OPENING STATEMENT OF U.S. SENATOR JIM INHOFE RANKING MEMBER, SENATE ARMED SERVICES COMMITTEE

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To receive testimony on the Department of Defense budget posture in review of the Defense Authorization Request for Fiscal Year 2023 and the Future Years Defense Program

(As Prepared for Delivery)

Thank you, Mr. Chairman. I join you in welcoming our witnesses.

For four years, this committee has been using the 2018 National Defense Strategy (NDS) and the Commission report as our roadmap for the resources and tools we need to meet the threats we face. Both documents have helped us accelerate change at the Pentagon.

Last week, we received the classified version of the Biden administration's new NDS. From what I've seen so far, it appears that the new strategy document does a good job expanding our understanding of the scale and the scope of the threat from the Chinese Communist Party and its military modernization.

There are some things that we will probably have disagreements about as we continue to consider the new strategy. For example, there may be some areas of the strategy that the Administration is willing to take risks, and Congress may or may not agree.

But it's clear — and I really can't stress this enough — the Chinese threat is beyond anything we ever dealt with before. The next five to seven years will be decisive.

General Milley, last year, you told us that the Chinese and Russians combined spend more than us on national defense. This year, Beijing announced a 7.1% defense budget increase. They've had two decades of real growth, with no signs of slowing down.

Mr. Secretary, I do appreciate that based on the new NDS, you went to the White House to ask for more resources.

But even then, the budget just doesn't rise to the moment. It doesn't deliver the real growth our military needs — that's 3-5% — even if you use a very optimistic inflation number of 2.6%.

That real growth recommendation comes from the bipartisan 2018 NDS Commission — six Democrats, six Republicans agreed on that. I don't see any reason to deviate with this

new strategy, given what it says about the threat from China.

The budget also doesn't reckon with record-high inflation we're seeing today — in the realm of 7 to 8%.

On a bipartisan basis, Congress tried to give our defense budget real growth in 2022, but the military will end up losing buying power due to inflation. This historic inflation is the new sequestration, and we've got to confront it.

For me, this isn't just about how much money we spend on defense. This is about how we spend that money. We need a higher topline because what's in this budget right now is not nearly enough to make up for lost time. I don't believe this budget adequately resources the strategy.

This budget shrinks both our naval fleet and our Air Force aircraft fleet. It cuts end strength across the services, even though all our troops are overworked already.

I'm glad to see the investments in research and development. There's a lot to like about where some of these programs may get us 10 or 15 years down the line. But we've really got to improve our position sooner.

So, we've all got a lot of work to do this year, the NDAA process is just beginning, and I'm looking forward to doing that work with you. Mr. Chairman.

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