

Opening Statement (As Prepared) Chairman Adam Smith

House Armed Services Committee Hearing: "Fiscal Year 2023 Defense Budget Request" April 5, 2022

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I would like to open today's hearing on the President's Fiscal Year (FY) 2023 defense budget request with a welcome to our witnesses, Secretary of Defense, Mr. Lloyd Austin III, and Chairman of the Joint Chiefs of Staff, General Mark Milley. I appreciate their insights and look forward to their testimony today. I would also note that Under Secretary of Defense (Comptroller), Mr. Mike McCord, is joining once again to respond to questions.

The committee has a precedent of holding this hearing annually after the release of the President's budget and our witnesses provide essential perspectives as we build the National Defense Authorization Act. The total budget request for the Department of Defense, released last week, is \$773 billion, or \$30.7 billion above FY 2022 enacted. Beyond the numbers, this year's defense budget for FY2023 could very well be the most important budget in decades. We are at a pivot point that comes down to one essential question - what is the role of the United States in the world? And, here on the Armed Services Committee, the central role for us is to better understand the global threats, what force posture should look like, and how the Department should allocate its funding going forward.

I would argue that what China has been doing for some time with regard to threatening Taiwan and modernizing its military, not to mention the unprovoked war of aggression by Russia in Ukraine, has brought clarity to the threats in the world. North Korea, Iran, and transnational terrorist threats too, remain consistent threats. So, what is the United States' role in the world? It is clear to me that we are fighting for economic and political freedom, a world where people have greater freedom to determine how to govern themselves. On the other hand, Russia and China are doing their best to make the world safe for dictatorship and repressive regimes. If you look at the history of what countries like the Baltics, Poland, and Romania were like under Soviet rule and where they are now, as economically and politically freer people, it's night and day. That is something worth standing up for.

So, we have work to do, to try, in an affirmative, positive way, to engage in the world and the Department of Defense has a role in that. Critically, deterrence matters. It is also one essential way to keep peace in the world. For example, if Vladimir Putin had thought that he couldn't do what he's doing right now in Ukraine, he wouldn't be doing it. And so, as we look to the direction things are going, taking Eastern Europe as a starting point, the lesson learned is that the European Deterrence Initiative made had a significant impact but, we need to further invest in capabilities that deter Russian aggression and increase

interoperability with our North Atlantic Treaty Organization (NATO) allies, their European partners, and strengthen the alliance and those partnerships. The model for investing in strengthening partnerships has global applications for partners and allies around the world.

We cannot meet the threat environment alone. The key to U.S. national security policy is building partnerships. NATO is the best example of how valuable and enduring a collective approach to security can be and how essential it is to foster a strong, rules-based international order. We must work cooperatively with the rest of the world. Our ability to stand up to Russia is so much greater because of the countries that stand together.

Success further requires crucial investments in stability and foreign assistance by the U.S. Agency for International Development (USAID) and State Department. I am pleased that the President's budget request also includes \$ \$67.6 billion in funding for the Department of State, USAID, and other international programs that, among other things, support diplomacy and development efforts that are essential to upholding democratic values around the world.

Now, when we look at the force posture, we start with the basic principle that challenges posed by China, Russia, North Korea, Iran and violent extremist organizations reside within the threat environment, and we need to be in a position to deter adversaries and build a military that can do that. That certainly means that we need a stronger NATO, and a stronger presence in Europe to deter Russia. It also means that we need a stronger presence and partnerships in Asia to deter China. The AUKUS Agreement, the National Technology and Industrial Base, and the Quad partnership are part of an attempt to deter our adversaries and work toward that peaceful world. Great-power competition is occurring in Africa, Latin America, Asia; really, everywhere. China is aggressively trying to build relationships across the globe, not just for economic means but, for dual-military use. In some cases like in Africa, with the ultimate goal of building more military bases. So, a global presence is clearly beneficial, but presence can be tailored and does not necessarily require a robust military presence everywhere. Security sector assistance is one way to supplement the presence of U.S. forces.

And, as we fund and build the U.S. military, we must be smart about technologies. The cost to meet all the threats laid out under the current strategy are significant. But, when looking at how to change the force, there are two key things to get right: information and survivability. The ability to move information quickly, get it to the person who needs it the most in near real time, and to protect that information infrastructure. It's the number one way that China seeks to make us vulnerable. Whether it is through cyber, anti-satellite capabilities, or other means, China is strategically targeting command and control, and our ability to collect, store, and share information.

To that end, our success is dependent upon a holistic approach that synchronizes and strengthens all elements of national power. This includes investing in the drivers of our competitiveness, such as science and technology, research and development, and education. Acquisition of technology is a central aspect to the Department's ability to deter, and improvements must be made to leverage authorities to keep pace with requirements.

Further, the size of a force means nothing if it's not survivable. In order to deter adversaries and, if necessary, fight and win, U.S. forces must be able to get to and operate anywhere in the world. Getting survivability right and hardening critical information infrastructure is an iterative process – one that is constantly moving and changing. Right now, artificial intelligence (AI), drone technology, and other technologies are going to be crucial. The Department will need to learn to adjust, especially in acquisition and management.

Information and technology will be the key to deterrence. If China understands that the U.S. has the ability to protect our systems and to be survivable, while at the same time making their systems vulnerable, that's the best deterrence we can have. It's not just a matter of building a lot of things. Those things must meet the technological challenges of today's warfare.

From the Secretary's statement, it is clear the President's FY2023 defense budget and the 2022 National Defense Strategy (NDS) are aligned. There is a clear emphasis on China as the pacing challenge and the acute threat from Russia. Integrated deterrence in the NDS will, rightly, focus on partners and allies and all instruments of national power. I'd like to know more from our witnesses about what military capabilities and capacities are relevant and necessary to meet the challenges to national defense. How are those being prioritized and adequately resourced? What should our defense posture look like? What tradeoffs are required?

Finally, and most critically, the defense budget is about people. Congress has a responsibility to the American people to ensure their safety and security through defense programs that field a trained, ready, and capable military force that supports our most valuable resource – those who serve and their families. The proposal supports a pay raise of 4.6% for our servicemembers, extends bonus and special pay authorities and increases investment in childcare. To close, I'd like to know more about how the budget supports our servicemembers and invests in teaching, training and upholding the values we expect them to embody.

Thank you and I look forward to today's testimony.

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