

Opening Statement (As Prepared)
Chairman Adam Smith
House Armed Services Committee Hearing on:
“The Fiscal Year 2021 National Defense Authorization Budget Request from the
Department of Defense”
February 26, 2020

Live stream the hearing here: <https://armedservices.house.gov/hearings?ID=427665F5-7C0D-4314-8519-903E8C16E0B9>

Today’s hearing is on the President’s Fiscal Year (FY) 2021 defense budget request. I would like to welcome our witnesses, Secretary Mark Esper and General Mark Milley, and thank them both for their testimony today, which will provide instrumental insights as we build the FY2021 National Defense Authorization Act over the next few months. Thank you as well to Acting Under Secretary of Defense (Comptroller) Elaine McCusker for appearing to respond to questions.

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. To achieve this, we must invest wisely in national security, and we must be clear-eyed when it comes to resourcing identified strategic objectives. We should also expect our senior defense leaders to do the same. This takes tradeoffs and an acceptance of some risk to best confront these issues. It requires hard decisions about resource allocation and the policies adopted by the Department of Defense to best protect the American people. From our witnesses today, I’d like to know what military capabilities and capacities are relevant and necessary to meet our greatest threats? How should those be prioritized and adequately resourced? What are acceptable risks and well-considered tradeoffs?

For FY2021, the President’s budget request includes a defense topline of \$740.5 billion, which complies with the Bipartisan Budget Act of 2019 (BBA). The budget request includes \$69 billion in Overseas Contingency Operations (OCO) - funding composed of \$20.5 billion for “Direct War Requirements,” or combat and combat support costs that are not expected to continue once combat operations end; \$32.5 billion for “Enduring Requirements,” or enduring in-theater and CONUS costs that will remain after combat operations end; and \$16.0 billion for “Base Requirements,” or explicitly recognized base budget requirements financed in the OCO budget.

Depending on OCO funds for regular, high-priority, and well-understood activities such as training and readiness of Army Brigade Combat Teams, day-to-day ship operations, and Air Force depot maintenance activities underlines how institutionalized the Department’s dependence on OCO funding has become. Like last year, the bulk of funds in the OCO request are in no way for unforeseen contingency operations. With the BBA expiring after FY 2021, the Department and the Congress both must be prepared for a world where this must change.

Beyond the budget numbers, as the Department works to “irreversibly” implement a National Defense Strategy (NDS) that prioritizes great power competition, we must ask whether dramatically reducing our footprints in Africa, Latin America, and other parts of the globe serves those goals. Russia and China recognize the strategic and economic importance of an expanded influence across the globe. And, while we face unprecedented competition from Russia and China, we also face a persistent fight against violent extremism, as demonstrated by the recent attack on U.S. forces in Manda Bay, Kenya and the evolving nature of the threat posed by al-Shabaab. Success in great power competition is not a simple assessment of military capabilities present in a confined geographic region. It is measured in global influence. To that end, our policies must be fluid enough to address the global challenges presented by great powers while not ignoring the threat of violent extremism.

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. For example, on competitiveness, the acquisition of technology is a central aspect to the Department’s ability to move the needle forward in competition, but improvements must be made to leverage authorities aimed at prototyping, fielding, and ultimately acquiring the required systems at a rate that keeps pace with how quickly development happens in the commercial world.

Success also requires a strengthened adherence to our national values. And it calls for renewed attention to our development and diplomatic efforts. As former Secretary of Defense, Bob Gates, has said, “economic development is a lot cheaper than sending soldiers.” Crucial investments in stability and foreign assistance by the U.S. Agency for International Development (USAID) and State Department need greater prioritization. It is astounding that President’s budget has once again proposed a dangerously irresponsible cut of 21 percent to the State Department and USAID, which would affect our national security. These proposed cuts mirror proposals for similar critical cuts in FY2018, FY2019, and FY2020. The NDS states that “effectively expanding the competitive space requires combined actions with the U.S. interagency to employ all dimensions of national power.” Former Chairman of the Joint Chiefs of Staff, Admiral Mike Mullen, puts it more succinctly, recently writing to Congressional leaders, “the more we cut the International Affairs budget, the higher the risk for longer and deadlier military operations.”

As strategic competitors like Russia and China continue to threaten the rules-based international order, the Department needs a strong State Department partner to build and maintain our partnerships and alliances. Countering and deterring such efforts requires investments in expanding and maintaining partnerships and alliances, in addition to a whole-of-government response. The contributions of our partners and allies are critical to countering and deterring competitors like Russia and China and are a key element in enhancing U.S. national security. To quote the NDS once again, “our network of alliances and partnerships remain the backbone of global security.” The North Atlantic Treaty Organization (NATO) is the best example of how valuable and enduring a collective response to security can be and how essential it is to foster a

strong, rules-based international order. Yet, we've seen ongoing actions that unnecessarily stress and even disparage our partners and allies. There are continuing reports that the Administration has requested an exceptionally large increase in cost-sharing contributions from South Korea and Japan. Likewise, the Department has made questionable decisions about investments in Europe in order to prioritize cost-sharing demands over all else. Alienating our partners, reducing their value to the size of a financial contribution and threatening to withdraw from arms control treaties such as the 1992 Open Skies Treaty needlessly drives a wedge in our relationships, undermines efforts to reaffirm an enduring commitment to our allies, and degrades our influence and our national security.

The importance of this network is most relevant in our operations around the world, from the fight and negotiations toward peace in Afghanistan, Defeat-Islamic State in Iraq and Syria (ISIS) campaign, and to our counter-violent extremist organizations (VEO) operations in Africa. Yet, in the last year, we have had whiplash from the changes in the direction of our strategy with regard to the Global Coalition to Defeat ISIS, support to the Kurds and the rest of the Syrian Democratic Forces, and partners on the African continent. While the administration has reduced the size of the force to combat ISIS, thousands of forces have deployed into CENTCOM as a result of the maximum pressure campaign on Iran. The President's decisions in the region have arguably caused greater instability in the region, required more resources and further forestalled the Department's ability to devote its energies to rebuilding readiness and capabilities to address Russia and China, not to mention bringing us to the precipice of an unnecessary confrontation with Iran.

One glaring issue I would be remiss if I did not mention is the Department's recent reprogramming of \$3.8 billion in funds from defense procurement priorities –critical ships, vehicles, and aircraft – and the National Guard to fund the President's border wall. Besides being an affront to Congress' Constitutional prerogatives to authorize and appropriate, this is clearly not in line with the NDS. It is also not part of "irreversible implementation of the NDS." So, to get back to my initial point, why were these tradeoffs made? What risks does this diversion raise for the force? Do they further the stated aim to achieve "irreversible implementation of the National Defense Strategy?" Finally, it is hard to understand why \$3.8 billion was taken from this fiscal year's budget when over \$6 billion dollars taken from the Department's 2019 budget has not been disbursed.

The President also recently renewed the national emergency declaration with respect to the southern border and, as a result, the Department may divert billions of dollars more in military construction funds to construct additional portions of a border wall. At a time when the Department is seeking to rebuild readiness and modernize its force, military construction projects are a necessary pillar to support those efforts. We've repeatedly heard about the significant backlog of required investments in military infrastructure, a backlog that was exacerbated by the Administration's decision last year to defer \$3.6 billion in order to construct a wall. This problem will only be made worse if the Administration once again takes military construction funding in 2020. Diverting military construction funds has also directly undermined

implementation of the NDS and great power competition: The President has taken hundreds of millions of dollars out of European Deterrence Initiative projects that are direct investments in deterring Russia. In Poland alone, the Department has deferred infrastructure projects that facilitate a rapid response to potential aggression. The priority needs to be on supporting our service men and women, and their families who defend our nation not diverting funds to the border wall.

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

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