

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

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To conduct a hearing on the Department of Defense budget posture in review of the Defense Authorization Request for Fiscal Year 2022

(As prepared for delivery)

REED: The committee meets today to receive testimony on the President’s Defense Budget Request for Fiscal Year 2022.

Our witnesses this morning are Mr. Lloyd Austin III, Secretary of Defense, Mr. Michael McCord, Undersecretary of Defense (Comptroller), and General Mark Milley, Chairman of the Joint Chiefs of Staff. I welcome each of you, and thank you for your service and willingness to appear before us today.

Two weeks ago, President Biden released his Defense Budget Request for Fiscal Year 2022, with a topline of \$715 billion. The request focuses on several key areas: defeating COVID-19; prioritizing China as the pacing challenge; addressing advanced and persistent threats; innovating and modernizing DOD; and tackling the climate crisis.

The President’s Defense Budget Request is a starting point for Congress, and must always be viewed in the broader context of the national security and fiscal challenges we face. It is important that we ensure we have the right strategies and resources to keep the American people safe now and in the future, with a keen eye toward evolving threats around the globe.

I am pleased to see that this budget request places a priority on taking care of the men and women who serve in uniform and the civilians who serve alongside them in the Department, by including an across-the-board pay raise for military and civilian personnel of 2.7 percent. While this pay raise is required by law for military personnel, too often DOD civilians have been overlooked. This increase in civilian pay sends an important message to the workforce and begins to reverse years of pay freezes and benefit cuts.

Notably, the budget request includes \$112 billion in Research, Development, Test, and Evaluation (RDT&E) – the largest ever requested in this area. This includes significant funding for modernization areas such as microelectronics, artificial intelligence, hypersonic missiles, and 5G. Building our strength in these areas will be critical to the modernization of our national security.

But, as the recent SolarWinds, Microsoft Exchange, and Colonial Pipeline server breaches painfully illustrated, our traditional “perimeter-based” cyber defenses are simply inadequate to deal with sophisticated adversaries that are clearly advantaged in the cyber domain. I hope our

witnesses will expand on what activities DOD is taking to accelerate and expand our cybersecurity and what resources are needed to accomplish them.

With regard to the President's transition strategy in Afghanistan, the budget request includes \$3.3 billion for the Afghan Security Forces Fund. This will ensure our continued support of the sustainment, infrastructure, equipment, and training requirements for Afghan security personnel. I ask that our witnesses update the committee on this transition.

Last year, this committee led the way in establishing the Pacific Deterrence Initiative, or PDI, to serve as a means for improving the capabilities, design, and posture of our joint force in the Indo-Pacific region. The PDI was intended to strengthen the presence and resiliency of our armed forces; improve logistics and maintenance capabilities; support exercises, training, experimentation, and innovation for the joint force; and build the defense and security capabilities and cooperation of allies and partners. I am concerned that the Department's budget request takes a heavily platform-centric approach to PDI, and I look forward to working collaboratively with DOD leadership to more appropriately align resources in the DOD budget with our intent for PDI.

Similarly, the budget request proposes an \$800 million reduction to the European Deterrence Initiative (EDI). The Initiative, which was also established by this committee, has seen budget decreases for the past three years. The Department has suggested that this is part of "transitioning to a steady state" in the European Command AOR. I would ask that our witnesses further explain the reasoning behind the reduced EDI budget, and specifically, whether you believe this level of investment in infrastructure, force posture, and capabilities is sufficient to deter Russian aggression.

With regard to our nuclear strategy, I understand that the budget request before us supports important steps toward nuclear modernization. Our allies and partners depend on the U.S. nuclear umbrella, and modernization of our strategic forces is needed to reassure them of our dependability. One thing I think everyone would agree on, and often gets lost in the discussion, is the fact that arms control and the modernization of our nuclear forces are inherently linked together. Even as we modernize, we should seek ways to promote strategic stability, like the extension of the New START agreement and follow-on talks to cover new strategic weapons and further reduce nuclear stockpiles.

Lastly, I would note that Fiscal Year 2022 is the first in ten years that we will not be constrained by the Budget Control Act. Eliminating arbitrary spending caps means that every department's budget can, and should, be argued on its merits. Taxpayers shouldn't have to pay for programs or systems that are wasteful or ineffective, and Congress must not shirk its responsibility to get rid of outdated weapons systems in favor of more advanced, effective new technologies and capabilities. Belt tightening in any department, particularly defense, is always a challenge, but it is also an opportunity to evaluate what is necessary and what drives innovation. The Department has taken the first difficult step in proposing \$2.8 billion worth of divestments and retirements of platforms, and I will work with my colleagues to evaluate these proposals and make hard but necessary choices.

Finally, as we progress through this legislative year, the committee will tackle many important policy issues, none bigger than how we prevent and prosecute sexual assault and harassment in the ranks. Change is coming to the Department and the military services. More than anything, cultural change within the force is critical to reducing the number of sexual assaults and related offenses. The President directed a review earlier this year, and I know the Department has been hard at work. I look forward to receiving the Administration's recommendations to incorporate into the committee's important work on this issue.

Again, I thank the witnesses for their participation today and I look forward to their testimonies.

Let me now recognize Ranking Member Inhofe.