

**OPENING STATEMENT OF U.S. SENATOR JACK REED
RANKING MEMBER, SENATE ARMED SERVICES COMMITTEE**

**SH-216
HART SENATE OFFICE BUILDING
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**To receive testimony on the defense budget for
Fiscal Year 2018 and onwards**

Thank you, Mr. Chairman, for holding this hearing to consider funding levels for the Department of Defense and to maintain our nation's military. I welcome our distinguished witnesses this morning, and I look forward to their testimony.

Last week, Chairman McCain issued a white paper detailing his spending priorities for the new fiscal year and beyond. As this Committee begins its work on the annual defense authorization process, the Chairman's proposal includes many policy objectives that deserve careful consideration by this Committee.

In addition to the Chairman's budget proposal, this Committee will also consider the upcoming Fiscal Year 2018 budget request that will be submitted by the Trump Administration. President Trump has stated repeatedly that he will focus on "rebuilding" our nation's military, but there have been few specific details on what this will include.

Furthermore, as this Committee has done in the past, we will have several posture hearings with senior civilian and military leadership to hear directly from the Department regarding their resource requirements. Finally, like today, we will have hearings with outside defense experts that will help provide an alternate view for this Committee to consider.

I am proud that this Committee has always worked in a bipartisan fashion during this process, and I look forward to working with the Chairman and all the Committee members this year.

While there has been a change in Administrations and Administration priorities, this Committee is still governed by the funding constraints enacted under the Budget Control Act (BCA). President Trump has stated that he will end the “defense sequester,” but as my colleagues on this Committee are acutely aware, current law restricts both defense and non-defense spending.

Many of my colleagues will maintain that the defense bill is not a vehicle to discuss the fate of domestic spending. However, for the past several years, I have argued that when it comes to questions of adequate funding, we need to consider all the security responsibilities of our nation, not just those that are executed by the Department of Defense. For example, as numerous witnesses have testified over the years, our nation’s fight against ISIL consists of nine lines of effort, only two of which are controlled

by the Defense Department. Increasing the BCA caps for DOD alone will not support the State Department's diplomatic engagement with the Government of Iraq; it will not support State and USAID's delivery of humanitarian aid to refugees and displaced persons; it will not support the Treasury Department's disruption of ISIL's finances; and it will not support Department of Homeland Security, the FBI, and the Justice Department in their efforts to protect the homeland by thwarting terrorist threats.

I would further argue that protecting our country goes beyond funding our "national security agencies." Domestic agencies need funding to ensure the resiliency of our electrical grid, the safety of our food, water and medicine, and the protection of all our cyber networks – from those that regulate dams to those that are used during our elections.

One of the military and diplomatic tenets of combating extremism is to provide populations with security and basic needs. But while we help the Afghans build roads, schools, and clean drinking water systems for their villages, I believe we should do the same for American communities. While we are deploying troops to Poland and Eastern Europe to support our NATO allies against aggressive Russian actions, we also need to provide the funding necessary so that Americans feel safe in their neighborhoods and on their computers.

As we examine what funding requirements are necessary for the safety and security of our country, we need to look at our federal budget in a much broader context, recognizing that our strength also depends on the health of our economy, the reliability of civil institutions, our scientific preeminence, and the health and education of our citizens. The BCA's delineation between "defense" and "non-defense" spending has had the unfortunate effect of pitting each category of funding against the other. Instead, we would be better served if we consider the needs of our nation holistically.

I would also like to note that President Trump has not provided many details on what our defense posture will be under his Administration. He has stated that eliminating ISIL is his top national security priority, which is a continuation of present policy. However, other public statements, from calling NATO obsolete to developing closer relations with Russia, could counteract that goal and suggest that critical programs, such as the European Reassurance Initiative, may be rolled back or eliminated. Such policy changes will have an effect on strategy, force structure and funding. Therefore, as our witnesses discuss their recommendations for military funding, I hope they frame their proposals first in the larger context

of what they believe America's strategy should be, and second, what force structure will be necessary to achieve the specific goals of that strategy.

Finally, like Chairman McCain, I believe it is time to repeal the BCA's arbitrary spending caps. The BCA has not made this country safer, and it has not resolved our fiscal challenges. Likewise, I am deeply concerned that the Trump Administration plans to pursue massive tax cuts for corporations and the well-off, while simultaneously seeking to increase military spending without working to develop the new revenue we need to invest in our people and our economy.

Let me be clear, I am not opposed to increased military spending. But it is the duty of this Committee to carefully review the budget proposals presented by the President, to ensure the men and women we send into harm's way have the resources necessary to complete their mission and return home safely. This is a duty I take very seriously.

But I also believe we have to act responsibly for all of our nation's needs, and to ensure the fiscal health of this country. I look forward to our witnesses' testimony today and to continuing this important discussion.