**Ranking Member Adam Smith -- Opening Remarks**

**Markup of the FY 18 National Defense Authorization Act**

**June 28, 2017**

There are however two significant challenges before us that I do want to mention at the outset. Not the fault of this committee.

Number one is what the Chairman led with, and that’s the money. We have in this bill $696 billion, once you include the OCO, in terms of defense spending. Unfortunately what we do not have in the House or the Senate is a budget resolution. It’s the first time in the entire time I’ve been in Congress that we’ve reached this late date and we don’t have a budget resolution. And the reason we don’t have a budget resolution is because we can not come to an agreement on how to spend the money. But more important than that, the reason is, as always, it seems, we have vastly overpromised what we’re going to deliver versus what we actually have the funds to deliver, if you’re keeping track of everything.

We here on this Committee are very familiar with the shortfalls in the armed services, and the shortfalls within our military. And we’ve heard for the last six months a parade of generals and think-tanks talking about all the shortfalls we have in a bunch of different places, many of which I agree with. Not all, but many of which I do agree with.

But we also have a very strong call from many for a balanced budget. We have a $20 trillion debt, and I think the deficit’s set to be $706 billion. And also, if we were to—and I know a number of members in here are on other committees—just about every other committee you go to has a very similar list of needs and concerns. Whether you’re talking about NIH funding, transportation, infrastructure, housing, there is a laundry list of things. I have not come across a committee where their opinion is, “Gosh, you’re giving us too much money, please stop.”

So we have this desire for a whole lot more resources than we actually have. And the reason the budget resolution can’t pass is there are not 218 votes for any budget resolution. Because there will be some number of people who will object and say, well, it spends too much. There are many members who actually support the Budget Control Act and want to keep it in place; would not want to lift that.

That, by the way, is required. If the money we have in this bill is to become law, the House and the Senate and the President will have to agree to lift the budget caps. And there are many members who are unwilling to do that. Now, ironically, there are also a lot of members who feel we are not spending enough money in a bunch of different areas. So we have basically not been honest with the American people about the choices that we face, and October 1 is coming.

That is when this all comes to a head, when all these promises that don’t add up leave us in a very bad place. So while we mark this bill up to $696 billion, it is highly unlikely that at the end of this process we’re going to have $696 billion. Because, first of all, the House has been unwilling to vote for that budget resolution, and again, the House has to vote to lift the budget caps. That alone is a significant block, but of course as always the even larger block is in the Senate. Because it requires 60 votes in the Senate to lift the budget caps.

And just to put a stark point on it, the budget cap number for this committee is $549 billion. Now that doesn’t count OCO, which is $65-$70 billion, but our base bill here is $621 billion. And as the Chairman noted, there are a lot of things that are not funded in that $621 billion. Imagine where it’s at if we have to stumble all the way back to $549 billion, which is what’s gonna happen if we don’t vote to raise the budget caps.

And in the Senate, they have a concern about other issues. I always get myself in trouble when I do that in this committee, because I know on this committee—and I agree—our primary responsibility is the funding of the military and our national security. But there are other needs in this country.

And I have been told that the one doesn’t have anything to do with the other, but President Trump’s budget make it absolutely clear that that’s not true. President Trump’s budget plussed up defense by $54 billion to get us up to the $603 billion level, and cut all other nondefense discretionary by exactly $54 billion. So the one thing very much does have to do with the other.

And included amongst that was a 30% cut in the State Department. When we’re talking about the national security challenges that we face, and the need for the military response, there is an incredible need for increased diplomacy. And yet we’re looking at a 30% cut. You look at the Afghanistan-Pakistan working group in the State Department, which was just disbanded. We are ramping up the number of troops, apparently, that we’re going to send to Afghanistan, while getting rid of the one group of people that was supposed to be planning a strategy.

The Senate is very unlikely to accept—indeed the House is very unlikely to accept—that level of cuts. So we have to figure out that budget piece. And I think that the quotes from Mr. Patterson there were spot on. The reason we didn’t do it is we don’t want to do it. It’s tough. It’s hard to make choices. To decide what we’re going to cut. But it’s way past time that we make those choices.

Personally, I believe that we need more revenue. I think the national security needs that have been outlined, and that have grown dramatically since 2010 are very real. I think the infrastructure needs in this country are very real. And I think is shameful that we are not willing to provide the revenue to support what we say is so important to us. But I’m open to other ideas.

What isn’t going to work is what we’re doing in this bill. This isn’t going to work, OK? We’re not just going to, after seven months of not doing it, raise the budget caps. There is going to have to be some sort of agreement here that recognizes the challenges that I just outlined. Right now, we’re just hoping. We’re doing the $696 billion and we’re hoping that, between now and October 1, some path that at the moment is completely blocked and completely unforeseen is going to emerge that’s going to enable us to do this. We need to get past that. We need to actually honestly look at the money we have, and if we are committed to funding all of these shortfalls we’re going to talk about today, then actually provide the money. Because absent a budget resolution what we’re doing here today ultimately does not have the force of law.

And then the second point, that I think is fairly important: Six months into it, we do not have a national security strategy from the White House. All of the challenges that have been outlined we’ve heard about. But how do they come together? How do we decide? ‘Cause we’re not going to have enough money to do everything we want to do. If you were to be keeping track of the various people who came before us and testified about the shortfalls in the defense budget, and then attempted to add up what it was that we would need, I don’t know what that number is, but it’s way above $700 billion to meet all of those needs.

In fact, one of the most disturbing conversations that I had in the last several months was with the Office of Net Assessment, in which they were outlining again, as the Chairman did, all of the shortfalls that we have, and they said, “We had a strategy in 2012. We do not have enough money to fund that strategy.” So I asked them, “How short are you?” He looked at me kind of oddly, so I repeated myself and said, “Well how much money do you need to actually meet our national security needs?” He had no idea. He had no answer.

How can you have no answer to how much money you need, and simply keep saying that you need more? That’s not a strategy. And it matters in terms of the decisions that we make. Because, just one quick stat for you, we apparently fired roughly three times as many missiles under the Trump administration as we were firing under the Obama administration, primarily into Syria and Iraq and Yemen and Somalia. And that may well be necessary. That may well be accomplishing something. We don’t know what, exactly, because we haven’t been told the strategy.

But at the same time, you’ve got the PACOM commander who’s concerned about how he’s going to deter North Korea and China. Well, the amount of missiles we have kinda matters. So while we’re firing all these over there, we should be thinking about the broader strategy, except that we don’t have one.

The only tiny little glimmer of hope we got was about three weeks ago, when General Dunford came up and gave us the broad outlines of a strategy. That has not yet been followed through on. The choices between all these different threats have not been made. So it was just a tiny, tiny little sip of water after six months in the desert. So we need to do a lot more on coming up with a strategy if we’re going to adequately provide for the men and women who serve this country.

So, we don’t know how much money, and we don’t know what the strategy is. Those are two significant problems.

Now we’re working through it on this committee, but, regrettably, we can’t do it alone. We need the House and we need the Senate to make this happen. Because for all the good work that we have done, if we cannot resolve the budget issue, if we cannot come up with a comprehensive strategy that makes choices, then we ultimately be right back where we’ve been for the last six years. CRs. Short-term fixes.

We don’t even have from the White House a five-year defense plan. Because they don’t want to look out that far because the money isn’t where they want it to be. We’ve never had that situation, that I can remember, not having a FYDP. You want to plan, you want to build some stability into our national security strategy, you certainly have to plan for longer than one year.

So as we’re working through all of these amendments, I think we’ll need to make sure we keep those issues in mind. And I just want to close—I’m not as well-read as the Chairman, so I don’t have quotes from famous national security people—I’ll just choose one from General Dunford, who, during this briefing he gave us three weeks ago, used one of my favorite quotes. Where he said, basically, “We’re out of money. It’s time to think.”

And I think the first part of that is acknowledged. We have not started the thinking part in any great earnest. We continue to focus on isolated issues: We need more ships, we need more planes, we need more nuclear weapons, we need more in space. We have not thought broadly about a strategy, about how to best use that money. Because no matter what happens, personally, the path we’re on right now is $549 billion, unless something changes. And that would be disastrous, I’ll totally agree.

But even if that doesn’t happen, we’re gonna have to make choices. We are not going to have enough money to fund everything that we’re going to hear about in the next however many hours, that we don’t have enough money for. We’ve got to get smart, we’ve got to make choices, we’ve got to develop a strategy.

So I hope in addition to the good work that we’re doing on the policy, we can deal with those two overarching challenges that, frankly, threaten that good work in a way that it has not been threatened during my time here.

With that, I yield back and look forward to the mark-up and working with the rest of the Committee, and I want to thank the Chairman again for his leadership in pulling this committee together and working in a bipartisan way. Thank you, I yield back.