mr. Secretary, General Dunford: Have you been made aware of these findings? Do you agree that this is a concern—and, if so, what will the Department do in response?

Secretary MATTIS. The Department of Defense is an inclusive organization that continually strives to ensure equal opportunity and justice for all its Service members, regardless of race or ethnicity. The Department first became aware of the subject report through a published story by USA Today on June 7, 2017. The subject report and subsequent news story were written in part based upon information received from the Military Services through Freedom of Information requests.

The Department's initial review of the report findings reveals that the data provided by the Military Services to Protect Our Defenders (POD) is not consistent, primarily because of the disparate ways in which demographic information is tracked by the Military Services. As a result, the conclusions reached by POD are somewhat limited.

Specifically, the conclusions drawn by POD, and subsequently reported on by USA Today, are based on the assumption that all Military Services define and track demographic data similarly; however, this is not the case. Furthermore, the information provided by the Military Services, specific to military justice and disciplinary action, is not standardized; thus, each of the Military Services track and report dissimilar information.

Nevertheless, the Department agrees that further study of this important topic is needed and continues to review and refine how to analyze the data. The Department is looking forward to engaging the Military Services in developing standardized tracking and reporting systems, specific to the types of information collected and published regarding demographic data, military justice involvement, and final adjudication outcomes.

Ms. SPEIER. On June 6, the Acting Director of Operational Testing and Evaluation upgraded the Department's assessment of the Ground-Based Midcourse missile defense system, now stating that the system is no longer "limited." The Acting Director judged that the system now has the capability to intercept intercontinental missiles targeting the homeland. This judgment was made shortly following the most recent intercept test of the system, which was judged a success. However, that test increases the overall test success rate to only 40 percent since 2010. Further, these tests are tightly scripted and controlled, with a single target, known flight parameters, and with no countermeasures or decoys. Finally, there are significant questions surrounding the reliability of the interceptors already deployed. I'm concerned that the capabilities of the system are being oversold.

General Dunford, would you sign off on an operation or a contingency plan that has a 60 percent probability of failure?

Mr. Secretary, given all this, how can the Department's assessment of the system be upgraded based on the results of a single test?

Secretary MATTIS. The Ground-based Midcourse Defense (GMD) program is continuing to improve. A total of 25 Ground-based Interceptors (GBIs) are new or have recently been upgraded in the past 3-years. The Missile Defense Agency (MDA) suc-

successfully intercepted an intercontinental ballistic missile (ICBM) target during the Flight Test Ground-based Interceptor-15 (FTG-15) flight test on 30 May 2017. This was the first live-fire test event against an ICBM-class target included countermeasures for GMD and the Ballistic Missile Defense System (BMDS). The test was representative of real world timelines and geometries. FTG-15 demonstrated a new GBI configuration with a three-stage Configuration 2 (C2) booster vehicle and a CE-II Block 1 Exoatmospheric Kill Vehicle (EKV) that contains new alternate divert thrusters. The C2 design increases reliability through design and producibility improvements. Sustainment of fielded hardware was enhanced by addressing obsolescence in booster components. The successful intercept of an ICBM-class target supports the decision to emplace nine additional GBIs. These new interceptors provide improved reliability, discrimination performance, and safety when compared to previously fielded interceptors. MDA emplaced the first of nine new GBIs in the FTG-15 configuration on 28 June 2017 and will complete the deployment of 44 GBIs by the end of 2017.

I have confidence in the Operational Test and Evaluation's Homeland Defense BMDS Director's assessment that the GMD has demonstrated capability to defend the U.S. Homeland from a small number of intermediate-range or intercontinental ballistic missile threats with simple countermeasures when the Homeland Defense BMDS employs its full sensors/command and control architecture.

Ms. SPEIER. There are reports that the Army and Marine Corps have requested that you delay the deadline of July 1, set by Secretary Carter, for the Services to implement policies for recruiting enlisted troops and commissioning officers who are transgender. Such a delay would be unwise and detrimental to readiness, as documented in studies by DOD, RAND, and others. The military has been benefiting from open transgender service by current service members since October 1, 2016, and has had a full year to prepare their accession policies.

Mr. Secretary, can you affirm that you will hold the Services to the deadline imposed by your predecessor?

Secretary MATTIS. There is no modification to the current policy until the Department receives the President's direction. In the meantime, we will continue to treat all our personnel with respect. As importantly, given the current fight and challenges the Department faces, we will all remain focused on accomplishing our assigned missions.

Ms. SPEIER. The Military Accessions Vital to the National Interest program, or MAVNI, offers a path to citizenship through military service for noncitizens and certain qualified members of the Deferred Action for Childhood Arrivals (DACA) program. MAVNI, which impacts approximately 4,300 future soldiers throughout the United States, has had a start-stop history over the past two years, and delays are compounded by the lethargic pace of requisite background and counterintelligence investigations. These delays are especially concerning, as the future soldiers have contractual "drop dead" dates when their eligibility has been mandated to expire if the MAVNI accession program does not continue processing applicants in a timely manner. Recruiters and regional commanders do not seem to have information regarding what is going on. Applicants have put other educational and professional decisions on hold waiting for this program to move.

Mr. Secretary, what is the current status of the MAVNI program? Is it DOD's intent that the program will continue?

Is there an expected timeline when the freeze on counterintelligence interviews will be lifted? Will individuals who incurred cancellation of their interviews have those interviews rescheduled?

Is DOD considering an Exception To Policy regarding the current policy to drop MAVNI future soldier contracts after 730 days, or an ETP around the current security protocol requirements (NIAC, SSBI, CI interview) before a MAVNI future soldier may depart for basic combat training?

Some program applicants have been waiting for 1-2 years due to program delays at DOD. If their contractual eligibility windows approach their end-dates due to program delays, are there any intentions at DOD to extend the individual eligibility windows for those applicants?

Does DOD have any advice to MAVNI applicants on what to expect or how best to proceed at this moment in time and process?

Secretary MATTIS. Q. *Mr. Secretary, what is the current status of the MAVNI program?* A: The MAVNI pilot program is currently suspended. Policy was issued on September 30, 2016, that included increased vetting requirements for MAVNIs. There have been no new MAVNI Accessions since June 2016; however, vetting of all MAVNIs in the Delayed Entry Program (DEP) and Delayed Training Program (DTP) continues.

Q. *Is it DOD's intent that the program will continue?* A. A determination on the future of the program has not been made.

Q. *Is there an expected timeline when the freeze on counterintelligence interviews will be lifted?* A. There is no freeze on counterintelligence interviews. The intelligence community has prioritized vetting those individuals currently in the force before conducting vetting on those in the DEP and DTP. Counterintelligence interviews are ongoing.

Q. *Will individuals who incurred cancellation of their interviews have those interviews rescheduled?* A. DOD continues to conduct counterintelligence interviews and individuals will receive a notification once their interview has been scheduled.

Q. *Is DOD considering an Exception To Policy regarding the current policy to drop MAVNI future soldier contracts after 730 days, or an ETP around the current security protocol requirements (NIAC, SSBI, CI interview) before a MAVNI future soldier may depart for basic combat training?* A. By law, individuals may remain in the DEP for 365 days, with the Secretary concerned authorized to extend that time by 365 days for a total of 730 days. The Department is examining all available options to extend MAVNIs in DEP to complete requisite screening requirements.

Q. *Some program applicants have been waiting for 1-2 years due to program delays at DOD. If their contractual eligibility windows approach their end-dates due to program delays, are there any intentions at DOD to extend the individual eligibility windows for those applicants?* A. Recent changes to the investigative service provider background check and vetting program have resulted in long, complex, and costly processes, particularly for higher tiered background investigations and vetting. The average wait time for a Tier 5 investigation is approximately 422 days for MAVNI applicants. The Department is examining all available options to extend MAVNIs in DEP to complete requisite screening requirements.

Q. *Does DOD have any advice best to MAVNI applicants on what to expect or how best to proceed at this moment in time and process?* A. MAVNI applicants were advised to maintain their immigration status until such time they shipped to basic training. For those who may have fallen out of status, the Department has advised MAVNIs to seek a renewed status or deferred action from the Department of Homeland Security based on their enlistment contract.

Ms. SPEIER. Exposure to blast overpressure is the leading cause of mild traumatic brain injury for military personnel. Brain science research points to a clear relationship between Post-traumatic Stress Disorder and even non-concussive blast overpressure events caused by activities such as heavy weapons training. The Army has purchased tens of thousands of DARPA-developed gauges to monitor, record, and analyze blast overpressure data—however, my understanding is that they may not be in widespread use in overseas operations or in training environments.

What actions are you taking to mitigate exposure to your personnel in the field and training environments?

How many of our men and women are using the DARPA gauges in the field or in training? Do high-risk units have access to the devices? How many devices have been purchased and where are they today?

Secretary MATTIS. Blast overpressure (BOP) injuries account for 10% of all traumatic brain injuries (TBIs) within the Department of Defense (DOD). The DOD has taken actions to improve our understanding while simultaneously implementing policies to protect, screen, diagnose, and treat not just TBIs, but potentially concussive events. In parallel to policy efforts, the DOD monitors BOP exposure through the Environmental Sensors in Training (ESiT) program. The ESiT effort fields blast gauges in training with the goals of 1) optimizing the use of current or next generation sensor technologies, 2) understanding the health effects of BOP, and 3) establishing evidence-based injury thresholds.

In 2012, the Army procured approximately 108,000 gauges for use in Operation Enduring Freedom. The data from this effort did not provide actionable information or insights into the impact of single or cumulative BOP. The Army's effort to understand low-level BOP shifted to a more tailored approach in the training environment. Within the current Army effort (Environmental Sensors in Training (ESiT)), there are 1600 gauges in use on select training ranges: artillery, breacher, mortar, grenade, engineers, and shoulder fired weapons. These gauges are drawn from both existing inventory and purchase of newer designs. The gauges are available to "high-risk units" as commercial off the shelf (COTS) devices.

Ms. SPEIER. There have been numerous reports of official government meetings, including meetings with foreign counterparts, being held at properties owned by the President. Because of the President's refusal to divest himself of those business interests, there is the prospect of the President and his family making a personal profit off of that official government business. The American people have a right to

know whether Department of Defense money—taxpayer money—is ending up in the President’s personal wallet.

Mr. Secretary, General Dunford: Have either of you, or any of your staff, participated in official government events at a property owned by the President? If so, did the Department of Defense expend appropriated money to pay for costs associated with that event—including room and board, meals, or other incidental expenses?

General DUNFORD. No. Additionally, all travel is conducted in accordance with the Joint Federal Travel Regulations.

Ms. SPEIER. Last school year, fewer students at the military service academies reported sexual assault and harassment, but the estimated rates of unwanted sexual conduct increased. Both of these are trending in the wrong direction. One reason could be the ostracism of sexual assault victims. 47% of those who reported their unwanted sexual contact experienced social isolation or maltreatment. We must foster an environment at the service academies in which students who have been sexually assaulted or harassed feel like they can come forward without fear of retaliation.

Mr. Secretary, General Dunford: Were you aware of these depressing statistics? If so, what are you doing about them?

General DUNFORD. I am aware of the statistics and the impact that any form of retaliation has on a victim’s decision to report incidents of sexual assault and harassment. The Department recently released the DOD Retaliation Prevention and Response Strategy as a comprehensive approach address this issue. The strategy aligns Departmental efforts in combating retaliation and targets five areas: standardizing definitions, improving data collection and analysis, streamlining investigation and accountability efforts, strengthening reporter protections, and creating a culture intolerant of retaliation. It applies to Service member bystanders and witnesses as well as DOD first responders. We are committed to addressing retaliatory behavior and have dedicated resources to that end.

Ms. SPEIER. On June 7, the non-profit group Protect our Defenders issued a report on “Substantial and Persistent Racial Disparities Within the United States Military Justice System.” POD’s findings show that, for every year reported and across all four branches, black service members were substantially more likely than white service members to face military justice or disciplinary action. These disparities have not improved, and in some cases have increased, in recent years.

Mr. Secretary, General Dunford: Have you been made aware of these findings? Do you agree that this is a concern—and, if so, what will the Department do in response?

General DUNFORD. I am aware of POD’s findings. The Department of Defense and military services are firmly committed to maintaining the highest levels of discipline and readiness in the joint force by upholding the integrity of the military justice process while ensuring fair treatment and equal opportunity for all Service members. I am confident that the services will appropriately address any issue that interferes with the impartial administration of military justice.

Ms. SPEIER. On June 6, the Acting Director of Operational Testing and Evaluation upgraded the Department’s assessment of the Ground-Based Midcourse missile defense system, now stating that the system is no longer “limited.” The Acting Director judged that the system now has the capability to intercept intercontinental missiles targeting the homeland. This judgment was made shortly following the most recent intercept test of the system, which was judged a success. However, that test increases the overall test success rate to only 40 percent since 2010. Further, these tests are tightly scripted and controlled, with a single target, known flight parameters, and with no countermeasures or decoys. Finally, there are significant questions surrounding the reliability of the interceptors already deployed. I’m concerned that the capabilities of the system are being oversold.

General Dunford, would you sign off on an operation or a contingency plan that has a 60 percent probability of failure?

Mr. Secretary, given all this, how can the Department’s assessment of the system be upgraded based on the results of a single test?

General DUNFORD. The Department’s assessment of the Ground-based Midcourse Defense system is based on results of all testing to date, warfighter integration and system-wide enhancements. A rigorous complement of ground and flight testing allows for the verification of system performance. The Homeland Defense system, including the supporting sensors and communications architecture are continually improved through hardware and software upgrades which increase overall effectiveness in defense of the Homeland. A few of the performance and capability upgrades utilized by the Acting Director of the Operational Test and Evaluation to make the determination to remove “limited” from the original assessment include:

—25 Ground-based Interceptors (GBIs) are new, or have been upgraded in the past three years.

—The Missile Defense Agency (MDA) successfully intercepted an intercontinental ballistic missile (ICBM) target during the Flight Test Ground-based Interceptor-15 (FTG-15) test on May 30, 2017. This was the first live-fire test event against an ICBM-class target for GMD and the Ballistic Missile Defense System (BMDS).

—The successful intercept of an ICBM-class target supports the decision to emplace nine additional GBIs. These new interceptors provide improved reliability, discrimination performance and safety when compared to previously fielded interceptors. MDA emplaced the first of nine new GBIs in the FTG-15 configuration on June 28, 2017 and the full the deployment of 44 GBIs will be complete by the end of 2017.

We will continue to work collaboratively within the Defense Department, to ensure we fully leverage our collective capabilities as well as advancing technologies to fully protect the Homeland.

QUESTIONS SUBMITTED BY MR. O'ROURKE

Mr. O'ROURKE. If forces under the control of Bashar al Assad or another country engage forces in Syria that the U.S. has trained and/or equipped, does the United States have the legal authority to defend against such engagement? If so, please explain the legal authority the U.S. can use.

Secretary MATTIS. The efforts of the U.S.-led Coalition in Syria are aimed at the defeat of the Islamic State in Iraq and Syria (ISIS), and the United States does not seek to fight the Syrian Government or pro-Syrian-Government forces. However, the United States will not hesitate to use necessary and proportionate force to defend U.S., Coalition, or partner forces engaged in the campaign against ISIS, if necessary.

As a matter of domestic law, the 2001 Authorization to Use Military Force (AUMF) authorizes the use of force in Syria against ISIS and al-Qa'ida. The 2001 AUMF also provides authority to use force to defend U.S., Coalition, and partner forces engaged in the campaign to defeat ISIS to the extent such use of force is a necessary and appropriate measure in support of these counter-ISIS operations.

As a matter of international law, the United States is using force in Syria against ISIS and al-Qa'ida and is providing support to Syrian partners fighting ISIS, such as the Syrian Democratic Forces, in the collective self-defense of Iraq (and other States) and in U.S. national self-defense. Consistent with the inherent right of individual and collective self-defense, the United States initiated necessary and proportionate actions in Syria against ISIS in 2014 and reported those actions to the UN Security Council consistent with Article 51 of the United Nations Charter. Those necessary and proportionate actions may include the use of force as needed to defend U.S., Coalition, and U.S.-supported partner forces engaged in the campaign to defeat ISIS from threats by Syrian Government and pro-Syrian Government forces.

Mr. O'ROURKE. Under what legal authority did the U.S. act when launching missile strikes on April 7th, 2017, against Syria? Under what legal authority did the U.S. act when engaging and shooting down a Syrian Su-22 on June 18th, 2017?

Secretary MATTIS. The U.S. military action on April 6, 2017, against Syrian military targets directly connected to the chemical weapons attack in Khan Sheikhoun on April 4, 2017 was a justified, legitimate, and proportionate measure to deter and prevent Syria's illegal and unconscionable use of chemical weapons.

The use of force against the Syrian Su-22 on June 18, 2017, was a limited and lawful measure to counter immediate threats to U.S. partner forces engaged in the campaign to defeat the Islamic State in Iraq and Syria (ISIS). As a matter of domestic law, the 2001 Authorization to Use Military Force (AUMF) authorizes the use of force in Syria against ISIS and al-Qa'ida. It also provides authority to use force to defend U.S., Coalition, and partner forces engaged in the campaign to defeat ISIS to the extent such use of force is a necessary and appropriate measure in support of these counter-ISIS operations.

As a matter of international law, the United States is using force in Syria against ISIS and al-Qa'ida and is providing support to Syrian partners fighting ISIS, such as the Syrian Democratic Forces, in the collective self-defense of Iraq (and other States) and in U.S. national self-defense. Consistent with the inherent right of individual and collective self-defense, the United States initiated necessary and proportionate actions in Syria against ISIS in 2014 and reported those actions to the United Nations (UN) Security Council consistent with Article 51 of the UN Charter. Those necessary and proportionate actions may include the use of force as needed to defend U.S., Coalition, and U.S.-supported partner forces engaged in the cam-

paign to defeat ISIS from threats by Syrian Government and pro-Syrian Government forces.

Mr. O'ROURKE. If forces under the control of Bashar al Assad or another country engage forces in Syria that the U.S. has trained and/or equipped, does the United States have the legal authority to defend against such engagement? If so, please explain the legal authority the U.S. can use.

General DUNFORD. The United States may use necessary and proportionate force to defend U.S., Coalition, or partner forces engaged in the campaign against the Islamic State of Iraq and Syria (ISIS). The 2001 Authorization to Use Military Force (AUMF) authorizes the use of force against ISIS and al-Qa'ida under domestic law. To the extent a use of force is necessary and appropriate to defend U.S., Coalition, and partner forces engaged in the ISIS campaign, the 2001 AUMF provides such authority. Under international law, U.S., Coalition, and partner forces are fighting ISIS in the collective self-defense of Iraq, and in U.S. national self-defense, consistent with the U.N. Charter. The U.S. may use necessary and proportionate force to defend U.S., Coalition, or partner forces engaged in the campaign to Defeat ISIS from threats posed by Syria or another country.

Mr. O'ROURKE. Under what legal authority did the U.S. act when launching missile strikes on April 7th, 2017, against Syria? Under what legal authority did the U.S. act when engaging and shooting down a Syrian Su-22 on June 18th, 2017?

General DUNFORD. The April 7, 2017 missile strike taken by the United States against Syrian military targets was a justified, legitimate, and proportionate response to Syria's illegal use of chemical weapons on April 4. These military targets were directly connected to Syria's indiscriminate use of chemical weapons in Khan Sheikhoun. The June 18, 2017 strike taken by the United States against the Syrian Su-22 in the vicinity of Tabqah, Syria, was a limited and lawful measure to respond to an immediate threat to partner forces engaged in the campaign against the Islamic State of Iraq and Syria (ISIS). The efforts of the U.S.-led Coalition are aimed at the defeat of ISIS, acting in the collective self-defense of Iraq and in U.S. national self-defense, and are consistent with the U.N. Charter. Additionally, the 2001 Authorization for Use of Military Force (AUMF) authorizes the use of force in Syria against ISIS and against al-Qa'ida and associated forces. To the extent the use of force is necessary and appropriate to defend U.S., Coalition, and partner forces engaged in the ISIS campaign, the 2001 AUMF provides such authority.

Mr. O'ROURKE. How does declaring parts of Somalia as areas of active hostilities affect the funding necessary to carry out U.S. missions in that country? Did additional authorities to pursue Al Shabaab's forces in that country result in an increase to the President's Overseas Contingency Operations or any other request? If so, how much is that increase? If not, will the Department require additional appropriations in the future for Somalia? How much had the U.S. previously spent on operations per year on Department of Defense operations in Somalia?

Mr. NORQUIST. In March 2017, the President approved a Department of Defense proposal to conduct precision air strikes against al-Shabaab in Somalia to enable African Union Mission in Somalia (AMISOM) and Somali National Army (SNA) operations to defeat al-Shabaab. Counterterrorism operations in support of our partners in the East Africa region are funded within the amounts appropriated in the Department's Fiscal Year (FY) 2017 budget and FY 2018 budget request. The Department will continue to assess the duration, frequency, and intensity of support to our partners in Somalia in order to determine whether additional resources are required.

QUESTIONS SUBMITTED BY MR. BRIDENSTINE

Mr. BRIDENSTINE. The Air Force and Navy are recapitalizing the aging KC-135 tanker and P-3 anti-submarine warfare fleets with the new KC-46A and P-8 aircraft. Industry has the capability to more rapidly and cost efficiently produce these critical enablers, but PB18 does not provide adequate funds in the base budget as seen in the Air Force and Navy unfunded requirements requests. How does this budget ensure that our service men and women have the equipment they need to execute their missions while getting the most out of every dollar for our taxpayers?

Secretary MATTIS. The Department annually balances the funding within the national defense enterprise. However, the Department's ability to fully fund all mission requirement is constrained by the 2011 Budget Control Act. Both President Trump and President Obama have repeatedly recommended that the Congress repeal this law. The fact that the law has not been repealed means the Department continues to face many difficult resource decisions.

Mr. BRIDENSTINE. What is the USAF's plan to phase in the B-21 and phase out older bombers?

Secretary MATTIS. The acquisition of the B-21 Raider and its integration into the long range strike force structure are a national security imperative. The Air Force and Air Force Global Strike Command have conducted extensive analysis to determine the right mix of B-21 and legacy bombers considering adversary capabilities, future defense strategies and our current fiscal constraints. The Bomber Vector provides the roadmap for the future bomber force structure and is being socialized with Congress with an anticipated public roll-out in the fall of 2017.

Mr. BRIDENSTINE. What is the USAF's plan to phase in the B-21 and phase out older bombers?

General DUNFORD. Our bombers represent a multi-role, long range, intercontinental strategic part of the Air Force arsenal. The U.S. Air Force is best suited to provide further details that address your concerns on the plan to phase in the B-21 and phase out older bombers.

QUESTIONS SUBMITTED BY MS. ROSEN

Ms. ROSEN. Iran continues to exercise direct and indirect military influence in Iraq, Syria, and Yemen. How do Iranian-backed forces and Iranian political influence in Iraq and Syria affect our own strategy and military operations against ISIL in both countries? As the Assad regime consolidates power, what are your concerns about Iran and Hezbollah strengthening their influence and presence in Syria? What are your overall concerns about a broader regional Shia-Sunni sectarian conflict emerging? Will Iran remain the greatest long-term threat to U.S. interests in the region, as General Votel has stated? If so, why and how can the United States, its allies, and partners best deter and contain that threat?

Secretary MATTIS. Iran remains a key strategic and enduring challenge for the United States and our partners in the Middle East because of its regional destabilizing activities. Iran's sectarian approach in both Iraq and Syria is destabilizing the situation further, which may be a root cause of the Islamic State in Iraq and Syria's appeal among select Sunni Arab populations. In Syria, Iran's destabilizing support to the murderous Assad regime is a key impediment to solving the Syrian crisis. Left unchecked, Iran and Hizballah's continued influence and military presence in Syria would pose a direct threat to U.S. and allied interests. Their activities contribute to extremism and instability in the country and hinder any attempt for a lasting political settlement. Tehran's continued unprofessional and unsafe conduct on the seas, sponsorship of terrorists and proxies around the region, malicious cyber actions, and ballistic missile launches in defiance of United Nations Security Council resolutions remain top issues for me. To deter and contain Iran's conventional capabilities and irregular warfare activities, the Department maintains military plans, preparations, and a strong force posture. Our robust partnerships strengthen the regional security architecture in a manner that blunts Iran's ability to coerce its neighbors.

Ms. ROSEN. Iran continues to exercise direct and indirect military influence in Iraq, Syria, and Yemen. How do Iranian-backed forces and Iranian political influence in Iraq and Syria affect our own strategy and military operations against ISIL in both countries? As the Assad regime consolidates power, what are your concerns about Iran and Hezbollah strengthening their influence and presence in Syria? What are your overall concerns about a broader regional Shia-Sunni sectarian conflict emerging? Will Iran remain the greatest long-term threat to U.S. interests in the region, as General Votel has stated? If so, why and how can the United States, its allies, and partners best deter and contain that threat?

General DUNFORD. Iran is the greatest long term threat to U.S. interests in the region. Iran will attempt to generate political influence through Iranian-backed forces that backfill areas of Iraq and Syria previously controlled by ISIS. While this may not directly impact U.S. Defeat ISIS operations, it does certainly impact our longer term interests in the region as Iran seeks to displace U.S. and Western influence with its own. As the Assad regime consolidates power we are concerned about the strengthening of Iran and LH's influence in the region. This expanded level of influence could further destabilize Iraq and increase the chance of conflict between Israel and LH. The U.S. works to contain the spread of Iran's influence and deter conventional conflict by being ready to respond through a robust network of partners and allies and maintaining a posture in the region that allows the U.S. to an-

swer Iranian aggression quickly and effectively. While a broader Shia-Sunni sectarian conflict is possible, Islam in the Middle East is more complex than that. Ethnic, tribal, political, economic, and other cultural factors drive identities and actions in the Middle East and will factor into any Middle East conflict.

